



LEADERS

A Stake in the Ground

**Building leadership capacity for
sustainability**

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A paper
from

Dalmau
CONSULTING





A Stake in the Ground

Building leadership capacity for sustainability



Recently David Hood of Dalmau Consulting described the case for why **senior executives and Boards need to embrace sustainability**. In the vernacular, sustainability has come to be associated with the notion of the on-going capacity of the Earth to support all life and patterns of living that meet the needs of the present without compromising the ability of future generations to meet their needs.

But this is only one aspect of the term, especially when we consider it in the context of corporations and organizations; sustainability refers to a wide range of arenas of effect and action. It can apply equally to a corporate change initiative, a company's financial viability, and relationships

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with the community as much as it can to an economy, a social system, the environment, the human species, or the planet.

Two specific arenas immediately come to mind – that of equal opportunity and of workforce and community safety.

The many faces of sustainability

As in many countries where natural resources are taken from the earth, some indigenous Australians argue that they do not always share equitably in the wealth generated by mining – the so-called “paradox of plenty”. Yet more than any other industry in Australia, the resource sector has led the way in up-skilling and recruiting indigenous people to re-dress this situation. Their approach has gone beyond basic training programs to encompass organizational support and cultural change programs. This approach has gone a long way towards building and maintaining confidence of local communities in these large corporations.

Workplace safety has increasingly been a focus

for corporations over the last 20 years in many western countries – creating work environments where there is zero harm and where people really care and look out for each other. In many cases, it requires the extension of this focus to include safety of the surrounding community and the environment itself. The dilemma that many workplaces face is the ability to sustain this care-filled type of culture with a simultaneous eye on productivity and shareholder value.

All these topics are about sustainability - as too are the issues so aptly described by David Hood, i.e. how do leaders face up to the climate change and biosphere consequences of human activity, and the very viability of our planet.

The sustainability lens

So, what does it mean to embrace and act with sustainability in mind? You see, decide and act as if looking through a lens with five key elements.

A leader or group is embracing sustainability whenever they choose to

1. Act from a whole-of-system view point





*"if we are to create a sustainable world
we need many more effective leaders"*

Dexter Dunphy

2. Take into account issues, dynamics and consequences in the wider "world" of which their system is but a part
3. Preserve or enhance options or choices for the system
4. Make choices and act in a manner that does not limit, and even enhances, the choices that future players might be able to make
5. Ensure that what is undertaken has within it the capability to endure and adapt through time.

This is equally true of a leader responsible for managing the energy consumption and emissions of an alumina refinery as it is working out how to ensure gains made in creating a safe workplace are preserved and enhanced through time,

Sustainability is a lens through which we judge the consequences of choices and actions. It is a lens that can guide leaders in making those choices, and also an imperative for leaders at this time of human history. The consequences

for leaders are increasingly clear and require a step change in the quality and effectiveness of leadership. **In the words of Dexter Dunphy**

"If we are to create a sustainable world, we need many more effective leaders"

Three core questions

As a leader or manager you might now be asking,

1. How do I equip myself, and others to be more effective leaders in this context?
2. Where do I start?
3. Who can I work with to have most impact?

The answers to these questions may not be that different when answered in the context of sustainability as when answered generally of leadership at one level. But what is different is the perspective and values that underlie choices, and what is given priority.

To address the first question we start by clarifying the qualities and skills required of effective leadership for sustainability.

Qualities and skills required

There have been volumes written on the hallmarks of effective leaders, and no doubt many more volumes will be written. There are some generic qualities and skills that are required of all leaders. These include, a capacity and ability to articulate a future in other words, to have a clear vision. In recent years this has come to be expressed as articulating a clear corporate ambition.

This vision and focus on the future is underpinned by knowing what you stand for, and a strong link between your own values and that of the organization. It is this value driven focus on the future that drives commitment, and guides every decision and action.

Other qualities core to leading effectively for sustainability are persistence, personal resilience, tolerance of uncertainty and ambiguity.

The solutions to the dilemmas and challenges all leaders face today are not clear-cut, and they clearly fit the categorization of wicked or complex problems that will require the qualities listed to find ways forward. These, in turn, require an ability to think systemically; to manage multiple perspectives simultaneously and be prepared to live with less focus on detail than many would say they are comfortable with.

Effective leadership for sustainability requires people devoted to learning; a thirst for new ideas, an openness to try new things that have not been done before, and the courage to experiment. They are dedicated to making time for learning, for deliberate practice, and actively seek feedback and coaching. These qualities or dispositions are essential in leaders of organizations if they are going to re-shape the way they do business and the products and services they deliver, and do so in sustainable ways.

Supporting these key qualities are the necessary traits of self-belief – a belief that you can make a difference, credibility – that others

believe in you, that you can't do it alone – being a team player, willingness to question and challenge, and an ability to inspire and motivate others.

