



## **GLOBAL TALENT DEVELOPMENT FOR SUSTAINABLE BUSINESS: EVENT REPORT**

**Kingston-upon-Thames, December 3, 2015**

### **EXECUTIVE SUMMARY**

On December 3, the inaugural ABIS Global Talent Forum for Sustainable Business took place at Unilever's Four Acres Leadership Development Centre, hosted by Doug Baillie, Chief HR Officer at Unilever and Chair of the ABIS Strategic Advisory Board. **See Annex I for the agenda.**

The event brought together senior HRM, talent and leadership development executives from a range of corporate sustainability champions. More specifically, it opened new dialogues and reflection about the requisite talent and leadership profiles to lead sustainable business transformation in a rapidly changing global context. **See Annex II for the list of participants.**

Doug Baillie opened the Forum by sharing Unilever's perspectives on the growing volatility, uncertainty, complexity and ambiguity (VUCA) in the global business context, and four major trends which have serious implications for the company's markets, business model, strategy, and the talent required to deliver a sustainable long-term future. **See Annex III for the relevant slides.**

Participants then received a keynote presentation from Polly Courtice, Director of the Cambridge Institute for Sustainability Leadership. Polly's address focused on "What are the Leadership Challenges We Face Today?" – drawing also on her insights from the COP21 dialogues. While underlining the severity and urgency of a range of macro issues, she emphasized that the combination of the COP process, UN SDGs, EU Circular Economy Package and more signalled a phenomenal business opportunity for agile, innovative, visionary companies, based on the indicative skills, traits and knowledge that will be required by the people who lead them. **See Annex IV for the relevant slides.**

The morning programme also featured a series of round table dialogues around current HR / LD challenges and blockages inside the firm (strategic and operational) and potential ways forward. The afternoon programme focused more on discussions around sustainable business leadership profiles of the future, and implications for talent pipelines & the business education system. Facilitator Dr. Mark Wade, former Sustainability Learning head at Shell, led two plenary debates to capture key insights and messages. **See below for more detailed insights & key messages by session.**

Overall, broad agreement was reached on the need for greater clarity and consistency of message on the values, mindsets and qualities required of tomorrow's leaders – recognizing that this has not been done effectively to date, either within companies or at the interface with business schools and universities. Doug Baillie proposed concrete steps for 2016 to continue the discussions, with a specific focus on talent / people competences and mindsets for the next 10 years, and invited those present to engage in working groups to inform a second meeting in 2016. Initial reaction in the room indicated strong support for this going forward.

## SUMMARY OF INSIGHTS & KEY MESSAGES

### WORKING GROUPS & PLENARY DIALOGUE – SESSION I

After a short explanation of format and process from Mark Wade, participants split into 4 break-out groups. The main topics under consideration were:

1. *Level of integration of the sustainable business agenda into leadership, talent, people, HR and / or OD policies and practices;*
2. *Challenges faced in meeting strategic SB agendas and targets through today's talent pipelines (internal capabilities and external supply);*
3. *Blockages and obstacles to accelerating progress on both of these fronts.*

The Forum then discussed in plenary insights and feedback from the respective groups. A summary of key comments is provided beneath:

#### Topic 1 – Level of Integration

- There was general consensus that the sustainable business agenda is imperfectly embedded in HR / LD functions – yet the definition of this agenda varies widely from one firm to another, and within individual firms. Without greater coherence around the big picture, systemic change is difficult to define and pursue, particularly in terms of shifting the organizational culture. This also makes it harder for 'gold standard' companies to showcase outstanding HR / LD practices, and to raise the bar within their sector (and potentially beyond) in partnership with others.
- HR / LD and similar have much more to do. Sustainable business performance depends on everyone within an organization, and they can pull levers at all levels. Reward metrics were identified as a potential red thread.
- Sustainable business agendas need to be made "CEO proof". Chief Executives and their leadership teams need to set longer term objectives and targets that survive beyond their tenure, while promoting values and drivers which put these agendas in the DNA of the entire organization. Focus on the business case and ROIs is key, also for engaging with the Board.
- Executives also need to develop a deeper understanding of the links between reputation & behaviour and sustainable business. This may imply more active leadership and guidance from the Communications function.
- HR / LD can do more to develop internal talent with a deeper understanding of the company's external ecosystem – 360° perspectives on the roles of different actors (governments, suppliers, customers, NGOs, etc) and the dynamics of interaction and collaboration with the firm.
- HR / LD have an important role to play in equipping Boards to engage and challenge top management around sustainability in the firm's strategy, operations, and people development ("we need to help them understand how to ask the right questions").

