Confused about social sustainability?
What it means for organizations in developed countries

By Darcy Hitchcock and Marsha Willard

Many people in developed countries struggle to understand what social sustainability has to do with them. They assume we’ve legislated out of existence many of the problems associated with social injustice: slavery, child labor, racial discrimination, unsafe workplaces, etc. Business owners throw their arms akimbo, thinking they’re done. While it’s true that many of the most egregious social offenses seem to occur outside the industrialized world, those of us in the so-called developed world may share more responsibility for them than we care to know. In addition, there’s a risk that we have become blind or inured to our own special violations and can’t see the dysfunction we’ve created in our own backyards. This article lays out a model to diagnose your true social impact and develop a strategy for addressing them.

What women (and men) want

You’ve all heard the Brundtland Commission definition of sustainable development: meeting the needs of the present while ensuring that future generations can meet their own needs. Sounds fine but what exactly does that mean? Defining social sustainability can be tough. We need a way of defining what a healthy society is. One approach is to base this on research on human needs.

Manfred Max-Neef, a Chilean economist, along with his colleagues researched the human needs that were consistent across different cultures. These same needs, Max-Neef found, showed up despite different social norms, conventions or locations. The way we satisfy those needs, he concluded, is what defines the differences from culture to culture. So his model helps us to see past our differences and understand what is at the core of human behavior and motivation.

Nine human needs—Max-Neef identified the following human needs:

- subsistence,
- protection,
- affection,
- understanding,
- participation,
- leisure,
- creation,
- identity and
- freedom.

Not a hierarchy—Max-Neef’s list is not hierarchical like the one Maslow hypothesized. One of Max-Neef’s insights is that a deficit in meeting any of these needs is a type of poverty that in turn generates pathologies. Some are obvious. Certainly if you don’t have enough to eat (subsistence), you have hunger or starvation. In babies, the lack of affection leads to what’s known as “failure to thrive,” sometimes even leading to death. If you don’t have enough leisure, you become a workaholic who suffers from stress and stress related maladies. But it’s also true if people don’t have enough opportunities to influence matters that affect them (participation and freedom), they often get passive aggressive or even aggressive. In organizations, you will often see ‘malicious obedience,’ as one of our colleagues coined it, disgruntled employees doing exactly what they’re told even though they know it’s not the right thing to do.

Not substitutable—Another of Max-Neef’s insights is that these needs cannot be substituted for one another. If you compensate for a lack of affection with food (subsistence), you have another well-recognized problem: obesity.

These needs are all important for a healthy human being.

Four realms—Max-Neef also identified that these needs are manifested or met in different ways: being, having, doing and interacting. From these dimensions, a 36-cell matrix emerges. From a sustainability standpoint, we want to find synergistic
ways of meeting these needs while at the same time contributing to a healthier triple bottom line.

Two primary questions—So now that we know what people need, how do we use this information to assess our social sustainability? In organizations, we need to ask two questions:

- **First, do no harm**—In what ways are we undermining these needs for our stakeholders?
- **Second, make a positive difference**—How can we contribute to meeting these needs in a sustainable way?

Based on concentric spheres of influence, there are four broad stakeholder groups to consider:

- Employees (and the labor pool) in the workplace
- Suppliers
- Customers of your products or service
- Members of the community in which you operate.

We’ll examine each of these two questions and explore how they relate to each of the stakeholders. We’ll show examples of how organizations have addressed some of the human needs Max-Neef has identified, linking them to specific practices.

First, do no harm

Business seldom sets out to do harm to people or the environment. What sustainability is teaching us, however, is that we inadvertently and seemingly unavoidably do harm to stakeholders. Consider each of the key stakeholder groups and how Max-Neef’s tenets suggest different ways of operating.

Employees

There are a number of different issues to consider regarding how your operations might harm your employees. Some seem obvious: safety problems and lack of access to health care or a living wage. But Max-Neef’s research encourages us to dig a little deeper.

