TALENT FUTURES
Sustainable Business Skills & Profiles for the UN SDG Era
ASSESSING CURRENT CORPORATE CHALLENGES, FUTURE PROFILES & SKILLS, AND IMPLICATIONS FOR TALENT & LEADERSHIP DEVELOPMENT
FOREWORD

With the world becoming ever more volatile and its speed and uncertainty combined challenging whatever had been deemed as solid and stable to date is now bound to also question our talent needs to tackle this scenario.

It means that we may have to revise the assumptions that we have taken for granted about how to grow talent. Indeed, education is one of the most daunting tasks nowadays. On the one hand, it is acknowledged that education has gained an enormous importance as in modern societies knowledge and skills have become the pillars of individual and societal progress. On the other hand, education as such is now asked to prepare for a world that does not exist yet and that is difficult to imagine.

Furthermore, companies are asking themselves whether they have access to the kind of talent that can grant their sustainable development by way of capturing creativity, entrepreneurial spirit and the soft competencies that are necessary for future knowledge integration.

In turn, academic institutions have come to realise that a record of well-established traditions no longer guarantees properly tackling the current challenges and thus they have begun to experiment and to search reliable points of reference that would orient their activity.

It is precisely at the point where corporate and societal demands become more complex and a productive dialogue is more important than ever.

It is in this very demanding context that ABIS has promoted the kind of encounters that gave birth to this report. By engaging in open discussions, ABIS has facilitated that different stakeholders, giving them space to openly question current practices and opening the door both for academic institutions and corporations to revise their assumptions on the adequate form of talent development.

In addition, it has started a crucial discussion over what it means to develop the kind of talent that considers sustainability as a central goal for individuals and organisations.

The report that you are about to read is but a departure. It continues to be important to involve more participants to gain impact in order to shape the institutions and the corporations beyond those who participated in the encounters that inform it.

Those who have already participated in this dialogue have recognised its importance. We believe that this report frames the discussions to come and that - thanks to it - the task of talent development will be better addressed by the different stakeholders.

Alfons Sauquet Rovira
Chairman of the Board, ABIS
EXECUTIVE SUMMARY

The business contribution to sustainable development through to 2030 will depend significantly on the qualities and vision of corporate leaders committed to achieving the UN SDGs, COP21 Paris climate targets, circular economy transitions, and more. Of equal importance, new capabilities, competences and mindsets will be needed across organizations to drive internal transformation and deliver external impact and value.

This has significant implications for current approaches to leadership and talent management – both in industry and in academia – if the relevant skills and profiles are to be developed at pace, at scale, and in line with global ambitions for more sustainable futures for all.

Strategic challenges facing corporate sustainability champions

Multinational firms will face numerous talent-related challenges as the UN SDG era evolves, with the following identified as fundamental issues:

- Transforming systemic risks into growth opportunities
- Rethinking the leadership paradigm
- Defining talent in an increasingly digital era
- Addressing strategic capability gaps
- Harnessing the potential and expectations of millennials

Implications for HR, leadership & talent development functions

To embed the sustainable business agenda into the DNA and culture of the firm, various people development functions will need to:

- Strengthen their own sustainability-related expertise
- Ensure full alignment between leadership development and corporate sustainability agendas
- Define more holistic talent and leadership profiles linked to foresight and anticipated changes in the business environment
- Drive the removal of internal barriers
- Modify KPIs and incentives in line with sustainability targets
- Promote purpose and values at all levels of the firm

How business education & training providers can play a central role in shaping new talent

The report highlights a range of challenges for business schools that can be transformed into long-term opportunities through closer collaboration with corporate partners, recruiters and other stakeholders. These include:

- Embrace and advocate change in a highly static system, including rankings, accreditation and other
- Develop new internal & external capabilities in teaching and research, including more corporate presence in classrooms
- Co-create a roadmap with companies around long-term talent priorities and potential reforms in programmes & curricula
- Bring millennial and student voices into the heart of the change process and related dialogues
- Support new research agendas around leadership development for sustainable business, organisational transformation, and more

