

CAN THE VIABLE SYSTEMS APPROACH REPRESENT A LENS TO INTERPRET BARRIERS AND ENABLERS TO THE INTEGRATION OF SUSTAINABILITY? EVIDENCE FROM AN EMPIRICAL EXPERIENCE

Cristina Simone^{*}, Francesca Iandolo^{*},
Massimo Battaglia^{*}, Mario Calabrese^{*}

^{*} University of Rome – La Sapienza, Italy



How to cite: Simone, C., Iandolo, F., Battaglia, M., & Calabrese, M. (2019). Can the viable systems approach represent a lens to interpret barriers and enablers to the integration of sustainability? Evidence from an empirical experience. *New Challenges in Corporate Governance: Theory and Practice*, 43-46. https://doi.org/10.22495/ncpr_11

Copyright © 2019 The Authors
This work is licensed under a Creative Commons Attribution 4.0 International License (CC BY 4.0). <https://creativecommons.org/licenses/by/4.0/>

Received: 01.08.2019
Accepted: 19.08.2019
DOI: 10.22495/ncpr_11
Keywords: Sustainability, Viable Systems Approach (VSA), Retailing, Cooperative Enterprises
JEL Classification: M15, Q56

Abstract

This study aims to propose the contribution of adopting a systems perspective to researching sustainability in terms of inclusivity and holistic view, by means of the experience of action research carried out in a big Italian retailing cooperative. Among the different systemic approaches, the one proposed herein is the Viable Systems Approach, according to which sustainability, which can be seen as a process that is dynamic and changing over time, is linked to the notion of systemic viability and, as a consequence, to the survival of the system itself. Drawing on sustainability challenges, systems thinking (Bogdanov, 1913; Von Bertalanffy, 1968; Beer, 1972) and the vSa (Golinelli, 2000, 2010; Barile, 2009, 2012) offer an integrated approach to the analysis of the dynamic relationships that inherently characterize these challenges. In particular, the systems thinking holistic perspective can support the

understanding of the complexity and the variety typical of sustainability, boosting the integration of its three main dimensions: environmental, social, and economic (Saviano et al., 2019). Thus, together with the VSA, it can define those general principles and interpretation schemes able to catch and explain the inherently systemic nature of both natural and social phenomenon (Barile & Saviano, 2011; Barile et al., 2013; Barile et al., 2016) as well as their striving for viability. Thus, viability refers to systems' disposition to adapt to environmental changes, adjusting the role they perform in each context or the way they respond to the expectations of other entities or systems (Barile et al., 2016). Therefore, focusing on the contribution of inter and intra-systems' relationships to the achievement of long-lasting systems' viability, the vSa emphasised the influence that consonance – or the structural contiguity existing between the different entities of a system – that evolving in resonance – a spread harmony that drives the aforementioned entities towards a common goal – can have on it (Barile, 2009; Barile et al., 2014).

Based on these premises, this paper analyses the evolution of a big retailing cooperative (generically named COOP) which experienced the implementation of different instruments and initiatives aimed at integrating sustainability-related concerns into its business strategy. In this case, the vSa is used as a lens to interpret barriers and enablers encountered by the cooperative during its deliberate and conscious shifting towards sustainability, providing interesting suggestions at both theoretical and managerial levels.

The paper is based on a longitudinal study carried out within a big retailing cooperative company which experienced, over 10 years (2008-2018) the implementation of a wide set of activities, processes and instruments for integrating sustainability into its strategy. Because of the commitment towards social issues and the decisional model characterizing the cooperative enterprises, the vSa is particularly useful to enlighten the way they perceive and face the challenge of sustainability.

The research focuses on the experience of COOP, a cooperative born after the 2nd World War, which suffered, during the '80s and '90s, as consequence of its territorial enlargement and economic development, a process of demutualization (Battilani & Schröter, 2012). In order to face this process of loss of traditional values, from 2006 to 2011 COOP experienced the implementation of sustainability-related initiatives and projects, which were abandoned between 2012 and 2014 (Battaglia et al., 2015), to be then re-vitalized in the recent years (after a general change of the Board of the Directors).

Based on data collected during the whole period of research (such as reports, internal documents, formal and informal meetings, etc.), the experience of "rise and fall" of sustainability integration has been analyzed under the lens of the VSA, taking into consideration its basic

principles and evaluating enablers and barriers that had characterized the process.

