

## Building Leaders for Long-Term Business Performance

Invitation to engage in a ground-breaking new study by CISL and ABIS

*“Many businesses are recognising the need to respond to and, where possible, shape the changing context in which they operate. Yet at the same time they are not systematically equipping their people do so”*

**Dame Polly Courtice, Director of CISL**

*“At Unilever, 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”*

**Doug Baillie, Ex CHRO, Unilever & Advisory Board Chair, ABIS**

### Executive Summary

***Building Leaders for Long-Term Business Performance*** is an ambitious new inquiry developed by the University of Cambridge Institute for Sustainability Leadership (CISL) in partnership with the Academy of Business in Society (ABIS). It aims to deepen our understanding of how multinational companies are defining and developing their leadership and talent pipelines in order to thrive in an increasingly complex business environment, while simultaneously contributing to long-term social, environmental and economic (‘sustainability’) goals.

Consensus is building around the urgent need to rethink and reformulate current leadership paradigms, given deep anxieties around climate change, natural resource systems, political upheaval and social stability. In January 2017, the World Economic Forum’s Business and Sustainable Development Commission issued its flagship report<sup>1</sup>, mapping out the economic incentives and imperatives for business transformation in line with the UN Sustainable Development Goals (SDGs)<sup>2</sup>. The Forum also saw the launch of a new Compact for Responsive and Responsible Leadership<sup>3</sup>, calling for CEOs, Boards of Directors, leading investors and asset managers to create a corporate governance framework with a focus on the long-term sustainability of corporations and on societal ambitions beyond profit maximization.

The implications of these sustainability changes are profound, posing significant questions to the nature of future business growth. Tackling these issues can build trust with consumers, mitigate strategic risk, differentiate brand and inform new services and opportunities. The UN SDGs provides a clear framework and offers the clearest indication of future markets and societal expectations, while

<sup>1</sup> <http://businesscommission.org/>

<sup>2</sup> <http://www.un.org/sustainabledevelopment/sustainable-development-goals/>

<sup>3</sup> [http://www3.weforum.org/docs/Media/AM17/The\\_Compact\\_for\\_Responsive\\_and\\_Responsible\\_Leadership\\_09.01.2017.pdf](http://www3.weforum.org/docs/Media/AM17/The_Compact_for_Responsive_and_Responsible_Leadership_09.01.2017.pdf)

legislative and technological advances are challenging the status quo and opening new opportunities. The circular economy, for instance, can offer huge scope for business innovation and new models of value creation. (Research estimates that the waste dimension alone in a global circular economy represents a US\$ 4.5 trillion market opportunity to 2030<sup>4</sup>.)

Many forward-thinking companies are exploring ways to design new business models and better align organisational strategy with sustainable outcomes. Yet, for all these efforts, it appears that few have fully embedded the sustainable business agenda into leadership and people development functions. This takes on extra importance when millennial attitudes are considered (*vis-à-vis* employers' commitment to sustainability, and the alignment of social purpose with career choices).

Such issues are not trivial. As businesses in all sectors invest more resources into organisational responses to the changing context, issues of 'how we find and develop our leaders of the future' have never been greater. Only by getting this right will companies be able to maximize their performance and societal impact in the years to come.

## Structure & Objectives

Against this backdrop, the University of Cambridge Institute for Sustainability Leadership (CISL) and the Academy of Business in Society (ABIS) are seeking to harness the latest insights of global sustainability champions to better define *what type of leadership is required* to "future proof" companies for the complexity ahead and to align sustainability impact and societal needs with long-term value creation. We also seek to identify and build wider awareness about *how these leadership profiles are being more effectively developed* within multinational companies.

We are seeking to engage **between 15 and 25 companies across industry sectors** to support our study by enabling us to interview – either physically or virtually – a select number of key individuals in leadership and talent development (including senior leadership and high potentials) and in corporate sustainability. Our inquiry will be based on three themes:

1. Assessing how organisations are currently integrating sustainability issues (including the UN SDGs) into leadership development and talent management policies;
2. Analysing which approaches have successfully embedded these issues into core learning processes at different levels within the firm, and where these can be improved;
3. Anticipating what types of leadership development will be required in the future – not least given changing attitudes in the millennial generation towards achieving social purpose and impact in their professional lives.

At the end of the interview phase, CISL and ABIS will launch a report in November 2017 at the [ABIS Annual Colloquium](#), providing insights into leading practices, informing which approaches are currently driving sustainable business, and highlighting the types of initiative and leadership qualities that will need to be embraced in the future. All participating companies will be invited to a pre-launch workshop to review and discuss the findings and relevance for their business. In this regard, ***Building Leaders for Long-Term Business Performance*** aims to deliver wider value in the following areas:

- ✓ Deepening corporate insights into how they can bridge the gap between strategy and leadership development for sustainable business;
- ✓ Providing new evidence to inform international sustainability debates and action platforms;
- ✓ Inspiring new dialogues with business schools and universities around curricula and learning innovations in line with the sustainability ambitions of leading global recruiters.