Overall, the report underlines the imperative for closer collaboration between industry and business education providers to define a new leadership and talent agenda for sustainability, with the realisation of the UN SDGs by 2030 providing a unique framework of opportunity to do so.
INTRODUCTION

This report draws on three high level dialogues convened by ABIS between December 2015 and October 2016, with invaluable support from founding partners Unilever and IBM. Through in-depth critical debate and reflection with senior HR, Leadership and Talent executives, we have sought to better understand the challenges facing business in trying to anticipate the various skills, qualities, mindsets and values that they believe will underpin both a sustainable, profitable business model and a long-term licence to operate in an unprecedently VUCA world.

The central objectives in doing so have been twofold: (1) to seek holistic agreement among top multinationals about the talent they feel they will need in the UN SDG era, and (2) to catalyse a new dialogue with business educators on how they can best support the future talent and leadership development that corporate sustainability champions see as essential. This report presents the headline insights and recommendations.

TALENT FUTURES

STRATEGIC CHALLENGES FACING CORPORATE SUSTAINABILITY CHAMPIONS

Corporate sustainability at a vital crossroads

Since late 2015, the UN Sustainable Development Goals, COP21 Paris Agreement, EU Circular Economy Strategy, and the push to scale up adoption of the Ruggie Principles on Business and Human Rights have sent powerful signals about the world’s commitment to achieving a more sustainable future.

Equally important, these provide a new framework for business to play a central role in driving progress. As highlighted by the 2016 UN Global Compact – Accenture Strategy CEO study, private sector champions are committed to leading the way, but will require strategic support as they “work to align sustainability impact with value creation, and markets with sustainable development outcomes, such that business leaders can truly become the architects of a better world”. Nonetheless, questions abound regarding how more of these leaders can be trained and educated to play such a role, and how we can shape future talent pipelines to make them the norm, not the exception.

Seizing a window of global opportunity

There is a growing recognition that, given global trends and systemic pressures, markets and businesses will need to address sustainability challenges as an imperative, and not just as the “right thing to do”. Further impetus for doing this today, not tomorrow, has been provided by – among others – the G20’s Task Force on Climate-related Financial Disclosures, WBCSD’s Action 2020 Platform, plus the Business & Sustainable Development Commission convened under the World Economic Forum.

The challenge for business, therefore, is not only to decide which of the global sustainability initiatives and frameworks to support as a future value driver, but also to understand the long-term implications of their achievement for the company’s business model, licence to operate, and economic viability.

The economic benefits of doing so are potentially huge through to 2030 at a minimum. Accenture Strategy estimates $4.5 trillion of unlocked value in the waste dimension of circular economy. The WEF Commission calculates that $12 trillion of value is on offer for realising the SDGs in four key sectors alone.

Yet the prospects of transforming business models and organizations to try to seize these opportunities are daunting, not least given the short-term financial performance pressures exerted on Chief Executives and Boards. It will take courage and vision for large companies to embark on such change trajectories.
Rethinking the leadership paradigm

Against this backdrop, a number of influential platforms and networks have begun to reflect critically on (a) the future leadership qualities, skills and values that will be required to deliver long-term sustainable performance and competitiveness for firms, as well as (b) the wider responsibilities and duties that executives and Boards of Directors will have towards society. The latter theme has also been explored at a high level in 2016 by the ABIS-Mazars “Future Board” initiative and others.

At the latest WEF meeting in Davos, the CEOs of Royal Philips and SAP launched a Compact for Responsive and Responsible Leadership. The EU Commission has prioritized a new understanding of responsible e-leadership as part of the long-term digital transformation of Europe. And the University of Cambridge Institute for Sustainability Leadership (CISL) is undertaking an ambitious ten-year plan to realise the “Rewiring of the Economy”.