**Protection/Safety**—Certainly we are all sensitive to and careful about avoiding serious injury on the job, but we are less preoccupied with the more benign or chronic problems we create. Think about:

- Grocery clerks with carpal tunnel syndrome
- Janitors with rashes from chemical exposure associated with cleaning products
- Professionals with back, neck and eye strain from computer use
- Shift workers forced to stay awake when the body begs for sleep, leading to injuries and mistakes

Employees should not have to risk their health to work for you. People being people, we may never be able to eliminate every injury but the structure of the job should not clearly result in injury for many doing the job. Consider that more and more research shows that sitting for 6 hours a day (even if you go running afterward) can take years off your life. (See The Longer You Sit the Earlier You Die, [http://www.healthkey.com/healthy-aging/sns-health-healthy-aging-sitting-early-death,0,3254224.story](http://www.healthkey.com/healthy-aging/sns-health-healthy-aging-sitting-early-death,0,3254224.story)) As our economy has shifted from manufacturing to knowledge work, we are all sitting on our butts far longer than is good for us, creating a counter-trend of people working while standing up, some even typing while walking on a treadmill!

**Leisure/Work-life Balance**—Admittedly organizations in the industrialized world, by and large, do a pretty good job of meeting the subsistence needs of the people who work for them. We should remember, though, that many of the benefits we now take for granted (e.g. minimum wage, equal opportunity, health and safety precautions, minimal benefits) were hard won through legislation, strikes and boycotts. The problem now is not that most workers aren’t being paid living wages (although in certain industries, this is still an issue), but that we use this one satisfier to compensate for work environments that so badly neglect the other eight human needs.

In the US wealth of certain satisfiers (particular material satisfiers) blinds us to the poverty pertaining to other needs (like leisure). When did the 50 or even 60 hour work week become normal? Or checking your emails before you go to bed? How have we become complacent with only seeing our children for a few hours at night? Regarding the need for participation, why do we take for granted that we can vote for our national leaders but we have no involvement in choosing our bosses? Our culture becomes the water we swim in and blinds us to what we have lost.

**Suppliers**

Doing no harm to your suppliers involves more than simply negotiating fairly and avoiding graft.

**Protection/Conflict Minerals**—As a colleague of ours put it, there is a sustainable corollary to the Butterfly Effect: we can waive our dollars around in our country and cause unexpected storms elsewhere in the world. For example, you probably own a cell phone and a computer. Did you know that there is a ‘conflict mineral’ in many consumer electronics that has contributed to the decline of the mountain gorillas and to the conflicts in Rwanda and the Democratic Republic in the Congo? Coltan (short for columbite-tantalite) is present in significant quantities in the Congo. By creating a strong demand for this mineral, we have created the economic conditions to encourage fighting in Africa over the control of that territory, financing civil wars. The fighting has pushed people to the hills, both disturbing the habitat of the mountain gorilla and increasing their use as bush meat. And now the Tanzanians are building a
Confused about Social Sustainability?

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controversial highway through the Serengeti to facilitate the delivery of these valuable earth minerals. Your first reaction may be to throw up your hands. These products have become essential to most businesses and the harm occurs so far down the supply chain. But the world slammed the door shut on blood diamonds and elephant tusks. We are working on the problems associated with the export of electrical waste to China. We can stop these harmful practices. First we have to recognize the problem we are creating and then we need to mobilize to solve it. If you don’t address your unintended impacts yourself, some enterprising NGO just might post an embarrassing video on Youtube.

Customers

Are your customers harmed in any way by your product or service? Obviously tobacco companies have an issue here, as do toy manufacturers using lead paint and food processors with e-coli-tainted produce. But look a little deeper.

Protection/Passing the Buck—Companies sometimes distance themselves from the behavior of their customers, deflecting responsibility. The National Rifle Association and their members use the slogan, “Guns don’t kill; people do.” In stark contrast to a heartfelt presentation by Shell, Exxon gave a presentation at a sustainability conference where the gist of the argument was that a) the need for energy was growing, b) renewables would never be enough to satisfy demand so the subtext was c) climate change is your fault. But in a sustainable world, organizations take responsibility for the unintended side-effects of their products and services.

