Teal Organizations and Strategic Sustainable Development: A promising approach to transition businesses towards sustainability

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Abstract: Business organizations are amongst the main contributors to the sustainability challenge. Their contributions result from the current predominant organizational paradigm that cannot deal with the ever-increasing level of complexity of the sustainability challenge. Additionally, most business organizations lack a Strategic Sustainable Development approach with a clear definition of success for moving towards sustainability. This research looks at Teal Organizations, one of the most innovative organizational models existing today. Teal Organizations operate from a new organizational paradigm and have distinct practices, processes and structures around self-management, wholeness and evolutionary purpose that appear to naturally align with a Strategic Sustainable Development approach. To validate our theoretical findings, we analyzed an early stage Teal Organization using the Framework for Strategic Sustainable Development. The results show a strong alignment of Teal Organizations with Strategic Sustainable Development and also reveal that this organizational paradigm would benefit from a clear definition of sustainability success based around scientific sustainability principles and a strategic selection process of actions that lead towards a sustainable future. Additionally, the innovative practices, processes and structures of Teal Organizations appear to directly contribute towards sustainability, especially around social sustainability. Business organizations operating or wanting to operate from a Teal organizational paradigm that further integrate Strategic Sustainable Development will accelerate their journey towards sustainability while demonstrating that this is a promising model for creating sustainable businesses.

Keywords: Teal Organizations, Framework for Strategic Sustainable Development, Organizational Paradigm, Wholeness, Evolutionary Purpose, Self-management

Statement of Contribution

The overall contributions of the team were inspired by the characteristics of a Teal Organization as we had the clear intention to bring wholeness to every conversation, self-manage in a highly collaborative fashion, and hold the purpose of this research as a key guideline. Overall, the commitment to the project was evident in all of our interactions. We were transparent with each other and trusted that each of us delivered work that represented the best of our abilities. At the same time, we learned from each other's strengths, ideas and ways of living as well as about our backgrounds and how we arrived at the place where we are today. We started each meeting with a check-in and ended each meeting with a check-out, we left room for reflective time and to share these reflections with each other and we were honest with our fears and hopes. Although we contributed in equal parts to the overall work, we also took on different roles during the process: Jenna as the results-oriented discussion leader, Dirk wielding the needle for the red thread in the introduction and Oskar as the analytical German focused on the methods. The recommendations and conclusion were reached in unison.

Specifically and not exclusively, Jenna has contributed with her positive attitude, her thoughtful check-ins, and her appreciative nature. Her need for movement has also made us try out different places to work out of which has been refreshing. At the same time she remained flexible and accommodating, allowing us to make room for other important life commitments. She was there to bring the conversations back to the topic at hand when a dialogue went too far off the intended path. Her questioning mind and word-crafting ability proved invaluable throughout the thesis project. She was also very engaged in keeping the entire research team healthy, hydrated, physically active, and in ever-changing, creativity-inducing environments.

Dirk pursues excellence but is able to let go of perfectionism when required and relinquish control while making space for the group's collective capability to create to their fullest potential. He empowers others by expecting they can be more than they believe they are, or dare to believe they are. Dirk's vision for the change he wants to see in the world is a constant inspiration to the group and our collaborators. Additionally, his newly found passion for graphic facilitation developed quickly and provided insightful impressions of meetings and brainstorm sessions.

Oskar practices excellent self-care and his charisma and humility allows him to make people feel comfortable, involved and valued. However, he also sets an example for us by being honest about his limitations on any given day, and this, in turn, sets an example for the rest of the group. Also, Oskar's critical thinking abilities have been great to encourage healthy conversations around specific topics and to ensure that we are covering all of our bases when making statements. Finally, his care and support for the team has been great and has helped us develop a deep level of trust.

The work itself was approached with a strategic mindset and with an underlying purpose driving every decision. Critically reviewing and questioning all areas of the project helped all of us to remain sharp and focused.

(Dirk Propfe)   (Jenna McNeil)   (Oskar Schwarzin)

Acknowledgements

Executive Summary

This thesis aims to provide an understanding of how the Teal organizational paradigm works in practice and how it can be used to create sustainable businesses. Both the theoretical ideal of a Teal organization and an early stage Teal Organization case study are examined through the lens of the Framework for Strategic Sustainable Development (FSSD) to find opportunities that arise for accelerating sustainable development. This research was conducted with the goal of helping other Teal Organizations and those aspiring towards a Teal organizational ideal to enable strategic decision making and maximize their participation in the journey towards a sustainable society. Key guidelines for organizations operating from or wanting to operate from the Teal organizational paradigm are provided in order to aid the movement towards creating sustainable business organizations.

Introduction

For more than 40 years, humanity has exceeded Earth's bio-capacity, resulting in an overall degradation of the ecological system and the first great extinction event caused by a single species. There have been many attempts at measuring the exact impact that humanity has had on the socio-ecological system, including one of the most recent and comprehensive: The Planetary Boundaries framework. The findings illustrate the overall complexity and severity of the issue on a global scale. But not just the biosphere has been dramatically degraded; social resources, such as trust and equality are also systematically diminishing. The increasing complexity of the social and ecological systems creates paradoxes such as the wealth and resource gap. This divide is also apparent in the business sector. While advancements in the sector have been remarkable, they have emerged at the cost of the well-being of the socio-ecological system.

We have identified two key drivers behind the contributions of businesses to the sustainability challenge. The first is a lack of a clear definition of sustainability in businesses today. Sustainability remains a vague, imprecise and impractical term to many organizations and the individuals within them. This also leads to some perceived sustainable actions that are actually contributing towards an unsustainable future. The second key driver is the current predominant organizational paradigm, which "separates mind and body, subject and object, culture and nature, thoughts and things, values and facts, spirit and matter, human and nonhuman" (Wilber 1995, 4). This dualistic and reductionist approach overlooks the complexity of the sustainability challenge.

So what is required to address the sustainability challenge? Researchers believe that a systemic lens that gives a clear definition of success and a strategic approach are needed to guide the sustainable development of businesses and society as a whole. Additionally, every organization in business, government and civil society will need to undergo an enormous shift in their thinking, cultures, practices and policies to reach sustainability.

This results in a need for the creation of sustainable business organizations, as it is believed that this would create impactful change towards addressing the sustainability challenge. Currently, there are stage models that show an organization's' progress on the journey towards sustainability. Most business organizations are shown to still exist within earlier stages, reflecting the current predominant paradigm, but evidence exists that suggests that later stages are on the rise, particularly Stage 5 of Bob Willard's model in which companies see

sustainability as the right thing to do. Two examples of business models that can be classified as Stage 5 are Benefit Corporations and Social Enterprises.

It appears that two things are required to create sustainable business organizations: a Strategic Sustainable Development approach with a clear definition of success and a new organizational paradigm. But what does a Strategic Sustainable Development approach look like for organizations? And what does this new paradigm entail?

To address the first key contributor, the Framework for Strategic Sustainable Development (FSSD) was created and has been refined over the past 20 years. It provides a scientific definition of ecological and social sustainability success centered around eight sustainability principles (SPs) that provide the limitations inside which society and all its pieces can operate safely and sustainably. To create strategic movement towards sustainability, a process called backcasting from a principle-based vision was created to ensure efforts towards creating a sustainable future are strategic in nature and that individual actions are oriented in the right direction, provide a flexible platform and yield a reasonable return on investment. One main tool used to operationalize the FSSD is the ABCD strategic planning process. It is divided into four steps: The A Step lets individuals and organizations define a shared vision of the future around the sustainability principles. During the B Step, the current reality is examined through a gap analysis of the main systematic increases or barriers to the sustainability principles. The C Step then generates actions and solutions that work towards countering those issues identified in Step B. Finally, the D Step makes use of a number of prioritization questions to generate an action plan. This new organizational paradigm that is required is in line with natural cycles and views organizations as living systems. Precautionary principles are used to implement safe minimum standards that do not require scientific certainty. It is understood that in a closed system, growth is not infinite. Current generations are responsible for ensuring equitable opportunities for all of humanity, as well as future generations.

A potential sustainable business organization model has arisen out of this new paradigm, and shows great initial promise towards sustainable development. The organizations based on this model are called Teal Organizations, and have recently attracted attention after being popularized by the book, *Reinventing Organizations* by Frederic Laloux. As these organizations are still relatively young, research is in the earliest stages. Teal organizations appear to have the new organizational paradigm required to become sustainable business organizations. They have a number of progressive processes, practices and structures that can be categorized into three breakthroughs: wholeness, evolutionary purpose and self-management. But do they also have a Strategic Sustainable Development approach that is grounded in scientific knowledge? These queries resulted in the following research questions:

Research Questions

1. How does the Teal organizational paradigm align with Strategic Sustainable Development?
2. How can an early stage Teal business organization utilize the Teal organizational paradigm, informed by Strategic Sustainable Development, to catalyze their development towards sustainability?

Methods

The thesis research approach was divided into three stages. The first research question was covered by stage 1 while the second research question was covered by stage 2 and stage 3. The combination of the theoretical analysis of ideal Teal Organizations in stage 1 with the practical knowledge gained from the early stage Teal Organization collected in stages 2 and 3 resulted in a set of key guidelines for the target audience of this research.

The data collection for the first stage of the research was conducted through secondary research focused on themes related to Teal Organizations as well as sustainable development and organizational paradigms. In addition to this, experts in the field were contacted and informal interviews with them were set up. The data was aggregated in a Five Level Framework and sorted into the corresponding level. The main source of information on the Teal organizational paradigm came from Frederic Laloux's book, *Reinventing Organizations*. This information provided the necessary foundation to analyze the theoretical Teal organizational paradigm through the lens of the FSSD.

To answer the second research question, we determined that it was necessary to conduct research on a case study in order to understand the practical challenges of early stage Teal organizations. Future Considerations, as a potential early stage Teal Organization was chosen as the case study after consulting with various parties on potential organizations for multiple reasons such as their interest in Teal Organizations, their ties to Frederic Laloux, their virtual working environment as well as potential to implement the findings of this research. Three members of the organization cooperated closely with the primary researchers as research partners.

To answer the second research question, a survey for stage 2 and structured interviews for stage 3, supported by document analysis and direct observation for triangulation purposes, were used. Since we required a case study that was an early stage Teal Organization, the survey was intended to let the organization self-assess the extent of their integration of the Teal structures, practices and processes identified by Laloux in Appendix 4 of his book. Out of the total 31 members of the organization, 10 participated in the survey. After the baseline analysis had been completed, an interview guide was designed with the purpose of analyzing the case study's current integration of sustainability through the lens of the FSSD. Volunteers from the organization were chosen as the sample based on diversity of gender, age and role within the organization. In total, seven interviews were conducted, transcribed and coded.

The data from the interviews and the surveys was then used to create an FSSD analysis of the case study and make it comparable to the ideal Teal FSSD analysis in order to highlight alignments and gaps and give recommendations on implementing that knowledge.

From all the data collected in stages 1, 2 and 3, the discussions that resulted during each stage as well as the overall understanding of the primary researchers of the subject matter we created a set of key guidelines that organizations operating from a Teal organizational paradigm or those with the desire to operate from this paradigm can utilize to begin their journey towards becoming sustainable organizations.

Results & Discussion

Research Question 1

Stage 1 of our research focused on the alignment of an ideal Teal organization with Strategic Sustainable Development and we continued to use the FSSD to structure our discussion. Each level contains a description of the alignments and misalignments, and elaborates on how strongly the results suggest that pairing SSD and Ideal Teal could create powerful and transformative organizations. We found that a fully adopted Teal organizational paradigm shows significant alignment with Strategic Sustainable Development. We were surprised by the extent of their alignment, and the degree to which they appear to be compatible and contain many of the same elements. These include systems thinking and a set of prioritizing guidelines. However, many gaps were also identified, often due to a lack of grounding in robust science. For example, the definition of success used by Teal organizations is not informed by the sustainability principles, and there is no process for ensuring that actions and tools implemented by Teal organizations lead towards sustainability.

Research Question 2

Teal Audit Survey

In stage 2 of our research, our survey assessed how closely Future Considerations resembled an ideal Teal organization according to the processes, structures and practices outlined by Frederic Laloux. There was partial compliance in the categories of each of the three breakthroughs. There is a clear desire to fully adopt each of the three breakthroughs, but there are many processes, structures and practices that are lacking or have not been adopted by all FC members. The existing model of self-management is only moderately effective and is not scalable in its current form. The wholeness breakthrough embodies the values that FC was built upon, but there are still many areas that could be pursued in order to achieve full compliance. Organizational evolutionary purpose is honoured and listened to, but there may not be enough intentional practices that ensure that it is not overshadowed by individual purpose.

FSSD Analysis

In stage 3, Future Considerations was examined through the lens of the FSSD. Gaps are identified based upon whether FC shares this gap with an ideal Teal organization, or has not yet bridged the gap due to not yet being at the level of Ideal Teal. Areas explored are socio-ecological systems thinking, scientific understanding, sustainability challenge, complex worldviews, world-centric worldview, how FC functions, evolutionary purpose, worldviews and client controversies, definition of sustainability, backcasting, direction (purpose), return on investment, flexible platform, strategic guidelines related to sustainability, actions towards sustainability, strategic tools, systems tools and capacity tools. Overall, the identified gaps revealed opportunities for Future Considerations to implement changes that would make them both more Teal and more aligned with Strategic Sustainable Development.

Recommendations & Conclusion

Early stage Teal Organizations as well as those wanting to operate from the Teal organizational paradigm could benefit from embracing an SSD approach. It would help them to strategically select actions and frame their decision-making with the scientific rigor of the sustainability principles. The Teal breakthroughs could enhance the implementation of SSD in application in other organizations as well, especially by promoting evolution of organizational structure, use of intuition and awareness of worldviews. Trust can be considered a necessary prerequisite for successfully implementing the Teal organizational paradigm, a Strategic Sustainable Development approach or both in tandem. The two are highly compatible and incredibly powerful when pursued together.

Our key recommendations for Teal Organizations that want to catalyze their work towards sustainability are as follows:

- ❖ Developing organization-wide training in sustainability because when self-management is in place for all members of the organization, the entire organization has the power to actively pursue sustainability.
- ❖ Using the sustainability principles to frame an evolutionary purpose that is already intended to be in service of humanity and the planet.
- ❖ Analyze arising structures, practices and processes under the guiding light of SSD, giving space for sustainability initiatives as well as removing barriers to social sustainability.
- ❖ Utilizing intuition and group sensing in the visioning of the A Step as well as self-management practices that permit fast iterations and rapid prototyping during the C and D Step.

Once Teal Organizations are acting informed by the SSD, they are in an excellent position to effectively use these tools to create a shift towards becoming sustainable business organizations that share the evolutionary purpose of creating a sustainable future.

Glossary

ABCD Strategic Planning Process: A four step planning process that organizations can utilize to strategically plan towards sustainability.

Backcasting: A planning method that involves building a vision and then working in reverse in order to know what must be done in order to reach that vision.

Bio-capacity: The capacity of the Earth to produce materials for anthropocentric use and absorb their wastes and by-products.

Biosphere: The surface area of the Earth, stretching from the upper limits of the atmosphere to the lower layers of the soil both on land, and in the ocean.

Business organization: A commercial or industrial enterprise composed of people who work in collaboration to pursue a purpose and earn profit.

Chaordic Stepping Stones: A list of reflective and generative questions for organizations to use as a guide that are based out of the belief that there is an optimal place between chaos and order.

Complexity: The state of having systemic richness, including many diverse and interrelated parts.

Developed countries: A developed country is a sovereign state that has a highly developed economy and advanced technological infrastructure relative to other less industrialized nations.

Evolution of consciousness: Intentional increase in human awareness.

Evolutionary purpose: An organizational breakthrough of Teal Organizations that is based on the idea that organizations can be guided by a purpose that is grounded in where they sense the organization wants to go.

First-order principles: The core, non-overlapping principles that aim to provide an overall description of a system.

Ideal Teal (Organization): A theoretical Teal Organization embracing all qualities and best practices of organizations operating from the Teal organizations paradigm.

Integral Theory: A conceptual framework which tries to integrate a wide diversity of theories into one single framework to analyze concepts and situations in a holistic manner.

Intuition: The ability to understand something instinctively, without rational reasoning.

Leadership capacity: Quantity and quality of leadership capabilities.

Levels of consciousness: The stage of consciousness (awareness) development that an individual or organization is operating from.

Linear causal thinking: A way of thinking that involves a clear cause followed by an effect.

Lithosphere: A subsystem of the Earth, situated below the biosphere, which is made up of the Earth's solid crust and mantle.

Operating principles: Principles that define the way that an organization operates, according to their basic beliefs about what should be done.

Paradigm: The way we perceive and acquire knowledge that also determines what we count as knowledge. Essentially, a paradigm is a smaller version of a worldview.

Planetary boundaries: A framework that presents nine boundaries which humans must not exceed in order to maintain life on earth.

(Power/Dominator) hierarchy: A hierarchical system that is intended to maximize control from the top, and concentrate power in management roles.

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Return on investment: A profitability ratio that determines the reward for investing financial, social, or human capital.

Self-management: A breakthrough of Teal Organizations that permits a lack of traditional hierarchy by using specific processes to allow an optimal amount of structure.

Sense and respond: A decision-making process that involves tuning in to what is required in order to react in the most effective manner possible.

Sensing: The process of re-discovering our natural ability to know the right direction and constantly tapping into its wisdom.

Social license: Refers to a local community's acceptance or approval of a business organization.

Socio-ecological system: The combined system that is made up of the biosphere, human society, and their complex interactions.

(Sustainability) gaps: Instances when one of the sustainability principles is being breached.

Systemic change: Change that is system-wide and recognizes the interrelations and interdependencies amongst parts of the system.

Systems thinking: A discipline concerned with the organized study of systems, their feedbacks, and their behaviour as a whole.

Take-make-waste model: A linear model of production and disposal that assumes planned obsolescence and does not factor in a way to reuse materials at the end of a products' life.

Teal: A human development stage of Integral Theory, characterized by appreciation and recognition of all previous stages and a planet-centric worldview.

Teal organizational paradigm: An organizational paradigm arising from a Teal human development phase.

Teal Organizations: Organizations that have Teal management practices, processes, and structures. Teal Organizations display two or more of the Teal organizational breakthroughs: self-management, wholeness and evolutionary purpose.

Webex: A web conferencing platform, used to conduct and record interviews and meetings.

Wholeness: A breakthrough of Teal organizations that permits and promotes people to be a part of an organization as their most authentic selves.

Worldview: The array of beliefs, values and stories that shape and provide meaning to the world that a person or organization functions within.

Yammer: The online collaboration platform used by Future Considerations to communicate and make decisions.

