

FOR A SOCIO-ECOLOGICAL TRANSITION: 21ST CENTURY ORGANISATIONS REALIGN THEMSELVES AROUND VALUES

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Abstract: The aim of this paper is to discuss the changes that confronting our society. The modernity is perceived like an expression of man's control over himself and over nature through reason in a desire for unlimited expansion, therefore implying that growth could be infinite. Consequently, the new logics of the 21st century concern the globalisation of trade and the issues of sustainable development and social responsibility.

JEL classification: Q00, Q57

Key words: modernity, socio-ecological transition, motivation

This discussion forms part of a more general understanding of the changes confronting our societies. Technologies play an important role therein, but, like the chicken and egg situation, they are often merely the consequence of choices and social practices decided upon upstream. Clearly, therefore, we are in the process of shifting towards other logics, if not a new paradigm¹. For all these changes are an integral part of the deep-seated transformations that Europe, in particular, is currently witnessing. Thus, the European Commission describes our societies as being in a situation of socio-ecological transition². It is from this standpoint that we explore the relevance and operability of the concept of postmodernity in order to express the shift of our world³.

Modernity has been viewed as the expression of man's control over himself and over nature through reason in a desire for unlimited expansion, therefore implying that growth could be infinite. Initially emerging after the 16th century, it became the dominant trend during the 19th century in the West. The 20th century, however, was typified by an awareness process and challenging stance towards a certain number of obvious truths:

- the Earth does not have unlimited resources, it is a finite planet with rare resources,
- science and technology have the power to destroy Humanity and indeed our planet,
- the idea of progress conferred a positive dimension upon future developments and the initial contributions of technology; change was thought of as only improving the situation. To the contrary, progress is now generating an increasing amount of scepticism, disappointment, disillusion and anxiety. The worrying picture of climate disturbance accurately symbolises the limits of Man's control over nature

1 François Silva, *Etre e-DRH (Being an e-HRM)*, Ed. Liaisons, 2008

²Report of the European Commission Research Division on *Le Monde en 2025, la montée en puissance de l'Asie et la transition socio-écologique (The World in 2025, the rise in power of Asia and the socio-ecological transition)*, October 2009: http://www.eurosfair.prdd.fr/7pc/documents/1251798383_le_monde_en_2025_la_montee_en_puissance_de_l_asie_et_la_transition_socio_ecologique.pdf

³ *Le Réenchantement du monde. Morales, éthiques, déontologies (The re-enchantment of the world. Morals, ethics, professional codes of conduct)*, éd. Table Ronde, 2007

and Reason does not decide Humanity (cf. the holocaust in the Siberian gulags). Likewise, the patterns of consumption and production in developed countries do not constitute a model for reproduction by the rest of the planet, for if everyone were to adopt it at this stage, 4 or 5 additional planets would be required to cater to the needs of nearly 7 billion human beings (plus the extra 40% anticipated within the next 40 years) in terms of energy, raw and agricultural materials, not to mention the management of waste and CO2 emissions.

Thus, modernity is about to reach its limits and contradictions. A limitation of resources no longer gives hope that growth might help improve the lot of the disadvantaged. We are currently at an intermediate stage midway between two paradigms (modern and postmodern), which are jostling for position. Postmodernity corresponds to the radical challenging of the principles of modernity. We call the emerging era "post-modern" for lack of knowing how else to describe what we are building, as Michel Maffesoli notes. This concept of post-modernity⁴ appeared in the 1960s to express the idea of a rupture with modernity. Just as the modern period, since the 16th century, was not termed "modern" until Charles Baudelaire described it as such in the mid-19th century. Failing any other available operative concept, in the meantime, this period should have been termed "post-medieval" and not "hyper-medieval".

"*Have we entered a new modernity?*"⁵, is Man currently witnessing a new transformation, as Marcel Gauchet asserts⁶, opposing the personalities of our contemporaries to the personality types that preceded them.

For Michel Foucault⁷, our era corresponds to a shift in the conception of the world. He uses the term *épistémè*⁸ to refer to this rupture. Our society could thus be thought of as building new modes of representation (paradigms). This change in the conception of the world has already occurred in different periods throughout History: at the end of the Gallo-Roman world with the emergence of the Middle Ages, during the Renaissance with the emergence of modernity. Every time, these are major epistemological ruptures. The intermediate phases, however, constitute periods of tension between the two paradigms, given the interplay between different conceptions about the relations that every individual has with temporality, spatiality, sociality, privacy, knowledge, power, spirituality, etc...