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<sup>4</sup> <https://www.accenture.com/us-en/insight-creating-advantage-circular-economy>

## An Evidence-Based Case for New Leadership Qualities

To thrive and win in the new context, businesses in all sectors increasingly need the brightest and best talent. As economies shift towards services, the role of knowledge and the ability to reshape, build or change business processes is increased. Developing individual leaders to have this ability will be essential for long-term success.

For more than a decade, ABIS and CISL have explored the role of leadership and management education in advancing corporate responsibility and sustainability. ***Building Leaders for Long-Term Business Performance*** builds on this long-standing relationship and aims to inform tangible actions that leadership development professionals can take in order to equip their people to deliver sustainable outcomes.

In doing so, we also draw on our existing knowledge base from previous studies and joint research. Through interviews with senior representatives from some of the world's most influential organisations, CISL identified a range of fundamental traits, styles, skills and knowledge that are required for leadership on sustainability<sup>5</sup>, as set out in the graphic below:

### Traits

- Systemic/holistic thinker
- Enquiring/open minded
- Self aware/empathetic
- Visionary/courageous
- Caring/morally driven
- Action oriented/ ideas into practice, at speed
- Proactivity, flexibility, persistence

### Skills

- Communicate vision & align around purpose
- Manage complexity
- Exercise judgement & use critical thinking
- Challenge, innovate, experiment
- Team working & co-creation
- Put long term thinking into practice, while balancing short term priorities

### Styles

- Inclusive (cross cultural)
- Visionary
- Creative
- Altruistic
- Radical
- Accountable

### Knowledge

- Global challenges & dilemmas
- Interdisciplinary connections
- Change dynamics/options
- Organisational influences
- Diverse stakeholder views

Through last year's ABIS Global Talent Forum for Sustainable Business, the materiality of this model has been assessed and critiqued with group of senior learning and development professionals, HRM experts and talent executives.

While participants felt there was considerable value in the existing framework, the group agreed that it was too generic for their current and future needs. Several individuals suggested that a more pressing issue was to identify company-specific leadership characteristics that would be key differentiators in securing long-term competitiveness in their given sector, as well as overseeing transitions to new business models. By extension, translating leadership development for sustainability into mid-level and general management development was seen as an ongoing challenge.

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<sup>5</sup> "A journey of a thousand miles", CISL, 2011; "Building a sustainability leader", adapted from Visser and Courtice, 2011

***Building Leaders for Long-Term Business Performance*** aims to pick up these challenges and identify new leadership development interventions which can accelerate an organisation's capability to grow a sustainable business within a given sector. It will also seek to capture 'red threads' which apply across industries. For instance, several sector leaders are realising commercial value in the circular economy, but what are the implications for leadership development within this kind of paradigm shift?

## Getting involved

We are looking for leading international businesses that are willing to support this new initiative. Active engagement implies the following:

1. A limited commitment of senior staff time – specifically, **three interviews of around 60 minutes each** with an L&D or Global Talent executive, a sustainability executive, and a participant in a recent leadership / high potential development programme;
2. Participation in the pre-launch workshop;
3. Approval for use of the corporate logo in the final report.

## About the Partners

**THE UNIVERSITY OF CAMBRIDGE INSTITUTE FOR SUSTAINABILITY LEADERSHIP (CISL)** has for over 25 years helped influential individuals and major organisations to develop strategies that reconcile profitability and sustainability, and to work collaboratively with their peers to develop solutions to shared challenges and catalyse real systems change.

CISL works through educational and executive development programmes and through business leadership groups to offer collective solutions to intractable challenges. It has offices in Cambridge, Brussels and Cape Town, and delivery partners in Beijing, Melbourne, São Paulo and Cartagena in Colombia. HRH The Prince of Wales is the Patron of CISL and has inspired and supported many of our initiatives.

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**THE ACADEMY OF BUSINESS IN SOCIETY (ABIS)** was founded in 2002 as a unique business-academic partnership network, with the ambition of mainstreaming sustainability and corporate responsibility issues into management and executive education and research. Founding partners include Unilever, Johnson & Johnson, IBM, INSEAD, IMD and London Business School.

Headquartered in Brussels, the ABIS network today features 100 leading companies, business schools and universities. Since its foundation, ABIS has secured and invested over €13 million in public and private funding to support its mission, and is a founding co-creator of the United Nations Principles of Responsible Management Education (PRME).

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