List of Abbreviations

5LF: Five Level Framework
AGM: Annual General Meeting
BTH: Blekinge Institute of Technology
CCM: Company Circle Meeting
FC: Future Considerations
FSSD: Framework for Strategic Sustainable Development
IPPC: Intergovernmental Panel on Climate Change
MSLS: Master of Strategic Leadership towards Sustainability (Study program)
ROI: Return on Investment
Run-FC: Run Future Considerations
SPs: Sustainability Principles
SSD: Strategic Sustainable Development
WWF: World Wildlife Fund

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1 Introduction

1.1 The sustainability challenge

Humanity is currently facing a highly complex challenge in order to sustain life on Earth as we know it. For more than 40 years, our species has exceeded the planet's *bio-capacity* necessary to regenerate key biologically productive resources (Niccolucci et al. 2012; WWF 2014). This continued excess is causing a systematic degradation of the ecological system, as we are depleting and destroying the ecosystem faster than it can restore itself (Wackernagel and Rees 1995; Kitzes et al. 2008). We have polluted the atmosphere, drastically changed the land use, altered the climate, and been the primary cause of biodiversity loss on the planet (Tompkins and Adger 2004; Rockstrom et al. 2009; WWF 2010; Fischer-Kowalski et al. 2011, Steffen et al. 2015). The challenge we face is so critical that many scientists argue humans have caused and continue to propel the sixth great extinction event on Earth, threatening the life-sustaining ability of the planet as a whole (Fischer et al. 2007; Stork 2010).

For decades, scientists have been trying to comprehend the extent of human influence on the ecosystem balance and to analyze the potential consequences that our actions create (Meadows et al. 1992). This has been a difficult task given the global ecological system is considered a prime example of a complex adaptive system where there is a large degree of dependence, interaction, and feedback between elements (Levin 1998; Solé and Bascompte 2006). Nevertheless, in a valiant attempt resulting from more than 50 years of scientific effort, Rockström et al. (2009) introduced the concept of *planetary boundaries* to provide a way to try and quantify our impacts and identify when those impacts could no longer be assimilated within the natural ecological cycles. Based on the latest report, four of the nine planetary boundaries are already entering the global risk zone (Steffen et al. 2015). Moreover, the benefits and burdens that these transgressions have brought are not evenly distributed between people around the world (Steffen et al. 2015). This adds to the overall *complexity* of the sustainability challenge as related issues manifest themselves in the social system, making it more and more difficult to meet the needs of a growing human population (Tompkins and Adger 2004; Robèrt et al. 2010; Huang and Rust 2011; WWF 2014; Steffen et al. 2015).

Social systems, like ecosystems, are complex adaptive systems (Folke et al. 2005) and their inherent complexity is constantly increasing due to the dynamism and accelerating rate of change in which we live in (Scoones et al. 2007). This complexity is hard to cope with and gives rise to startling paradoxes. For instance, a recent study shows almost a billion people suffer from hunger, 768 million live without a safe, clean water supply and 1.4 billion lack access to a reliable electricity supply (WWF 2014). These problems persist even though humanity's ever increasing ability to use ecological resources has brought with it major advances in healthcare, technology, transport, agriculture and the arts (Senge et al. 2008; Stiglitz et al. 2009). Another paradoxical example is climate change, which is expected to provide opportunities to some while also increasing the vulnerability of marginalized members of society (Tompkins and Adger 2004; IPCC 2014). All of these issues and many others related to the sustainability challenge are causing a systemic deterioration of trust, honesty and equality in the global social system (McKenzie 2004; Barnett and Adger 2007; Robèrt et al. 2010). The social system itself is also being eroded. For example, social issues like poverty, the degree of support or discrimination received by vulnerable communities, the effectiveness of decision making processes, and the extent of social cohesion are negatively impacted by the sustainability challenge (Barnett and Adger 2007).

1.2 Contributions of business organizations to the sustainability challenge

Even though *business organizations* have contributed remarkably to the development of society, they have also had significant negative impact on the *socio-ecological system*. The following words by Michael Porter, the most cited scholar in business and economics today, and Mark R. Kramer, senior fellow at Harvard's Kennedy School of Government, highlight the main contributions of business organizations to the sustainability challenge: "In recent years, business increasingly has been viewed as a major cause of social, environmental, and economic problems. Companies are widely perceived to be prospering at the expense of the broader community" (Porter and Kramer 2011, 64). This viewpoint has been discussed extensively and confirmed repeatedly by numerous renowned authors and scientists (Shrivastava 1995; Korten 1998; Porritt 2007; Lubin and Esty 2010). Many business organizations around the world have displayed social and environmentally detrimental behaviour, including externalising costs, disregarding environmental consequences, and neglecting their customers, suppliers, and employees (Gladwin et al. 1995; Dean and McMullen 2007; Gavai 2010). Also, the majority of production methods used by businesses today have a linear *take-make-waste* approach, which is usually energy and resource intensive (McDonough and Braungart 2002; Ellen McArthur Foundation 2012; Willard 2012). Furthermore, researchers have found that most businesses only implement environmental and social reforms if it is in their self-interest (Purser et al. 1995; Nidumolu et al. 2009; Lubin and Esty 2010), if legislation dictates it, and/or to gain or retain their *social license* to operate (Bansal and Roth 2000). These behaviours have been linked to increasingly inequitable wealth distribution and growing social mistrust (Fitzgerald and Cormack 2006; Gavai 2010). They have also led to the systematic degradation of ecosystems all around the world (Korten 1998; Shrivastava 1995; Porritt 2007; Robèrt et al. 2010; IPCC 2014).

These behaviours and associated impacts are especially concerning because businesses affect the daily lives of the majority of people on the planet (Madeley 1999; Scharmer and Kaufer 2013). Also, the behaviours of business organizations are believed to heavily influence the collective action of society (Fitzgerald and Cormack 2006; Senge et al. 2008) so understanding some of the underlying causes driving these behaviours and actions appears highly relevant.

1.2.1 Key drivers behind contributions of business organizations to the sustainability challenge

1.2.1..1 *Lack of clear definition of sustainability and a strategic approach*

Researchers argue that one key reason behind the continued contributions of businesses to the sustainability challenge is the lack of a clear definition of what sustainability means (Holmberg and Robèrt 2000; Laszlo et al. 2009; Missimer 2013). Furthermore, researchers believe most organizations do not have a strategic approach to reach sustainability (Holmberg and Robèrt 2000; Figge et al. 2002; Lubin and Esty 2010).

Many researchers believe the definitions of the terms sustainability and sustainable are vague even though they have been around for many years (Allen and Hoekstra 1994; Gladwin et al. 1995; Jacobs 1999; McKenzie 2004; Hjorth and Bagheri 2006; Tainter 2006; Missimer 2013). The most popular definition of sustainable development comes from the Brundtland report published in 1987 which states that, "sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own

needs" (World Commission on Environment and Development 1987). This definition captures the essence of what is required to achieve sustainability but it has also received significant criticism for being imprecise and impractical (Jacobs 1999; McKenzie 2004; Missimer 2013). Moreover, some researchers believe this definition allows businesses to engage in unsustainable behaviour that may be perceived as sustainable (Jacobs 1999).

1.2.1..2 *Current predominant organizational paradigm*

Additionally, many business experts, researchers and environmental scientists believe the systemic ecological and social issues caused by business organizations arise from the current predominant organizational *paradigm* (Gladwin et al. 1995; Meadows et al. 2004; Senge et al. 2008; Laloux 2014; Hamilton and Kania 2015). Paradigms arise from *worldviews* which are often not recognized or appreciated by their holders (Gladwin et al. 1995). Like worldviews, paradigms are very resistant to change due to conscious and unconscious self-reinforcement forces acting within the individuals holding them (Kuhn 1962; Norton 1991; Gladwin et al. 1995).

The current predominant organizational paradigm "drastically separates mind and body, subject and object, culture and nature, thoughts and things, values and facts, spirit and matter, human and nonhuman" (Wilber 1995, 4). Gladwin et al. (1995) believe this dualistic and reductionist approach overlooks the complexity of the sustainability challenge. Additionally, researchers have found that the current predominant paradigm disregards the interdependence between society and the environment, and the finite, materially closed character of the global ecosystem (Jansson et al. 1994; Gladwin et al. 1995). Moreover, organizations operating from this paradigm see humankind as separate and superior to nature, giving humans the right to master nature for human benefit (Gladwin et al. 1995). Natural resources are considered to be inexhaustible as people are believed to have infinite ingenuity to exploit resources in new ways or in finding substitutes for shortages. Additionally, nature is seen as tough and resilient so most damage is considered to be reversible (Gladwin et al. 1995; Robert et al. 2010). Thus, in the absence of full certainty and scientific understanding, costly measures to prevent potentially serious or irreversible harm to the environment are usually postponed for the sake of cost/benefit efficiency (Gladwin et al. 1995).

In the current predominant organizational paradigm, the primary purpose of business organizations is to maximize profits and to fuel capitalism rather than to serve humanity (Gladwin et al. 1995; Balkan 2004; Debold 2005; Porter and Kramer 2011). Businesses are seen as money-making machines that need to be fine-tuned to achieve their primary purpose in increasingly effective ways (Dean and McMullen 2007; Senge et al. 2008; Porter and Kramer 2011; Scharmer and Kaufer 2013; Laloux 2014). Organizations operating from this paradigm tend to use a *linear causal thinking* model to explain phenomena in the world (Gladwin et al. 1995; Hjorth and Bagheri 2006; Senge et al. 2008). This type of thinking has led to significant innovation (Gladwin et al. 1995; Senge et al. 2008; Laloux 2014) but it has also created serious systemic challenges that are eroding the socio-ecological system in the pursuit of profit and growth (Gladwin et al. 1995; Senge et al. 2008; Laloux 2014; Hamilton and Kania 2015). Furthermore, leading experts argue linear causal thinking is unable to confront the increasing level of complexity of the global system and the associated challenges that come with it (Senge 1990; Ackoff 1997; Gladwin et al. 1995; Hjorth and Bagheri 2006; Senge et al. 2008; Scharmer 2009).

In summary, many researchers see the lack of a clear definition of sustainability with a strategic approach and the current predominant organizational paradigm as two of the key drivers behind the contributions of business to the sustainability challenge.

1.3 Addressing the sustainability challenge

Due to the size, complexity, and dynamism of the sustainability challenge, addressing it is not a simple task. Sustainability experts believe we require a clear definition of success and a strategic approach that can guide the evolution of entire social systems and their subsystems (Holmberg and Robèrt 2000; MacDonald 2005; Missimer 2013). Furthermore, researchers believe we will have to fundamentally change the way we interact with and view the global socio-ecological system (Gladwin et al. 1995; Hjorth and Bagheri 2006; Beddoe 2009; Lazlo and Dunsky 2009; Lazlo et. al 2010; Scharmer 2013). In the words of the renowned environmental scientist and systems thinker Donella Meadows, 'the transition to a sustainable society requires a careful balance between long-term and short-term goals and an emphasis on sufficiency, equity, and quality of life rather than on quantity of output. It requires more than productivity and more than technology; it also requires maturity, compassion, and wisdom." (Meadows et al. 1992, 10). Furthermore, society and organizations need to exist and thrive within the boundaries and constraints of the socio-ecological system (Gladwin et al. 1995; Holmberg and Robèrt 2000; Hjorth and Bagheri 2006). Business organizations in particular are considered to be a critical component in the transition towards a sustainable society do to their size and impact (Marsden 2000; Porter and Kramer 2006; Doppelt 2009). Doppelt (2009) argues every organization in business, government and civil society will need to undergo an enormous shift in their thinking, cultures, practices and policies to reach sustainability.

1.3.1 Strategic sustainable development

To address the need for a clear definition of success and a strategic approach that can be applied at different societal scales (e.g. project, organization, community, country, region), a cross-disciplinary group of scientists developed the framework for Strategic Sustainable Development (FSSD) (Holmberg and Robèrt 2000; Broman et al. 2000; Ny et al. 2006; Missimer 2013).The FSSD has been continuously refined for more than 20 years in an iterative process that included input from researchers, business organizations, and governments (Holmberg and Robert 2000; Missimer 2013). It can help individuals and organizations become aware of the problems and opportunities related to the sustainability challenge from a shared systems perspective (Nattrass and Altomare 1999; Holmberg and Robert 2000). Additionally, it allows people to turn the problems related to sustainability into challenges that can be addressed with creative solutions (França 2013).

To assist with planning for sustainability in complex systems, the FSSD differentiates between five different levels (Robèrt et al. 2012):

1. The Systems level that is relevant to the overall success of the particular societal system (e.g. project, organization, community, country, region) that wants to transition towards sustainability;
2. The Success level, with a clear definition of success;
3. The Strategic level, with key practical and logical guidelines that allow to strategically approach success;
4. The Actions level where concrete actions following the guidelines from the Strategic level should be assessed and implemented and;

5. The Tools level with the tools that support efforts to reach sustainability

The following table (Table 1.1) shows the five levels of the FSSD and a summary of what each level represents.

Table 1.1 The five levels of the FSSD

Level	FSSD
System	- Clear understanding of the socio-ecological system, its interactions with the *lithosphere*, and the sustainability challenge - Clear understanding of the basic mechanisms that humans can use to erode the socio-ecological system - nderstanding of how the specific system functions, as well as its purpose, values, and interactions with society and the *biosphere*
Success	- ave a definition of success that is clear, widely agreed upon, and based on *first-order principles* - ision and purpose of the system achieved within the boundaries of sustainability
Strategic	*Backcasting* from sustainability to keep the goal clearly in mind throughout the planning process - Explicit strategic guidelines to be able to prioriti e the most promising actions - t a minimum, the system wanting to transition towards sustainability should ask the following three prioriti ation uestions: - oes the action proceed in the right direction with respect to sustainability and the system's purpose - Does the action provide a "stepping stone" (flexible platform) for future improvements in compliance with sustainability and the system's purpose? - Is the action likely to produce a sufficient *return on investment* I to further cataly e the process
ctions	ctions that help move the system towards success
Tools	- Strategic Tools to help understand if how the actions chosen to move towards sustainability and the system's purpose fit with the strategic guidelines and methods at the strategic level - Systems Tools make direct measurement or *sensing* in the socio-ecological system to monitor damage or improvement based on actions taken in the system - Capacity Tools help people learn about sustainability, group learning, *systems thinking*, and co-creation

As discussed before, one of the key elements of the framework is a clear definition of sustainability based on *first-order principles* at the Success level that make it easier to handle the complexity of the socio-ecological system (Holmberg and Robèrt 2000; Broman et al. 2000; Missimer 2013). The definition provided by the first-order sustainability principles is as follows:

"In a sustainable society, nature is not subject to systematically increasing...

1. ...concentrations of substances extracted from the Earth's crust,
2. ...concentrations of substances produced by society
3. ...degradation by physical means

and… people are not subject to systematic barriers to

4. …**personal integrity**,
5. …**influence**,
6. …**competence**,
7. …**impartiality**,
8. ...**meaning**" (Missimer 2013, 34).

The first three principles are considered to be the ecological sustainability principles and the remaining ones are considered to be the social sustainability principles. The FSSD uses this robust and functional definition of sustainability to support the collaborative creation of strategic moves towards sustainability through the *backcasting* methodology (Holmberg and Robèrt 2000; Missimer 2013). Backcasting from sustainability principles allows for the creation of a sustainable vision that is not restricted by present day thinking and limitations (Holmberg and Robèrt 2000; Missimer 2013; Hardman 2010).The backcasting method also provides guidelines for ensuring actions towards the envisioned future are strategic in nature. Specifically, actions must be oriented in the right direction towards the vision; they must also provide a flexible platform upon which future actions can continue to build toward the vision; and they should provide a reasonable *return on investment* to move towards sustainability in an economically viable way (Holmberg and Robèrt 2000; Broman et al. 2000; Ny et al. 2006; Missimer 2013).

1.3.2 Creating sustainable business organizations

Many business leaders and consultants engaged in sustainable development agree that if businesses were to change, it would have an unprecedented impact towards creating a sustainable society (Hawken 2010; Schaltegger and Wagner 2011; Scharmer and Kaufer 2013). In the following sections we explore current attempts of business organizations to address their contributions to the sustainability challenge, and two complementary elements necessary to create sustainable businesses; a new organizational paradigm and a strategic approach for Strategic Sustainable Development.

1.3.2..1 Current attempts

A recent business sustainability survey of nearly 3,800 managers and sustainability leaders found that addressing the sustainability challenge is increasingly becoming a business priority for most organizations around the world (Kiron et al. 2015). However, a previous survey by the same publication found most sustainability actions undertaken to date appear to be limited to those necessary to meet regulatory requirements (Berns et al. 2009). This aligns with Esty and Lubin's 2010 article in the Harvard Business review which states organizations addressing the sustainability challenge often start by "focusing on risk and cost reduction and over time develop strategies for increasing value creation" (Esty and Lubin 2010, 47). Esty and Lubin (2010) showed the progression and different approaches of business organizations towards sustainability in four different stages. Similarly, Bob Willard, an expert in the business case for sustainability, claims organizations go through five different stages when approaching sustainability (Willard 2012). We created the table (Table 1.2) below to summarize the different stages business organizations tend to go through in their journey towards sustainability based on Esty and Lubin's (2010) and Willard's (2012) stages.

Table 1.2 Stages in the sustainability journey of business organizations

Esty and Lubin	Willard	Esty and Lubin stage description	Willard stage description
	Stage 5: Purpose Passion		• Sustainability aligns with the founder(s)/CEO values • End goal is to contribute to a better world; being a successful company is just the means to that end • Does the right things because they are the right things to do
Stage 4: New business model creation and differentiation	Stage 4: Integrated Strategy	• End goal is to be a successful business • Does the right things because they are good for the business • Sees sustainability as a source of differentiation in business model, brand, employee engagement and other intangibles	
Stage 3: Transform core business		• Develops new products and technologies related to sustainability • Shifts core business areas to focus on sustainability	
Stage 2: Do things in new ways	Stage 3: Beyond Compliance	• Engages in widespread redesign of products, processes, and whole systems to optimize natural resource efficiencies	

Stage 1: Do old things in new ways		• Focuses on outperforming competitors on regulatory compliance and environment-related cost and risk management
		• Saves money with operational eco-efficiencies
		  ○ Invests in low-hanging fruit by saving energy while reducing its carbon footprint
		  ○ Saves water, materials, and waste costs
		  ○ Avoids threat of new regulations
		  ○ Has targets for further energy, emissions, and waste reductions	

0N/A	Stage 2: Compliance	• Obeys labour, environmental, health, and safety regulations • May have environmental management systems and company policies on environmental protection and human rights • Continues to externalize its ecological and social costs	
N/A	Stage 1: Pre-compliance	• Exploitative practices disregarding environmental, health and safety regulations	

Sources: Willard, Bob. 2012. The New Sustainability Advantage – Seven Business Case Benefits of a Triple Bottom Line. Canada: New Society Publishers.
Lubin, David A. and Daniel C. Etsy. 2010. The Sustainability Imperative. Harvard Business Review, May, 2-25.

