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How leaders can create intergenerational systems to promote organizational sustainability

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Most leadership decisions involve an inherent trade-off between the allocation of current and future gains and burdens. Take, for example, an executive who may need to choose between employing a sustainable, expensive source of energy that will conserve resources for future generations but have a negative effect on current profits; and saving money by using a nonrenewable resource that could later pollute the environment and negatively affect future social actors. Or, as another example, consider a manager who is about to leave a company. He contemplates investing significant time to mentor a new generation of employees, but because he will obtain no direct benefits, he might choose instead to spend time on activities that offer him immediate gains, but leave employees unprepared to effectively contribute to the company. In both of these examples, as in many everyday organizational decisions, there is a trade-off between benefiting or burdening oneself or one's group in the present, and benefiting or burdening future social actors. These decisions can have long-lasting repercussions on the strategic focus of an organization and ultimately its viability in the marketplace. Intergenerational decisions—decisions made today that affect future others—are, therefore, central to determining the longevity and sustainability of organizations.

In a number of past studies, Wade-Benzoni and her colleagues have found that when decisions are both interpersonally and inter-temporally separate from the person making a decision, it is difficult for that person to fully envision or understand the impact of his or her decisions on others. Indeed, not only are leaders frequently called upon to make intergenerational decisions that might affect multiple generations of people they will never meet; they are also tasked with designing organizational systems

and structures that stimulate the ongoing welfare of the organization and its stakeholders. These intergenerational systems facilitate leaders' ability to promote stewardship of the organization, whereby current members willingly sacrifice their own self-interest to promote long-term, communal wellbeing. It is important to note that these organizational design elements are not static. Instead, the intergenerational systems that leaders create evolve through iterative exchanges among organizational members and other stakeholders, forming a dynamic, complex cycle of intergenerational reciprocity in which governance of the organization involves collaborative exchanges between its members.

Despite the broad range of strategies explored in the intergenerational literature, the majority of approaches have focused on understanding how a leader *thinks* about the decisions that affect multiple generations. What is relatively underexplored is how different emotional pathways affect leadership effectiveness and sustainability. Thus, we begin by examining a relatively underdeveloped factor in intergenerational decision making: the role of moral emotions. Integrating these insights and drawing from the existing literature on intergenerational decision making, we then discuss specific individual-, group-, and organizational-level strategies for how leaders can create intergenerational systems to promote organizational sustainability.

THE ROLE OF MORAL EMOTIONS IN CREATING POSITIVE INTERGENERATIONAL SYSTEMS

Researchers and practitioners alike are increasingly acknowledging the pivotal role of emotion in decision making

processes, particularly in decisions involving ambiguity and uncertainty, such as those with long-term ethical implications. Research has shown that decision makers are more often guided by intuition and emotions, as compared to reasoning, when reaching moral decisions, and that the exclusion of emotion (mainly, moral emotions) in these processes can prompt individuals to behave more unethically and less pro-socially. Specifically, scholars have argued that reasoning alone is not enough to generate the necessary motivation for individuals to engage in moral behavior, but instead moral emotions are described as facilitating the cognitive and intrinsic motivational states that individuals need to enact behaviors that benefit others.

The story of Ray Anderson, for example, reflects the power of moral emotions in prompting change and positive intergenerational behavior. For many years, Anderson, the founder and chairman of Interface, Inc., one of the leading carpet manufacturers in the world, had not been concerned with ecology or sustainability issues. Then, in 1994, tasked with developing an environmental vision for the company, he read Paul Hawken's book *The Ecology of Commerce* and, in his own words, Anderson had an epiphany: "I wasn't halfway through the book before the vision I sought became clear, along with a powerful sense of urgency to do something. Hawken's message was a spear in my chest that remains to this day." Anderson experienced both the effect of moral elevation from contemplating the immense positive value he could bring to future generations through a more sustainable business and the effect of moral outrage at his own previous passivity. He subsequently transformed these emotions into a compelling vision, which outlined specific implementation strategies for the organization. These efforts helped foster the company's worldwide reputation for its successful model of sustainability.

Within the context of intergenerational decision making, we argue that merely *thinking* of an intergenerational action as right or wrong is not enough to motivate moral behavior if the decision maker does not *feel* the rightness or wrongness of the action. In particular, we examine the affective mechanisms through which past behavior can contribute to building positive intergenerational systems in organizations

by exploring how emotional reactions to the behavior of past generations encourage positive or negative behavior toward future others. Such an examination of moral emotions is especially important if we consider the principle of intergenerational reciprocity. Wade-Benzoni and colleagues have proposed and shown that when individuals make decisions that affect future generations, an important consideration is how those individuals were treated by previous generations. Specifically, the principle of intergenerational reciprocity can explain why decision makers of one generation would act on behalf of future generations who do not yet exist or who are unknown to the decision maker.

As shown in Fig. 1, moral emotions can contribute to the creation of positive cycles of intergenerational reciprocity, building the foundation for positive intergenerational systems, through two pathways that occur: (1) when decision makers have experienced or witnessed **benefits** from the actions of previous generations; and (2) when decision makers have experienced or witnessed **burdens** from the actions of previous generations.

Allocation of Benefits by Past Generations

The role of gratitude

Intergenerational reciprocity is a powerful force. For instance, when an employee has had a mentor who went above and beyond the call of duty to ensure that this employee received all of the key pieces of information necessary to execute the job or to become more easily acclimated, the employee is likely to feel grateful for the support he or she received. This gratitude can in turn propel him or her to "repay the debt" by showing similar positive behavior toward the next generation. Gratitude has been shown to serve an important moral motive function by encouraging the grateful person to behave pro-socially, even toward third parties who are unrelated to the cause of the gratitude, and by also discouraging individuals from engaging in actions that could harm or burden others. Moreover, gratitude might not only prompt positive intergenerational behavior but also shape social norms to guide the group or organization's intergenerational actions and policies.

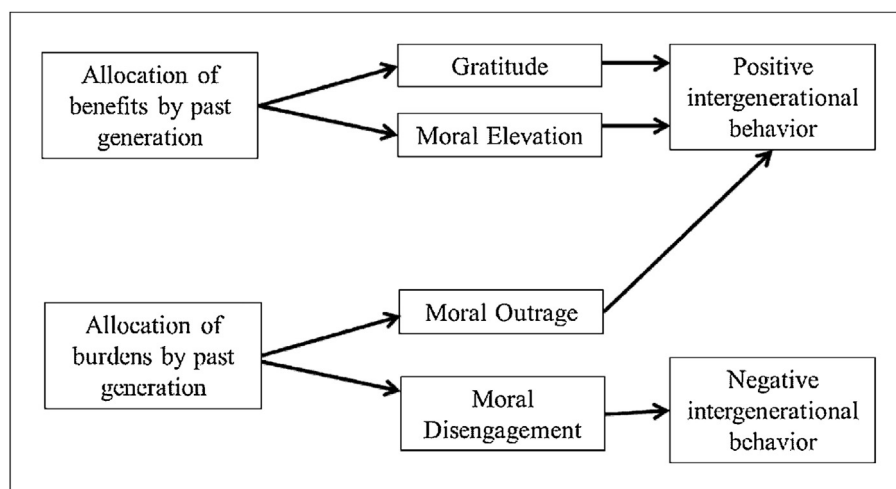


Figure 1 The Role of Moral Emotions within Intergenerational Systems

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