Documentaries related to supply chain impacts

Agriculture

- Dirt! The Movie
- Food Inc
- King Corn
- Lost in Palm Oil
- GMO Trilogy—Unnatural Selection
- Ecuador: Flower Power

Fossil Fuels

- Crude Awakening
- Addicted to Plastic
- Coal Country
- Can Morgan Spurlock Survive 30 Days Working In A Coal Mine? Planet Green

Chemicals:

- Blue Vinyl
- Erin Brockovich
- Bill Moyers Exposé on Bisphenol A

Cotton:

- Moral Fiber
- White Gold—The True Cost of Cotton

Water:

- Tapped
- Flow

Electronics:

- Exporting Harm
- Ghana: Digital Dumping Ground
- Blood Phones

Human Well-being

- California: The Immigration Dilemma
- Congo: On the Trail of an AK-47
- Supersize Me

Affection/Addictive Behavior—While addiction may be at least partially genetic, companies that have products or services that tend to invoke this problem should have effective programs to counteract the problem. Alcohol, gambling and Blackberries (‘CrackBerries’) all have this problem. Consider the advertisement below for the Windows Phone 7, “It’s time for a phone to save us from our phones.”

Windows 7 advertisement: http://www.youtube.com/watch?v=EHlN21ebeak

Microsoft may be far too late to make a big dent in the smart phone industry but at least they are calling attention to (and making fun of) the downsides of our addiction to electronic connectivity. Technology may help us talk to others around the world but they are also getting in the way of relationships with the people right in front of us.

Identity/Advertising—All of advertising, it seems, is designed to make us feel dissatisfied with ourselves or our lots in life. It preys on our insecurities, on our desire for affection and affiliation. Is it really necessary to destroy a girl’s body-image to sell cosmetics and clothes? Dove’s Campaign for Real Beauty is one of the few trying to buck this trend.

Identity/Advertising: Dove Campaign for Real Beauty: http://www.dove.us/#/cfrb/

Community

Obviously, if your operations are causing challenges in the community, you should address them. These may include public safety, noise, odor or traffic congestion. Responsible companies look beyond these issues.

Subsistence/Economic Development—If you’re the major employer in a small town, you are undermining the resilience of the town should something happen to your operation? Are you enhancing local business or putting them out of business? By not offering employees health insurance, are you externalizing healthcare costs to the community?

Participation/Growth—Are you hiring predominately from outside the area, adding to the population and all the infrastructure costs that come with it? Are you using your influence (lobbying, support of think tanks, access to the media) to drown out differing opinions and promote a particular political agenda?

Second, make a positive difference

Once you’ve made sure you’re not making things worse, it’s time to focus on making things better for each of your stakeholders. This may involve questioning prevailing wisdom (and adopting issues that emanate from outside what you consider to be your organization’s boundaries.

Organizations usually go through phases in understanding sustainability and their role in it. The first phase, Sustainability 1.0, is mostly about cleaning up messes: reducing impacts, dealing with any public relations debacles, assessing risks. In Sustainability 2.0, sustainability becomes a source of competitive advantage or an enabler of other objectives: improved image, financial savings, improved stock price and new products and services.

At some point, though, organizations experience a major epiphany, realizing their efforts are clearly not enough to achieve sustainability. Sustainability 3.0 involves challenging the business model and taking responsibility for a serious world or community problem that an organization is well positioned to
help solve. Organizations in this third phase broaden their focus from just serving customers (making quality products and services) to solving the serious challenges (social, economic and/or environmental) in the larger community (local or global). It’s no longer about making cool products; the mission becomes one of solving world problems. Each phase tends to bring a different focus on how you might make things better. See the table below.