Most business organizations fall under Stage 1 (Esty and Lubin) or Stages 2 and 3 (Willard) (MIT Sloan Management Review 2009; MIT Sloan Management Review 2015). However, business organizations believed to be in Stage 5 (Willard) are on the rise (Kelly 2009; Willard 2012). This is encouraging, given Stage 5 organizations fully integrate sustainability into its policies, practices and procedures. They also see sustainability as the right thing to do and their CEO/founder appears to embrace a new paradigm that values sustainability (Willard 2012).

1.3.2..1.1 Stage 5 business organization attempts

Examples of Stage 5 (Willard) companies include benefit corporations and social enterprises, both of which are gaining popularity and are proving to be a successful alternative model because they allow for the pursuit of a socially beneficial purpose while relieving the pressure to focus solely on profitability (Kelly 2009; Hervieux et al. 2010; Lundström and Zhou 2014). However, there have been some instances when organizations adopting a benefit corporation or social enterprise model have reverted back to operating like organizations from lower stages when the founder(s) depart(s) (Kelly 2009).

1.3.2..2 *Two complementary elements to create sustainable businesses*

In order to create sustainable businesses we need to address the key drivers explored behind the contributions of business organizations to the sustainability challenge explored in section 1.2.1 (I.e. the lack of a clear definition of success and a strategic approach, and the current predominant organizational paradigm). As outlined in section 1.3.1 researchers believe these business organizations require a Strategic Sustainable Development approach with a clear definition of success. Additionally, researchers from different disciplines argue business organizations need to adopt a new organizational paradigm in order to address the sustainability challenge (Gladwin et al. 1995; Senge et al. 2008; Robert et al. 2010; Scharmer and Kaufer 2013; Laloux 2014).

1.3.2..2.1 A strategic approach for sustainable development

The FSSD can be used to put business organizations in the context of a socially and ecologically sustainable society, helping them to develop strategic actions towards sustainability (Holmberg and Robèrt 2000; Ny et al. 2006; França 2013). As its definition of sustainability is based on first-order principles, it allows for many possible sustainable futures, meaning that organizations can find flexible strategies as they transition towards sustainability (Holmberg and Robèrt 2000). Additionally, empirical research has indicated that using the FSSD can also play a critical role in creating a shared mental model that enables individuals to collaborate and create innovative solutions towards sustainability more effectively (Nattrass and Altomare 1999). The elements of the framework that are particularly relevant for a business organizations are as follows:

1. Basic principles for social and ecological sustainability
2. The business case of systematically approaching alignment with these principles
3. Guidelines on how to analyze current practices and future sustainable goals in relation to the sustainability principles
4. Process guidelines to identify possible transition paths and their respective economic feasibilities
5. Understanding how to choose and inform the appropriate tools for decision support and monitoring of transitions towards sustainability
6. And the ability to guide effective participatory cooperation across different stakeholders (França 2013).

One of the main tools used to operationalize the FSSD in organizations is the *ABCD strategic planning process*. It is divided into four steps: The A Step lets organizations define a shared vision of the future framed by the sustainability principles. During the B Step, the current

reality is examined through a gap analysis of the main systematic increases or barriers to the sustainability principles. The C Step is then used to generate actions and solutions that counter or resolve the issues identified in Step B. Finally, the D Step makes use of the above-mentioned prioritization guidelines to sort the actions identified in the C Step and generate an action plan (Ny et al. 2006).

1.3.2..2.2 A new organizational paradigm

Jay Forrester, the founder of systems dynamics theory, states the paradigm out of which leadership is operating is one of the key leverage points that allows organizations to evolve into more sustainable ways of operating (Forrester 1997). Leverage points are places within a complex system like organizations where a small shift can produce big changes in the overall system (Forrester 1997; Meadows 1999).

Gladwin et al. (1995) describe the new paradigm necessary to transition to sustainability as one in which economic and human activities are recognized to be inextricably linked with natural systems and the Earth needs to be kept healthy for the sake of human survival and welfare. In the new paradigm, understanding of the Earth's natural cycles is a requirement (Gladwin et al. 1995). It is understood that waste emissions should not exceed natural assimilative capacity, harvest rates for renewable resources should not exceed natural regeneration rates, and human activities should result in no loss of biodiversity or degradation of the ecological systems (Daly, 1990; Costanza & Daly 1992; Gladwin 1992; Hawken 1993; Robert 1994; Gladwin et al. 1995). Additionally, in order to prevent environmental degradation, this paradigm favours the use of a precautionary principle (O'Riordan 1995; Gladwin et at. 1995; Holmberg and Robert 2000) and safe-minimum standards versus scientific certainty (Gladwin et at. 1995). Additionally, moral obligations stretch across time (Howarth 1992) so current generations feel compelled not to reduce the liberties, opportunities or welfare potentials of future generations (Weiss 1989). Moreover, it is understood that current generations are responsible for ensuring equitable opportunities for all of humanity, especially the fulfillment of basic needs of the marginalized, poor, and most vulnerable segments of society (Gladwin et al. 1995).

Moreover, organizations in this paradigm are seen as living systems that understand their relationship with the biosphere and the environment (Gladwin et al. 1995; Laloux 2014). They understand how they are contributing to and being impacted by the sustainability challenge (Gladwin et al. 1995; Holmberg and Robert 2000). They also understand that growth cannot go on forever in a closed system (Gladwin et al. 1995). Furthermore, these organizations revisit their purpose and thrive by helping resolve the global problems related to the sustainability challenge emphasising quality over quantity (Gladwin et al. 1995). They also embrace prototyping, reflection processes, and personal choice to adapt to internal and external variables (Hjorth and Bagheri 2006). Furthermore, they value learning, openness and flexibility as means to uncover and switch to new paths towards sustainability that may lead more effectively to the goal (Hjorth and Bagheri 2006).

1.4 Teal Organizations - Sustainable business organizations?

Over the past 5 years, Frederic Laloux, a management consultant with more than 13 years of experience in organizational development, has done an in-depth study of a new type of organizations arising from the new organizational paradigm outlined above (Laloux 2014). He calls them *Teal Organizations,* using human development terminology borrowed from *Integral*

Theory. Integral Theory is an emerging field that claims to bring together the significant insights from science, spirituality, epistemology, ontology as well as Eastern and Western philosophy to provide a synthesized way of understanding human development and evolution (Wilber 2006; Chanaron et al. 2013).

Teal Organizations appear to have a radically more productive organizational model, resulting from three organizational breakthroughs. Laloux summarizes the three breakthroughs as follows (Laloux 2014, 56):

- **"Self-management**: [...] operate effectively, even at large scale, with a system based on peer relationships, without the need for either *hierarchy* or consensus.
- *Wholeness:* [...] set of practices that invite us to [...] bring all of who we are to work.
- *Evolutionary Purpose*: Teal Organizations are seen as having a life and sense of direction of their own. Instead of trying to predict and control the future, members of the organization are invited to listen in and understand what the organization wants to become, what purpose it wants to serve."

As researchers, we are particularly interested in Teal Organizations as they appear to have a number of attributes that may help them transition towards sustainability in a highly effective manner. Specifically, they seem to operate from an organizational paradigm aligned with the one outlined in section 1.3.2..2.2. Also, Laloux's research indicates Teal Organizations perform significantly better from a social and ecological sustainability perspective vis-à-vis organizations arising from the current predominant organizational paradigm (Laloux 2014). Moreover, Laloux claims Teal Organizations see themselves as living systems (Laloux 2014), making them more likely to understand their interaction and impact on the socio-ecological system (Maturana 1975; Senge 1990; Norman 2011). Also, research indicates the Teal stage of human development is inherently more complex and comes with an associated increase in cognition including *systems thinking* (Rooke and Torbert 2005; Laloux 2014). This should allow these organizations to more effectively deal with the problems and opportunities related to the sustainability challenge. Does this mean Teal Organizations have adopted or developed a strategic approach towards sustainability? If so, is their approach grounded in scientific knowledge?

Additionally, Teal Organizations seem have innovative structures, practices and processes in place which allow them to evolve in a highly agile and responsive manner. They also appear to allow their individual members to grow and develop on a personal level (Bakke 2005; Laloux 2014). Could this mean Teal Organizations have new ways of organizing that may reduce or even remove barriers to social sustainability principles? If this is the case, we are interested in knowing how they are doing with respect to the ecological sustainability principles.

Many of the Teal Organizations researched by Laloux appear to have lower cost structures and be more profitable than competitors operating from the current predominant organizational (Laloux 2014). This could result in more organizations wanting to adopt Teal structures, practices and processes. Finally, many more Teal organizations are expected to arise as human development continues to accelerate on a global scale (Laloux 2014). Understanding how they approach sustainability and what can be done to help them transition towards becoming sustainable organizations will become increasingly important.

To date, there are no academic references for Teal Organizations or the text, Reinventing Organizations but Google Trends shows an exponential increase in popularity since January

2015 (Google Trends 2015) and the Reinventing Organizations Facebook group has more than 2300 followers (Frederic Laloux 2015).

For all of the above-mentioned reasons, we believe focusing our research on business organizations operating from a *Teal organizational paradigm* is highly interesting and relevant.

1.5 Research purpose

Our purpose was to conduct highly relevant research about the next generation of sustainable business organizations. We wanted to test our belief that business organizations, operating from the Teal organizational paradigm and using a Strategic Sustainable Development approach, had the potential to become successful business organizations that can thrive in our current society, and in a future sustainable one.

1.6 Research questions

1. How does the Teal organizational paradigm align with Strategic Sustainable Development?
2. How can an early stage Teal business organization utilize the Teal organizational paradigm, informed by Strategic Sustainable Development, to catalyze their development towards sustainability?

1.7 Research scope

As shown in the introduction and reflected in the research questions, the researchers aimed to analyze the emerging organizational paradigm of Teal Organizations through the lens of the FSSD. Therefore, we chose an early stage Teal Organization as our case study in order to examine the current practical application of the Teal organizational paradigm in a society that is largely still operating from a mechanistic organizational paradigm.

Organizations that could benefit from this research include aspiring Teal Organizations, early-stage Teal Organizations and late-stage Teal Organizations located in *developed countries* wanting to become sustainable business organizations. Specifically, they will find valuable practices, assessments and recommendations for how a Teal organizational paradigm, informed by a Strategic Sustainable Development approach can assist them in their journey towards sustainability. The chosen case study in this research is used to validate the findings from research question one as well as to demonstrate what the integration of a Teal organizational paradigm with Strategic Sustainable Development could look like in a real world example.

2 Methods

2.1 Research design

The methodological approach chosen to structure this research was based on Maxwell's Qualitative Research Design. It employs interconnected levels (see Figure 2.1) that help create an interactive and systematic research design (Maxwell 2005). We chose this interactive model of research design as it allowed constant iteration on each of the interconnected levels based on new findings, which in turn influenced the whole research design. This approach allowed our research to be conducted non-linearly and to constantly evolve according to required adjustments based on new learnings, as explained by Maxwell (2013).
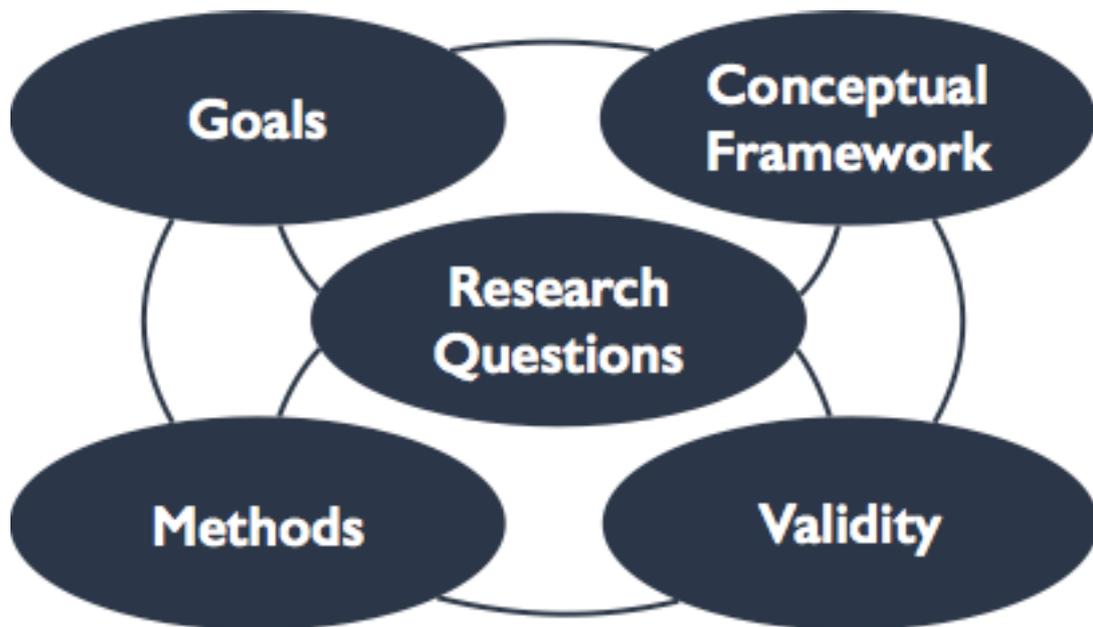
Figure 2.1 Qualitative research design (Maxwell 2005).

More information on the goals of the research can be found in <u>section 1.5</u>, on the research questions in <u>section 1.6</u>, on validity in <u>section 2.6</u> and on methods in <u>section 2</u>.

2.2 Research approach

The thesis research approach was divided into three stages as displayed in the figure below (See Figure 2.2). The first research question is covered by stage 1 while the second research question is covered by stages 2 and stage 3. The combination of the theoretical analysis of *ideal Teal* Organizations of stage 1 combined with the practical knowledge gained from the early stage Teal Organization collected in stages 2 and 3 resulted in a set of guidelines for the target audience of this research.

Key Guidelines

Research Question 1

Research Question 2

Teal Ideal through the FSSD Lens	Case Study Teal Audit Survey	Qualitative Interviews with Case Study
Stage 1	Stage 2	Stage 3

Conducting Desk Research on Teal Organizations	Expert interviews to identify potential case studies	Creating interview guide for Future Considerations
Implementing Data in 5LF	Selecting Future Considerations as research case study	Conducting interviews with members of the case study
Comparing 5LF of Ideal Teal to FSSD	Creating survey on teal practices	Transcribing interviews and coding of transcripts
	Distributing survey to Future Considerations	Implementing Data in 5LF
	Analyzing data from survey	Comparing 5LF to Ideal Teal Results from RQ 1
	Suplementing data through direct observation and document analysis	Suplementing data through direct observation and document analysis

Figure 2.2 The three research stages

2.3 Stage 1: Ideal Teal Organizations through the lens of the FSSD

2.3.1 Stage 1: Data collection

The data collection for the first research question was done through secondary research, relying entirely on secondary data. In order to gain an understanding of the current research on the Teal organizational paradigm and how it integrates sustainability, the primary researchers strategically searched for published information on such organizations that could be classified as Teal Organizations by reviewing peer-reviewed articles, journals and books, aided by online databases such as Google Scholar.

Key literature review terms that were used included, but were not limited to the following: 'sustainability challenge', 'new business paradigm', 'teal organizations', 'self-management', 'purpose', 'wholeness', 'integral theory'', 'consciousness', *'evolution of consciousness'*, 'sustainable business', 'learning organizations'. New literature was regularly discussed within the team of primary researchers and external advisors were consulted. An online database on Google Drive that all research members had access to was created and populated in order to avoid research overlap. Throughout the literature review explorations, it became increasingly apparent that academia has not researched Teal organizations at length at this point in time.

The book Reinventing Organizations by Frederic Laloux is the only published material about Teal Organizations and thus served as the main data source for answering research question one. Additionally, Barrett Brown's work in organizational and system transformation was referenced as it relates to global sustainability and human development stages, which offered validation to some of the arguments presented in Frederic Laloux's book and this particular research project. Barrett Brown holds a PhD in Human and Organizational Systems and has authored articles on organizational development, market transformation, leadership and sustainability.

The twelve outlined Teal Organizations in Frederic Laloux's book were researched and their published materials as well as their websites were analyzed. Internal and external advisors, experts in the fields of *new business paradigms, organizational design, high performance organizations, regenerative organizations, leadership, organizational development and the evolution of consciousness in organizations* (See Appendix A for a full list of interviewed experts) as well as peers were a helpful source for understanding the concept of Teal Organizations more clearly. The experts were chosen based on recommendations from MSLS alumni, research advisers at BTH, internet searches and through the extended network of each primary researcher. They were contacted via email explaining the research outline and the desire to hold exploratory, informal interviews with them. Those that were willing to participate were asked to express their opinion on Teal Organizations if they had heard about them and, in a collaborative manner with the primary researchers, potential research strategies and case studies were explored. The interviews were recorded with the consent of the interviewees and notes were taken during the interviews by all three primary researchers. As the data from the interviews was not used further in the research, they were not transcribed and coded. After the informal interviews, the primary researchers approached Dr. John Hardman, a professor of Educational Leadership at Florida Atlantic University and founder of

Regenerative Organization, a consultancy focused on raising consciousness in organizations through individual *leadership capacities*, who agreed to serve as an external thesis advisor.

2.3.2 Stage 1: Data analysis

To analyze the alignment of the Teal organizational paradigm with Strategic Sustainable Development, we looked at the collected data through the Five Level Framework (5LF) and sorted the information into the respective level. The 5LF is a conceptual framework that assists with organizing information in a strategic and clear manner. However, the alignment of the Teal organizational paradigm with Strategic Sustainable Development could not be assessed using only the 5LF. We used a specific 5LF, the Framework for Strategic Sustainable Development. A more detailed explanation of the framework can be found in section 1.3.1.

2.4 Stage 2: Case study Teal audit

2.4.1 Case study selection

In order to answer the second research question, an early stage Teal Organization was chosen as the case study for this research.

To find an early stage Teal Organization, we identified and discussed potential case studies with the above-mentioned external experts during the informal interviews.

Four companies were recommended as potential case studies (Cecara Consulting, Future Considerations, Pinea3, and Zappos). To select the most suitable case study we set up conversations with members of the four organizations. We were able to meet with two of the four companies (Future Considerations and Pinea3). Both organizations were eager to work with us but we selected Future Considerations, a management consulting firm focused on developing leadership capacity for large-scale *systemic change* for a number of reasons:

- They had significant understanding of Frederic Laloux' book and Teal practices, processes and structures in general whereas Pinea3 was not aware of Frederic Laloux' work and Teal Organizations in general
- They had recently published a blog post that outlined how they exhibited characteristics of the three Teal breakthroughs
- They were already working with Frederic Laloux to explore how to bring Teal practices to other organizations
- They are used to working virtually whereas Pinea3 is located in Barcelona, Spain and is accustomed to a more personal approach to business, therefore limiting our collaboration potential
- And, we saw the potential for a positive ripple effect in the organizational landscape given the size and type of clients (See below) they deal with.

