

FRIDAY WEBINAR SERIES

An initiative of National Foundation for Corporate Social Responsibility,
Indian Institute of Corporate Affairs

REPORT: SESSION 1

“LESSONS LEARNT
FROM COVID-19
THROUGH SYSTEMS
THINKING
PERSPECTIVE” by
Prof. Dr. Wayne
Visser



Indian Institute of
Corporate Affairs
Partners in Knowledge. Governance. Transformation.

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ABOUT THE WEBINAR

National Foundation for Corporate Social Responsibility (NFCSR) organised a webinar on the topic “**Lessons Learned from COVID-19 from a System Thinking Perspective and Integrative Value Management**” by renowned Prof. Dr. Wayne Visser on 19 June 2020 at 16:30 PM - IST. The webinar registration details were shared across social media platforms in various CSR, Sustainability, Academia and other relevant groups. A total of 207 participants across sectors registered for the webinar. The webinar was hosted on IICA’s online platform BB and attended by the registered participants. The webinar continued for 90 minutes and was moderated by **Prof. Dr. Garima Dadhich**, Head, NFCSR. The webinar made use of audio-visual and interactive methodologies such as the use of power points, visuals and polling questions. The participants engaged through chat window provided on the online platform. The participants’ online questions were taken together by the moderator and were answered by the speaker at the end of the session.

ABOUT THE SPEAKER

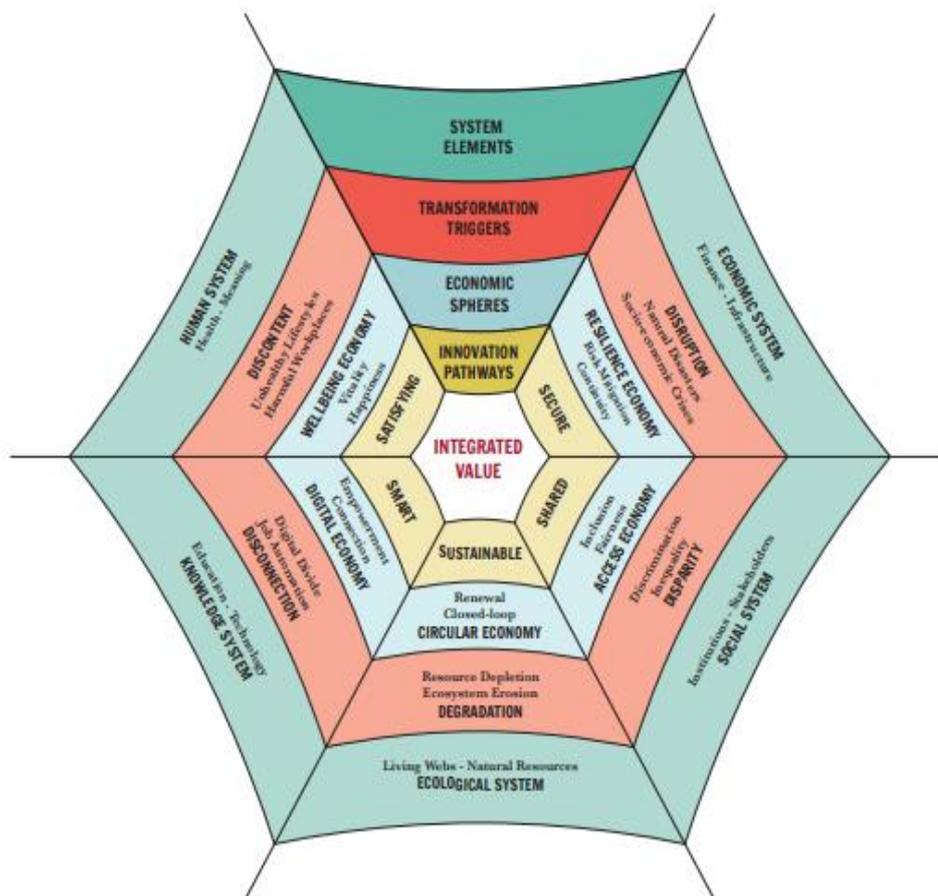


Prof. Dr. Wayne Visser is Professor of Integrated Value and holder of the Chair in Sustainable Transformation at Antwerp Management School, Belgium. He is one of the world’s Top 10 most influential faculty thinkers on issues of responsible business in social media, among top 100 influencer on CSR and sustainable business, top 100 thought-leaders in trustworthy business and top 100 sustainability leader.

He is author of 38 books and 300+ chapters, papers and articles, with his work as a pracademic has taken him to 77 countries over the last 25 years, including lecturing at more than 50 universities. He is a Head Tutor and Fellow of the University of Cambridge Institute for Sustainability Leadership, Director of the thinktank and media company, Kaleidoscope Futures and Founder of CSR International. He has previously served as Director of Sustainability Services for KPMG and Strategy Analyst for Capgemini in South Africa.

SYSTEM THINKING & SUSTAINABLE TRANSFORMATION

A system is a set of things interacting in a way that produces something greater than the sum of its parts. Systems can range in complexity. Systems aren't objective things that exist "out there." They are subjective ways of thinking that humans have come up with to make sense of the complexities of the world. Systems thinking is a cross-sectoral, purpose and innovation-driven methodology. Systems thinking has become highly relevant to respond to complex, unpredictable, open ended, or intractable problems also known as wicked problems. The 'systems thinking' approach implies framing everything in terms of relationships, patterns and context.



Source & Copyright: Wayne Visser, 2019

SCOPE OF TRANSFORMATION: 5Ss

There are various forces which further lead to systemic breakdown at multiple levels triggering transformation, a source to counter-forces for innovation and integration. This gives scope for transformation at different levels attributed as 5S-

- **Securing Innovation**, which attributes to responding to the economic breakdown by multiple actors;
- **Shared innovation** i.e. ensuring access to products and services and empowering the poor and vulnerable constituencies;
- **Sustainable innovation** which includes sustainable ways to address environmental concerns;
- **Smart innovation** focused towards increasing the use and access of the internet, online meetings, artificial intelligence and other technologies; and
- **Satisfying innovation** which includes increasing the focus on both physical and mental health care services and provisions.