Defining the value of talent in an increasingly digital world

Digital transformation and the prospects of a 4th industrial age imply an extended period of rapid, radical change, during which many industry and business models will be up for rethinking. On one level, technological advances provide a major innovation driver for new products and services. On another level, however, they raise profound questions about organisational design and role definitions for the future corporate workforce.

A recent Korn Ferry CEO study revealed that a majority of corporate leaders believed that technology would be their firm’s greatest source of competitive advantage in 5 years’ time and ultimately create more value than people. Yet Korn Ferry’s own economic modelling painted a very different picture. It suggested that human capital is in fact 2.3 times more valuable (US$1,215 trillion) than physical capital (US$521 trillion), and that for every US$1 invested in people, $11.39 is added to the global economy.

Addressing a strategic capability gap

Despite the sustainability commitments championed at Board and C-suite levels, there are nonetheless serious concerns that the organisations beneath them may not be “future fitted” with the necessary capabilities to respond to strategic risks coming from sustainability issues and to transform them into growth opportunities. A 2014 study by IEMA identified the following causes for concern:

- Only 13% of companies were fully confident that they had the skills to successfully compete in a sustainable economy.
- Only 25% of leaders, and 20% of senior managers, were fully capable of addressing the sustainability agenda.
- In 72% of organisations, investment in environment and sustainability skills was less than for other disciplines.
- 65% had not carried out a strategic evaluation of skills needed to successfully compete in a sustainable economy.
- Over half (53%) of organisations were unable to recruit environment and sustainability professionals with the right skills.

As Unilever’s former Chief HR Officer, Doug Baillie, expressed in 2015: “We recognise that we need new profiles from our talent pipeline to lead sustainable business transformation in a rapidly changing global context. However, we have significant challenges in finding, recruiting and developing the people that we seek. From my own peer network, it is clear that Unilever is not the only corporate sustainability leader struggling with this”.
Harnessing the potential of millennials

Executives in charge of people, talent and leadership development systems must also respond to a profound shift in attitudes among the millennial generation. This includes, but is not limited to sustainability concerns, and broadly implies a growing indifference to conventional career paths and professional experiences.

Recent studies conducted by Yale-GNAM-WBCSD and GMAC indicate that an overwhelming majority of business school students want to work for employers with a strong track record in sustainability, and achieve lasting positive social impact in their careers. In parallel, (anecdotal) evidence from the ABIS network and Oikos International, a leading student association, suggests that 25-30% of current students wish or intend to pursue an entrepreneurial, not corporate career – a figure which appears to be rising year on year.

The renowned French sociologist, Francois Dupuy, has argued persuasively that multinational companies are likely to lose the ‘war for talent’ in the years to come unless they tackle issues of excessive rigidity, bureaucracy and hierarchy, as well as internal cultures that stifle creativity and inspiration. Taking all these factors into account, corporate employers have good reason to be concerned about the prospects for their future talent pipelines if they hold to conventional models.

THE IMPLICATIONS OF SUSTAINABILITY FOR HR, LEADERSHIP AND TALENT DEVELOPMENT INSIDE THE FIRM

Identifying and acknowledging current challenges

The ABIS dialogues highlighted the importance of “values and purpose” in determining the effectiveness of embedding sustainability into the DNA of the company. Participants commented that many firms and top management remain extrinsically driven, rather than seeking to align corporate and individual values and purpose with internal KPIs. It was also widely noted that a 360° workforce understanding of “what’s in it for me” is a key driver of positive sustainability attitudes into the heart of the firm’s culture.

By extension, there was a wide belief that the sustainable business agenda has not yet been integrated across top teams in line with core strategy. This weakens the mandate for willing champions to promote change, and obliges them to consistently explain the motives and materiality that justify sustainability activities to the business as a whole.