Future Considerations describes itself as a global consultancy which partners with forward-thinking clients to help build their capacity for the future with the stated purpose of enabling the world's leaders, institutions and systems to evolve and to influence the great challenges of our time. It is composed of a core team of 9 individuals and a global network of another 22 individuals. Current and pasts clients of Future Considerations include HSBC, Shell, Coca Cola, British Council and Carbon Trust, among others.

Three members of Future Considerations (Julian Fell, Cari Caldwell, and George Por) volunteered as the research partners and were contacted by the primary researchers for meetings, information and documents. They provided insights and feedback on the research questions, the research approach and the research design.

For Future Considerations, two main reasons emerged for participating in this research. Firstly, it was felt that the research provided a contribution to the emergent understanding of Teal Organizations. Additionally, one of the values that FC holds is integrity and it was stated that as an organization, FC believes in using any of the methods, approaches and tools they would use with clients on themselves. To this extent FC saw the research opportunity as a chance to better understand and assess their own sustainability understanding as well as their Teal capability before trying to support clients in these areas.

2.4.2 Stage 2: Data collection

2.4.2..1 *Survey on Teal practices*

Survey rationale

The first step to determine the eligibility of Future Considerations as an early stage Teal Organization was to research the current implementation of the three identified breakthroughs in the organization's structures, practices and processes.

A survey was used to audit how the current structures, processes, and practices of the case study compared to those identified by Frederic Laloux (Laloux 2014). The survey can be found in Appendix B. The primary researchers in collaboration with the research partners at Future Considerations chose this approach because it allowed for anonymous, time effective, consistent data collection from a large sample of members of the organization. It was also discussed and agreed that the findings listed in Appendix 4 of the book Reinventing Organizations (Laloux 2014) should be used as the benchmark to get a clear understanding of which Teal practices were widely adopted by the case study and which ones were not present or widespread.

Survey structure

The survey was comprised of 30 questions covering the structure, human resources, daily life, and major organizational processes of the case study. For 29 of the 30 questions, there were multiple choice answers based on Fredrik Laloux's findings about typical Teal Practices (Laloux 2014). For all questions, there was an option to select an "Other" answer option with a comment field asking participants to elaborate on their choice or give their answer if none of the provided ones fit. The final question in the survey was an open question to try and capture other practices, processes, and structures of the case study that were seen as important by respondents to help achieve the stated purpose of the organization. The survey was tested and modified based on feedback from the research partners at Future Considerations as well as our internal and external advisors, Elaine Daly and John Hardman.

The survey was distributed to all 31 members (9 core members and 22 associates) of the case study organization using their business collaboration software called **Yammer**. An invitation to complete the survey was sent by the research partners at Future Considerations to encourage participation.

In total, 10 members of Future Considerations participated in the survey, resulting in a response rate of 32%.

2.4.2..2 *Document review*

We requested documents from Future Considerations that could give us insight into their Teal Practices, how the organization functions in general as well as anything that would display their current level of sustainability integration. The received documents included a strategic overview of all current and future projects (Run-FC), an overview of the onboarding process for new members of the organization as well as the ongoing proposals for potential projects at Future Considerations. Some were downloaded directly from their internal online platform, Yammer or their website, while others were given to us by the research partners at Future Considerations. We were required to sign a Nondisclosure Agreement.

The purpose of the document analysis was to get an impression of how Future Considerations operates in regards to the Teal organizational paradigm and sustainability in general to triangulate the data collected during the survey and interviews.

2.4.2..3 *Direct observation*

Direct observation was done continuously throughout the research project. The main observational tool that was used was Yammer. Additionally, a site visit took place by one of the primary researchers to a monthly company event in London on April 17th, 2015. The primary researcher that attended the company event recorded his observations via notes during the day and, upon his return, shared his knowledge and his observations with the other two researchers in a dialogue. The notes were also shared amongst the researchers for further review and time for questions was provided.

2.4.3 Stage 2: Data analysis

2.4.3..1 *Survey on Teal practices*

This data was collected by and discussed amongst the primary researchers and compared to the results of the survey. Discrepancies that were found were discussed and clarified with the research partners at Future Considerations.

2.4.3..2 *Document review*

The document review was conducted by all three researchers. The different documents were divided amongst the three members. Important information was summarized and provided to the other researchers and open discussions on the findings and how they related to the research question were held on a regular basis.

The document analysis permitted triangulation with the data from the survey and the interviews as they provided another source of data on the Teal practices and the integration of sustainability within Future Considerations as the case study.

2.4.3..3   *Direct observation*

Observations that were made on Yammer were discussed and taken down as field notes by each researcher individually and then shared and discussed with the other researchers. These were then collected and used to triangulate the results from the survey and the interviews. Also, at the Future Considerations Company Circle, one of the primary researchers observed practices and processes first hand and took field notes of the findings. These notes and observations were shared with the other primary researchers after the event for further analysis.

2.5 Stage 3: Qualitative interviews with case study

2.5.1 Stage 3: Data collection

2.5.1..1   *Interviews*

Interview rationale

Qualitative, semi-structured interviews were chosen in order to understand the level of integration of sustainability within the case study. The primary researchers chose this method as it was suitable to provide in-depth understanding of details within the organization. It also allowed for elaboration, follow-up, and clarification for both the interviewees and interviewers.

Interview structure

The interviews consisted of 10 primary questions with associated probing questions. The questions were created based on the FSSD in order to help simplify and categorize complexity while allowing a comparison to the data collected in stage one. Specifically, the interview questions were formulated to show how participants view the system within which the organization exists, how the organization defines success, what strategic guidelines are used to make decisions, what examples of actions related to sustainability are currently present within the organization, and what tools the case study may use to practice sustainable development. Additionally, the interviewees were also asked to highlight any perceived *gaps* in how the organization integrates sustainability into its structures, practices and processes to try and capture information that may not have been covered by the other questions. A preliminary set of questions was sent to the research partners and advisors for input and feedback. The questions were not kept in the same order that the five levels of the FSSD dictates but were re-ordered to better support the understanding and clarity for the interviewees and keep a flow of narrative throughout the interview that would not mix concepts and risk confusing the participants.

Additionally, one practice interview was conducted with a fellow researcher at Blekinge Institute of Technology. The final set of questions, including the objectives of the primary researchers and the associated level of the FSSD can be found in Appendix C.

All members of Future Considerations were invited via Yammer to participate in the interviews. To try and avoid a biased sample, the primary researchers asked to interview a sample that was as diverse as possible, with various ages and different roles within the organization. In total, seven (7) of the 31 members of the organization were chosen as participants that were of varying age, gender and held different roles. The roles of the primary researchers during the interviews were determined through a rotation system. One person was appointed as the main interviewer and introduced the questions to the interviewee and was responsible to lead the interview. The second person held a supportive role, asking additional questions to clarify certain topics and also paying attention to the body language of the interviewee. The third person held the role of note taker and supported the second interviewee in the observational role. When only two of the primary researchers were able to be present, the first role remained unchanged and the second role was also responsible for taking notes. In the two instances when this took place, the research member that was unable to be present in the interview received the link with the audio/video recording of the interview. That member then watched the recording within 24 hours and provided his or her notes and reflections to the rest of the team.

The interviews were conducted online over *WebEx*. Permission to record the interviews was asked for before the interview and they were then recorded both through the WebEx interface, which captured both audio and video, and Audacity in order to have a backup for the audio recording.

2.5.1..2   Document review

See Stage 2 Data collection

2.5.1..3   Direct observation

See Stage 2 Data collection

2.5.2 Stage 3: Data analysis

2.5.2..1   Interviews

All interviews were transcribed by the primary researchers using Microsoft Word and VLC Player to slow down the audio.

The coding of the interview transcripts was similarly structured in accordance with the five levels of the FSSD. This allowed for organized and strategic data collection and made the analysis proceed more orderly and time-efficient. For each level of the FSSD, the objectives and corresponding keywords had been gathered before any interview took place. These keywords (See Appendix D) were used as the preliminary coding structure which then was modified, merged and new codes added after each interview had been coded. The preliminary coding matrix was created by the primary researchers and afterwards distributed and commented on by the research partners at Future Considerations to avoid biased opinions and allow for additional codes to be added.

Each primary researcher only transcribed those interviews that he or she did not host as the main interviewer in order provide feedback to another primary researcher on their interview

technique. The coding was done in a similar way with each primary researcher coding the interviews that he or she did not host or transcribe. This was done to ensure that each primary researcher would listen to or read all the interviews that he or she did not host as the main interviewer.

Once the transcripts and coding for each interview had been completed, the primary researchers made a thorough comparison of all the collected data from the survey and the interviews, which resulted in a mapping of the structure, practices and processes of the case study to the main components of the FSSD.

The results were then structured in accordance with the results from research question 1 to provide a direct comparison of the ideal Teal alignment with the FSSD and the case study alignment with the FSSD.

2.5.2..2   Document review

See Stage 2 Data analysis

2.5.2..3   Direct observation

See Stage 2 Data analysis

2.6 Validity

In order to ensure that the data collection methods were valid, the primary researchers diligently used triangulation and made it a priority to collect and use rich data; data that is detailed and varied enough to provide a full and revealing picture of what is going on (Maxwell 2005). Therefore interviews, surveys, document analysis and direct observation were used.

The survey and interviews were conducted with the participants independently of each other in order to avoid cross-contamination. In order to avoid biased answers due to the way that we understand sustainability differently from the research partners at Future Considerations, the learning session about the core concepts of the FSSD was held after the interviews had already been completed.

All interviews were recorded and transcribed, with the explicit permission of the interviewees, complemented by individual notes taken during the interview by all members of the *research team*. The notes and impressions of the interviews were shared and collected after the interview. This, in addition to the full text transcriptions, helped the primary researchers in creating a more complete picture of the results as well as ensuring that as much data as possible was recorded and could be reviewed during the discussion part of the research.

2.7 Limitations

One limitation of this research was the fact that Teal Organizations are a recent organizational paradigm and, consequently, the amount of academic and peer-reviewed literature that was available was greatly limited. Thus, the main reference came from Frederic Laloux's book, *Reinventing Organizations*. The researchers were aware of this limitation and held the clear goal to be one of the first to contribute to the academic research of these types of organizations.

It is also important to note that the sample selection can also be seen as limiting, as only one early stage Teal Organization had been chosen as the case study. Additional case studies from various industries would have increased the validity of this research but due to the imposed time constraints of this research project such a focused approach still seemed preferable. Additionally, the deep-dive into one organization by allowing multiple perspectives from a broad variety of members was seen as a benefit by the primary researchers. However, the resulting key guidelines for organizations operating from or desiring to operate from a Teal organizational paradigm therefore require additional research to be validated.

We were also aware of the fact that this research only covers the area of service-based business organizations and potential further research will be required to apply the findings to other types of organizations. This will help with the triangulation and validity of the entire research project. Another limitation was that the structure of the survey was based solely on the identified Teal structures, practices and processes that Frederic Laloux identified. Additional sources of Teal practices to help triangulate the audit of Future Considerations as an early stage Teal organization would have been beneficial but no other literature on specific Teal practices was available.

2.8 Assumptions & Biases

Our research team ranged in age from 23 to 32. We were of Canadian, Mexican and German heritage and had fluency in English, German and Spanish.

Our perspective was primarily that of a Western culture. We had the clear goal to be transparent and open about any assumptions and biases from the beginning of the project, with each other and with all people involved. We used the *Chaordic Stepping Stones* (See Appendix E) tool for individual reflection and also as a framework for sharing our reflections with each other. This enabled us to be aware of each other's perceptions and expectations. The findings informed the first draft of the overall purpose, the thesis approach as well as the methods that were chosen. Additionally, by analyzing the need the project should serve and the key stakeholders that would be involved, it allowed us to approach the thesis with the goal of having an overall positive impact and to structure the thesis project in a way that would be relevant to the field. Therefore, this research was approached with a clear overarching goal, shared by every research member: to help move society towards a more sustainable way of operating.

3 Results

3.1 Stage 1: Ideal Teal Organizations through the lens of the FSSD

This section analyzes ideal Teal organizations based on the research from Frederic Laloux (2014), using the lens of the FSSD to understand how it integrates sustainability into its existence. The analysis was performed at each level of the framework, in order to organize the data and identify alignments and misalignments of ideal Teal Organizations with a Strategic Sustainable Development approach.

3.1.1 System level: The system relevant to the success of the organization

Teal Organizations show a clear understanding of the interconnectedness of the social and ecological systems (Laloux 2014). This is consistent with research findings of individuals operating from a Teal human development stage (Loevinger 1976; Cook-Greuter 1999; O'Fallon 2011). For Teal Organizations, "The damage we do to the environment becomes more than an intellectual concern; we feel the pain and sorrow of nature's suffering within ourselves. The same holds true for social concerns: when we come from a place of wholeness, we feel compelled to do our share to heal our broken relationship with life in all its forms" (Laloux 2014, 169). Also, Laloux states at a Teal level of development we know, "that we are not *separate from* but *one with* nature" (Laloux 2014, 40). However, we did not find strong evidence that Teal Organizations have a good scientific understanding of the interactions between the socio-ecological system and the *lithosphere*. Still, there is some evidence that they understand the sustainability challenge and the basic mechanisms that humans can use to erode the socio-ecological system to some degree (Laloux 2014).

Teal Organizations have a complex worldview and are capable of systems thinking (Laloux 2014). This is similar to individuals operating from Teal development stage (Beck and Cowan 1996; Cook-Greuter 2004; Barrett 2014). "Teal Organizations make peace with a complex world" (Laloux 2014, 211) and honor "the complex, ambiguous, paradoxical, non-linear nature of reality" (Laloux 2014, 47) and connect patterns through *intuition* (Laloux 2014). They also appear to have a good understanding of the interactions of the organization with respect to society and the biosphere and are seen as living systems with their own energy, identity, creative potential and sense of direction (Laloux 2014). "They are complex, participatory, interconnected, interdependent, and continually evolving systems, like ecosystems in nature." (Laloux 2014, 135). They are also seen as having an evolutionary purpose: "a calling and an evolutionary energy to move toward that calling" (Laloux 2014, 199). Additionally, Teal Organizations actively search for and stand firm on their guiding assumptions and values (Laloux 2014).

From an operational perspective, Teal Organizations link theory and their *operating principles* with practice (Laloux 2014). They create shared visions that allow both personal and organizational development. For example, key steps of the onboarding process of new colleagues revolve around the organization's purpose: "What is it and where does it come from? New colleagues are invited to reflect on their personal calling and how it resonates with the broader organizational purpose." (Laloux 2014, 177). Also, they have developed advanced structures, practices and processes around the three key breakthroughs of Teal Organizations:

self-management, wholeness, and evolutionary purpose (Laloux 2014). Laloux summarizes the three breakthroughs as follows (Laloux 2014, 56):

- **"Self-management:** […] operate effectively, even at large scale, with a system based on peer relationships, without the need for either hierarchy or consensus.
- **Wholeness:** [...] set of practices that invite us to [...] bring all of who we are to work.
- **Evolutionary Purpose:** Teal Organizations are seen as having a life and sense of direction of their own. Instead of trying to predict and control the future, members of the organization are invited to listen in and understand what the organization wants to become, what purpose it wants to serve."

Table 3.1 in Appendix F summarizes the analysis of ideal Teal Organizations through the System level of the FSSD.

3.1.2 Success level: How the organization defines success

For Teal Organizations, success is defined by the evolutionary purpose of the organization: "The objective is purpose, not profit" (Laloux 2014, 197). Also, success is clearly defined as being of service to humanity and the world and it is widely shared across the organizations (Laloux 2014).Teal Organizations also care a great deal about personal development (Laloux 2014). In the words of one of the CEOs of Teal Organization's interviewed by Laloux, "we are coming together as a community to fill a human need and actualize our lives" (Laloux 2014, 197). "The ultimate goal [...] is [...] to become the truest expression of ourselves, to live into authentic selfhood to honor our birthright gifts and callings, and be of service to humanity and our world" (Laloux 2014, 45). Success is also framed by key assumptions, and values of Teal organizations (Laloux 2014). For example, many Teal Organization examples explicitly state their basic assumptions about human nature (Laloux 2014, 108): "People:

- Are creative, thoughtful, trustworthy adults, capable of making important decisions;
- Are accountable and responsible for their decisions and actions;
- Are fallible. We make mistakes, sometimes on purpose;
- Are unique; and want to use our talents and skills to make a positive contribution to the organization and the world"

However, we found no explicit evidence of social sustainability principles. From an environmental perspective, the Teal Organizations Laloux researched "have not yet reached the ultimate goal of zero waste, zero toxicity, and zero impact on ecosystems, but many have taken significant steps in that direction" (Laloux 2014, 169). This indicates their intention to contribute positively to the ecological system even though we found no explicit evidence that they use scientific environmental sustainability principles.

Table 3.2 in Appendix F summarizes the analysis of ideal Teal Organizations through the Success level of the FSSD.

3.1.3 Strategic Level: Guidelines to strategically approach success

Teal Organizations do not appear to backcast from a vision of success per se but instead seem to backcast continuously by *sensing and responding* to their evolutionary purpose (Laloux 2014). However, we found no evidence of backcasting from explicit scientific sustainability principles. From a planning perspective, they do not try to predict and control, focusing instead

on finding workable solutions and doing fast iterations (Laloux 2014).They favour frequent small adjustments (e.g. stepping stones) that are in the right direction versus laying out multi-year strategic plans (Laloux 2014). To prioritize, Teal Organizations use "inner rightness" (Laloux 2014, 169) as their primary strategic guideline. They ask, "Does this decision seem right? Am I being true to myself? Is this in line with who I sense I'm called to become? Am I being of service to the world?" (Laloux 2014, 44). Teal Organizations seem to prioritize based on alignment with the evolutionary purpose of the organization (e.g. right direction). From a sustainability perspective "Teal Organizations have a different approach to dealing with their environmental and social impact. They look at the matter from a different angle. Instead of asking the question: *What will it cost?* They start with the deeper, more personal question: *What is the right thing to do?* Only then follows the question: *How can we do it in financially acceptable ways?* (Laloux 2014, 169).

Table 3.3 in Appendix F summarizes the analysis of an ideal Teal Organization through the Strategic level of the FSSD.