<table>
<thead>
<tr>
<th>Phase</th>
<th>Sustainability 1.0: Risk Mitigation</th>
<th>Sustainability 2.0: Competitive Advantage</th>
<th>Sustainability 3.0: Reinvesting and Regenerating</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Description of phase</strong></td>
<td>Identify and reduce negative impacts&lt;br&gt;Assess and address potential social and environmental risks</td>
<td>Integrate sustainability as an enabler of corporate strategy&lt;br&gt;Use sustainability to inspire performance improvements and new products/services</td>
<td>Operating in a way that reinvests in social, environmental and economic capital&lt;br&gt;Question the business model&lt;br&gt;Determining your unique contribution to solutions to world problems</td>
</tr>
<tr>
<td><strong>Examples of making things better</strong></td>
<td>Reducing toxic exposure for employees, customers and community&lt;br&gt;Increasing resource efficiency, saving money and reducing pressure on natural resources</td>
<td>Finding ways to help customers and suppliers be more sustainable, reducing their impacts</td>
<td>Adopting tough local or global problems and using your core competencies to address them</td>
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**Employees**

What would a workplace look like that was designed to fulfill all of the human needs Max-Neef identified? We’ve actually known a lot about this for decades but each generation of managers seems to have to reinvent this knowledge. *Drive: The Surprising Truth about What Motivates Us*, a book published in 2009, is largely a rehash of what Kurt Lewin and Eric Trist discovered from World War II up through the 1960’s:

“When it comes to motivation, there’s a gap between what science knows and business does. Our current business operating system—which is built around external, carrot-and-stick motivators—doesn’t work and often does harm. We need an upgrade. And the science shows the way. This new approach has three essential elements: 1) Autonomy—the desire to direct our own lives; 2) Mastery—the urge to get better and better at something that matters; and 3) Purpose—the yearning to do what we do in the service of something larger than ourselves.”

The approach isn’t so new but the insights are timeless.

**Participation/Empowerment**—You may never have heard of sociotechnical systems but you may have heard of self-directed or high-performance work teams. The insight here is that people are both more productive and happier when they can complete a whole piece of work (i.e. assemble a whole car rather than just screw on lug nuts all day) and have flexibility about how they do the work. When they are empowered to make important decisions (when properly prepared) they rise to the occasion, producing better ideas for innovation than managers.
could alone. This highly participative form of leadership taps into so many of the human needs: identity, creativity, affection and freedom.

One of our long-term former clients is a trucking company; we helped them set up self-directed work teams in one of their information technology departments. For over a decade they had other subsidiaries that ran their IT departments more traditionally but year after year, the team-based group vastly outperformed them on most measures including customer satisfaction and talent retention. They have a quiet room where employees can go to meditate or their Muslim employees can go for the call to prayer. A number of the leaders in the department use their personal spiritual practice as a way to be more effective in the workplace.

Guess who’s chief information officer (CIO) of the whole IT function now? One of the founding members of the department we helped.

Meg Wheatley, author of numerous management books including *Leadership and the New Science*, has mulled the same conundrum as we:

“There is a clear correlation between participation and productivity; in fact, *productivity gains in truly self-managed work environments are at minimum thirty-five percent higher than in traditionally managed organizations*. With so much evidence supporting participation, why isn't everyone working in a self-managed environment right now? This is a very bothersome question because it points to the fact that over the years, leaders consistently have chosen control rather than productivity. Rather than rethinking our fundamental assumptions about organizational effectiveness, we have stayed preoccupied with charts and plans and designs.”

(Goodbye, Command and Control, http://www.margaretwheatley.com/articles/goodbyecontrol.html)

Identity/Jobs—For some just having a job is an act of inclusion. Consider Dave’s Killer Bread. When Dave Dahl came out of prison after 15 years, he knew he faced some tough job prospects. He got help with his drug problem and started Dave’s Killer Bread with the help of his brother, following their father’s footsteps. Their product now has a fanatical following.

http://www.daveskillerbread.com/story.shtml

Similarly, Greyston Bakery uses food as a career to lift up people who need help. Started by a Zen Buddhist who wanted to transform Yonkers, New York, by employing people whom society had given up on. Their motto is, “We don’t hire people to bake brownies. We bake brownies to hire people.”

http://www.greystonbakery.com/greystonstory.php

Greyston has an open hiring policy: the first person to show up gets the job. That person could be an ex-con, an alcoholic, homeless, or infected with HIV. Sure, they had to show up on time and do the work. But those employees get access to a wide range of services including computer training, HIV/AIDS medication, childcare, etc. The profits from the
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business fund their Greyston Foundation and its community development initiatives.