These solutions when operated in more than one dimension create integrated value which in turn fosters sustainable transformation. Sustainable transformation leads to a transformation which addresses concerns including- resilience, inclusivity, frugality, connectivity and healthy systems. Emergence can bring about sustainable transformation through:

- Principles of coherence, complexity, creativity, convergence and continuity; and
- Processes of exploring, exchanging, exhibiting, extending and encoding.

PRINCIPLE OF TRANSFORMATION: 5Ps



Source: Webinar Presentation by Prof. Wayne Visser, 2020

PRINCIPLE OF COHERENCE - FUNCTION OR PURPOSE

The ants' high degree of social organization has allowed them to develop collective behaviors that have many similarities to human societies: ants have complex architecture, have true agriculture cultivating fungi for food and herding aphids, use antibiotics and wage war with each other (Hölldobler & Wilson, 2009). Many collective behaviors in ant colonies are presumed to be the result of self-organization, in which complex colony-level patterns emerge from local interactions among workers following simple rules (Beshers and Fewell, 2001; Bonabeau et al., 1997). The rates of these interactions are particularly important, as they have been shown to influence decision making, task allocation and task intensity in ants and other social insects. "The ants collectively form a highly efficient complex network. "And this is something we find in many natural and social systems."

The coherence necessary to produce organised structures means that coordinated algorithms often create modularity. **Ant colonies** are **self-organized** systems: complex collective behaviors arise as the product of interactions between many individuals each following a simple set of rules, not via top-down instruction from elite individuals or the queen.

We have witnessed a mushrooming of CSR practices; and yet we are categorically and catastrophically failing to reverse the world's worst social, environmental and ethical trends (income inequality, biodiversity loss, climate change, corruption, etc). CSR should rapidly evolve into a practice that is more effective in meeting its implicit goals of creating a better world.

Having a common goal and effective communication is one of the most commonly used forms of expressing thoughts and the most important skills to master. Communication that is aligned around the common goal, can easily see the progress with respect to work, which then keeps the various stakeholders engaged and motivated.

PRINCIPLE OF COMPLEXITY

Complexity in a system is determined by the number of relationships in a system. To act systemically we need to talk about complexity, interdependence, our experience of it, and our role in the systems we inhabit. In addition to shared understanding of our systems in general, we also need a shared understanding of the specific problem. An effective response requires all actors in the system to be on the same page.

Every entity i.e. a firm, or simply an individual or a community, as a system can be considered as a microenvironment. It is made up of a group of interlinked sub-components that aim towards a common goal. The goal is the condition, for the aggregate, to be qualified as a system.

Systems thinking has become relevant and needed more than ever because we are becoming overwhelmed by complexity. We experience examples of systematic breakdown problems around us that have no simple local cause. Systems thinking is a discipline for seeing the structures that underlie complex situations and for seeking clarity between high from low leverage change. That is, by seeing wholes we learn how to foster health and systems thinking offers a language that begins by restructuring the way we think.

The trick for external facilitators is to help put in place the conditions that encourage this self-organization. Self-organization is the emergence of pattern and order in a system by internal processes, rather than external constraints or forces. Ecological examples range from the structure of animal social groups to spatial patterns associated with plant distributions. They include flocking behavior, formation of ant colonies, and stability of food webs. Self-organized systems are centered on “a collective process of communication, choice, and mutual adjustment of behavior resulting in the emergence of organized structures” (Nederhand et al., 2014). Bringing everyone together in pursuit of a common goal is crucial to moving ahead, sustaining and growing and that needs to be communicated effectively. As, working towards the same goal inspires people with a strong sense of purpose.

The SDGs cover broad challenges such as economic inclusion, diminishing natural resources, geopolitical instability, environmental degradation and the multifaceted impacts of climate change. They define the agenda for inclusive economic growth through to 2030 and were developed with inputs from business, academia and non-profit organizations globally.

In order to attain the SDGs for a prosperous, equitable and sustainable world, we need to invest time and energy in accelerating learning and exchanging dialogues on what works and why, think at the systems level and in the long-term, and work together – across multiple boundaries.

COVID-19 is now widely regarded by many as the greatest illustration of the ‘butterfly effect’ in our lifetime. This metaphor is borrowed from the concept of ‘Chaos Theory’ and was propagated by MIT mathematician Edward Lorenz. The theory says that some systems, highly sensitive to initial conditions, are simply too complex to be predicted over the long term. The ‘butterfly effect’, widely known after a lecture delivered by Lorenz entitled “Predictability: Does the Flap of a Butterfly’s Wings in Brazil Set Off a Tornado in Texas?” at a meeting of the

American Association for the Advancement of Science in 1972, indicated that tiny changes might result in unpredictable effects.

In our world of global networks and complex supply chains, a black swan event produces a domino effect, or a butterfly effect. The butterfly metaphor is used in Chaos Theory to describe how a small event can have huge consequences: the flap of a butterfly's wings can cause a tornado. The impacts we have seen so far will be experienced by most countries to a greater or lesser degree.

Replacing the butterfly flaps with the transmission of COVID-19, scholars and intellectuals can then understand/COVID-19's incredible diffusion worldwide in a particular way. Complexity theory has a specific place for the butterfly phenomenon. The theory explains that the world ontology is characterized by a system or a set of known and unknown numbers of systems and other components. These systems constantly evolve and are very sensitive to the initial conditions which are themselves subjected to persistent shifting. The butterfly effect takes different turns and changes its quantitative impact and the quality of the system behavior which moves from one level into others.

Systems engineering as an approach and methodology grew in response to the increased size and complexity of systems and projects. It "recognizes each system is an integrated whole even though composed of diverse, specialized structures and sub-functions". It further recognizes that if any system has a number of objectives then the balance between them may differ widely from system to system. The methods seek to optimize the overall system functions according to the weighted objectives and to achieve maximum compatibility of its parts." (Chestnut, 1965).