3.1.1 Actions level: Concrete actions towards success

Teal Organizations show significant evidence of sustainability related actions (Laloux 2014). The actions identified by Laloux are related to both social and environmental sustainability but there is room for improvement. (Laloux 2014). Below is a list of actions performed by different Teal Organizations found during the research (Laloux 2014):

- Active use of practices to listen in to the organization's purpose
- Constant *sensing* of what is needed
- Suppliers are also chosen by their alignment with the organization's purpose
- Practice total transparency and invite outsiders to make suggestions to better bring about purpose
- Recruitment, training, and appraisals used to explore juncture of individual calling and organizational purpose
- Active use of practices to cultivate ongoing discussion about values and ground rules
- Storytelling practices to support self-disclosure and build community
- Have honest discussions about individual time commitments vs. other meaningful commitments in life
- Devote regular time to discuss and address conflicts
- Train everyone in managing conflict
- Keep ego in check and ensure everybody's voice is heard by using specific meeting practices
- Future colleagues do recruitment activities and focus interviews on fit with organization and with purpose
- Train everyone in relational skills and in company culture
- Offer rotational programs to immerse new recruits in the organization
- Offer personal freedom and responsibility for training
- Mandate culture-building training
- Self-organize teams and self-staff projects
- Coordinate and hold meetings mostly ad hoc when needs arise
- Practice simplified project management
- Prioritize in a decentralized manner

- Practice fully decentralized decision-making based on advice process or holacratic mechanisms
- Share information with a high degree of transparency (including financials and compensation)
- Practice peer-based budgeting
- Practice formal conflict resolution
- Restrict conflict to conflicting parties and mediators
- Rearrange roles fluidly based on peer agreement
- Speak up about issues outside someone's scope of authority
- Have peer-based processes for individual appraisals
- Self-set salaries with peer calibration
- Have no bonuses but equal profit sharing
- Use dismissal as last step in mediated resolution process
- Do environmental and social initiatives in a distributed manner (every individual in the organizations can propose/organize initiatives)
- Work with suppliers to improve local working conditions and prevent child labour
- Reduce or offset their carbon footprint and reduce their use of water
- Recycle their products and reduce packaging

Table 3.4 in Appendix F summarizes the analysis of an ideal Teal Organization through the Actions level of the FSSD.

3.1.2 Tools level: Tools that support efforts towards sustainability

Teal Organizations use tools extensively to choose actions that will help them move towards their intended purpose (Laloux 2014). They also use tools to explore the values and ground rules of the organization (Laloux 2014). Furthermore, there is significant evidence that Teal Organizations use collaboration tools to share knowledge and access the collective intelligence of the organization (Laloux 2014). Additionally, there is strong evidence of capacity tools to support group learning, systems thinking, and co-creation (Laloux 2014). In terms of tools specifically focused around sustainability, there is no evidence of tools used to build capacity around sustainability principles or to guide strategic decision-making around sustainability (Laloux 2014). There is also no evidence of widespread use of measurement tools to assess the impact of actions on the socio-ecological environment (Laloux 2014). For example, "none of the Teal Organizations researched by Laloux use multiple-bottom-line accounting systems" (Laloux 2014, 171) to track impact on society and the environment. Below is a list of tools commonly used by Teal Organizations (Laloux 2014):

- Dedicated times to discuss the purpose, values and the ground rules of the organization (e.g. values days, team coaching, company retreats, purpose circles)
- Training courses and detailed processes around self-management (e.g. to learn about different types of listening, different styles of communication, how to run meetings, how to coach another, etc.) and wholeness
- Large group processes to listen in to the evolutionary purpose
- Practice group meditation and silence practices
- Meeting practices (e.g. check-in/check-out)
- Collaboration technology tools (e.g. videoconferencing, internal social networks, and knowledge repositories)

- Index cards with key common practices (e.g. include the purpose of the organization, its values, its decision-making mechanisms)

Table 3.5 in Appendix F summarizes the analysis of an ideal Teal Organization through the Tools level of the FSSD.

3.2 Stage 2: Case study Teal audit

Our baseline analysis of Future Considerations allowed us to compare their current reality to the best practices of an ideal Teal Organization, as outlined by Frederic Laloux in his recent book, *Reinventing Organizations* (Laloux 2014). Future Considerations' progress to date demonstrates a clear desire and potential to leverage the transformative power of the Teal breakthroughs and corresponding processes, practices, and structures. The results explained below are all based on survey results, unless otherwise stated. The survey questions can be found in Appendix B.

The three breakthroughs are used to divide up the categories of structures, practices and processes, using the division and headings provided in Reinventing Organizations (Laloux 2014). For each structure, practice, and process, there was one question in the survey.

For each breakthrough, a table summarizing the level of compliance FC has in regards to the structures, practices and processes of an ideal Teal Organization can be found in Appendix G. Here are the three terms we created to evaluate the level of compliance with the different structures, practices and processes:

- *Comply* - full or comprehensive adoption of the corresponding structures, practices and processes outlined by Frederic Laloux
- *Partially comply* - compliance with some of the corresponding structures, practices and processes outlined by Frederic Laloux
- *Do not comply* - marginal or no compliance with the corresponding structures, practices and processes outlined by Frederic Laloux.

3.2.1 Self-Management breakthrough

What follows is an overview of Future Considerations' level of adoption of self-management practices, processes and structures. As summarized in Table 3.6 in Appendix G, Future Considerations is experimenting with a system based on peer relationships, with reduced hierarchy and limited consensus. For example, there are a number of decision-making processes in place but all members of the organization are not using them consistently. Our assessment is that at the point of the study, the self-management structures, practices, and processes are only partially compliant with an ideal Teal Organization.

Flexibility and time commitment - comply

This category refers to the attention paid to the external commitments of members of an organization, and the level of flexibility that is afforded to them. FC resembles an ideal Teal organization in the domains of flexibility and time commitment. There is ongoing discussion about individual time commitment to work and other life commitments, as well as a high degree of flexibility in working hours. Virtual working encourages this further by allowing members

to work from home or while travelling. We confirmed this by observing their scheduling and expectations.

Appointments and promotions - comply

This category refers to the movement of an organization's members to and from positions within the organization. Appointments and promotions are not common in ideal Teal Organizations. Instead, roles are fluidly rearranged based on peer agreement. Direct observation confirmed that this is also the case at Future Considerations.

Organizational structure - partially comply

This category covers the formal structure of the organization, and the implications of that structure. Future Considerations' organization structure contains self-organizing teams, but a subconscious hierarchy feeling appears to pervade the structure and was highlighted by some respondents. This is exacerbated by the ring-like structure: the fellows and stewards are in the middle, while the associates form the outer ring. During a Company Circle meeting, we were able to validate the data from the survey.

Coordination - partially comply

This category covers how Future Considerations' coordinates its day to day activities. An ideal Teal Organization does not have executive team meetings, and extra meetings are only called for ad hoc, when necessary. FC does the latter but also has Monthly Company Circles for Fellows. As mentioned above, there is an outer ring of associates who are not always included in these meetings. We conducted document analysis of past meetings and meeting agendas to confirm this.

Projects - partially comply

This category refers to all facets of project management. Ideal Teal organizations have radically simplified project management, no project managers, and minimum or no plans or budgets. Prioritization is organic, and projects are self-staffed. Future Considerations keeps its' internal project management simple, but has program directors for external projects. Accountability is fluid in accordance with the Action Cycle Model. We conducted document analysis and direct observation of project planning which showed us for client projects there are multiple instances of more traditional project management.

Staff Functions - partially comply

Staff functions are the range of roles that need to be filled. In an ideal Teal Organization all staff functions are performed by the staff themselves, rather than by people hired to do specific jobs. At FC, most staff functions are performed by the team members themselves, or performed by a task force, a group with a specific task, that is led by a Steward, a Fellow who is responsible for guiding the company. There is only one full-time staff member and there are other part time members who perform particular tasks within the organization. Our document analysis of budgets, and role descriptions confirmed this.

Information flow - partially comply

In an ideal Teal Organization, a high level of transparency and information is available in real-time, including information about finances and compensation. At FC, there is a high level of

transparency and data availability within the organization, and our direct observation and data analysis confirmed this. However, there we found no regular examples of external stakeholders, besides ourselves, who had access to this information.

Performance management - partially comply

Performance management in an ideal Teal Organization involves a focus on team performance and peer-based processes for individual appraisals. These individual appraisals can turn into a personal inquiry into one's learning journey and calling. At FC, there are peer-based processes for conducting individual appraisals of Fellows, and these can evolve into personal inquiry and exploration of the calling of the Fellows. At this point, there is no formal or systematic review of Associates that we could find evidence of.

Compensation - partially comply

Compensation in an ideal Teal Organisation takes the form of self-set salaries with peer calibration for base pay. There are no bonuses, but equal profit sharing is the norm and salary differences are marginal. At FC, salaries for employees are not self-set. However, most members are not on salary as consultancy work is based on the day rate for the project. There are also incentives for bringing in projects and writing the project proposal. This usually gets distributed between the project team using peer-agreement. This was confirmed through document analysis and conversations with the core research team. Additionally, there is profit sharing amongst Fellows. Profit sharing is determined by self-assessment and calibrated by peer review. Finally there are large salary differences between FC members but most of the differences appear to be related to the amount of time devoted to the organization by each member. Document analysis also provided evidence of large salary differences between FC members.

3.2.2 Wholeness breakthrough

Future Considerations has effectively implemented many practices, processes and structures that promote bringing one's own self to work and reclaiming inner wholeness. The wholeness breakthrough embodies the values that Future Considerations was built upon and, as Table 3.7 in Appendix G illustrates, wholeness is a point of strength for Future Considerations. However, there are many areas that present an opportunity to pursue full compliance.

Recruitment - comply

Teal organizations, ideally, perform recruitment by having current members conduct the interviews, and keeping the focus on fit with purpose. Future Considerations uses this model to conduct its interviews, and Fellows and Associates are largely responsible for recruitment and look for future colleagues who fit with the purpose of FC. We used document review and direct observation to validate these findings.

Office spaces - comply

Ideal Teal Organizations have warm, personalized self-decorated office spaces that lack status markers. They are open to children, animals and nature. Since FC mostly collaborates virtually and no longer has a physical office, this requirement is less relevant. When they do meet for Company Circles, we observed that they chose a spot that was comfortable, nurturing and

aligned with their values. We did not find any further information about requirements for workspace, but we are asserting that as they work from home, compliance is automatic.

Meetings - comply

This category covers meeting practices. Ideal Teal Organizations have specific meeting practices for keeping ego in check and ensuring that everyone's voice is heard. FC embodies this approach and direct observation provided an opportunity to witness meeting practices such as extended check-ins and check-outs, beginning with silence and self-reflection time.

Values - comply

This category refers to the stated values of the organization. Values in an ideal Teal Organization are translated into explicit ground rules and unacceptable behaviour is clearly outlined. FC is perceived as an organization driven by values, and these are clearly stated on the website. We observed values being actively discussed during the Company Circle meeting we attended.

Reflective spaces - comply

Reflective spaces are a vital part of ideal Teal Organizations. They take the form of quiet rooms, group meditation and silence practices, large group reflection practices, team supervision and peer coaching. At Future Considerations, there are group meditation and silence practices, as well as large group reflections, which happen both in person and virtually. The value of peer coaching is appreciated but it did not appear to be widespread.

Training - partially comply

Training in an ideal Teal Organization involves granting individual freedom to make decisions about training, while also having some common training that is attended by all. At FC, there is a high degree of personal responsibility for training, but no mandatory common training at this time. There are monthly Learnings Days organized by FC, which are open to Fellows and Associates.

Job titles and job descriptions - partially comply

There are no job titles in ideal Teal Organizations. Instead, roles are fluid and granular. At FC, there are some role titles (e.g. programme director, steward) that are fulfilled by certain individuals for a set period of time. This was confirmed through direct observation and document analysis. It was also observed that the steward role may limit fluidity at times as individuals in the role may take on too many initiatives that could be performed effectively by other colleagues.

Community building - partially comply

Community building plays an integral role in Teal Organizations. Storytelling practices are often used to support self-disclosure and build community. FC also has practices to support community building, but some individuals feel more are required due to the additional challenges presented by working virtually. We observed multiple community building practices by direct observation.

Dismissal – partially comply

A rarity in an ideal Teal Organization, is the last step after a mediated conflict resolution mechanism, and is used as an opportunity to provide a learning experience. At Future Considerations, there is no formal process in place but, and a dismissals appear to be extremely rare has never occurred. Instead, Fellows and Associates are voted in by their peers. At this point, Fellows may decide to step down and this instance is then turned into a learning opportunity for both the individual and the organization. Direct observation provided an opportunity to witness the process of a Fellow stepping down, used when a member decides to step down this process, while we did not find a search for documentation about dismissals confirmed that there is no formal process in writing.

Onboarding - do not comply

Laloux described how an ideal Teal Organization had an onboarding process that involves significant training in relational skills and company culture and includes a rotation program so that people can be immersed in the organization. Future Considerations has few processes in place for onboarding. The ones that do exist are largely administrative and involve socializing with colleagues. However, it is important to note, the selection of new peers at FC is significantly based on the assessment of the level of relational skills and training individuals already have.

Conflicts - do not comply

In an ideal Teal Organization, there is regular time devoted to bringing conflicts to light and addressing them, facilitated by a multi-step conflict resolution process that everyone is trained in. Culture restricts conflict to the conflicting parties and mediators so that outsiders are not brought into the conflict unnecessarily. At FC, there are several methods for conflict resolution that are practiced but there is no clear conflict resolution strategy that is widely adopted and taught.

3.2.3 Evolutionary Purpose breakthrough

This section contains an overview of Future Consideration's level of compliance with Evolutionary Purpose practices, processes and structures. Future Considerations is seen as having a life and sense of direction of its own, though the evolutionary purposes of individual members may, at times, crowd out this organizational purpose. There are still attempts to control and plan the future, and respond to client expectations, rather than being fully guided by the evolutionary purpose. As Table 3.8 in Appendix G displays, Future Considerations has many opportunities to further integrate the structures, practices and processes of an ideal Teal Organization.

Supplier management - comply

Suppliers are chosen by fit with purpose in an ideal Teal Organization. At Future Considerations, there is general agreement that this is the case and we were able to verify this via document review and during participation in the Company Circle meeting.

Sales & marketing - comply

Marketing is a simple proposition in ideal Teal Organizations: the offer to the world is decided from within, and there are no sales targets. This is typical of Future Considerations as well, as confirmed by document analysis of their marketing material.

(Evolutionary) Purpose - partially comply

In an ideal Teal Organization, the organization is viewed as a living entity that has its own evolutionary purpose. FC also holds this perspective. FC's purpose is "to enable the world's leaders, institutions and systems to evolve and influence the great challenges of our time." (Future Considerations 2015). However, there are times when short-term goals and the purpose of individuals seem to take precedence over the collective evolutionary purpose. This was also observed during the Company Circle meeting.

(Individual) Purpose - partially comply

In an ideal Teal Organization, individual purpose is explored through recruitment, training and appraisals. At FC, there are regular discussions amongst the Fellows around individual's purpose and its' connection to the organizational purpose. However, we did not find evidence of a similar process for the Associates or employees.

Decision-making - partially comply

Decision making in an ideal Teal Organization is fully decentralized based on a holacratic decision-making model or the advice process, which are both decision-making processes that allow for input from peers. FC's current decision making is in the process of being decentralized but we found multiple decision-making processes being used, and no evidence of common training for all members of FC. Direct observation has confirmed that this is the case.

Strategy - partially comply

As in an ideal Teal Organization, at FC strategy emerges organically from the collective intelligence of the self-managing employees. Despite this, there is still a perception that particular individuals have greater influence than others. Some survey respondents provided this perspective in the comments, and it was also observed via direct observation.

Innovation & product development - partially comply

In an ideal Teal Organization, the offer to clients is defined by purpose and guided by intuition. At FC, its offers are guided by purpose but there were several instances when the offer was adjusted to meet the client's' expectations and desires. Some survey respondents felt that the offers of FC were guided by intuition. Direct Observation at the Company Circle confirmed offers are guided by the evolutionary purpose but not defined solely by it in order to accommodate key clients.

Purchasing & investments - partially comply

In an ideal Teal Organization, anyone can spend any amount as long as they respect the advice process. There are also peer-based reviews of the team's budgets. At FC, all Fellows can submit proposals for new internal projects or client work. However, we do not find evidence this is

also the case for Associates or employees. We confirmed this through document analysis of financial records and direct observation on Yammer.

Planning, budgeting and controlling – partially comply

"Sense and respond" is the planning approach of Ideal Teal Organizations. There is no tracking of variance, no targets and ongoing sensing of what is needed. Future Considerations uses "sense and respond" planning the majority of the time. It does not track variance and has simplified budgets for internal and client projects.

3.3 Stage 3: Future Considerations through the lens of the FSSD

Data from the semi-structured interviews is organized according to the data collection areas outlined in the Methods section and matched accordingly to their respective level in the FSSD. The data is presented by looking at Future Considerations as an early stage Teal Organization through the lens of the FSSD.

For a table of each level that summarizes the gaps of FC and the ideal Teal Organization identified in stage 1 through the lens of the FSSD, please refer to Appendix H.

3.3.1 Systems level: The system relevant to the success of FC

Understanding of the socio-ecological system

From a systems thinking perspective, all members of Future Considerations that were interviewed displayed an understanding of the socio-ecological system, though these understandings varied. Interviewee 6 highlighted the importance of having a systemic lens and an understanding of the system in order to evaluate the impact of specific actions. The interviewee explained how Future Considerations has in recent years been more focused on systemic work and their efforts to take a holistic approach with their clients (Interviewee 6 2015). Interviewee 5 talked about the interconnection between individuals, organizations and society and how that knowledge affects Future Considerations as an organization and their work with clients.

Three of the interviewees (Interviewee 1, 3 and 4, 42% of the sample) mentioned how interventions at different levels of the system, i.e. with various stakeholders, are required to effectively change the global socio-ecological system. Systems thinking was not directly observed in the provided documents but conversations that were observed on Yammer showed a great understanding of the socio-ecological system in many aspects of the organization. To summarize, Future Considerations shows evidence of a clear understanding of the interconnectedness of social and ecological systems.

Understanding of the basic mechanisms humans can use to erode the socio-ecological system

We found no evidence the interviewees had a clear understanding of the underlying scientific rules of the ecological system and how that impact us as a society. None of the scientific foundations of the FSSD were mentioned during the interviews. Additionally, no documents were found that showed evidence of scientific understanding of the socio-ecological system.

However, it is important to note we did not specifically ask for this information during the interviews.