1. CHANGES THAT SHAKE THE FOUNDATIONS OF A CORPORATION

Corporations have developed since the 19th century. The economy and corporations in the 20th century were driven by the wishes of the shareholder. After the 1960s, the Chicago School reworked existing liberal concepts. On the basis of their work, the neo-liberalism "revolution" imposed itself on the planet in the late 70s. "The

⁴Jean-François Lyotard "La condition post-moderne" (The post-modern condition), Editions de Minuit, 1979

⁵ Title of an article by Xavier Molenat, Human Sciences Feature on "l'individu hyper-moderne" (The hyper-modern individual) November 2004 No. 154

⁶ An essay on the psychology of our times, Le Débat, March-April 1998

⁷ Michel Foucault, *Les Mots et les Choses* (Words and Things), Gallimard, 1966

⁸ This notion is close to the Paradigm concept invented by Thomas Kuhn, who wished to use the term to describe a global, systemic model; there is great similarity here with the Annales school in which Fernand Braudel developed his history of mentalities.

problem was the State". Market deregulation was fast and furious, as opposed, therefore, to the Keynesianism and regulation that had strongly prevailed. One of the consequences was that the shareholder was given decision-making power and unilateral control. The aim, at the time, was the search for optimised profit, which was referred to by the more positive term of value. Thus the stock market price gradually became the only criterion for maximising profit. Everyone is familiar with the speculative trend of the 1990s and 2000s with its financial drifts and "short-termism", which were likened increasingly to speculative logics. This sparked a money-making frenzy via a search for profitability of between 20 - 25 %.

The 21st century is drawing us into other logics: the globalisation of trade and the issues of sustainable development and social responsibility, which extend beyond the scope of the State alone. Standards and regulation are thus being introduced worldwide and are imposing themselves on corporations. These standards rest on notions of transparency and respect for values. But for those standards to be respected, individuals need to integrate ethical values. In effect, in order for their professional practices to comply with these rules, individuals must carry, and therefore live by, values that enable them to develop sustainable development principles, in other words they must want to respect the individual and the planet, for "we do not inherit the Earth from our ancestors, we borrow it from our children⁹".

2. EMERGENCE OF A NEW PARADIGM: NEW CONSTRAINTS AND CONTINGENCIES

The legal status of the large corporation, such as we know it today, was conceived in the late 19th century with the creation of the joint stock company. It was a means of gathering the necessary investments required for building blast furnaces, railways or mines. However, the governance of these global corporations today can no longer lie solely in the relations between shareholders. For, as Antoine Rebérioux¹⁰ underlines, another aspect of financial capitalism, less to the fore during this crisis, "is nevertheless directly at issue: namely the "shareholder" model of corporate governance, the failings of which manifested themselves both in the bankruptcy of the Lehman Brothers and in that of the Texan company Enron, just as spectacular an occurrence seven years earlier". As we have pointed out, the neo-liberal wave of the 80s spread the idea that only the shareholder, as the bearer of investment risks, should have the power and retribution for value creation. To believe this is to disregard of the other stakeholders in a company, the managers, as well as the employees, the subcontractors and suppliers, local communities and the entire living environment.

9 Saint Exupéry, *Terre des Hommes* (Wind, Sand and Stars), Gallimard

10 Cahier Français, *Le capitalisme : mutations et diversité* (Capitalism: transformations and diversity), March-April 2009, no.349, Edition produced under the direction of Olivia Montel-Dumont

20th century

Shareholder

Corporation
(profit)

21st century

Shareholder
Employees
Associations,
NGOs...

Local communities

Customers

Involvement of all stakeholders

Organisation

- Profitability % SD: social, societal and environment
- Technology
- Territorial proximity

Standards and regulation

Public opinion

State

NGO

Europe, UNO...

3. THE EMPLOYEE IS A SOCIAL AND AFFECTIVE INDIVIDUAL

The entire approach of methods engineers has been to optimise the work organisation by seeking to rationalise the corporation's processes. The principles of scientific management were developed on this basis. Since the first industrial revolution, the entire history of the corporation is made up of a sequence of productivity gains. Thus, it has been possible to produce increasing quantities of products employing increasingly fewer resources (human, energy, material, etc.) and in increasingly shorter timeframes. It is the result of constant changes in the work organisation and the introduction of new tools.

Throughout the 20th century, we encounter the idea that the work organisation should be structured and restructured around a principle of rationalisation, disregarding any affective impulses within the corporation. When have we not heard managers say to their subordinates "Your moods are not my problem". It forms part of the logic of cracking down on worker idleness as defined and pursued by Frederick W. Taylor. According to this premise, Man at work would therefore be reduced to an individual merely carrying out rational acts. Neo-liberalism further reinforced this situation. In effect, for neo-liberals, the individual is thought of as being only motivated by an urge to satisfy his own personal interests. Thus, in professional working life, every individual is considered to generate egotistical attitudes and develop a spirit of competition. The principles of neo-liberalism therefore converge at this point with those of modernity in the desire to promote individualism. Neo-liberalism, however, exacerbates it into a kind of hypermodernity by pushing modernity to the limits. It should be remembered that the principles of independent remunerations were conceived by the Chicago boys, and initially by Gary Backer. Employing the concept of Human Capital, they invented a series of sophisticated remuneration mechanisms, primarily

stock-options, to promote the financial gains permitted by the opening of the stock markets. They created increasingly sophisticated tools by relying on financial mechanisms corresponding to a frenetic money-making quest. This speculative development resulted in the crisis of 2008.