#### Topic 2 – Current Challenges

- The label of "sustainable business agenda" is not a helpful one – leads to fragmentation and transfer of responsibility to small internal groups or functions.
- Strategy alignment – needs integration throughout top teams. The perception is that there is not enough majority mandate for these agendas (emerging but not universal).

- The majority of companies remain extrinsically driven, and in too many instances KPIs drive internal agendas, instead of values and purpose.
- Strategy alignment – needs integration throughout top teams – perception is that there is not enough majority mandate (emerging but not universal)
- The inability to replay sustainability outcomes within the organisation, whether front or back ended. Corporate leaders need to explain consistently the motives behind & connections of sustainability activities to the business and its wider impacts.
- The “middle layer” – how can the HR / LD / OD functions inspire and empower at this level, developing people to understand externalities and contextualize strategic priorities for the firm?
- The absorption of “millennials” as the future building blocks of a sustainable business. Given their values, digital savvy, and awareness of sustainability issues, they represent a huge opportunity for companies which deliver the right stewardship on entry.
- The alignment of corporate and individual purpose and values – a key driver of sustainability in the heart of the firm’s culture is 360° workforce understanding of “what’s in it for me”
- The quantity of talent is abundant, but quality is more problematic – the VUCA world demands agility, openness and curiosity, systemic thinking, and the ability to join the dots.
- Existing pedagogic methods and curriculum frameworks in business education are not developing talent with the necessary skills and mindsets. B-School graduates in particular are trained and channelled towards sectors which offer little sustainability leadership.

### **Topic 3 – Identifying & Removing Blockages**

- Authenticity is essential. Companies must take the time to understand what this means to their sustainable business agenda, and reflect that in their people development.
- Expose corporate leaders to relevant learning environments and models – holistic, experiential, reflective, imaginative / creative.
- Replicability is also key. Visionary leaders need to share how they came to appreciate the connection between sustainability and business success – build on basics, prove the case, conviction @ sustainability as the only / major route to success over time.
- Find positive counterbalances to the “crisis & doom” aspects of the sustainability debate. Focus on opportunity, transformation, impact and individual / collective targets.
- Align individuals doing good inside the firm with overall performance (match the aspirations of millennials to business objectives).
- Make the assessment of sustainable business performance (with longer-term time horizons) more formulaic, with more consistent metrics.
- Avoid policies and practices focused on “sustainable leaders” – the principles, values, and mindsets need to be integrated as a common thread throughout the organization.
- Identify and fix internal inconsistencies as quickly as possible (incentives, policy implementation, etc), otherwise important time and resources will be lost.
- Promote an organizational culture in which people: (a) understand the ecosystem, (b) understand and embrace the collective urgency of sustainable business, (c) respect the past but don’t necessarily live it into the future.
- Consider success factors and key drivers in embedding other organizational policies in workforce culture and practice, e.g. health & safety, quality assurance, compliance – what can be learned for mainstreaming the sustainable business agenda?
- Empower the Communications function to play a stronger role, tailoring messages to different audiences inside and outside the firm. Language and cultural diversity remain significant barriers to leadership securing wider buy-in.
- Make complexity management a virtue, and reward it accordingly.
- Recognise that talent and mindsets for sustainable business need to be encouraged in all organisations in a company’s ecosystem, not just the firm itself.

## WORKING GROUPS & PLENARY DIALOGUE – SESSION II

After lunch, participants rotated into 4 more break-out groups to discuss how to define and develop future leadership and talent profiles for sustainable business. The main topics under consideration were:

4. *Cross-cutting competencies and mindsets that should be the bedrock of higher education programmes to drive a more sustainable leadership and management talent pool fit for purpose;*
5. *Practical steps to ensure better integration into global talent identification, recruitment and development;*
6. *Practical steps to more effectively engage with higher education institutions to inspire change in current approaches.*

As before, participants reconvened in plenary to hear and debate insights and feedback from the groups. A summary of key comments is provided beneath:

### Topic 4 – Competencies & Mindsets

- Articulate, open and curious, able to help and show others
- Connectedness – empathy, sensing, and a demonstrated ability as “leaders without titles” to build and / or thrive in networks
- Imagination (in a data driven world) – there is ample scope for HR / LD to open new discussions about the interface between the two within the firm
- Dealing with uncertainty at the levels of the organization and the individual
- Agility – or the ability to adapt rapidly and effectively to changes in the firm’s market or environmental context
- Understanding of diversity and cultural nuances
- Ability to balance rationalism with insight and reflection
- Moral compass and the motivation to develop and maintain value systems that deliver sustainable solutions
- An understanding of global citizenship and the purpose of the firm in its operating environments
- Data, analytics, digital science – while retaining social skills, which are increasingly at risk in a technology-driven world

### Topic 5 – Integration into Talent Policy & Practice

- Open dialogues about new definitions of success – with a more nuanced alignment @ organisations, leaders, individuals, and a focus on group success. Redefine what it means to come to work.
- HR / LD can take the lead in developing a new codification of behaviours which drive a successful business. There is however a need to unfreeze what has already been codified before starting the discussion @ a new framework. The latter has to include mindsets and cultural sensitivities.
- Career development for the future needs to include methods and learning processes for undoing accumulated traits. Programmes and policies should empower individuals to regain / reconnect with values, reward humility, and emphasize authenticity.
- Empowerment needs to go hand in hand with accountability – but a more holistic view of KPIs and reward metrics may be required to inspire execution alongside the alignment of personal and corporate values. A move towards collective success, not just individual, would surely help.

- Teach how to learn – executives and managers need more space for self-reflection. Given that the world is constantly changing, adaptation and adaptability are key – along with managing regional contexts and diversity.
- Rethink diversity and inclusion approaches – inclusion must come first!
- Define what leads to more sustainable values and behaviours in companies. Behaviours only change when context changes – so a better understanding is needed of fluid boundaries, governance, incentive systems, and more.
- Start internal dialogues with corporate leadership about how to balance aspiration and ambition for sustainable futures with hyper short-term pressures inside the firm.
- Change back to customer and employee experience – is there even a career in the future?
- Revisit current training programmes and frameworks for on-campus recruiters. Consider how to engage more effectively with young people who may be thinking of different career paths outside of big business, in line with rapidly changing ways of living and learning.

#### **Topic 6 – Engagement with Business Schools & Universities:**

- How do we have a dialogue with all relevant stakeholders on where we need to go (and where we have been)? How do we start this dialogue? BS and biz orgs need to change, we should do this together... but can the BS system change?
- Issue of elitism and leadership – top institutions should have the necessary expertise and intellect to provide answers to major sustainability challenges, but if they are not leading in solution generation, major problems, the challenges facing business, society and governments are
- Challenge business schools in particular around how they enable graduates to join other aspects of civil society, not just large corporations.
- Focus on innovations in executive education first as the low-hanging fruit (which is easier to change in the short term), despite theoretical gaps in terms of content.
- Companies need to give insight and time, not just cash. Reinvent the “milk round”, spend time on campuses promoting dialogue @ “total economies”
- Spend more time in dialogue with careers advisors at all levels – as aggregators of influence and opinion, they are ideally positioned to break down current black-and-white model of options for graduates @ life models and opportunities.
- Co-create learning programmes and content, with e.g. a combination of data analytics, technology, social sciences and global context. Seek a blend of foundational knowledge and scientific principles.
- Engage in forward-looking dialogues with HEIs and governments to (re)imagine what jobs of the future, plus related skills and mindsets, will be for recruiters – cf. current initiative in Singapore.
- Challenge the elites around their definition of success metrics (in business and in the business education world, including rankings).
- Revisit talent incubation and value systems from earlier ages – moral compass, sense of duty, societal roles and responsibilities

#### **NEXT STEPS: FROM DIALOGUE INTO ACTION**

Doug Baillie introduced the closing session with a reminder of the rationale for convening the Forum. The challenge of developing sustainable business talent profiles through education is ‘top of mind’ for Unilever, ABIS and all those present. It needs to be built into the DNA of all programmes and promoted as core values, which then will go into the DNA of corporations and other organisations.

Mr. Baillie proposed to continue the dialogue in 2016 with four main objectives:

1. Focus on competences and mindsets as a first step with emphasis on the next 10 years;
2. Identify a working group to refine and consolidate develop a sharper cross-sector POV;
3. Reconvene the Forum in 2016 to review the output(s) from the working group and build consensus;
4. Expand the dialogue to present and test central ideas with a select group of leading business schools and universities, and potentially global student representatives.

A summary of the meeting would be circulated within 14 days. Participants interested in joining the working group should signal this bilaterally to Mr. Baillie ([doug.baillie@unilever.com](mailto:doug.baillie@unilever.com)).

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