Understanding of the sustainability challenge

Examples of the sustainability challenge such as the depletion of natural resources and global warming were mentioned by all participants. Additionally examples of issues related to social sustainability challenges were also mentioned by everyone we interviewed. One interviewee did stated "it is kind of a balanced system where sort of economy, society and planet can co-exist in a sort of fairly balanced state as such that, certainly environment, or the biosphere should be at the core and is not compromised" (Interviewee 5 2015), showing a clear tendency to put a priority on the environment. Another interviewee also put it in similar terms: "On the social side it has to be that there is a connection to each other, across whatever divide that is and ecologically I think there has to be a connection with the environment that gives us an understanding at the different level of what it is, our reliance on it, you know that connection point has to be made on both of those sides at some point" (Interviewee 6 2015). Only three of the participants (43%) spoke about some of the ways that the ecological understanding of sustainability impacts Future Considerations. One participants mentioned that the reduction of flights taken by members of the organization is a direct result of their definition understanding of sustainability (Interviewee 6 2015). There were no additional documents on the sustainability challenge, but one of the stated goals in the strategy map was to increase collaboration around sustainability and start working with sustainability managers, which shows a tendency to increase the internal awareness around the topic.

Different worldviews at Future Considerations

Worldviews vary between the interviewed members at Future Considerations. In the words of one participant, "there are different individuals with different stages of development and different worldviews, different attitudes, so what is on purpose or not or how the written purpose of the company is interpreted is largely dependent on those characteristics" (Interviewee 2 2015).

This differentiation is also reflected in the work that individual members of the organization take on. Some members tend to work on projects that are clearly aligned with the evolutionary purpose of the organization while others are willing to compromise the purpose to meet short-term needs. For example, here are two different perspectives; Interviewee 3 (2015) said "I am not interested in run of the mill project and I think some of our projects are professional projects, I don't want to diminish them but I don't think they address the great challenges of our time" while interviewee 5 (2015) said that "we are in both worlds, so you know we are very much part of that constant struggle to define what is best, and you know, as individuals, a lot of us have families to feed, and financial goals of our own that may mean the choices we make aren't always the most purest."

Interviewees 1, 2, 3, 6 and 7 (71%) said the difference in worldviews creates divisions amongst FC members as some members want to continue doing business with large multinational clients that do not have a good social and environmental record and others do not.

Interviewee 3 spoke about the controversy surrounding FC's involvement with clients of questionable ethics. He explained, "I guess there was a divergence of view that said some of our projects are not necessarily on purpose but we are continuing them because they might get

there. Some people feel they are on a trajectory where they could become on purpose, it could evolve" (Interviewee 3 2015).

Direct observation of conversations and documents on Yammer also provided evidence that the controversy around some of the clients is a topic that is debated on a regular basis by the members of the organization.

When discussing the complexity of the systems, 2 of the 7 interviewees (29%) explained the relationship between different systems in simplistic terms. The other 5 (71%) showed a more complex understanding, discussing the resilience of systems, the complexity of change, and the need to use leverage points to have an impact.

Also, all seven interviewees value humanity but only four out of seven (Interviewee 2, 3, 6 and 7, 57% of the sample) spoke about the need for love and compassion of other species. For example, interviewee 5 (2015) said "if we are honest, it is about what is best for humanity, right?" showing a world-centric worldview. On the other hand, interviewee 3 (2015) shows a planet-centric worldview that values all sentient beings by saying that one of the capacities required to reach sustainability is, "love in the sense of compassion I think, compassion for self, compassion in the spiritual sense, compassion for other beings, compassion for the Earth, compassion for human beings."

Also, two interviewees (Interviewee 2 and 3, 29%) stated that the majority of Future Considerations is not yet fully operating from a Teal mindset. "There will be more people capable to operate from a Teal perspective which is a world centric perspective and currently it is not the majority in FC." (Interviewee 2 2015)

However, all participants except for interviewee 4 (86%) expressed the opinion that the worldview of Future Considerations as a whole is perceived to be increasing in complexity and is expected to allow the organization to increase its reach and impact. In the words of interviewee 2 (2015), "when we solidify the gains in the new realm of higher center of gravity we [Future Considerations] will be better poised to increase our reach and impact."

Direct observation through conversations with members of Future Considerations, both virtually and in person at the Company Circle Meeting confirmed a world-centric view for most members of the organization.

None of the participants explained explicitly that they view Future Considerations as a living system but we did find evidence of this on the company website and through direct observation at the Company Circle meeting where FC was referred to as a living system.

How Future Considerations functions

Future Considerations, as an early stage Teal Organization, is still progressing towards the Teal ideal. One interviewee put it as followed:

"I think in certain respects FC is on a journey; they are not quite there yet and I don't think you will ever get to a point where you are like, I am now Teal or I now fully realized that objective, it is a quite qualitative process." (Interviewee 1 2015).

In regards to the three breakthroughs, chapter 3.2 explains in more detail which practices, structures and processes are already implemented at Future Considerations, which are only partially implemented and which are not implemented at all.

3.3.2 Success level: How Future Considerations defines success

Success defined by evolutionary purpose

Interview participants were asked how Future Considerations defines success. Most respondents spoke about what they believed the ideal work and projects of Future Considerations look like, from a dynamic and ongoing developmental perspective, rather than speaking about the final outcome.

Interviewee 1, 3, 4, 5 and 6 (79%) agreed that the official stated purpose is the evolutionary purpose of FC and was a valid definition of success for the organization.

Interviewee 2 said that he did not think that FC has a stated definition of success. Interviewee 7 explained that Future Considerations does not define success and speculated that it could be because success is different for each organization that Future Considerations works with, depending on their developmental stage.

The documents provided, especially the Run-FC document (see section 3.3.3, Strategic Tools), provided further evidence of the relation between the definition of success and the purpose of Future Considerations.

Success is being in service of humanity and the world

Also, document analysis revealed that Future Considerations states that "Our vision is for a sustainable and abundant world in which all elements – business, government, civil society, people and the environment – co-exist and develop in concert" (Future Considerations 2015) which shows evidence that the work being done by the organization is meant to serve humanity and the planet as a whole.

Future Considerations' definition of sustainability

In order to get an understanding of the perception and level of understanding of sustainability within Future Considerations, interview participants were asked what their definition of sustainability was.

Though there were persistent themes, there was no consistent definition of sustainability. Interviewee 4 confirmed that no official definition of sustainability exists for Future Considerations. Two interviewees (Interviewee 4 and 7, 29%) stated that documentation around sustainability at Future Considerations exists, whereas the remaining 71% of participants did not mention such documents. The document analysis also did not reveal any sustainability-specific documentation.

Interviewee 5 connected sustainability and evolutionary purpose when he spoke about how FC could challenge project leaders by asking them, „how on purpose are you being with this work and are you getting the client to work through questions that might relate to sustainability? And so on and so it is in the reviewing process as well"(Interviewee 5 2015).

One reoccurring theme that 71% of the participants (Interviewee 2, 3, 5, 6, and 7) touched upon was a tendency to speak about sustainability beginning at the personal level, and then continuing to the organizational, societal and ecological levels. For example, Interviewee 6 began by speaking about how "if I am not taking care of myself I can't take care of my children" followed by "I think the first thing that is required from a social perspective is self-awareness. I actually have to be aware of what I am doing" (Interviewee 6 2015), stating that for this participant, sustainability begins on the individual level, to understand how it impacts oneself and to then look outwards for greater implications.

A direct definition of ecological sustainability was not provided by any of the interviewees but there was a clear agreement that Future Considerations internal ecological impact is minimal, as they do not have an office and do the majority of their work virtually.

Social sustainability, especially on an individual level, was spoken about more directly as a necessity to create a sustainable society. Interviewee 2 explained how unsustainable situations and environments that create disengagement and burnout are becoming more the norm within society and that work needs to become, "not only as a means of survival but also as a means of embodying personal meaning in their life" (Interviewee 2 2015).

We did not find a principle-based definition of sustainability success mentioned in any of the seven interviews. All seven participants spoke about sustainability and their personal definition of it but no clear definition was apparent or shared amongst the different interviewees. The lack of shared language around sustainability was explained by one participant in the following way: "I don't think we [have] had a very shared understanding [of sustainability]" (Interviewee 6 2015).

3.3.3 Strategic level: Guidelines to strategically approach success

How Future Considerations plans

We found different responses to how Future Considerations plans. Interviewee 2 (2015) stated that sense and respond is used consistently and has replaced the strategic planning while Interviewee 1 (2015) claimed that Future Considerations still uses both planning and forecasting in some scenarios and sensing and responding in others. The document analysis showed no direct guidelines around the sense and respond approach but it was observed during the CCM. The data found shows a mix between traditional planning and a sense and respond approach.

Interviewee 2, when prompted on the relation of the overall planning at Future Considerations and its relation to sustainability-specific planning said that: "It depends on largely the level of energy and personal orientation" (Interviewee 2 2015).

When discussing planning for sustainability, interviewee 5 said: "there certainly isn't a separate planning process for that right now" (Interviewee 5 2015). Interviewee 2 put it more drastically when relating planning and sustainability: "No, we don't have real planning in relation to anything" (Interviewee 2 2015). Interviewee 4 reiterated that: "no, not consciously, we don't, it is just in everything that we do, I would say. So we don't consciously have a plan to be sustainable or be more sustainable, it just always comes up" (Interviewee 4 2015). Interviewee 7 put it in those terms: "things crop up, but it's not a planned thing" (Interviewee 7 2015) showing evidence that sustainability related actions are not planned for strategically within the organization.

Backcasting from vision but not from sustainability principles

From the data collected during the interviews, we can see Future Consideration does not backcast from sustainability principles but they do backcast from their vision of success. This was observed via direct observation at the CCM. Strategic guidelines to prioritize actions at Future Considerations

One guideline around prioritization that every interviewee mentioned was Future Consideration's purpose. All interviewees mentioned that the organization's purpose informs most actions and allows the members of the organization to self-organize. Interviewee 2 said that on-purpose work and work that supports the purpose is one of the strongest prioritization strategies (Interviewee 2 2015). There were also voices that struggled with finding a process that Future Considerations uses to prioritize: "I don't think we have a good way of prioritizing so that is my answer" (Interviewee 6 2015) but, after considering the question for a while stated that "yes there are kinds of works, a prioritization around the kind of work that we want to do" (Interviewee 6 2015).

Another guideline that arose very frequently was around financial sustainability. Interviewee 1 said that Future Considerations, in their plan to become a sustainable organization includes financial sustainability at all levels, especially with the awareness within the organization that the current consultancy model appears to be dying out, thus making it harder for the organization to continue their current business model (Interviewee 1 2015). Interviewee 6's initial reaction to the prioritization at Future Considerations was also around financial sustainability: "What comes immediately again, the first is just the level one, financial sustainability" (Interviewee 6 2015). Interviewee 5 explained the organization's struggle between financial existence and long-term on purpose prioritization as follows: "so I wouldn't say we fit in in the global economic kind of, somehow, saintly and removed, we are very much part of it you know" (Interviewee 5 2015). This was evident during the CCM where most of the focus was on prioritizing actions that could deliver ROI in the short-term.

No evidence of strategic guidelines to favour actions that are flexible platforms

Prioritization around a flexible platform and future flexibility was not mentioned by any of the seven participants and there seems to be no evidence to suggest they take future flexibility into account when prioritizing/making decisions. The document review also revealed no prioritization based on flexibility.

3.3.4 Actions level: Concrete actions towards success

Actions towards Sustainability

All seven participants agreed that Future Considerations is not putting any extra emphasis on creating actions towards sustainability as an organization. Interviewee 6 explained that some of the practices that were used in the past have since fallen off due to a lack of energy around their continuation (Interviewee 6 2015). However, we found evidence of multiple actions and practices related to reducing the ecological impacts of the organization (e.g. no physical office, reduce travel as much as possible, offset carbon footprint from plane usage) and to removing barriers to social sustainability as seen in Stage 2 of this research. The participant Interviewee 6 also mentioned there seems to be new energy appearing around the topic of sustainability within Future Considerations: "So I think that is one of the gaps towards sustainability right now is the lack of shared practices in some domains. And there is some recognition of that, it

has been talked about. It is not a total blind spot either and I think we are working towards that" (Interviewee 6 2015).

Direct observation showed some actions that were not mentioned during the interviews in relation to sustainability such as having a virtual office and the members' commitment to fly as little as possible to reduce their own carbon footprint.

3.3.5 Tools level: Tools that support efforts towards sustainability

Tools to share knowledge and access the collective intelligence of the organization

Two tools (Run-FC with Top Considerations, Yammer) that were talked about during the interviews related to the measurement of success at Future Considerations. Run-FC is used to keep track of the current progress on the Top Considerations (key priorities for the different target markets of FC; leadership, organizations and society) and share key financial and colleague information. "The Run-FC document again is like a checkpoint for everything so we can move things up and down" (Interviewee 4 2015). The participant also explained Yammer, a social collaboration tool that allows the members of the organization to communicate their progress on projects, and make, discuss and approve proposals. "Yammer for progressing anything, that is like our, especially company circle, [...] that is where we make proposals, and they get approved, or discussed or not approved" (Interviewee 4 2015).

Tools to listen into Future Consideration's purpose and assess the health of the system

Future Considerations has made it a practice to slow down and create reflective spaces to reconnect with the individual and collective purpose and to sense which actions feel right. "We are quite good at slowing down, taking reflective time, really trying to connect with what feels really on purpose, rather than what feels like more of the same, what is safe or what is financially rewarding because there is lots of it" (Interviewee 5 2015). Interviewee 6 explained how FC has used different processes based on Theory U at annual general meetings to sense into where the organizations wants to go. Interviewee 7 also mentioned Yammer as a tool to use for system sensing and how members of Future Considerations share their sensing of the system environment on that platform. The interviewee said "I think that colleagues use Yammer pretty well to pick things up that are going on in the environment and to let people know" (Interviewee 7 2015). Additionally, the participant mentioned the View from the Bridge newsletter that keeps the network of Future Considerations informed about all current operations. "And we are trying to keep our wider network informed, we send out something called View from the Bridge which it sort of every six weeks which goes to fellows and associates" (Interviewee 7 2015). Another tool that was mentioned by one participant (14%) was mindfulness as a tool to help access the collective intelligence of the organization. It was used specifically at the last AGM "to help us [Future Considerations] access a deeper space from which to speak from, collectively and individually" (Interviewee 3 2015). Interviewee 4 (2015) also mentioned the tool of constellations, a mapping and health assessment tool for systems, as another way to sense into the collective system of Future Considerations and its, internally at Future Considerations and externally with clients.

There are however still some issues related to system sensing at FC according to one participant: "I think we have done less collectively of where the organization wants to go versus where the individuals want to go" (Interviewee 6 2015).

In terms of trying to measure the impact of actions on the socio-ecological system, Interviewee 6 expressed how carbon measurements were once used as a tool but have since been dropped. "At some point in time we had carbon considerations as a business, we had certain attempts to address it and offer it" (Interviewee 6 2015).Regarding system-sensing tools in meetings, two participants (27%) mentioned extended check-ins, which are used to let everyone arrive at the meeting and inform the others of one's current mind state. "The way the meetings are actually conducted, there are extended check-ins, they can say where they come from and where they are at" (Interviewee 1 2015).

Moreover, language in general and conversations specifically are used as a tool to share information and to sense the collective mindset. "So I think you would find quite a lot of people at FC, again not everybody, would pay a lot of attention to language as a domain of sensing, what gets named and in what way, linguistics" (Interviewee 3 2015).

Capacity Tools

In relation to capacity-building tools, interview participants talked about two that are currently in place. One interviewee spoke about the role that coaching plays at Future Considerations in building capacity: *"it could happen in coaching situations or in group situations and using that data where it can be appropriate"* (Interviewee 3 2015).The second tool that was discussed by two participants (29%) were the learning days that happen at least bi-monthly and at the AGM at the end of the year. These learning days are used to share practices within Future Considerations and those that are implemented in projects: *"At least once every two months where they will have a team meeting, where they will have the core meeting together in the morning to discuss business matters and more of a learning network with more coming together in the afternoon"* (Interviewee 1 2015).

We did not find evidence of sustainability specific capacity building tools.

4   Discussion

The significance of our research was that it provided evidence that combining Strategic Sustainable Development with the Teal organizational paradigm could accelerate change towards sustainability. Our research purpose was to understand if and how the Teal organizational paradigm contributes towards creating sustainable organizations that can help create a sustainable society and confront the sustainability challenge. We also wanted to identify any gaps or opportunities that would allow these organizations to transition towards sustainability in a more effective manner.

4.1 Research Question 1

How does the Teal organizational paradigm align with Strategic Sustainable Development?

Stage 1 of our research focused on the alignment of an ideal Teal Organization with Strategic Sustainable Development and we continued to use the FSSD to structure our discussion. Each level contains a description of the alignments and misalignments, and elaborates on how strongly the results suggest that further integrating an SSD approach in Teal Organizations could create powerful and transformative organizations. We found that a fully adopted Teal organizational paradigm shows significant alignment with Strategic Sustainable Development. Though we anticipated this result, we were surprised by the extent of their alignment, and the degree to which they appear to be compatible.

4.1.1   System Level

Our results at the systems level reveal significant alignment between Strategic Sustainable Development and ideal Teal Organizations. In what follows, we will emphasize that ideal Teal Organizations have a natural tendency to align with Strategic Sustainable Development.

Ideal Teal Organizations possess complex worldviews that can handle systems thinking, see interconnectedness of subsystems and effortlessly identify nested systems within systems. Consequently, many characteristics of systems thinking are naturally present in ideal Teal Organizations, regardless of whether or not they are conscious of them. These include feedback loops, thresholds, complex chains of events, understanding key leverage points, and mental models. Ideal Teal Organizations acknowledge the increasing complexity of the world, reject causal linear thinking, and realize that organizations are complex adaptive systems that need to continuously adapt to their environment. Ideal Teal Organizations appear to completely embrace the new management paradigm necessary to transition to sustainability (Gladwin et al. 1995).

Furthermore, the sustainability challenge is easy to comprehend and connect to the socio-ecological system from a Teal organizational paradigm. Teal Organizations see themselves as living systems, allowing them to better understand their interaction and impact on the socio-ecological system. This is another characteristic that aligns with the new paradigm required to transition to sustainability outlined by Gladwin et al. (1995). Also, Teal Organizations stand firm on their operating principles and values, meaning they are likely to consistently invest in sustainability. They will be proactive about sustainability, pursue on-purpose innovation and remain constantly open to change. This openness and flexibility aligns with the recommendations from Hjorth and Bagheri (2006) to transition to sustainability in a more effective manner.

Additionally, Teal Organizations understand the interconnectedness of intuition and rationale, and their ability to complement each other. They do not necessarily require scientific rationale in order to understand and validate the sustainability challenge. They are willing to act if their intuition or limited information available tells them they are going in the right direction. This indicates why Teal Organizations may favour the use of a precautionary principle in order to prevent environmental degradation aligning with the views from various researchers (O'Riordan 1995; Gladwin et at. 1995; Holmberg and Robert 2000). Thus, we believe they are in a position to welcome a strategic, science-based approach, as it will help validate their intuitive understanding of the need for sustainability. Also, we believe Teal Organizations would value a scientific understanding of interactions between the socio-ecological system and the lithosphere as it could accelerate their decision-making by grounding it with science and not having to rely solely on intuition.