The “middle layer” of management represents a complex challenge: HR, Leadership and Talent departments continue to struggle to inspire and empower at this level, given the difficulties of developing people to understand externalities and contextualize strategic priorities for the firm in line with global sustainability issues, and to define relevant incentives. The absorption of millennials is another factor that many established firms are wrestling with today. Given their values, digital savvy, and broader awareness of sustainability issues, this demographic represents a huge opportunity for companies which deliver the right stewardship on entry.

Another concern lies in the level of sustainability expertise currently found within HR and leadership development teams in many large companies. As an illustration, the Cambridge Institute of Sustainability Leadership (CISL) has over 8,000 alumni of its training programmes worldwide, but almost none working in leadership and talent development functions. There is a clear need to increase internal capabilities on this side of the equation if training and learning for sustainable business are to be driven to scale and deliver long-term value.

Lastly, there was general agreement that while the quantity of talent today is abundant, quality is more problematic. The VUCA world demands agility, openness and curiosity, systemic thinking, and the ability to join the dots. Yet existing pedagogic methods and curricula in business education are not seen to be developing talent with the necessary skills and mindsets. Business schools in particular train and channel graduates towards sectors which offer little in the way of sustainability leadership (in particular finance and consulting).
Aligning leadership development with sustainable business

CISL research has highlighted a divergence of agendas between leadership development and sustainable development executives. It has also revealed a lack of systemic thinking and arguments around materiality. Disconnects can be linked to “skipping over the why” and focusing too much on implementation. Some immediate conclusions can be drawn from these studies:

1. Leadership is massively contextual, both internally and externally. A systematic view is required, but one grounded in reality.
2. There is no intrinsic difference between Sustainable Leadership Development and Sustainable Business.
3. Key attributes and qualities for SLD and SB can be mapped onto any leadership programme:
   - Systemic understanding
   - Emotional intelligence
   - Values orientation
   - Compelling vision
   - Inclusive style
   - Innovation oriented approach
   - Long term perspective

Defining a holistic profile for future leaders

The ABIS dialogues assessed and critiqued CISL’s Blueprint for Individual Sustainable Development Leadership (2011) as a potential cross-sector framework for future talent management and profiling. The blueprint centres on four key areas: Skills, Knowledge, Traits & Styles.

Participants were asked to identify the most significant components for each area in the context of their value to overall business performance and organizational capabilities. The consolidated insights generated are given below for HR, Leadership and Talent executives to consider in evaluating their company’s current approaches:

On Skills

1. Flexibility – the capacity to switch back and forth between being a leader and a team player as inter-disciplinary teams are formed and reformed to meet business needs
   WHY: changing dynamics in organisations in response to rapidly changing business opportunities and the need to ‘fail fast’
2. Living the values, inspiring and empowering others with the ability to embody values in all that they do and in understanding the link to risk identification and management
   WHY: businesses that meet societal expectations of responsible behaviour will earn a license to operate and benefit from being ‘company of first choice’
3. Leading and developing cross-cultural teams and embodying ‘citizen of the world’ behaviours
   WHY: critical for developing new supply chain relationships, market entries, partnerships, investors and recruitment in diverse regions
4. Identifying, coaching and developing new talent
   WHY: key to building sustainable teams
5. Proactively challenging and innovating conventional approaches
   WHY: to stay ahead of the game by anticipating and responding to change, risks & opportunities
6. Life-long learning – ability to actively seek out and value the diverse views of others and to internalise learnings/insights into the business
   WHY: key to building strategic relationships, particularly in new markets
7. Balancing hard and soft skills  
*WHY*: key to achieving alignment around new ways of working

8. Envisioning – engaging others in the development, communication and alignment around a vision for the organisation  
*WHY*: key to driving individual and collective results in line with values

9. Delivering change in the face of complexity  
*WHY*: essential for keeping ahead of rapidly evolving business dynamics and dealing with complex challenges

10. Balancing short term priorities with longer-term strategic needs  
*WHY*: key to dealing with short-term deliverables while achieving strategic objectives

11. Reading, internalising and responding to external trends and influences of significant future impact on the business – developing scenarios and strategic responses  
*WHY*: key to long-term survival is being able to turn discontinuities into opportunities

12. Integrating sustainability credentials/aspirations with business strategy, operations and performance  
*WHY*: key to aligning the organisation and demonstrating business value to investors and partners

13. Defining ‘Purpose’ and aligning the organisation around it as a single organising idea  
*WHY*: fundamental to meeting society’s expectations and aligning the organisation around its strategy and operations for the delivery of sustainable business success.