Affection/Benefits—SAS at their Carey, NC headquarters, has onsite daycare and highchairs in the cafeteria so employees can lunch with their kids. Employees can take unlimited sick days and they work 7-hour days. Not surprisingly, they often are in the top 10 of Fortune’s 100 Best Companies to Work For list and have a turnover rate of only 4% versus 20% in industry. Since it can cost the equivalent of up to 18 months salary to bring a new person up to speed, the investments are well worth it.

Sure, you say. SAS is a huge corporation; they can afford it. Well, we are aware of at least one business with only 200 employees that offer onsite day care. They also pay the full cost of the medical program if employees work out at least four minutes, 16 times a month and if they don’t smoke. It can be done.

Suppliers
Working at the supply chain level is about leverage. How can you use your relationships to generate more societal benefits? Can you work collectively to solve larger problems, for example, by establishing industry standards or aligning the message going to the Legislature? How can you work with suppliers to improve their own sustainability and the conditions of their stakeholders?

Subsistence/Girl Power—Many years ago, Nike got blasted for not taking responsibility for the working conditions of their suppliers. This has led them to an insight about the importance of helping develop girls in the communities of their suppliers’ labor pool. The Nike Foundation, along with NoVo Foundation, are investing $100 million in the in ‘the girl effect,’ “the ability of adolescent girls in developing countries to bring unprecedented social and economic change to their families, communities and countries.” Maria Eitel, president of the Nike Foundation, explains, “If there’s a time to act in the fight against poverty, it’s when a girl stands at the crossroads of adolescence - yet today less than half a cent of every dollar spent on international assistance programs is invested directly in girls.” (Source: http://www.csrwire.com/press_releases/24986-Nike-Foundation-and-Buffetts-Join-to-Invest-100-million-in-Girls)

Protection/Retail Products—British retailer Marks and Spencer is an example of working with suppliers for the benefit of customers. They talk about “Plan A, because there is no Plan B,” a public recognition that we had best take care of this planet. They intend to be the most sustainable retailer by 2015. Their website explains, “Through Plan A we are working with our customers and our suppliers to combat climate change, reduce waste, use sustainable raw materials, trade ethically, and help our customers to lead healthier lifestyles.” They have over 100 commitments that provide a vision for social as well as environmental sustainability.

Customers
Sometimes sustainability leads you to change your business model.

Protection/Breaking the Business Model—For example, Interface Carpet invented the Evergreen Lease so that they could lease rather than sell carpet. But for courageous companies, it sometimes means eliminating your product!

In the Step by Step Guide to
In this situation, NW Natural is taking responsibility for their product, their customers’ use of their product and also the global effects of climate change (which, of course, have both social and environmental impacts).

**Community**

Sometimes your product or service can be repurposed to solve an intractable world (or local) problem. Ask yourself, “What is a serious community or world problem that we’re uniquely positioned to help solve?”

**Protection/Phones as Medical Devices**—Voxiva, a communications company, uses cell phones and the Internet to solve health problems. They came up with a way to use public phones and an associated menu to report and track infectious diseases in developing countries. (Imagine: Press 1 if there is a rash; press 2 if there is no rash.)
Identity/Cleantech—General Electric’s well-publicized Ecomagination campaign might have begun largely as a public relations ploy but they quickly discovered that their forays into cleantech were highly profitable. According to a Triple Pundit article, “GE Ecomagination’s Plans For DOUBLING Cleantech Revenues,” (July 28, 2010) GE is doubling its investment in this area, trying to increase efficiencies of everything from airline engines, trains and wind generators. “There are two key ‘take-aways’ for me in this interview. First, GE is putting their money where their mouth is. They invested $1.5 billion in clean technologies in 2009, an amount equal to 30% of the entire 2009 VC investment in cleantech. They plan to invest $10 billion more over the next five years! The second take-away is a validation that a Green Economic Revolution has begun. Just three years ago going green was viewed as niche market. Today, GE ecomagination’s revenues, $18 billion in 2009, represent 25% of GE’s entire industrial revenues.”

