GRI’s Reporting 2025 project looks ahead at what thought leaders expect to be the main issues on companies’ agendas – and in their reports – ten years from now. Through a series of in-depth interviews with thought leaders in various fields, GRI is building an open dialogue that will form the basis for meaningful future corporate disclosures.

Edited highlights of these interviews will be posted every month on the Reporting 2025 webpage, along with related references that enrich the discussion. GRI will update and publish an analysis of the main trends identified in these interviews every quarter. In January 2016 the final publication will present a roadmap for the future of reporting.

John Elkington
Interview 10

An accelerating paradigm shift will put demands on companies to take a leading role

*BusinessWeek* called John Elkington “a dean of the corporate responsibility movement for three decades.” A world authority on corporate responsibility and sustainable development, Elkington is Founding Partner and Executive Chairman of *Volans*, a future-focused business working at the intersection of the sustainability, entrepreneurship and innovation movements. He is also a Visiting Professor at the Doughty Centre for Corporate Responsibility/Cranfield University, Imperial College and UCL. Elkington created the ‘triple bottom line’ concept to bring sustainability closer to business strategy, changing forever the way businesses understand and analyze performance.

After 40 years working in the sustainability space, Elkington is excited about what the next decade will bring; he believes there will be a shift leading companies to step up where governments do not show strength, and that society will demand more integrated performance information across a variety of dimensions. We won’t lack data, he says, but will need to decide how to get it to the decision makers who need it. He also believes that there is an immense opportunity for those who are ready to lead the shift, which he predicts will be even bigger than the industrial revolution.

Society: extraordinary energy that can be used for good and bad

“I actually think the next 10 years are going to be quite extraordinary,” said Elkington. “I’ve been professionally involved in this space – environment, sustainability and so on – for 40 years now. I think that the next 10 years are going to be unbelievably exciting and unbelievably dangerous, because I think we’re in the latter stages of what Thomas Kuhn described as a paradigm shift.”

It’s this shift that Elkington foresees having a significant and speedy impact on society in the next decade, including through politics. “Most people think that paradigm shifts happen within a few weeks or months or years or whatever, and they really don’t. I think we’re headed into a period where things are going to jump forward far faster than we might imagine. Every time a paradigm goes into the late stages of change, massive amounts of energy get released because the old order starts to die. When that energy is released, it can be picked up by anyone; great democratically minded leaders, and xenophobic racist folks can just as easily take advantage of it.”
Despite the politics involved in the paradigm shift he foresees, Elkington believes that current governments won’t be strong enough to create the changes needed for a sustainable future “I think governments are going to remain much weaker than we want them to be, and that’s partly because of a political generation that doesn’t always have the courage of its convictions.”

Companies: stepping up for society

This, says Elkington, is where business needs to face up to politics. “This is increasingly political, and that again is something I think business leaders are often wrestling with. They don’t really want to do the politics, even though they are often doing lobbying fairly intensively behind the scenes; now I think they’re going to have to step up in a very different way.

“What’s happening is that some business leaders are stepping up to the mark. We may be uneasy at first, but I certainly admire the motivations of many people in the private sector. They’re recognizing that they have to engage politicians in a very different way. Some of the more awake CEOs and other business leaders are realizing that if they’re going to go beyond the CSR and shared value propositions to truly sustainable outcomes, then the policy framework has to be very different.”

There are benefits for companies that do step up, and that needs to be communicated to the next generation, says Elkington. “People used to say that to be born in a time without challenges is to be robbed, and I think younger people are in a sense privileged. I think we’ve got to help them understand that this is probably the biggest opportunity that our species has seen for 150 years. It’s like the Industrial Revolution but on a much bigger scale. The implications are enormous, but so is the potential to do new things and to create new forms of wealth.”

Get ready: reporting will be integrated in many dimensions

Reporting will also need to keep up with the paradigm shift to help business reap the benefits; at the moment, Elkington believes reporting is too one-dimensional for decision makers and stakeholders. “As an absolute bare minimum, people are going to expect companies to have something that tracks their performance in multiple dimensions,” says Elkington. “It used to be just financial performance that stakeholders expected, and now it’s financial, social, environmental, governance and ethical performance – we want to see all of these different dimensions. Clearly that’s going to have to be integrated over time.”

“The problem is that most of the reporting that’s done today is taking one slice through one part of the economy. We’re getting these little fragments of information, which may be interesting sometimes to read on their own, but they don’t yet come together into an aggregated or integrated package. Reporting must also embrace the longitudinal dimension of time, and we’ve got to get better at integrating what happens at every level in the economy – the vertical dimension.” Most current reporting struggles to capture those additional dimensions.

How will companies be able to meet the demand for all this information? “The biggest question that we have is not whether we’ll have the data; we will. But companies must think about how we best digest the data to produce usable and timely intelligence to help leaders and others make their decisions and choices better. The question for companies, then, will not be Do we report or not? Instead, it will be Do we get involved in the production—and increasing business gamification—of market intelligence?”