14. Anticipate change and disruption  
*WHY*: companies need to be able to sense and respond to external change across the board – not just a challenge for top management. Plenty of insights come through customer interfaces or engagement in external platforms. Understanding signals of potential or actual disruption is also needed to identify new opportunities, not just mitigate the risks.

15. Critical thinking  
*WHY*: pace of change provokes quick responses, but not always the ‘right’ ones for the business. There is an acute need to filter, contextualize and prioritize information. Old organisational models are built around comfort zones of traditional data flows, but the modern age is increasingly disconnected from this formal mindset.

16. Harness diversity through teamwork and collaboration  
*WHY*: improved future performance will be driven by teams. Old model of individual work within group setting no longer enough. Crowdsourcing ideas, knowledge flows, intellectual diversity will be key – underpins a more holistic view of team-based leadership. Co-creation will be key skill.

17. Create partnerships, negotiate shared agendas  
*WHY*: scale of challenges means a shift away from the firm-centric view of the world to a stakeholder-driven one. No company can solve issues in isolation, must work more with partners. Key to harnessing and benefitting from synergies in a VUCA world.
On Knowledge

1. Global challenges and dilemmas
   WHY: key to assessing the implications of critical externalities configuring the current and future operating environment and developing strategic responses. Crucial to be able to sense and anticipate patterns of disruption which change the rules of the game.

2. Understanding the fundamentals of the business they are leading
   WHY: key to credibility and success. Includes being able to assess areas where destruction or disinvestment may be the smartest option.

3. Change dynamics/options
   WHY: firms are in a constant state of flux vis-à-vis internal and external challenges – need to understand and lead change to deliver business objectives

4. Organisational influences – being savvy to impact of what and how organisations ask of people and the impact this has on behaviour
   WHY: structure, rules and leadership style all condition behaviours. However, while leadership qualities may be universal, application varies widely based on operating environments & culture.

5. Seeking out and valuing diverse stakeholder views
   WHY: links to Skills – overcoming fear of taking ‘outside in’ perspectives.

6. Pace of change and direction of travel of the organisation – grasping the unique contribution of a company to society in providing sustainable solutions in different markets and contexts
   WHY: key to alignment and delivery of core purpose and sustainable business success.

7. From models to platforms
   WHY: modern disruption is not part of any (business) model. Traditional model-based approaches focus on monetization and formulae – but will not stand up to current pace of change. Constrains thinking about unexplored areas for growth and profit.

8. The value of experimentation
   WHY: more open innovation systems and processes optimize opportunity identification, while building resilience and tolerance of failure around willingness to pilot new approaches and learn from mistakes.

9. From models to platforms
   WHY: modern disruption is not part of any (business) model. Traditional model-based approaches focused on monetization and formulae will not stand up to the current pace of change.

On Traits

1. Clarity on values
   WHY: corporate sustainability champions will increasingly seek out values-driven individuals in talent pipelines, able to align societal issues with business opportunity. Purpose and commitment to positive impact will become self-selecting part of recruitment processes.

2. Responsibility and accountability
   WHY: find people with the courage and freedom to stand up and stand out. Transparency is already changing decision making processes and behaviour. Taking responsible decisions and being accountable for outcomes is an individual and collective priority.