Firstly, barriers emerged about the lack of consonance amongst the different decisional levels, making the structure inadequate to move towards a specific purpose (and therefore to actually transform itself into a system); this element emerged in the incoherent interpretations assigned by the Directors to the different projects implemented. Secondly, another barrier derives from the disrespect of the principle of "isotropy", for which policy-making and management should be separated. Indeed, the control of managers over policymakers emerged in the experience. Conversely, the attention to the relationship with external stakeholders at level of "enlarged structure" emerged as an enabler of the process, capable to involve large part of internal staff in the initiatives carried out. Nevertheless, also from this point of view, suggestions and needs emerged by the stakeholders were not fully integrated in the internal decisional processes, demonstrating a deficit in sharing principles and strong beliefs.

The theoretical debate on the role of business organizations in the social, economic and environmental context implies a responsible government based on the constant monitoring of the relationships established with the various entities of the context, as well as a continuous attention to correctly direct the actions of the managers towards the final targets established. Concerning the decision-maker, the results show the need for a profound rethinking of the logic of action, in particular in assessing the effectiveness of sustainability strategies and the efficiency of operational mechanisms. A wider evaluation, in terms of effectiveness, therefore, requires the creation of a common and shared finalism within the company (creating the basis of the "system"), and the involvement of a plurality of relevant interlocutors with which the system is correlated in its reference context.

Eventually, an even wider assessment, in terms of sustainability, requires the monitoring of the performances deriving from the action of the individual as a component of the whole environmental system, in its multiple natural, economic and social dimensions.

Sustainability confirms as a complex issue, in which the common conviction about opportunities and benefits amongst both managers and policymaker is essential. Their separation emerges as an essential enabler to implement innovative approaches also in cooperative enterprises.

A theory about the relationship between sustainability and vSa is already an object of investigation at an academic level. Nevertheless, research in this field is yet poor and lacks empirical and practical experiences. In this study, vSa emerges as a theoretical framework useful to provide new insights on the decisional processes of the companies, in particular those focused on complex issues such as that of sustainability.

REFERENCES

1. Barile, S. (2009). *Management sistemico vitale*. Torino: Giappichelli.
2. Barile, S. (2012). L'approccio sistemico vitale per lo sviluppo del territorio. *Sinergie Italian Journal of Management*, 84, 47-87.
3. Barile, S., & Saviano, M. (2011). Foundations of systems thinking: The structure-system paradigm. *Various Authors, Contributions to Theoretical and Practical Advances in Management. A Viable Systems Approach (VSA)*. ASVSA, Associazione per la Ricerca sui Sistemi Vitali. *International Printing*, 1-24.
4. Barile, S., Carrubbo, L., Iandolo, F., & Caputo, F. (2013). From'EGO'to'ECO'in B2B relationships. *Journal of Business Market Management*, 6(4), 228-253.
5. Barile, S., Lusch, R., Reynoso, J., Saviano, M., & Spohrer, J. (2016). Systems, networks, and ecosystems in service research. *Journal of Service Management*, 27(4), 652-674. <https://doi.org/10.1108/JOSM-09-2015-0268>
6. Barile, S., Saviano, M., Iandolo, F., & Calabrese, M. (2014). The viable systems approach and its contribution to the analysis of sustainable business behaviors. *Systems Research and Behavioral Science*, 31(6), 683-695. <https://doi.org/10.1002/sres.2318>
7. Battaglia, M., Bianchi, L., Frey, M., & Passetti, E. (2015). Sustainability reporting and corporate identity: Action research evidence in an Italian retailing cooperative. *Business Ethics: A European Review*, 24(1), 52-72. <https://doi.org/10.1111/beer.12067>
8. Battilani, P., & Schröter, H. G. (Eds.). (2012). *The cooperative business movement, 1950 to the present*. Cambridge University Press. <https://doi.org/10.1017/CBO9781139237208>
9. Beer, S. (1972). *Brain of the firm*. London: The Penguin Press
10. Bogdanov, A. A. (1996). *Theory of organization, or techtology*. UK: Dudley P. Centre for: Castlegate.
11. Golinelli, G. M. (2000). *L'approccio sistemico al governo dell'impresa (Vol. 1)*. Padova, Italy: Cedam.
12. Golinelli, G. M. (2010). *Viable systems approach (VSA): Governing business dynamics*. Padova, Italy: Cedam.
13. Saviano, M., Barile, S., Farioli, F., & Orecchini, F. (2019). Strengthening the science–policy–industry interface for progressing toward sustainability: A systems thinking view. *Sustainability Science*, 1-16. <https://doi.org/10.1007/s11625-019-00668-x>
14. Von Bertalanffy, L. (1968). *General system theory*. NY, USA: Wiley.