Systems thinking allows us to identify the key drivers, interactions, and dynamics of the economic, social, and environmental nexus that policy seeks to shape, and to select points of intervention in a selective, adaptive way. Critically, this allows us to emphasise the importance of system resilience to a variety of shocks and stresses, allowing systems to recover from lost functionality and adapt to new realities regarding international economics, societal needs, and human behaviour and the risks of a more unpredictable climate.

The goal is to use applied systems thinking in the service of providing sustained, coordinated effort in order to go beyond specific existing plateaus. Systems thinking in action is focus, cohesion, assessment accountability and evidence-based best practice. Above all, it means greater connectivity within and among levels of the system because cohesion involves bringing diverse elements together amid common principles and habits. It is less a matter of alignment, and more a matter of permeable connectivity.

The kind of system transformation we need is one which establishes the conditions for sustainability (defined as the capacity of a system to engage in the complexities of continuous improvement consistent with deep values of moral purpose), and the key driver that can get us there is a new form of leadership which works on this agenda.

Systems thinking in practice encourages us to explore **inter-relationships** (context and connections), **perspectives** (each actor has their own unique perception of the situation) and **boundaries** (agreeing on scope, scale and what might constitute an improvement). A focal system is intertwined with numerous other systems, that are ready for one of the payoffs—the butterfly effect: small changes in a complex system may lead to large, unpredictable changes over time. The idea comes from meteorology (Lorenz, 1963) and was popularized through the idea that a butterfly flapping its wings in Brazil may lead to a blizzard in Ohio.

PRINCIPLE OF CREATIVITY

Over the past decade, there has been a substantial shift toward sustainable packaging, but COVID-19 has flipped this shift on its head. Due to the safety concerns of reusable bags, containers and mugs, plastic bags and packaging have re-emerged as the assumed safer alternative to reusable ones. Economic uncertainties and risks of COVID-19 have been imposing significant limitations on waste services. With the pandemic contributing to increased plastic use in healthcare, and large volumes of waste being unfit for recycling due to potential biohazards, medical plastic waste could grow at an unprecedented scale. When PPE gets discarded in public areas, it ends up clogging sidewalk drains and washing into waterways. To help reduce this waste, sustainable packaging pioneers are collaborating to produce a plastic-free (made from wood), compostable solution to create the world's first plastic-free visors worn by frontline workers and medical staff.

In 2016, scientists from Japan tested different bacteria from a bottle recycling plant and found that *Ideonella Sakaiensis* 201-F6, bacteria that could digest the plastic used to make single-use drinks bottles, polyethylene terephthalate (PET). It works by secreting an enzyme (a type of protein that can speed up chemical reactions) known as PETase. This splits certain chemical bonds (esters) in PET, leaving smaller molecules that the bacteria can absorb, using the carbon in them as a food source. There are now more than 50 known species of 'plastivores,' or plastic-eating organisms now. One of these, the greater wax moth, is offering scientists hope in the fight against plastic pollution. pulp and paper board, they are both recyclable and home compostable. Biodegradable and compostable materials are considered to be the next frontier of innovative sustainability options.

Food scientists are using fermented microbes from the geothermal pools above the Yellowstone Caldera in Wyoming to create a new ingredient that soon will appear in meatless burgers and substitute dairy and as a protein powder. A number of other start-ups are turning microbes into protein by feeding them everything from methane and carbon dioxide to wastewater from food production. This holds huge potential for the sustainable alternative meat industry. The protein can be grown with minimal inputs in a small area, using 99 percent less land and emitting 99 percent fewer greenhouse gases than a classic animal protein. Meat production is associated with pollution through fossil fuel usage in numerous pre-farm and on-farm practices. With foresight, the results of these innovations may also support solutions for climate change mitigation, risk assessment and emergency responses in hazardous environments, and large-scale biosafety, allowing our economic infrastructure to grow stronger as it overcomes these challenging times.

Holistic and integrated development will only be achieved when the values of culture, creativity, heritage, knowledge and diversity are considered as the key factors in all approaches to sustainable development. Cultivation and breeding for centuries in diverse agro-ecological conditions gave rise to a myriad of different rice varieties that show the highest performance in the specific region where they were developed. Among the 40,000 varieties of rice cultivated worldwide, only two major species are cultivated widely— the Asian rice and the African rice. The ecologists estimate that we have lost tens of thousands of native varieties of rice in the last forty years or so, as we have become dependent on certain types of rice varieties such as long grain, basmati and thai rice. The dependence is causing a threat to diversity for later circumstances. These rice gene bank in unfavourable circumstances such as climatic adaptation, change in soil structure and other environmental factors will serve as a backup. Diversity becomes a means to ensure creativity and creativity provides a problem-solving mechanism. Diversity will further increase resilience and creativity within the system and within the workplace amongst others There is a greater need to pivot rapidly, address responsive measures which revitalise diversity.

PRINCIPLE OF CONVERGENCE

Change really happens when certain forces come together. When unrelated factors come together at the same point from different points of reference it helps in creating and altering new ways of thinking, feeling and behaving giving rise to innovation.

New York City's vast transit system has enabled sustained growth, and allowed them to maintain a smaller per capita carbon footprint than any other big city in the United States. Through Vision Zero, they are improving the safety of the communities and have reduced traffic fatalities to

their lowest levels since 1910. The rise of the sharing economy, uptake of autonomous vehicles and an ageing global population would reduce the need for car ownership. The revolution is not only about cutting down carbon emissions, reducing energy use, monitoring factories, or donating to charities, but about reimagining companies from within: innovating new ways of working, instilling a new logic of competing, identifying new possibilities for leading, and redefining the very purpose of business (Hollender, 2010).

In 1980, McKinsey & Company was commissioned by AT&T (whose Bell Labs had invented cellular telephony) to forecast cell phone penetration in the U.S. by 2000 . The consultant's prediction, 900,000 subscribers, which was less than 1% of the actual figure, 109 Million. Based on this legendary mistake, AT&T decided there was not much future to these toys. A decade later AT&T had to acquire McCaw Cellular for \$12.6 Billion. A lesson to be learnt is that innovation and convergence is a part of the virtuous cycle.