3. Agility and flexibility
   WHY: the ability to continuously adapt to unprecedented pace of change and systemic volatility. Adjusting process ‘on the fly’, questioning past decisions in light of new developments, to shift trajectory towards desired outcomes.
On Styles

1. Humility/lack of ego
   
   WHY: learning comes from all levels of the organisation and external sources

2. Genuine – defined as beyond altruism
   
   WHY: authenticity is increasingly important in age of increased transparency and scrutiny (social media, governments, customer base, millennial talent)

3. Honesty, integrity and respect for people
   
   WHY: to demonstrate and uphold ethical behaviour

4. Radical – defined as the need to think differently and possess an activist mindset
   
   WHY: to drive business progress across ‘S’ curve discontinuities.

Despite the afore-mentioned challenges, top HR, Leadership and Talent executives are optimistic that many of these obstacles can and will be removed in the medium- to long-term.

For this to happen, they consider authenticity to be essential. Companies must take the time to understand what this means to their sustainable business agenda, and reflect that in their people development. Relevant functions must ensure that corporate leaders are exposed to relevant learning environments and models, with a genuine focus on holistic, experiential, reflective, imaginative / creative, and empathetic elements.

By extension, core principles, values and mindsets defined need to be integrated as a common thread throughout the organization. HR and related functions must be agile enough to identify and fix internal inconsistencies as quickly as possible (incentives, policy implementation, etc), otherwise important time and resources will be lost. This suggests a clear opportunity for the Communications function to play a stronger role, tailoring more authentic messages to different audiences inside and outside the firm.

Replicability is also key. Visionary leaders and sustainability champions inside the firm need to be able to share how they reached the conviction that sustainability was a major / the only route to corporate success over time. This means compelling narratives that discuss channeling values, building on core competences, proving the case, connecting with and inspiring other parts of the business, and more. Personalised success stories also serve as a fantastic counterbalance to the “doom & gloom” aspects of the sustainability debate.

While it seems obvious, there is still a lot of growth space inside most firms for sustainability to be defined as opportunity, transformation, and positive impact. Setting ‘smarter’ individual and collective targets is an essential part of doing this well. HR and LD functions need to ensure that they align individuals doing good and doing well inside the firm with overall performance (thereby matching the aspirations of millennials to business objectives).

This also implies that HR and LD teams must strive to make the assessment of sustainable business performance more formulaic, with more consistent metrics and longer time horizons. It is important to avoid policies and practices focused on “sustainable leaders”. In light of the VUCA reality of today’s business context, a common view is that complexity management needs to be made a virtue across the organization, and rewarded accordingly.

Another challenge-as-opportunity is shifting the organizational culture. Several participants argued that this could be more quickly achieved through consistent policies and messages which empower people to (a) understand the totality of the firm’s ecosystem, (b) understand and embrace the collective urgency of sustainable business, and (c) respect the past without necessarily feeling compelled / constrained to live it into the future.
The related question of mainstreaming can be tackled by considering success factors and key drivers that HR, Leadership and Talent functions have had in embedding other organizational policies in workforce culture and practice. In recent years, training and learning programmes have driven collective awareness of and adherence to dozens of health & safety, quality assurance, compliance, and operational issues – so what can be learned from this process for mainstreaming the sustainable business agenda?

Ultimately, the principles of strategic agility point to the kind of talent needed to rein-vigorate and lead more sustainable organizations: people who are capable of harnessing the power of networks, of fluidity, of purpose, and of diversity. Finding this kind of talent is not the issue. Managing it well is the critical gap to be bridged, and convening proper dialogue about how organizations can reform their structures and cultures to allow this talent to blossom. There is no “silver bullet” on how to do this – companies and business education providers have to commit to experimentation and be willing to fail and learn from the experience.