Subsistence/Data for Good—IBM has a vast set of initiatives under the banner of a Smarter Planet, affecting energy, banking, healthcare and municipalities. They see their expertise in information technology as a vehicle for reducing poverty, conserving energy and water. In “A Mandate for Change is a Mandate for Smart,” IBM explains their rationale:

“Leaders of businesses and institutions everywhere have a unique opportunity to transform the way the world works.

“We find ourselves at this moment because the crisis in our financial markets has jolted us awake. We are seriously focused now on the nature and dangers of highly complex global systems. And this isn’t our first such jolt. Indeed, the first decade of the twenty-first century has been a series of wake-up calls with a single theme: the reality of global integration.

The problems of global climate change and energy, global supply chains for food and medicine, new security concerns ranging from identity theft to terrorism — all issues of a hyperconnected world — have surfaced since the start of this decade.”


In this article, we’ve explored just a handful of ways organizations can better meet human needs. Hopefully it will catalyze your thinking.

Diagnostic

Now that you have explored how others have addressed the four stakeholders (employees, suppliers, customers and community) from two perspectives
(do no harm and make things better), it’s time to examine your own organization.

In the diagnostic below we provide questions for each human need. You may want to start with just the Do No Harm questions and address the Make Things Better questions later. Use these in management meetings to begin a dialog around risks and opportunities.

<table>
<thead>
<tr>
<th>Human Need</th>
<th>Do no harm</th>
<th>Make things better</th>
</tr>
</thead>
<tbody>
<tr>
<td>subsistence</td>
<td>Who isn’t earning a living wage?</td>
<td>What can we do to increase the earning potential of the individuals and the community?</td>
</tr>
<tr>
<td></td>
<td>Who doesn’t have access to food/water/shelter and basic healthcare?</td>
<td>How can we improve the health of stakeholders?</td>
</tr>
<tr>
<td></td>
<td>Who is marginalized or disadvantaged?</td>
<td>How do we break down barriers?</td>
</tr>
<tr>
<td>protection</td>
<td>Who is working in unsafe working conditions?</td>
<td>What can we do to improve the safety of the employees and the public?</td>
</tr>
<tr>
<td>affection</td>
<td>Who is feeling ignored, unloved or unappreciated?</td>
<td>How do we show our respect and caring for all stakeholders?</td>
</tr>
<tr>
<td></td>
<td>Who is missing critical information?</td>
<td>How can we bring in a wider set of voices?</td>
</tr>
<tr>
<td></td>
<td>Who is not being intellectually stimulated?</td>
<td></td>
</tr>
<tr>
<td>understanding</td>
<td>Who is not being given access to opportunities to learn or grow?</td>
<td></td>
</tr>
<tr>
<td>participation</td>
<td>Who doesn’t have influence over major decisions that affect them?</td>
<td>How can we increase the engagement of stakeholders?</td>
</tr>
<tr>
<td>leisure</td>
<td>Who has too much or not enough work (appropriate work-life balance)?</td>
<td>How can we encourage people to take time to rejuvenate themselves?</td>
</tr>
</tbody>
</table>
### About the Authors

Darcy Hitchcock and Marsha Willard are co-founders of the International Society of Sustainability Professionals. They are the authors of a number of business books on topics including total quality management, teams, trust and of course, sustainability. *The Business Guide to Sustainability* won the American Library Association’s Choice Award for best academic titles. Through their company, AXIS Performance Advisors, they teach at prestigious ‘green’ business schools (Bainbridge Graduate Institute, Presidio), consult with organizations on the implementation of sustainable business practices, and invent tools that can be used by others. Their mission is to demystify sustainability.