Los Angeles Power and Water officials have struck a deal on the largest and cheapest solar plus battery-storage project in the world. The solar price is half the estimated cost of power from a new natural gas plant. The deal calls for a huge solar farm backed up by one of the world's largest batteries. It would provide 7% of the city's electricity beginning in 2023 at a cost of 1.997 cents per kilowatt hour (kWh) for solar power and 1.3 cents per kWh for the battery. That's cheaper than any power generated with fossil fuel. Renewable energy such as onshore wind and solar PV power are now, frequently, less expensive than any fossil-fuel option, without financial assistance. New solar and wind installations will increasingly undercut even the operating-only costs of existing coal-fired plants. The price of solar generation has been falling exponentially for decades, a process that seems to be unstoppable. The best explanation we have is Swanson's law. It is named after Richard Swanson, the founder of SunPower Corporation, a solar panel manufacturer. Swanson's law is the observation that the price of solar photovoltaic modules tends to drop 20 percent for every doubling of cumulative shipped volume. At present rates, costs go down 75% about every 10 years.

PRINCIPLE OF CONTINUITY

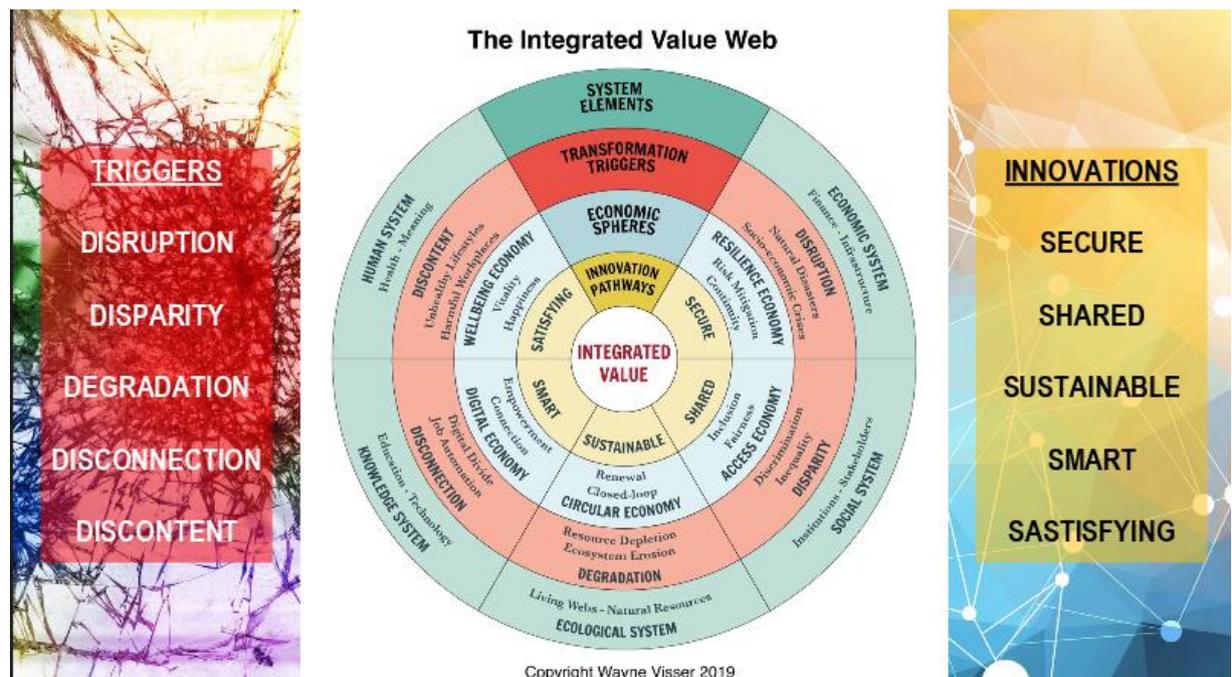
Disruption and innovation mean the average lifespan of companies is shrinking and this calls for change in strategies, organizational models and courageous leaderships. The average lifetime of companies is shrinking. In 1935, the life expectancy of an S&P 500 company was 90 years. By 2010, it was 14 years and studies show that it's getting even shorter. No wonder more and more companies are looking at how they can become a more agile organization and retain their competitive advantage. Given the scale of change required, we believe agile transformations must be comprehensive and iterative, carried out in short repetitions. Above all,

they require a leadership team committed to change and organizations with missions strong enough to sustain the change needed.

The future of work incorporates creating purpose-driven organizations. Major conglomerates might soon be developing a purpose-led strategy for their core business. The COVID-19 pandemic has redefined the meaning of brand purpose. Organizations, once focused on differentiating their philosophies and products, are now uniting in an effort to help governments, healthcare professionals, and the public during this unprecedented time. A purpose-driven company stands for and takes action on something bigger than its products and services. Purpose can be an organizational strategy and a roadmap to remain competitive in a fast-changing economy. Companies that have a higher purpose can weather the financial storms that come with starting and running a business. Their leaders are driven by something bigger than money and bigger than themselves. They're often trying to solve a problem or fill a need they see in the world.

Unilever's Sustainable Living Brands are those that communicate a strong environmental or social **purpose**, with products that contribute to achieving the company's ambition of halving its environmental footprint and increasing its positive social impact.

PROCESSES OF TRANSFORMATION: 5Es



Source: Webinar Presentation by Prof. Wayne Visser, 2020

PROCESSES OF EXPLORING

Google has long encouraged its employees to devote 20 percent of their time to side projects, which is one reason why it remains one of the most innovative companies in the world. The '20 percent Project' is responsible for the development of many Google services. Founders Sergey Brin and Larry Page advised that workers "spend 20% of their time working on what they think will most benefit Google". Google's email service 'Gmail' was created by the developer Paul Buchheit on his 20% time. For companies that invest in side project initiatives, the outcomes can be incredible: Gmail, Google Maps, Twitter, Slack, and Groupon all started as side projects. New ideas are vital for the continued growth of a company. Everyone should be encouraged to explore new ideas so when the time comes to act on an idea, it isn't frowned upon to do so. Setting up parameters for a creative process can be incredibly productive and beneficial for the company.