Many more could be added, but if we apply the *pareto principle* this collection of qualities is a good start.

But, how can we equip ourselves and others to build these skills and allow these qualities to shine?

Building capabilities

Effective leadership is not genetic, but an observable pattern of practices and behaviors and a definable set of skills and abilities that can be learned. Nevertheless, whilst many can learn – not all can master them.

What follows puts **a stake in the ground** around the essential requirements for developing leadership capacity for sustainability in all





the different ways it may be experienced in organizations. This in fact also goes some way to answering the second and third questions posed at the beginning of this paper – where to start and with whom can I work?

Get into the conversation

Leaders starting on the journey to more effective leadership for sustainability need to be informed on the issues. In terms of energy, carbon-based emissions, climate change and the planet's viability there are many perspectives and arguments. There is now an extensive literature available and it is expanding daily, supplemented by Internet resources such as blogs, discussion groups and news reports.

Whilst to some extent this can be a solitary journey of reading and reflection, it can be a truly effective learning experience. It should be coupled with discourse, collaborative inquiry and strategic partnerships. Experts and people with different backgrounds should be sought out to help in the development of this knowledge and others within your organization can be part of this journey.

But this is only one type or form of sustain-

ability. There are equivalents at every level of corporate life. If you are constructing a gold mine in Indonesia you need to be informed of the culture, laws, environmental concerns, tax implications, and inter-governmental dynamics that apply, to name but a few. If you have started the journey of turning your workplace into an incident, harm free and care-filled work environment, then you need to be informed about best practice in your industry, the regulatory requirements, the links between safety leadership and other aspects of organizational performance, rehabilitation, and work practice.

Networking and partnering

Seeking out people in different sectors, or companies and organizations that are further along on the journey and to learn from them is vital.

Not only will this allow for ideas to emerge that may never be possible within your own organization, but it also allows for new perspectives, new connections and new partnerships in totally new types of ventures.

Recently, Dalmau Consulting arranged for a group of senior executives from the brewing industry (in their quest to make their workplaces safer) to sit down with executives from the steel-making and mining industries to understand *their* safety journey. Dialogue and understanding emerged at so many different levels as each learned and reframed their own leadership from the surprise they experienced with one another.

Equally, participating in leadership forums and initiatives about creating the change required for a more sustainable world are other ways to broaden your understanding and connections.

As Dunphy states,

"corporations are the fundamental cells of the modern economy"

and by virtue of this fact they need to lead the changes in economy so that humans can live within their ecological limits.

It is through partnerships and collaboration that mutual support for change, innovation and the development of communities of practice can emerge, no matter what the issue under scrutiny.

Recently GlaxoSmithKline (GSK) partnered with Vodafone to harness innovative mobile technology to help vaccinate children against common **infectious diseases in Africa**. Equally, the CEO-led Deforestation Partnership in the Consumer Goods Forum (CGF) has teamed

Learn and hone communication skills

This is an area where life-long learning and practice is required. The ability to really listen to what is being conveyed, to read situations, to grasp the meaning behind the words and make explicit that which is assumed or alluded to ... all are important skills if the difficult conversations related to ensuring the lives we lead, the projects we start, the teams and corporations we lead, and indeed the planet we inhabit are to be truly sustainable in the



Photo courtesy of The Australian Newspaper

up with BEI banking leaders to determine how the banking industry can align with the CGF goal of eliminating Forum's contribution to deforestation in its **supply chains by 2020**. In far northern Australia CISCO, Westpac, and IBM have partnered with **the people of the Cape York Peninsula** so that the people of the region will have the capabilities and capacity to live lives they have reason to value in a sustainable manner.

manner identified at the start of this paper.

This requires leaders to deliberately seek feedback on their current level of communication skills, training or coaching in the best practice of both verbal and non-verbal communication and constant practice.

Environment for dialogue and learning

Not only does effective leadership for sustainability require of leaders the skills to listen and

communicate, it also challenges them to build safety and norms in groups that permit and encourage free and open dialogue around the difficult and complex issues that questions of sustainability raise.

Equally, the capacity to translate important messages, contexts and meanings into the everyday language of the workplace, to paint an understandable picture of the wider scene and to allow the exploration of complicated and contradictory aspects in a safe manner – these are critical aspects of any organization that seeks to understand what sustainability means for them in their context.

Tim Dalmau's recent paper on the **Seven Conversations of Leadership** outlines a framework for the types of conversations that you can have with yourself (internally) with your team and across and beyond your organization – these conversations can assist in opening-up the dialogue, and creating an environment for conversation and learning.

Fundamentally however, not only are effective communication skills required but so too is modeling and rewarding of behavior that is transparent, that takes a position of curiosity, is open to surprise, that actively inquires, takes risks, is flexible, and able to challenge.