### HOW BUSINESS SCHOOLS AND EDUCATION PROVIDERS CAN ENHANCE CORPORATE TALENT PIPELINES THROUGH INNOVATION AND CHANGE

**Education systems under pressure**

Ultimately, today’s VUCA world is major strategic challenge for education systems everywhere, but especially business education providers. Preparing tomorrow’s leaders will depend less on functional performance and quantitative skills. Millennial expectations will also mean more demand for innovation in both the curriculum and the classroom, with rising numbers choosing entrepreneurship as their professional path. Companies will increasingly demand talent which can “do and produce” on Day 1, and believe that compressed, immersive learning experiences will help to build these foundations.

**A fundamental need for change**

All of the preceding perspectives and arguments point to an uncontestable truth: in order to build a more sustainable world, systemic change is needed in business education, so that the passion, mindsets, skills and talents of the next generation of corporate leaders, managers and sustainability-driven entrepreneurs are more effectively harnessed and developed.

This encompasses many different dimensions, from faculty capabilities and more practice-oriented research approaches, to student careers and recruitment orientation and more innovative content/learning mixes in mainstream programmes. More pressure must also be brought on key stakeholders in the industry – such as accreditation and rankings agencies – to acknowledge the importance and value of sustainability-oriented education at different levels. All of this will however play out against a longstanding and ongoing concern: the pace of change (or lack thereof) in business education and its primary institutions.

**Where business can influence and inspire change**

The corporate world has a vital role to play in this process – above all, by finding effective ways to coalesce requirements and priorities across sectors, and to deliver more coherent messages to the business education industry about the future talent profiles which will enable them to meet their long-term sustainable business ambitions.

Yet this is not a binary arrangement between companies and schools. The dialogue between industry and business education needs to become more inclusive – bringing the collective voices of students, governments, NGOs and others into a trusted space where a shared vision can be developed, debated and agreed. Corporate partners of business schools and universities can help to promote such approaches through e.g. their criteria for funding and sponsorship agreements, procurement of executive courses which actively involve stakeholders, more frequent mobilization of senior management to present in classrooms, and direct support for and engagement with student clubs.
Past experience suggests that sustainability-oriented change within business schools must overcome many barriers and flawed incentives to become rooted in the internal culture and strategy. Companies have a direct material interest in positively influencing this change process – partly as consumers of research, but above all as beneficiaries of the talent development programmes which support multiple levels of their organization through training and recruitment.

All in all, this calls for a road map for change in which companies engage more actively with business education and training providers to inspire:

- A new framework for business education with sustainability issues at its heart;
- A new process for education and learning that equips millions of future graduates to lead organizations with sustainability at the core of purpose, strategy and operations;
- A new model of business-academic collaboration which empowers education institutions to transform current approaches, and ensures that excellence in sustainability education becomes recognized and embedded in the system.

One of the most vital conduits for inspiring change is the scale of consensus that can be established by business vis-à-vis future talent requirements. Without a wide range of influential employers coming together to speak with a single voice, the chances of transformation are significantly reduced.

To this end, ABIS and the World Business Council for Sustainable Development (WBCSD) have started to explore lenses through which this wider set of industry concerns might be best transmitted to the business education sector and its leading actors. Preliminary conversations between CEOs and Deans (at the October 2016 WBCSD Annual Council Meeting) suggested the following avenues to explore:

1. Defining future priorities for business education in light of the UN SDGs, COP21, Action 2020 and more;
2. Testing the feasibility of short, medium and long-term change scenarios;
3. Prioritizing the stakeholders which can accelerate the process of change;

There is a growing consensus about the imperative for finding new models and frameworks, and a collective belief that the time is right to put this in motion. As the dialogue continues through 2017, the emphasis is to explore ways in which the fundamental building blocks of core programmes might be revised through to 2020, with a number of eminent business schools taking the lead in piloting new approaches.

In exchange, industry platforms such as WBCSD would seek to commit their companies to actively support by advising on curriculum innovation and skills development, and by implementing new graduate recruitment policies which mirror the company’s wider sustainability agenda and long-term objectives.