4.1.2 Success Level

As outlined in our introduction, most businesses only adopt sustainability reform when an external motivation appears, usually the possibility of increased profit. Teal Organizations, however, pursue reform because it is the right thing to do and is an intrinsic part of their definition of success. As seen in the results, ideal Teal Organizations want to be in service of humanity and the world. This aligns with the new management paradigm required to transition to sustainability discussed in section 1.3.2..2.2. Also, it highlights how Teal Organizations are Stage 5 organizations that are likely to fully integrate sustainability into their existence as they believe it is the right thing to do (Willard 2012). A key alignment of ideal Teal Organizations and Strategic Sustainable Development is that success is clear, widely shared, and co-determined by all members of the organization. This aligns with the visioning step of Strategic Sustainable Development as it allows for broad participation in the creation of the vision. This visioning approach likely helps create shared mental models that enable individuals to collaborate and create innovative solutions towards sustainability more effectively as outlined in the Introduction.

Furthermore, ideal Teal Organizations define success with their evolutionary purpose. Given that the purpose is intended to be in service of humanity and the world, we believe this naturally creates alignment with the most fundamental goal of SSD: to achieve the organization's purpose in a sustainable way. These characteristics also reflect the new management paradigm advocated by multiple researchers in section 1.3.2..2.2. However, we found no evidence that the purpose of the organizations should be to achieve within boundaries of sustainability principles. Thus, we see an opportunity to frame the purpose of ideal Teal Organizations with a more scientific definition of success, informed by sustainability principles. Given Teal Organizations value precautionary principles, they will likely welcome a principle-based definition of sustainability success.

Specifically, the inclusion of these principles could prevent Teal Organizations from engaging in actions that may be intended to be sustainable but are not, which is a common issue faced by organizations today as explained in the Introduction. Additionally, the incorporation of scientific sustainability principles could allow Teal Organizations to be more certain if something is of service to the world by providing additional clarity. It could also inspire the creation of new products and services as ideal Teal Organizations are trying to better serve humanity and the world. Lastly, having a clear definition of sustainability success could allow Teal Organizations to better communicate the impact of their actions to different stakeholders using, and provide new ways to assess the impact of their work.

4.1.3 Strategic Level

As shown in the results, ideal Teal Organizations regularly take time to sense into their organization's evolutionary purpose in order to know if they are moving in the right direction. They effectively backcast from their purpose and have integrated backcasting into multiple processes and practices. Given their purpose is in service of humanity and the world, they always intend to move in the right direction as advocated by SSD. However, given we found no evidence ideal Teal Organizations have clear guidance of what is sustainable or not, they may consider an action to be in the right direction when in fact it is not. Thus, we believe providing SSD knowledge and a principle-based definition of sustainability success could help Teal Organizations close this gap. We believe SSD could inform what individuals consider to be the right direction, ensuring decisions taken move the organization towards its purpose in a sustainable way.

Ideal Teal Organizations also align with the flexible platform guideline of SSD (Holmberg and Robèrt 2000; Broman et al. 2000; Ny et al. 2006; Missimer 2013) by favouring prototyping and constant iterations versus trying to develop perfect solutions that may lead them to dead-end investments. Ideal Teal Organizations, "...do not try to predict and control, focusing instead on finding workable solutions and doing fast iterations." (Laloux 2014). Also aligning with SSD, Teal Organizations constantly re-assess their direction and make intuitive changes favouring stepping stones that are in the right direction. As Frederic Laloux explained, they prefer to focus on, "...actions that are in the right direction versus laying out multi-year strategic plans" (Laloux 2014).

As shown in the results, ideal Teal Organizations also use return on investment to prioritize, aligning with an SSD approach that helps ensure economic viability of actions (Holmberg and Robèrt 2000; Broman et al. 2000; Ny et al. 2006; Missimer 2013).

Overall, ideal Teal Organizations seem to be have and use all the strategic guidelines required to transition to sustainability. However, they could benefit from a scientific definition of success to ensure what they consider to be the right direction is truly so. Furthermore, given the prototyping approach and the fact that they favour sensing and responding versus trying to do multi-year plans, Teal Organizations show characteristics that make them highly adaptable to changes in the socio-ecological system, and to potentially integrate new knowledge quickly to try and implement solutions.

4.1.4 Actions level

At the actions level, most Teal practices, processes and structures, as described in *Reinventing Organizations,* relate to removing barriers to social sustainability, but we believe that these organizations also have actions that align with the ecological sustainability principles. As stated in the introduction, trust, honesty and equality are deteriorating in the global social system (McKenzie 2004; Barnett and Adger 2007; Robèrt et al. 2010), and the sustainability principles were developed in response to this phenomenon. There is an opportunity to develop a strategic and scientific approach for evaluating if actions of an ideal Teal Organization are in line with sustainability principles, and for using this evaluation process to assess and evaluate potential new practices, processes and structures.

Wholeness processes, practices and structures represents a large proportion of the actions selected in ideal Teal Organizations. They call in the collective intelligence to help create and achieve the organizational vision. This encourages people to grow and increase their *level of*

consciousness, allowing them to deal with more complex problems. Wholeness practices allow individuals to realize that they are part of a whole, making it easier to sense the needs of the whole and identify risks and opportunities. If people are at work in the fullness of their humanity, then their commitment to the organizational vision is greater. Decisions are made that keep ego in check and benefit the whole, instead of just individuals. All members are looking in the same direction, based on the evolutionary purpose or vision, and are energetically moving towards it. Self-management creates both freedom and responsibility, costs are reduced and more money is freed up for investing in sustainability. We believe that these intentional actions provide remarkably fertile ground for SSD-informed strategic decision-making.

4.1.5 Tools Level

Ideal Teal Organizations have an abundance of capacity building tools, such as ongoing education and common training. The pre-existence of this structure makes the space for the addition of comprehensive SSD training, as there is currently no provision for common training in sustainability.

We found no evidence of tools to guide strategic decision-making around sustainability evidence of tools for measuring or sensing the impact of actions on the socio-ecological system. We also did encounter any existing tools for building capacity around sustainability. There are some strategic tools, such as large group sensing processes to listen in to the purpose of the organization, and other practices listed in table 3.5 in Appendix F. There is a need for a strategic, scientific approach for evaluation of tools that are in line with sustainability principles and there is an opportunity for further development of strategic tools for measuring sustainability impact. Strategic Sustainable Development provides the scientific knowledge that could guide the selection of tools to further sustainability in Teal Organizations.

4.2 Research Question 2

How can an early stage Teal business organization utilize the Teal organizational paradigm, informed by Strategic Sustainable Development, to catalyse their development towards sustainability?

Our results for Research Question 2 revealed the alignment of an early stage Teal Organization with the FSSD. We will now discuss how the combination of the Teal organizational paradigm and the FSSD can create momentum towards sustainability in an early stage Teal Organizations.

Our survey results (See chapter 3.2) confirmed that Future Considerations is an early stage Teal Organization that has made significant progress in all three breakthroughs. Chapter 3.3 reviewed in detail the alignments and misalignments of Future Considerations with an ideal Teal Organization through the lens of the FSSD. We were surprised by how drastically different Future Considerations is from a conventional organization, despite the areas where they only partially comply or do not comply with Ideal Teal Organizations. It can be argued that if they adopt a Strategic Sustainable Development approach Future Considerations is likely to progress quickly towards sustainability, while simultaneously journeying closer towards becoming an ideal Teal Organization.

We were consistently surprised during the research by how members of Future Considerations anticipated that the SSD could be useful for their organization. We believed that most members would find that the approach lacked adequate alignment with the Teal organizational paradigm, but in many instances it was immediately evident that Future Considerations could use the SSD to fill a gap.

The differences we observed between Future Considerations and organizations that operate from the current predominant paradigm are drastic. One key feature of Teal Organizations as validated by the case study that likely allows for close integration of sustainability practices is trust.

Our research and our observations reinforced that trust is a vital prerequisite to effective implementation of SSD and the Teal organizational paradigm. Although the Teal organizational paradigm and SSD seem to have the potential to grow and enhance trust, if it is not present from the beginning, the effectiveness of the implementation can be jeopardized (Nattrass and Altomare 1999).

For a Teal Organization to embark on a journey towards self-management, an incredible amount of trust must already pervade the organization. This includes trust that all members have a desire to work in compassionate, loving and caring ways that move the organization towards its purpose. In order to experiment with wholeness practices, processes and structures, organizational members must trust each other deeply and allow their whole self to enter the work environment, while permitting others to do the same. However, it is not possible to pursue evolutionary purpose unless members trust that everyone is committed to the collective evolutionary purpose, and is able to trust that uncertainty will not cause harm if the evolutionary purpose is held up as the beacon.

Research has been conducted on the role of trust in SSD implementations: "Trust is seen as a quality of connection, which allows the system to remain together despite the level of internal complexity. In return it allows for coordinated, collective adaptation to the constant change produced by the complex adaptive systems around us (rather than many individual, competing adaptive strategies)" (Missimer 2013, 16). This clearly shows that degree of trust that is required during SSD change processes, and the adaptive and complexity-conscious strategies that are needed. The three Teal organizational breakthroughs seem to help create and maintain the trust necessary for sustainability success in organizations. Furthermore, there is evidence that trustful organizations can also catalyze trust at the societal level. Rothstein (2015) claims that since it is institutions who design rules and incentives that govern individual behaviour, their institutional design is a leverage point for generating trust within a society.

Another interesting finding was the fact that, within our case study, focus around profit varied significantly between interviewees. This was one area that led to discussions on whether or not an organization can be purpose-driven and still aim to turn a profit. In this case, it is interesting to observe that Teal Organizations appear to include different worldviews under the umbrella of one evolutionary purpose and how this can potentially provide clarity around profit versus purpose. It appears that in these types of organizations, some members are more focused on ensuring the financial sustainability, and therefore the continued existence of the organization while others are prioritize the utilization of all resources available towards creating a positive impact on society and the planet as a whole closer to their hearts. This combination of different worldviews, informed and surrounded by the collective evolutionary purpose, provides a space where individuals can bring their whole self and their individual gifts together to work towards a common goal. While individual opinions might differ slightly, the self-management

characteristic allows for the collective organization to view profit as a necessary means to achieving sustainability and the evolutionary purpose.

Additionally, a question that arose was whether or not an organization can ever fully be considered Teal, as this was one of the recurring topics in conversations amongst ourselves and the members of Future Considerations. Since both individual evolution and collective evolution are constant processes, the thought of reaching a level of development becomes very vague. This perception was shared by members of Future Considerations. This understanding of continuous change being required also seems very in line with the understanding of sustainability that the FSSD provides. The global socio-ecological system is continuously changing, and being able to adapt to changing parameters and find the opportunities in these evolving environments seems to give Teal Organizations a significant advantage in regards to moving towards becoming sustainable business organisations.

This has led us to assert that if Future Considerations adopted a Strategic Sustainable Development approach it could greatly help them catalyze their work towards sustainability as well as potentially increase their pursuit of their own evolutionary purpose.

What follows are our recommendations for how Future Considerations could embrace Strategic Sustainable Development and key guidelines on how other early stage Teal Organizations and those wanting to operate from the Teal organizational paradigm could start their transition towards becoming sustainable business organizations.

4.2.1 Recommendations

Early stage Teal Organizations could benefit from embracing an SSD approach. By analyzing the degree of adoption of Teal practices, processes and structures at Future Considerations, we gained a comprehensive view of where there are opportunities to assist early stage Teal Organizations by using Strategic Sustainable Development as a method to leverage opportunities to propel Teal Organizations towards sustainability.

Based on our case study research, we have identified the following areas of opportunity for early stage Teal Organizations:

- ❖ **Common training around Strategic Sustainable Development.** Furthering the scientific knowledge of members of the organization around the sustainability challenge and the sustainability principles of the FSSD has the potential to create a shared language within the organization that will guide conversations and proposals focused on projects that contribute towards a more sustainable future. Additionally, being able to backcast systematically from a purpose framed by sustainability principles would give them with a more flexible platform for future actions.
- ❖ **Framing the evolutionary purpose of the organizations within the sustainability principles** could allow early stage Teal Organizations to start choosing and prioritizing actions in a more effective way that is aligned with the ultimate purpose of the organization which is to be in service of humanity and the world.
- ❖ **Develop strategic tools to choose and measure the impact sustainability-related actions.**
- ❖ **Adding Strategic Sustainable Development to their offerings.** Future Considerations has the unique position to be able to utilize their influence as a renowned consultancy focused on leadership and organizational transformation to greatly

influence their global clients (See section 2.4.1 for a number of clients) towards a more sustainable business approach.

Moving towards our target audience for this research, a variety of ways had been revealed in which businesses operating from or wanting to operate from a Teal organizational paradigm can use Strategic Sustainable Development to become sustainable business organizations.

❖ Most significantly, these organizations could benefit from framing their purpose with sustainability principles. This would allow them to ground their approach in a proven, strategic scientific approach. The sustainability principles could provide insurance that the evolutionary purpose truly is in service of humanity and the planet.
❖ Develop organization-wide training around Strategic Sustainable Development. Training individuals with SSD will likely accelerate multiple sustainability-related initiatives, as individuals with decentralized decision-making power would have additional guidance on how to achieve the organization's purpose in sustainable ways.
❖ SSD and the FSSD could be used to coordinate efforts of multiple Teal Organizations as they all aim to transition to a sustainable society. SSD concepts could help these organizations collaborate effectively towards a common purpose, opening up opportunities for partnerships and increasing their visibility.
❖ A final recommendation would be to use the FSSD and associated processes like the ABCD planning process (See section 1.3.2..2.1) to illuminate further Teal practices that could be adopted by organizations in order to better align with the ecological principles and remove barriers to the social sustainability principles. Additionally, the sustainability principles can lead to the development of innovative structures, practices and processes that could allow Teal Organizations evolve even further.

4.2.2 Benefits of the Teal organizational paradigm to further adoption of Strategic Sustainable Development

For organizations already working with the FSSD, one emerging recommendation would be to consider adopting Teal structures, practices, and processes to assist in the implementation of SSD and the organization's consequential transition towards sustainability.

The primary lesson that the Teal organizational paradigm provides to SSD is an insistence on addressing the barriers to change that are presented by ineffective organizational structures. Frederic Laloux explains the potential of this shift: "That is the true genius of organizations: they can lift groups of people to punch above their weight, to achieve outcomes they could not have achieved on their own." (Laloux 2014). SSD advocates radical change- why not also harness the power of organizational change in order to create the greatest possible impact?

The three Teal breakthroughs have the potential to ensure that a sustainability vision and strategy is co-created by all members of an organization. A number of the structures, practices and processes provide specific ways to harness the wisdom of a greater number of members in order to create the greatest possible outcome. One major benefit would be for example the assurance that the outcome of the visioning of the A Step (from the ABCD planning process) would be done in a highly intuitive way. Intuition is valuable because, if it is listened to and trusted, an organization can iterate and adapt quickly, which increases their chances of finding workable solutions that can be tested. The alternative is rationalizing things before testing them in reality. As Frederic Laloux attests, "Intuition honors the complex, ambiguous, paradoxical, non-linear nature of reality; we unconsciously connect patterns in a way that our rational mind

cannot" (Laloux 2014, 47). Teal Organizations use inner rightness as an intrinsic guideline, while respecting people's inherent ability to make decisions even if they do not have all the information, and consequently engage more people. This built in trust in intuition allows for trustful prototyping when heading in to the unknown: - the territory of sustainability innovation. Opportunities are uncovered using sensing tools, such as using constellations in order to create the shared vision.

Self-management allows Teal organizations to work as complex adaptive systems, which brings with it a host of benefits. They are able to identify risks and opportunities quickly, while having the freedom to prototype solutions to them. Effective and scalable self-management allows quick responses when outcomes are uncertain. Ideas can emerge from anywhere and people automatically have the tools to create the change that they sense is needed. Having these benefits working towards SSD could catalyze sustainability innovation originating from any individual or team within the organization.

Although the transformative power of the wholeness breakthrough seemed evident from the beginning, its effectiveness and catharsis became more and more apparent through the witnessed practices, processes and structures. Individuals in Teal Organizations appear to naturally be helpful, unostentatious and open-minded. Their personal and collective embodiment of wholeness makes it much easier to connect and learn from each other. Because of the barriers that it can remove, the FSSD approach to propelling organizations towards sustainability would likely be more effective in organizations who pursue the processes, practices and structures of the wholeness breakthrough.

4.3 Credibility and Validity

The inclusion of Future Considerations in our research process makes our work more credible, because it ensured accessibility and allowed us to check for accuracy. We are confident that our baseline analysis of Future Considerations is accurate because of its comprehensiveness and the confidential nature of our survey and interviews. The major strength of our research was the degree of access that we were granted into Future Considerations. We experienced how powerful transparency is and benefited from the practice of inviting people to participate in achieving purpose. Our research was enhanced by the research partner's commitment to authentic communication. Furthermore, direct observation opportunities were not just tolerated but encouraged by all members of Future Considerations.

It is possible that some of the input of Future Considerations detracted from the overall credibility, as they were invested in creating a usable outcome from our collaboration, and were focused on finding opportunity for Future Considerations. However, we limited the amount of bias that could be present through extensive triangulation, multiple methods of direct observation and conducting our data analysis without their input.

4.4 Future Research

As stated in the Introduction, the Teal classification is relatively new, and we are the first researchers to delve into the relationship between the Teal organizational paradigm and SSD. Consequently our work presents an abundance of opportunity for future research. Though we expected to find that the Teal organizational paradigm and SSD were powerful when used in tandem, we were surprised by the amount of evidence we found to support this, and by how

rapidly the Teal movement is proliferating. There will be potential in the future to see how the Teal organizational paradigm is making contributions to SSD.

Here are some of the potential research questions that are emerging:

Can the sustainability principles be used to develop new, innovative practices, processes and structures in a Teal organizational paradigm?

How could the implementation of SSD in businesses be enhanced by the addition of Teal processes, practices and structures?

Would SSD implementations be more effective if they were carried out with awareness of different worldviews?

Are the Social Sustainability Principles inherently met at the organizational scale in Teal Organizations? How about the ecological sustainability principles? How much scientific knowledge is required for members of Teal organizations to embrace the sustainability principles?

What are the existing sustainability initiatives of Teal organizations?

How can SSD coordinate the efforts of Teal organizations in specific industries, so that they can expedite their evolution through collaboration?