Sustainability at the end starts at the beginning

Returning to the characteristics that define something as sustainable at the start of this paper the five elements are,

- 1) Whole of system perspective
- 2) Take the wider “world” into account
- 3) Preserve options of the system
- 4) Preserve choices for future players
- 5) Design with endurance and adaptability in mind

If we were to “run” these five lenses across so much current human activity and organizational behavior we might find them wanting. But given the rise in sustainability consciousness across the globe in the last three decades, to



not subject our future plans to their scrutiny is a greater omission.

Putting sustainability in the frame of choice and decision-making starts at the very beginning of the design of change initiatives, new projects, growth plans, and new ventures. It is not an add on; it is a consideration from the very start.

Develop and promote systems thinking

Systems thinking emerged in the late 19th century and planted further roots in an evolving understanding of the natural world and ecosystems in the early 20th century. It is a way of understanding reality that emphasizes the relationships among the systems' parts, rather than the parts themselves and at the same time acknowledges that there are things going on in the whole that are more than the sum of the parts and the connections among them. It focuses on explorative, cyclical thinking rather than on linear cause and effect.

When a leader places sustainability in the frame of their considerations, they must neces-



sarily address and attempt to resolve, amongst other things, the tension in organizations between short and long-term goals or re-defining its measures of success. Fundamentally, business models need re-examining in light of the challenge of sustainability and this is where systems thinking excels.

Systems thinking has been applied as much to organizations and social systems as to those of the natural and scientific world, because it has been shown that this way of approaching problems works best for those that are complex, and where no single solutions are obvious. It is the type of thinking best suited to the essential dilemmas that arise when sustainability issues and criteria are put in the frame of decision-making and choice.

For example,

1. To risk growth is to risk economic and social collapse - to pursue it relentlessly is to endanger the ecosystem on which **we depend for our long-term survival**
2. Creating a harm free workplace based on mutual responsibility and care among workplace colleagues and at the same time enforcing safe behaviors with consequence management inevitably engenders the experience of mixed messages from those in leadership.
3. How to choose a path of growth and reinvestment for a mining company that has divested itself of coal operations and is left with only one asset (albeit profitable) in another commodity market yet a level of debt that limits options for growth and reinvention.

Equipping oneself (and others) in this way of thinking is not something best done by taking a course, although if a starting point is required it is one possibility. Another way is to **read extensively** interact with people who use systems thinking and master the principles. One might seek out people in the organization who are

good in thinking in this way (the bigger picture thinkers) or those who have been trained in the working models based on systems thinking.

A natural consequence of exploring systems thinking will be the discovery of new models and frameworks. By understanding and accumulating these and other useful frameworks that relate to understanding organizations, models for possible sustainable organizations, and processes for tackling complex problems a leader can build and furnish a toolkit to become much more effective

Understanding and embracing change

As a leader for sustainability, one of the biggest challenges you are likely to face is bringing your organization and people along with you. The amount, scope and complexity of change required to respond to the challenges can be daunting, and having an understanding of the how people react to change and how to manage change is vital.

As **William Bridges** asserts, it is not that people resist change – it is actually the transition that they resist. Understanding transition, and a knowledge of tools and strategies to help manage change and transition will fit any leader well in the journey towards sustainability.

Learn by doing – transformational experiences

Cross-sector partnerships are also an excellent way to 'learn by doing'. In addition they develop buy-in from all involved and in fact create a transformational leadership experience. For example, the former CEO of TNT, **Peter Bakker**, now at WBCSD, required his top leadership team to be directly involved in projects of World Food, which indeed was transformational in outcome. EY in South Africa have a history of involvement with providing medical services to remote communities throughout southern Africa in partnership with charities. In the early 1990s BHP Billiton executives in leadership development were placed in situations they were unlikely to ever choose, e.g. hospice for Navajo



Indians who were addicted to drugs and alcohol, a centre for rehabilitating refugees who had experienced torture, a community development centre for indigenous people in remote mining towns.

Creating these learning and experience opportunities for leaders can be one of the most profound ways to engage hearts and minds, build new connections, and lead to the emergence of innovation.

Reprise

From a group of senior executives that attended programs delivered by the **Cambridge Program for Sustainable Leadership (CPSL)** in 2011 72% believe that sustainability is embedded in the awareness of senior leaders. However, only 42% thought that it was embedded into the strategies, plans and processes of their organizations, and this may indeed be an over-estimate if we take a global perspective.

To improve this percentage, guide the transition and make the transformation to a sustainable world is not easy – however large or small the world we are considering may be. Corporations, businesses, organizations, governments, the community and individuals require outstanding leadership to make a meaningful shift.

And this leadership simply does not appear or can be called up as needed. What is needed are leadership development experiences that put a stake in the ground to build the core capabilities outlined in this paper. These experiences need to build the foundational skills relevant to all effective leadership and be enhanced by exposure to issues, ideas and experience related to sustainability, change, and systems thinking coupled with the opportunities for partnerships, experiential and transformation learning.

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