Managers' salaries in large corporations thus witnessed an exponential increase, exceeding more than 200 times the basic wages of workers; not to mention traders' salaries, which defied all understanding. Was it not John P. Morgan and John D. Rockefeller, two founders of capitalist empires in the early 20th century, who advocated that salaries be limited to a scale of 1 to 20? Here, we are at the heart of what prompts an individual to commit to a company. For liberals and neo-liberals, every individual is motivated by the thought of pursuing his own personal interests.

Many people today challenge this idea. There is an entire movement in the US and in Europe, which advocates the principle that the human being, to the contrary, wishes to contribute to the general interests of all. This is what it is termed the "common good" by an entire school of Anglo-Saxon thought, one that combines economics, political sciences, philosophy, sociology and, more generally, human sciences. The last Nobel Prize winner in Economics, Elinor Ostrom, is one of its finest representatives.

In the 90s, the economist Maurice Allais, completely adept in market economics and Nobel Prize winner in Economics, warned economic and political representatives against the excesses of liberalism. *"The perversions of socialism have brought about the collapse of Eastern societies, let us take care that the perversions of liberalism do not lead to the collapse of our own Western societies"*¹¹.

Hypermodernity, in its desire for a "no-limit" search for individualization of every person, has made us forget that a human being is first and foremost a social and affective being. The individual is an emanation and stakeholder in a social body corresponding to attitudes and emotions. The entire sociology of the 20th century has been applied to a study of these socialisation processes: from Norbert Elias and his civilisation process through to Marcel Mauss and his concept of the "gift" as an essential form of building the social links that unite each member of a human group.

In a desire to shuffle off the yoke of the community that was stifling even the vaguest desire for autonomy, there developed an individualism after the Renaissance. This led, during the 20th century, to an egoism and narcissism detrimental to life in society and to the principle of solidarity and fraternity that every individual must develop in his own circle and for his descendants (cf. the words of Saint-Exupéry). Those principles may be found in what Marcel Mauss developed by studying the functioning of "primitive" societies structured around the gift and the counter gift. This we may observe in corporations where interpersonal relations between salaried workers are built on principles of communication of reciprocal esteem. The Palo-Alto School, emotional management or empathy, and now the whole of neurology, claim the need for everyone to take into account in professional working life both the rational and emotional dimensions within each human being.

The 21st century organisation

Involvement of all stakeholders Standards and regulation

11 *Nouveaux Combats pour l'Europe* ("New battles for Europe), 1995-2002, Editions Clément Juglar, 2002

The organisation takes account of other dimensions (SD) environment when defining its strategy

- The organisation
- SD: social, societal and environment
 - Technology
 - Territorial proximity

Envisaging and integrating into the organisation and services: emotional aspect, SD, virtuality and mobility

- Organising Process
- Emotional aspects
 - SD and CSR
 - Virtuality /Mobility
 - "HRM" = Ethical and co-operative
 - Attitudes % values
 - Work and co-operative values

Developing co-operative attitudes compliant with values attitudes

The 21st century work organisation must take account of these stakeholders, and the shareholders in their capacity as investment bearers are just one of many others. Simply owning the capital cannot confer full powers on that individual. He must share it with the remaining stakeholders. There is a principle of regulation and mediation between the stakeholders by which decisions must be taken. That organisation will define its objectives by structuring them around 3 factors, each of which must be taken into account: economic efficiency through a response to market needs, social and societal consequences, the impacts of one's products/services (throughout their life cycle) on the environment and one's operating processes.

The organisation will break down its operating methods into work methods and processes, while taking into consideration the three above-mentioned factors. The organisation thus becomes an organising process. "HRM" (human resource management) is changing shape in that it now assists work collectives to ensure that every individual is capable of behaving in compliance with the standards, principles and values that are being sought and claimed. Every individual works on co-operative principles, often remotely and in virtual forms such as new technologies will increasingly allow. But this type of "HRM" no longer essentially performs management, but plays a regulatory and mediatory role between players, hence the use of speech marks.

20th century: value
 Shareholder Standards and regulation
 The corporation
 (Profit)

21st century: values
 Involvement of all stakeholders
 The organisation
 SD: social, societal and environment
 Technology
 Territorial proximity

Management
 (Rationality)

Organising Process
 Emotional
 SD and CSR

HRM
Independent
remuneration and
skills

"HRM"
Ethical and co-operative
attitudes

If we thus compare the functioning of the 20th corporation with that of the organisation that will emerge in the 21st century, we notice clearly that we are witnessing a change in values: a transition from profit as the decision-making and motivation vector to the search for consistency between practices and values. We are at the heart of ethical issues, namely the consistency between claimed values and effective practices. The attitudes of every member of an organisation must constitute an essential factor in their functioning.

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