The evolution to Teal and beyond is a journey. Especially in the context of organizational development, it is not possibly to be purely Teal; there will be members who are nearer to other levels of development, and there will always be areas of potential improvement for the organization. However, we strongly believe that multiple exemplary Teal Organizations will emerge in the near future, and that it would be beneficial to conduct comparative research that examines differences between an exemplary and an emerging Teal organization.

As mentioned in the methods, our research scope, intent and potential conclusions would have been different if we had researched multiple case studies instead of exploring one case study comprehensively. Consequently, there is an opportunity to continue this research using a group of emerging Teal organizations.

5 Conclusion

Our research explored the level of alignment of the Teal organizational paradigm with Strategic Sustainable Development and the potential for early stage Teal organizations to simultaneously use Strategic Sustainable Development and the Teal organizational breakthroughs.

Our research concluded that there is a high level of alignment between Teal Organizations and Strategic Sustainable Development. We have clearly shown that the Teal organizational paradigm has many of the characteristics required to implement Strategic Sustainable Development and that they can benefit significantly from further integrating a Strategic Sustainable Development approach. Teal Organizations appear to systematically remove barriers to social sustainability, but we found no explicit evidence that the purpose of the organizations must be achieved within the boundaries of scientific social sustainability principles. Teal Organizations seem to have the necessary paradigm (systems thinking based, world or planet-centric worldview) for fully integrating sustainability into their day to day practices. Teal structures, practices and processes actively contribute to reducing barriers from a social sustainability perspective and also to reducing their contribution to breaches of the ecological sustainability principles.

The target audience for our research was early stage Teal organizations, aspiring Teal organizations, and organizations aiming to become sustainable businesses.

Our key recommendations for Teal Organizations that show all the promise of the three breakthroughs of self-management, wholeness and evolutionary purpose and want to catalyze their work towards sustainability are as follows:

- ❖ Developing organization-wide training in sustainability because when self-management is in place for all members of the organization, the entire organization has the power to actively pursue sustainability.
- ❖ Using the sustainability principles to frame an evolutionary purpose that is already intended to be in service of humanity and the planet.
- ❖ Analyzing arising structures, practices and processes under the guiding light of SSD, giving space for sustainability initiatives as well as removing barriers to social sustainability.
- ❖ Utilizing intuition and group sensing in the visioning of the A Step as well as self-management practices that permit fast iterations and rapid prototyping during the C and D Step.

Once Teal Organizations are acting informed by the SSD, they are in an excellent position to effectively use these tools to create a shift towards becoming sustainable business organizations that share the evolutionary purpose of creating a sustainable future.

Further research is required in order to understand the potential of using the FSSD from a Teal Organizational paradigm. For sustainability innovators who wish to accelerate their work by harnessing the next level of human development, Teal organizations clearly hold remarkable potential, and this is the optimal time to unleash this transformative possibly.

In the words of Victor Hugo,

"Nothing is more powerful than an idea whose time has come."

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Appendices

Appendix A - List of Experts

Expert Name	Expert Role
Dr. John Hardman	Professor of Educational eadership at Florida Atlantic niversity
Carol Sanford	Author, Speaker, Exec Educator
Chris Cowan	Partner at HolacracyOne, C
HJ Nelson	Owner, Cecara Consulting td
Barrett C Brown	Specialist in Organizational and eader Development
David Waldron	Owner, Synapse Strategies

Appendix B - Survey Questions for Future Considerations

1. Which type of organizational structure best describes FC's structure?
2. What type of coordination best describes FC's style?
3. What project team practices best represent FC's approach?
4. What support function practices best represent FC's approach?
5. What recruitment practices best represent FC's approach?
6. What answer(s) best represent FC's practices around performance management of its members?
7. What on-boarding processes best represent FC's approach?
8. What training practices best represent FC's approach?
9. What job titles and descriptions practices best represent FC's approach?
10. What answer(s) best represent FC's approach towards individual purpose of members in the organization?
11. What answer(s) best represent FC's practices around flexibility and time commitment of members of the organization?
12. What answer(s) best represent FC's practices around compensation of its members?
13. What answer(s) best describes FC's practices around promotions of its members?
14. What answer(s) best represent FC's practices around dismissals of its members?
15. What answer(s) best describe FC's office spaces?
16. What answer(s) best represent FC's meeting practices?
17. What answer(s) best describe FC's decision-making practices?
18. What answer(s) best represent the conflict resolution practices at FC?
19. What answer(s) best represent FC's information flow practices?
20. What answer(s) best represent FC's practices around organizational values?
21. What answer(s) best describe FC's practices around reflective spaces?
22. What answer(s) best represent FC's practices around community building?
23. What answer(s) best represent FC's practices around purpose?
24. What answer(s) best represent FC's practices around strategy?
25. What answer(s) best represent FC's practices around innovation and product management?
26. Which of the following best represent FC's practices around supplier management?
27. Which answer(s) best describe FC's practices around purchasing and investments?
28. Which of the following statement(s) best represent FC's practices around sales and marketing?
29. Which of the following statement(s) best describe FC's practices around planning budgeting and controlling?
30. What other key FC practices, processes, and structures help FC achieve its purpose?

Appendix C - Interview Questions for Future Considerations

Question	Objective

1. **What is the overall goal/purpose of Future Considerations?**
2. **How does Future Considerations define success?**
  a. **How does Future Considerations plan towards the overall goal of the organization?**
  a. **How do you decide what actions to take towards the overall goal?**
    i. **Do you have any prioritization tools?**
    ii. **Do you have any strategic guidelines?**
  a. **What are some specific tools that support you in making strategic decisions to enable you to reach your goal/purpose?**
  a. **What are some specific tools you use to help you measure success for your organization?**
	• Understand how members of Future Considerations define success. Is there a clear definition of success? Is success based on principles? Is sustainability part of their definition of success?
	• Understand how the organization plans, decides, prioritizes, and measures success.
	
	• Understand what tools the organization uses to guide their decision-making.

3. **How do you view Future Considerations in relation to the global socio-ecological system?**
  a. **How do you believe Future Considerations impacts society, and the planet as a whole?**
  b. **What are some specific tools that you use to sense the system?**
	• Understand how Future Considerations sees their interaction and impact in different global systems. Do they see themselves as part of the global socio-ecological system?
	• See if Future Considerations uses any tools to understand their role, relationship and impact on different systems.

4. **What is your definition of sustainability?**
5. **In your opinion, what is required to achieve sustainability?**
  a. **What is required from an ecological perspective?**
  b. **What is required from a social perspective?**
6. **How does sustainability impact Future Considerations?**
	• Understand what Future Considerations means with sustainability. Is it based upon a scientifically agreed upon view of the world? Is the definition sufficient to achieve sustainability on a global scale?
	• Understand how Future Consideration views the sustainability challenge and how they believe it affects their existence.

Question	Objective

7. **Does Future Considerations plan towards sustainability? If so, how?**
  a. **How does the organization decide what actions to take?**
  b. **Do you have any strategic guidelines?**
  c. **Do you have any prioritization tools?**
  d. **How do you measure success?**
	• Understand how the organization plans, decides, prioritizes, and measures actions towards sustainability.
	• Understand what tools the organization uses to guide their decision-making related to sustainability.

8. **What are other examples of structures, practices, and processes that show how Future Considerations' integrates sustainability into the organization?**	• Get examples from key structures, practices, and processes at Future Considerations that are perceived by members to be related to sustainability.
9. **Based on what you have told us, are there any gaps you see in how Future Considerations integrates sustainability into its structures, practices, and processes?**	• Identify any gaps members of Future Considerations may perceive around strategically moving the organization toward sustainability.

Appendix D - Preliminary Coding for each level of the 5LF

System Level	Success Level	Strategy Level	Action Level	Tools Level
nderstanding of system	Definition of success	Organizational Planning	Self-management	Decision-making tools
Scientific view of the world	Principle-based success	Decision-making	holeness	System-sensing tools
Systems Thinking Paradigm	Sustainability success Definition of sustainability	Prioritization	Evolutionary Purpose	Sustainability decision-making tools
Planet-centric worldview Earth Planet Society	Success measurements	Strategic uidelines	Sustainability-related Actions	Other sustainability tools
aps in System	Sustainability challenge	Sustainability Decision-making	aps in Actions	aps in Tools
	How to achieve sustainability	Sustainability-Planning		
	Impact of sustainability on FC	Sustainability-Prioritization		
	aps in Success	aps in Strategy		

Appendix E - Chaordic Stepping Stones

Adapted from Tim Merry, http://www.timmerry.com/blog/steps-and-questions-to-navigate-change

Need

The need is the compelling reason for doing anything. Sensing the need is the first step to designing a meeting, organizational structure or change initiative that is relevant. The need is outside of our work: it is the thing that is served by the work you are doing. It is the reason the work is important and necessary.

Purpose

From the need flows the purpose. Purpose statements are clear and compelling and guide us in doing our best possible work. They are not statements of actions, necessary achievements or behaviour. They are statements of what we as a group need to become to be able to best act together in the context we are in.

Principles

Principles of cooperation help us to know how we will work together. It is very important that these principles be simple, co-owned and well understood. These are not principles that are platitudes or that lie on a page somewhere. They are crisp statements of how we agree to operate together so that over the long term we can sustain the relationships that make this work possible.

People

Once the need and the purpose are in the place and we have agreed on our principles of co-operation, we can begin to identify the people, organizations or stakeholders that would contribute and have a role in our work. Mapping the network helps us to see who is in this work alongside us and who will have an interest in what we are doing.

Concept

As we move to a more concrete idea of what our structures are, we begin to explore the concepts that will be useful. This is a high level look at the shape of our endeavour. For example, if our need was to design a way to cross a body of water, we could choose a bridge, a causeway or a ferry. The concept is important, because it describes the alternative structures for doing our work.

Limiting beliefs

So much of what we do when we organize ourselves is based on unquestioned models or patterns of behaviour. These patterns can be helpful but they can also limit us in fulfilling our true potential. We cannot create innovation in the world using old models and approaches if they are not matched to the current need and situation. It pays to examine ways in which we assume work gets done in order to discover the new ways that might serve work with new results. Engaging in this work together brings us into a collaborative working relationship,

where we can help each other into new and powerful ways of working together, alleviating the fear and anxiety of the unknown.

Structure

Once the concept has been chosen, it is time to create the structure that will channel our resources. It is in these conversations that we make decisions about the resources of the group: time, money, energy, commitment, and attention.

Practice

The ongoing practice within the structures we build is important. This is the world of to do lists, conference calls and email exchanges. The invitation here is to practice working with one another in alignment with the designs we have created. The intention here is to work together in ways that are best aligned to support our progress – likely to be most effective.

Harvest

There is no point in doing work in the world unless we plan to harvest the fruits of our labours, learning from it and sharing it most effectively. Harvesting includes making meaning of our work, telling the story and feeding forward our results so that they have the desired impacts.

Appendix F Stage 1 Results – Ideal Teal Summary Tables

Table 3.1 System level of ideal Teal Organizations

Level	FSSD alignments and gaps of ideal Teal Organizations
System	**Understanding of the socio-ecological system and its interactions with the lithosphere** • **Clear** understanding of the interconnectedness of the social and ecological systems • *GAP: No evidence of good scientific understanding of interactions between the socio-ecological system and the lithosphere* **Understanding of the sustainability challenge and the basic mechanisms humans can use to erode the socio-ecological system** • Complex worldview capable of systems thinking • Good understanding of the interactions of the organization with respect to society and the biosphere • Organization seen as a living system with its own evolutionary purpose • Stand firm on their key assumptions and values • Some evidence of understanding of the sustainability challenge • *GAP: Limited evidence of understanding of the basic mechanisms that humans can use to erode the socio-ecological system* **How the organization functions** • Link theory and principles with practice • Create shared visions that allow both personal and organizational transformation • Have developed advanced self-management practices • Have developed consistent set of practices that invite wholeness • Have evolutionary purpose and consistent practices to listen into the evolutionary purpose of the organization

Table 3.2 Success level of ideal Teal Organizations

Level	FSSD alignments and gaps of ideal Teal Organizations
Success	• Success is defined by evolutionary purpose of the organization • Success definition is clear and widely agreed upon • Success is framed by key assumptions and values • Success needs to be of service to humanity and the world • *GAP: No evidence that vision and purpose of organization are to be achieved within boundaries of sustainability principles*

Table 3.3 Strategic level of ideal Teal Organizations

Level	FSSD alignments and gaps of ideal Teal Organizations
Strategic	- Backcast continuously ("sense and respond") from evolutionary purpose - o evidence of backcasting from sustainability principles - ocus on finding workable solutions that are in the right direction e g **stepping stones** and doing fast iterations - se inner rightness as intrinsic guideline - Strategic guidelines in order of priority - a hat is the right thing to do that is aligned with the evolutionary purpose of the organization and in service of the world right direction - b How do we do it in a financially viable way financial O *GAP: No evidence of backcasting from sustainability principles* *GAP: No evidence that what the organization considers to be the right direction is in line with sustainability principles* *GAP: No evidence of strategic scientific approach to inform if actions are in line with sustainability principles*

Table 3.4 Action level of ideal Teal Organization

Level	FSSD alignments and gaps of ideal Teal Organizations
ctions	- Significant evidence of sustainability related actions - ctions found are related to social and environmental sustainability - Gap o evidence that actions taken make organizations fully sustainable there is still room for improvement

Table 3.5 Tools level of ideal Teal Organization

Level	FSSD alignments and gaps of ideal Teal Organizations
ools	- xtensive use of tools to choose actions to move towards their intended purpose - se tools to explore the values and ground rules of the organization - se collaboration tools to share knowledge and access the collective intelligence of the organizations - Strong evidence of capacity tools to support group learning systems thinking and co-creation *GAP: No evidence of tools to guide strategic decision-making around sustainability* *GAP: No evidence of measurement tools to assess the impact of actions on the socio-ecological system* *GAP: No evidence of tools to build capacity around sustainability principles*

Appendix G Stage 2 Results – Survey Summary Tables

Comply - full or comprehensive adoption of the corresponding structures, practices and processes outlined by Frederic Laloux

Partially comply - compliance with some of the corresponding structures, practices and processes outlined by Frederic Laloux

Do not comply - marginal or no compliance with the corresponding structures, practices and processes outlined by Frederic Laloux.

Table 3.6 Compliance with self-management processes, practices and structures

Self-management processes, practices and structures	Degree of Compliance
lexibility and time commitment	Comply
ppointments and promotions	Comply
Organizational structure	artially comply
Coordination	artially comply
ro ects	artially comply
Staff functions	artially comply
nformation flow	artially comply
erformance management	artially comply
Compensation	artially comply

Table 3.7 Compliance with wholeness processes, practices and structures

Wholeness processes, practices and structures	Degree of Compliance
ecruitment	Comply
Office spaces	Comply
eetings	Comply
alues	artially comply
eflective Spaces	artially comply
raining	artially comply
ob titles and ob descriptions	artially comply
Community- uilding	artially comply
ismissal	artially comply
Onboarding	o not comply
Conflicts	o not comply

Table 3.8 Compliance with evolutionary processes, practices and structures

Evolutionary Purpose processes, practices and structures	Degree of Compliance
Supplier management	Comply
Sales and marketing	Comply
olutionary urpose	artially comply
ndividual urpose	artially comply
ecision-making	artially comply
Strategy	artially comply
nnovation and product development	artially comply
urchasing and nvestments	artially comply
lanning budgeting and controlling	artially comply

Appendix H Stage 3 Results – Future Considerations FSSD Gaps

- *SHARED GAP:* Evidence suggests that this is a gap that Future Considerations shares with an ideal Teal Organization in regards to the FSSD
- *APPARENT GAP:* Evidence suggests that this is a gap that Future Considerations has that was not present in ideal Teal Organization in regards to the FSSD
- *PARTIAL GAP:* Evidence suggests that only some components of the characteristic are lacking at Future Considerations compared to an ideal Teal Organization in regards to the FSSD
- *OUTPERFORMANCE:* Evidence suggests that Future Considerations outperforms an ideal Teal Organization in regards to the FSSD

Table 3.9 System level gap overview Future Considerations

Level	Gaps of Future Considerations with respect to an ideal Teal Organization viewed through the lens of the FSSD
System	*SHARED GAP* o evidence of good scientific understanding of interactions between the socio-ecological system and the lithosphere *PARTIAL GAP:* artial evidence of understanding of the sustainability challenge but no mention of the basic mechanisms that humans can use to erode the socio-ecological system as well as the physical limitations of the system *APPARENT GAP:* Organization seen as a living system with its own evolutionary purpose *PARTIAL GAP:* Has developed certain self-management practices but lacks scalability as decision-making and conflict resolution processes are not consistent and wide-spread *PARTIAL GAP:* Has evolutionary purpose but lacks consistent practices to listen into the evolutionary purpose of the organization instead of the individuals

Table 3.10 Success level gap overview Future Considerations

Level	Gaps of Future Considerations with respect to an ideal Teal Organization viewed through the lens of the FSSD
Success	*PARTIAL GAP:* Success is only partly defined by evolutionary purpose of the organization controversy around some of the multinational clients *PARTIAL GAP:* Success definition is clear if related to uture Considerations purpose but not widely agreed upon also related to the diversity of worldviews within the organization *APPARENT GAP:* o shared definition of sustainability throughout the organization *SHARED GAP:* o evidence that vision and purpose of organization are to be achieved within boundaries of sustainability principles

Table 3.11 Strategic level gap overview Future Considerations

Level	Gaps of Future Considerations with respect to an ideal Teal Organization viewed through the lens of the FSSD
Strategic	*PARTIAL GAP:* **Backcasting** in the form of sensing and responding shows conflicting responses and evidence suggests that it is not fully implemented yet leaving partial traditional planning processes in place *APPARENT GAP:* ocus on finding workable solutions and doing fast iterations but evidence suggests that the solutions are not consistently going in the right direction e g **stepping stones** *SHARED GAP* o evidence of backcasting from sustainability principles *SHARED GAP:* o evidence that what the organization considers to be the right direction is in line with sustainability principles *SHARED GAP:* o evidence of strategic scientific approach to inform if actions are in line with sustainability principles

Table 3.12 Actions level gap overview Future Considerations

Level	Gaps of Future Considerations with respect to an ideal Teal Organization viewed through the lens of the FSSD
ctions	*PARTIAL GAP:* Some evidence of sustainability related actions • ormer actions have lost momentum over time • here seems to be renewed energy to implement actions towards sustainability in recent times

Table 3.13 Tools level gap overview Future Considerations

Level	Gaps of Future Considerations with respect to an ideal Teal Organization viewed through the lens of the FSSD
ools	*SHARED GAP:* o evidence of tools to guide strategic decision-making around sustainability *OUTPERFORMANCE:* artial evidence of measurement tools to assess the impact of actions on the socio-ecological system • ool to measure carbon footprint Carbon Considerations used previously *SHARED GAP* o evidence of tools to build capacity around sustainability principles