PROCESSES OF EXCHANGING

In order to foster innovation, it becomes important to ideate and think beyond one's capacities, resources and seek out for synergies. A movement which allows individuals, groups and organizations to discover synergies at multiple levels to seek out and look for collaboration ventures. It helps in understanding the needs and addressing it by partnering in meeting and sharing financial capital, intellectual capital and other forms of collaboration opportunities and sharing of resources. These sharing opportunities provide ground for creative spark, which further lead to innovation and creating shared meaning.

Successful environmental champions have the ability not only to identify the most pressing environmental issues, but also to communicate them in a way that is compelling to top management and non-threatening to their colleagues.

PROCESSES OF EXHIBITING

The exhibit aims to share the process, illuminating the reciprocal nature of the emergence processes. A report detailing the state of telecommunications in Africa indicated that within a span of 6 years, the majority of Africa citizens shifted from fixed line services to a range of mobile services. Broadband Internet is improving the lives of people in developing nations and facilitates access to economic opportunities and social welfare that were previously inaccessible to the poor.

On 29 March 2004, the Republic of Ireland implemented a nationwide ban on smoking fully in the general workplace, enclosed public places, restaurants, bars, education facilities, healthcare facilities and public transport. Ireland became the first country in the world to introduce

comprehensive legislation banning smoking in workplaces. In doing so, the smoking ban gained momentum and it launched a wave of similar national-level policies now spreading across the globe. Since 2004, 125 countries including Norway, New Zealand, Uruguay, Malta, Italy, Sweden, Scotland, Bhutan, Lithuania, and the British Virgin Islands have gone smoke-free, protecting the health of millions by banning smoking in public places.

PROCESSES OF EXTENDING

Extending means extending collaborations beyond meeting obligations and responsibilities in fostering change and making transformation happen.

Cleaner production, promoted by institutions like the OECD and UNIDO and resulting in the UNEP Declaration on Cleaner Production in 1998, in which they defined cleaner production as “the continuous application of an integrated, preventive strategy applied to processes, products and services in pursuit of economic, social, health, safety and environmental benefits.” To support its application, UNEP and UNIDO collaborated to set up a global network of National Cleaner Production Centres (NCPCs) in the 1990s.

PROCESSES OF ENCODING

A few large corporations use a management systems approach to embed sustainability into the core decision making of a company and integrating it throughout all business dimensions, enabling the creation of novel solutions to satisfy market needs.

The audit criteria may be determined by the organisation’s internal policies, practices or controls; statutory standards, conventions, laws or regulations or codes of practice (environmental compliance auditing); which led to the development of two LCA standards as part of the International Standards Organization (ISO) 14000 series: ISO 14041:1998 on Life cycle assessment (goal and scope definition and inventory analysis); and ISO 14043:2000 on Life cycle interpretation.

FORCES OF TRANSFORMATION: 5Ds

Each of the global systems has transformative forces known as forces of fragmentation. These transformative forces include 5Ds-

- Disruption, such as global emergencies and shocks, some prominent examples included COVID-19 pandemic, natural calamities etc;
- Disparity also seen as unequal and different treatment of people due to socio-economic vulnerabilities, marginalization etc;

- Degradation of environment and natural resources manifesting in increased pollution levels, increase waste etc;
- Disconnection of people and systems due to the digital divide, lack and access to technologies etc; and
- Discontent experienced by the people which includes risks such as physical and mental health.

INTEGRATED VALUE FOR SUSTAINABLE TRANSFORMATION

Integrated value is a way to understand sustainable transformation from a whole-systems perspective. 'Whole-systems' refers to the complex living web of socio-ecological relationships that combine to create, maintain and organize life on earth (Visser, 2019). The interaction of five global systems i.e. economic, social, ecological, knowledge and human lead to emergence of integrated value. In lieu of understanding sustainable transformation on different thematic the undermentioned themes were discussed in

PARTICIPANT DISCUSSION AND DELIBERATIONS

In lieu of understanding sustainable transformation on different thematic the undermentioned themes were discussed in detail:

INCREMENTAL IMPROVEMENT IN DISRUPTIVE BUSINESS ENVIRONMENT

Integrating sustainability into strategy is important to the future proof business. Incremental improvement is not enough to win in today's exponentially disrupted business environment. The organization requires sustained growth in the face of near-constant disruption, and sustained growth requires agile reinvention.

It becomes important to prioritise long-term goals in the light of the current crises and importantly organization integrating systems thinking without waiting for a drive in doing so. In systems all exponential change starts as incremental change, it can't be said that incremental change will become exponential because of multiple reasons including convergence, conditions not being favourable, or emergence of new technologies, or disruptions caused by emergencies or larger socio-cultural change. If there are long periods of incremental change without responding to scale and urgency of the challenge, it will deter innovative models of change.

Ways to Address Innovations Over Incremental Improvement

There are ways to address innovations over incremental improvements:

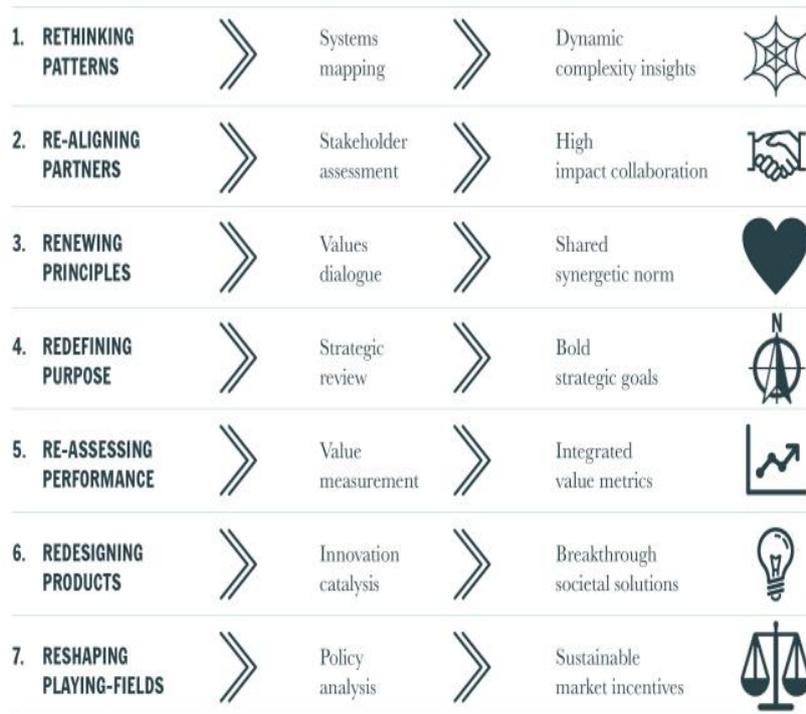
Establishing Strong Purpose & Bold Ambitious Goals: It becomes relevant to have a strong purpose, and goal-setting which are ambitious and these two can be only achieved through a

strong leadership. Companies like Unilever have a long and purpose driven history in becoming one of the most voted sustainable organizations in the world rooted in the performance leadership and the sustainable living brands which has very ambitious goals to double its size, reduce its footprint help a billion people out of poverty and improve the livelihoods of hundreds and thousands of farmers. Often emergence happens due to the rapidly changing environment or crisis. These changes create spaces for entrepreneurs specifically social entrepreneurs. When these entrepreneurs utilise the time and context and respond to the changing conditions to what society needs it creates opportunities for innovations to rapidly scale and address societal needs.

- **Science to Foresee Possibilities of Change:** It has been difficult to observe the science behind what is to be achieved. It is known that fossil fuels are declining. The fossil fuel system is being disrupted by the forces of cheaper renewable technologies and more aggressive policies. There have been investments in new fossil fuels and cost curves coming down very rapidly. **BP plc** a multinational oil and gas company headquartered in London, United Kingdom has announced a 17.5 billion dollar write down on their books in their next quarter because suddenly as a result of both COVID-19 and that's causing an uptake for renewals. It reflects upon how a fuel giant like BP can no longer foresee such a positive future for oil, gas and coal. It can further be substantiated, that science provides scope in understanding the future possibilities both for innovation and incremental value.

Seven Steps of Integrated Value Management

Integrated Value Management (IVM) can be understood by seven defining steps and its application to create integrated value at different levels. It incorporates the application of sustainability principles such as SDGs; stakeholder and partner engagement; understanding and incorporating best practice benchmarking and strategy. To ensure integrating value measurement approaches, reporting frameworks and policies driving larger societal purposes become highly vital. Integrating approaches for harnessing product and service innovation for tackling socio-ecological challenges are some other considerations to ensure sustainable and responsible outcomes through integrated value management.



Source & Copyright: Wayne Visser, 2019

ENSURING RESOURCE EFFICIENCY, HEALTHY CITIES AND STRATEGIES TO CONSERVE NATURE

The pandemic has reinforced the links between health, environment and the economy. OECD countries are the largest donors of overseas development assistance (ODA), but at the same time have policies in place to protect and subsidise their own national industries often at the expense of developing country economic opportunities. In a developing economy like India, it's impractical to stop new units from launching, but balancing growth with sustainability is critical.

Developing countries such as India or South Africa face the dilemmas of sustainability even more than the first world countries. The pandemic has forced these countries to start making choices to allow people to die from starvation because they can't have a livelihood or to run the risk of dying of COVID-19. It became crucial for opening up the economy again even though the risk is high. It has become pivotal to ensure resource efficiency while ensuring healthy cities and adopting strategies to conserve nature and it's resources and it is being achieved through the following means:

- **Resilience & Adaptability for Small Business:** The important aspect for the companies has been to be resilient as far as possible, wherein these businesses are able to survive despite the size. The key adaptation tenants have been whether these businesses have been able to adapt by pivoting, being creative, have been able to find new ways of

reaching out to customers or have innovated to the new market demands. There have been many positive instances of businesses responding to the pandemic in innovative ways while ensuring business sustainability.

- **Sustainability Principles and Practices:** It is highly vital to keep sustainability principles and practices central when businesses are under pressure grappling to meet the needs to meet the end. In difficult times finding ways to be inclusive, taking in consideration the most marginalised are some concerns which need to be addressed. The role of philanthropy has become even more important in ensuring resource distribution in times of crises. Certain key considerations that businesses need to address in order to ensure sustainability principles and practices where businesses are able to be frugal and innovative:
 - Businesses are able to innovate in ways which provide solutions without consumption of a huge resource pool or generate waste which may deter the environment and have ecological consequences;
 - Businesses are using smart technology and it is done in ways where these technologies are able to cater to people's health and wellbeing.

These principles and practices are crucial in not only in understanding how efficient these measures have been but how credible the efforts have been especially in responding to challenging times.

SYSTEMS THINKING IN AGRICULTURE SECTOR TO CREATE INTEGRATED VALUE

The agriculture systems have become dysfunctional. Efficiency and delivery of food has been maximised by the Green Revolution. It has also been at the expense of the welfare of animals in the case of livestock and the health of the soil. According to the United Nations Food and Agriculture Organization, if we continue to degrade our soil at the current rate, we have only about 60 harvests left.

While the impact has been severely deterring the response has to be far more creative. There is a whole movement of regenerative agriculture focussed on the health of the soils. Similar other movements include organic, bio-dynamics etc. which are also part of the solution. 'Patagonia' an outdoor and gear company, the pioneer in sustainability clothing has started their food division. The food vision is based entirely out of regenerative agriculture. Regenerative Agriculture is a holistic land management practice that leverages the power of photosynthesis in plants to close the carbon cycle, and build soil health, crop resilience and nutrient density (Regenerative

International, 2017). Regenerative organic farming practices yield large crops while building healthier soil, which can draw down and store more greenhouse gases.