On the last point, some targets are already clear. By the end of this decade, ABIS believes that all credible international rankings of business schools should give due recognition to sustainability education in their assessment frameworks. Accreditation agencies should be actively encouraged to double the level of weighting given to these issues in their evaluation processes. A more formal recognition of educational pioneers by industry champions – through annual awards or similar – would also do much to legitimize the change agenda.
In October 2016, the 15th ABIS Annual Colloquium served as a testing ground for stakeholder responses to the emerging insights from the Global Talent Forum. It also sought to identify ideas for new modes of collaboration between industry and business education providers, and for new action research on the strategic alignment of leadership development and sustainable business.

Leadership for Long-Term Business Performance

- Leverage the UN SDGs and COP21 Accord to set a new leadership agenda
- Create a new universal vocabulary for both future leaders and workforces, with societal purpose, common identity and shared value at its heart
- Create space (with clearly defined limits and boundaries) for collaboration more than competition – equally applicable to companies and to business schools!
- Create a virtual market place online where to share teaching cases, workshop business schools and corporation have developed around teaching collaboration to leaders

Anticipating Future Skills and Leadership for Sustainable Business

- Identify and define the disconnects in the current education system
- Build cross-sector agreement @ talent qualities for strategic agility, and what they mean in practice
- “Lay out the road, don’t fill in the cracks”: Set a collective long-term vision of what business education looks like and needs to deliver in 15 to 20 years, then define how to get there from today’s starting point
- Ensure that the millennial voice is brought into the heart of this debate
- Survival skills for a VUCA world need to be embedded in everything that is taught. Break down the big issues and ideas and see where they fit with existing disciplines, rather than attempting to teach them in isolation.
- Never forget organizational context. Urgent new insights are required in terms of how talent is allowed and can be better enabled to flourish in modern organizations, and what changes need to be made to existing structures, policies and mindsets.
CONCLUSION

The imperative for closer collaboration between industry and business education providers to co-create a future leadership and talent agenda for sustainability

The high level dialogues which inform this report have underlined that there is much work still to be done to achieve structural alignment between global sustainability goals to 2030, business innovation and transformation, and leadership and talent development systems. Internal barriers and gaps persist within major companies, and the worldwide business education industry lacks strategic incentives to accelerate change processes and to remodel existing approaches.

Nonetheless, it is clear that mindsets are beginning to converge about the need for reform and – in line with the 17th UN Sustainable Development Goal – fresh thinking about partnership models which generate common agendas, reciprocal commitments and mutual benefit. This is particularly true at the interface between multinational companies and business schools.

Our discussions have highlighted the value – as well as some of the difficulties – of establishing convergence between corporate champions, and across sectors, regarding their future talent and leadership needs. Added value has come from framing this in a long-term perspective (out to 2030), thereby overcoming some aspects of the short-termism which focuses on training as a response to more immediate operational pressures.

In parallel, the insights generated through the Global Talent Forum can help companies to assess – and potentially transform – current talent identification and recruitment frameworks. When leading firms succeed in properly aligning sustainability skills and qualities with these policies, and engage in long-term direct collaboration with talent providers to support new approaches, we may well accelerate towards a tipping point in terms of systemic change in talent development.

Business schools and universities will similarly benefit from this long-term approach. The employability of their graduates is a perennial concern and strategically vital. By working more closely with major recruiters – through careers officers, programme directors, and student associations – they will build a stronger business case for undertaking key reforms in degree portfolios, curricula, brand positioning and more. Equally, greater long-term certainty about the value of sustainability to corporate recruiters will encourage new approaches to internal talent development, in particular hiring and training decisions for faculty.

Last but not least, there is a clear case for industry and business schools to co-create a new knowledge development and research agenda around sustainable business and leadership development. Evidence is thin on the ground to inform successful transformations of HR, leadership and talent functions in line with sustainability issues and corporate commitments. Disciplines such as organizational behaviour, strategy, HRM, corporate governance, and even finance have potentially valuable contributions to make in shaping future corporate thinking around talent futures.

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