Solutions and Challenges for Transformative Change in Agriculture Sector

- There are other solutions as well, such as vertical farming, hydroponics. These sustainable solutions are to be implemented with engagement of multiple stakeholders, importantly industries, agriculture sectors amongst others.
- Agriculture is linked to diet and with the coming of the vegan movement and focus on animal welfare, ethics. It has come to notice the consequences and the environmental impact of the meat and dairy sector. There has been a trend to move towards alternate protein and vegan diets which is also very important.

RECOMMENDATIONS FOR SMALL BUSINESS FOR TRANSFORMATIVE CHANGE

The pandemic has pushed many businesses out of business and if not to the brink of collapse. There are various considerations for small businesses where the cost of the integration is really high in comparison to the large business. It is difficult for small businesses because of the limited resources which are essential to survival. It has been observed amongst small businesses that they are their founders, owners, funders and managers. These are the people who have a strong sense of ethics in meeting their customers regularly. The purpose-driven element of the small business becomes even more important through the pandemic. Three major considerations that could be adopted by small businesses:

- **Leadership:** It is imperative to have a strong leadership by the leaders to sustain businesses while being purpose-driven. A strong leadership where the leaders are able to motivate, inspire especially the customers and employees.
- **Collaboration:** The second factor is that SMEs need collaboration, individually they might fall but together they might stand, especially in implementing visions and tasks. In Guatemala, a country in Central America is a key example of how collaboration can bring about sustainable change. The individual farmers were too small to undertake CSR on their own. These small farmers got together in cooperatives and were able to implement CSR activities together. Some prominent ways in which small businesses can work together include resources pooling and partnership building.
- **Frugality:** The focus on frugality is prominent and having approaches to focus on eco-efficiencies is important. Frugality comes in action where the consumption of resources,

water, energy, soil is lowered and may be a viable means in ensuring outcomes and creating value.

GOVERNANCE FACTORS FOR INTEGRATED VALUE MANAGEMENT

Is it definitely becoming more important to understand what drives some firms to drive more ethical, socially responsible; particularly when resources are restricted and survival is at threat. There are various governance factors that need to be considered at the organizational level.

Governance and Leadership: Governance is strongly related to leadership. Through scholarly engagement and literature, it has been found that purpose inspired and driven leaders have different characteristics. These leaders view from a Systems Thinking perspective, have long-term perspective, are empathetic, creative, adaptive and are inclusive. These are some skills which can be learnt and taught. There is a greater need to invest in leadership training centering on leaders of the future which require a range of diverse skill -sets.

Governance and Transparency: At the governance level there is a need to ensure and invest in transparency. Ethics and transparency are key facets of governance. There are different ways to ensure transparency which could be facilitated with disclosure of reporting mechanisms. There are various reporting frameworks such as GRI (Global Reporting Initiative); Future Fit Business Benchmark which is a far more systemic reporting model, also providing information about the supply chain, conditions of workers in the supply chain and starting to measure the externalities which are emerging. Other frameworks include Value to Society, True Value by KPMG, Total Impact Assessment method by PWC.

Governance from a Government Perspective: The role of the government is prime especially in scaling opportunities and practices. There is a greater role of government in determining goals to be achieved in a time bound manner. The governments can work towards determining the standards, practices to be followed by the business which needs to be very specific and quantitative. The government works towards goal-setting and the business to leverage these opportunities to innovate. There lies scope to create integrative value and emergence beyond the scope of mandatory CSR. These stretched targets for business will allow emergence and help them innovate and solve problems at systems levels.

CONCLUSION

The webinar session helped in understanding how the pandemic largely looked as a global crisis also provides an opportunity in defining social norms, practices and priorities towards a transformative sustainable society. It can be seen by multiple illustrations from the globe, how

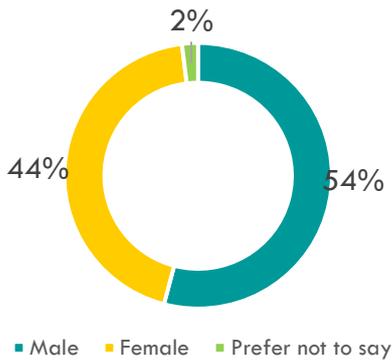
the systemic breakdown threatens to undermine the multi-level systems on which we rely for a well-functioning society and good quality of life. It can further be noted how this breakdown also provides triggers for transformation- a source to counter-forces for innovation, integration and transformation. The pandemic further pushes companies towards responsible business practices and the need to be purpose driven. The strategies and action of organizations need to be deeply embedded in transformative change principles and practices.

The role of organizations becomes greater in responding to the economic breakdown amongst other actors. It has become even more important to ensure access to products and services and empower the poor and vulnerable constituencies. The companies need to be long-term oriented with adaptation of environmentally sustainable ways to address ecological concerns. Wherein the pandemic has introduced multiple challenges, it has also amplified ways in increasing the use and access of the internet, online meetings, artificial intelligence and other technologies which should be centered upon creating sustainable solutions. The role of companies in creating doesn't stop there and there has to be an important role in promoting and provision health care services including mental health.

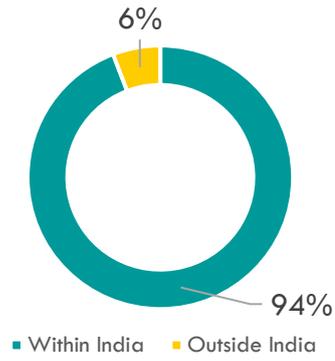
Participant Profile

- A total of 207 participants across sectors registered for the webinar.
- 54 per cent of the registered participants were males, 44 per cent females and 2 per cent preferred not to disclose their gender while registration.
- 94 per cent of the registered participants were within India and the remaining 4 per cent were outside India.
- The participants from outside India included countries- UK, US, Ireland, Malaysia, Philippines, Netherlands, Scotland, Czech Republic, Germany and Belgium.
- The registered participants were from 17 states of India. The maximum number of the participants were registered from Delhi/NCR (27 per cent) followed by Maharashtra (16 per cent) and there were 10 per cent participants from both Uttar Pradesh and Karnataka.

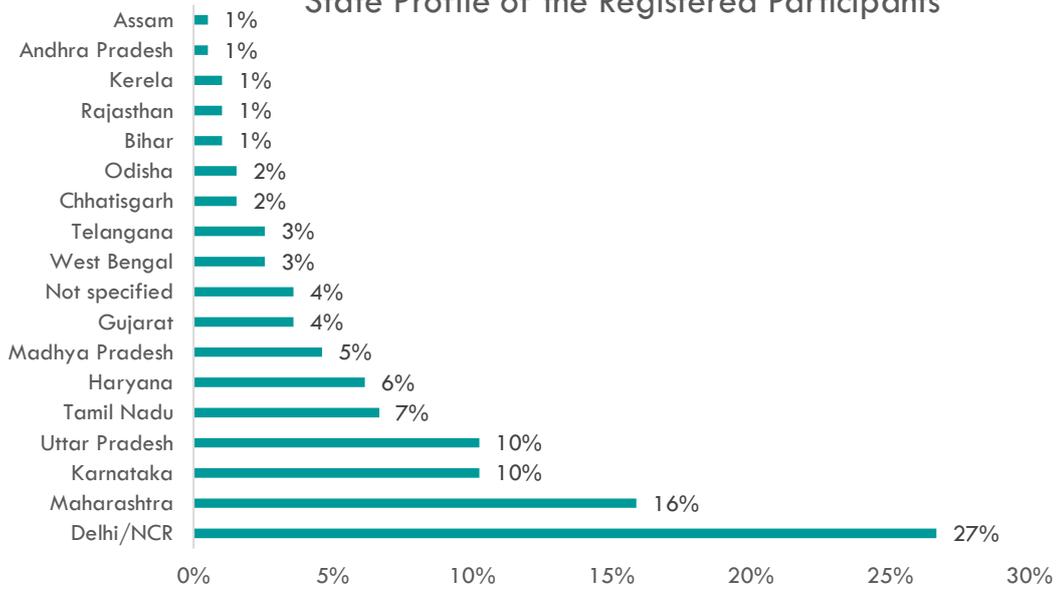
Gender Profile of the Registered Participants



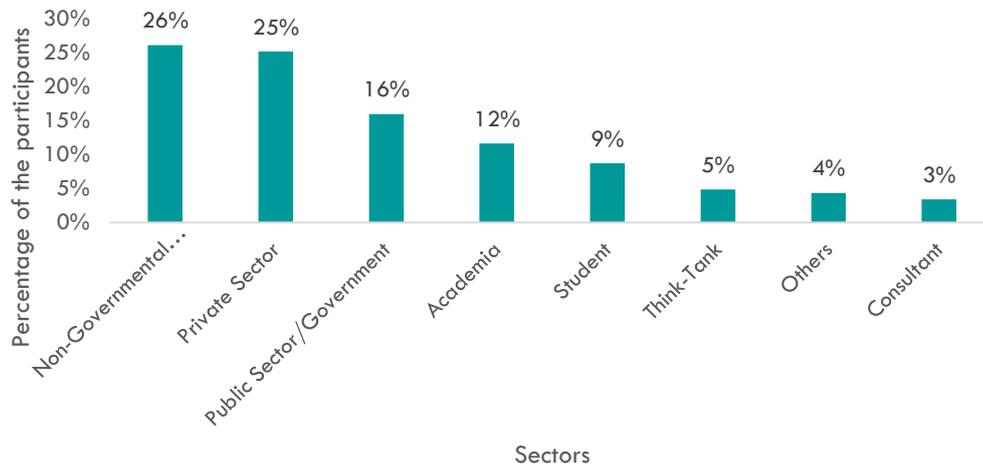
Country Profile of the Registered Profile



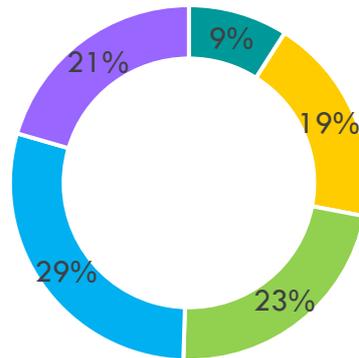
State Profile of the Registered Participants



Sector Profile of the Registered Participants

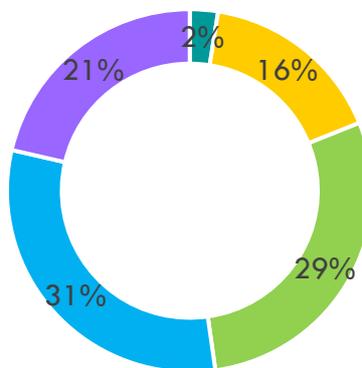


Familiarity with Systems Thinking



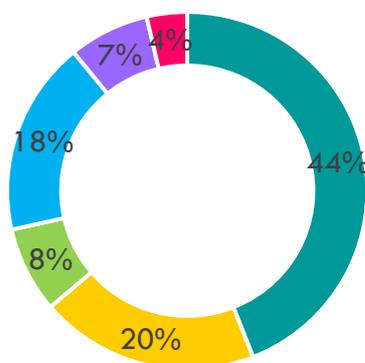
■ Extremely familiar ■ Moderately familiar ■ Not at all familiar ■ Slightly familiar ■ Somewhat familiar

Familiarity with IVM



■ Extremely familiar ■ Moderately familiar ■ Not at all familiar ■ Slightly familiar ■ Somewhat familiar

Felt Relevance of IVM & Systems Thinking



■ Extremely relevant ■ Moderately relevant ■ Slightly relevant ■ Somewhat relevant ■ Not relevant at all ■ Can't Say

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Webinar Report on

“Lessons learnt from COVID-19 through Systems Thinking Perspective”

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