



Building leaders for long-term business performance

Research findings

The Cambridge Institute for Sustainability Leadership

For 800 years, the University of Cambridge has fostered leadership, ideas and innovations that have benefited and transformed societies. The University now has a critical role to play to help the world respond to a singular challenge: how to provide for as many as nine billion people by 2050 within a finite envelope of land, water and natural resources while adapting to a warmer, less predictable climate. The University of Cambridge Institute for Sustainability Leadership (CISL) empowers business and policy leaders to make the necessary adjustments to their organisations, industries and economic systems in light of this challenge. By bringing together multidisciplinary researchers with influential business and policy practitioners across the globe, we foster an exchange of ideas across traditional boundaries to generate new, solutions-oriented thinking.

The Academy of Business in Society

The Academy of Business in Society (ABIS) is a global network of companies, organisations and academic institutions whose expertise, commitment and resources are leveraged to invest in a more sustainable future. We believe that challenges linked to globalisation and sustainable development require new management and leadership skills, mindsets and capabilities. We create platforms and innovative spaces that enable our members to co-develop new knowledge and capabilities, education and learning frameworks that will enhance the business contribution to society.

Publication details

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This research report is based on the findings of semi-structured interviews with businesses in a range of sectors and countries. For each business, we sought to engage a senior member of the sustainability team, individuals responsible for Learning and Development (L&D) or Human Resources (HR).

Businesses were selected to reflect a range of sectors and countries, including: Ahold Delhaize, ArcelorMittal, AstraZeneca, Barclays, BASF, BT, Coca-Cola European Partners, EDF Energy, Enel, Ferrovial, Fung Academy, Hitachi, HSBC, Jaguar Land Rover, Yoox Net-A-Porter Group, Novartis, SABIC, Swire Group, The Walt Disney Company, Unilever, Velux and Zorlu Holding.

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Executive summary

Building leaders for long-term business performance 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.

International businesses are increasingly exposed to new risks and opportunities. From growing concerns around climate change and the availability of natural resources, to the emergence of a richer, older population and new technologies; businesses are operating in a volatile, uncertain, complex and ambiguous ('VUCA') world. To thrive, businesses are adjusting organisational strategy, experimenting with new business models and adopting new approaches to creating value.

Current state in most organisations

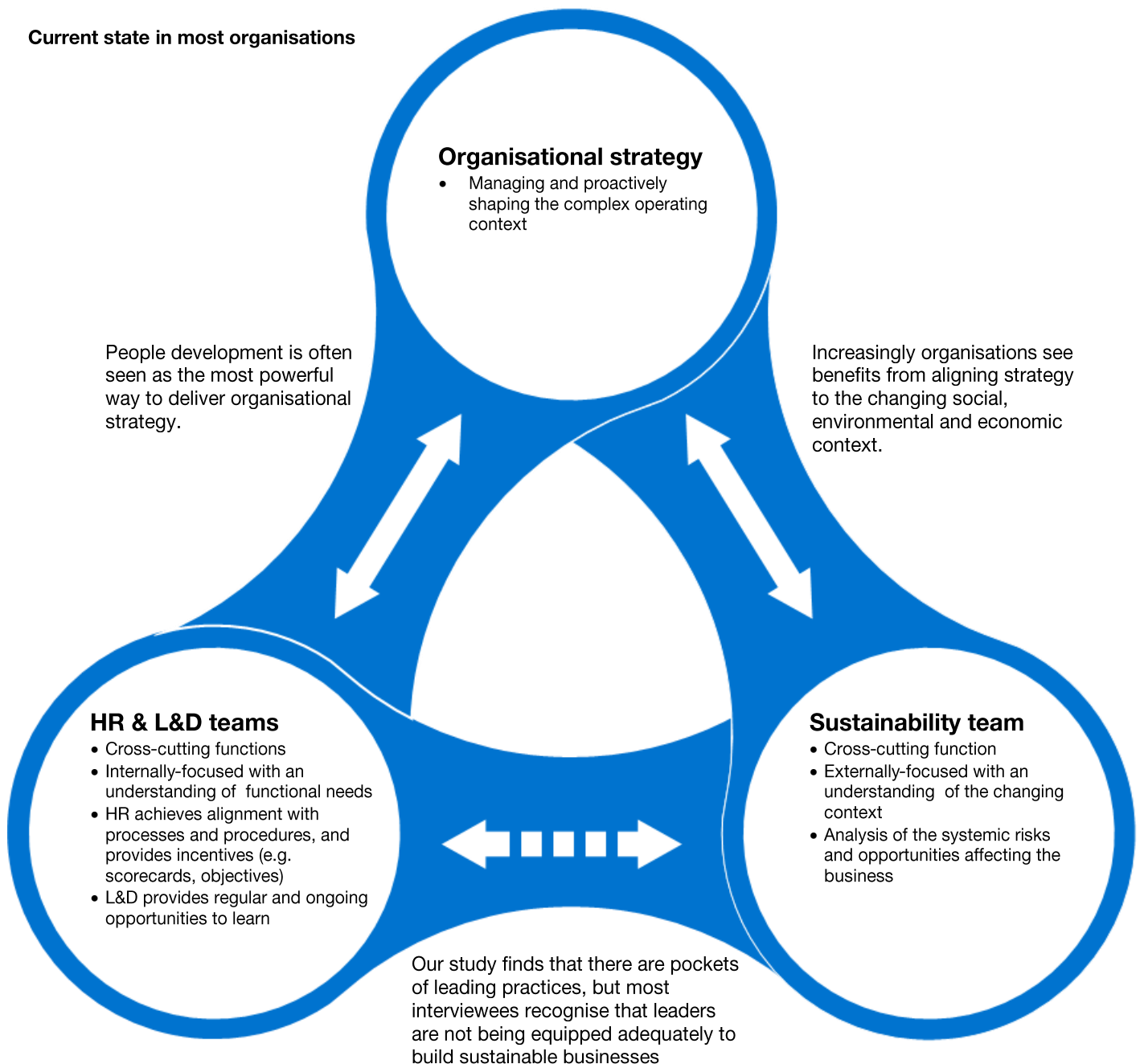


Figure 1: Our analysis highlights a misalignment in the agendas between those in HR and L&D and those in sustainability

This paper, written by the University of Cambridge Institute for Sustainability Leadership (CISL) and the Academy of Business in Society (ABIS), investigates how multinational companies are equipping employees with the skills, knowledge and values to grow businesses for the long term. It builds on conversations with sustainability professionals, Human Resources (HR) managers and Learning and Development (L&D) experts from over 20 multinational businesses based in Europe, Asia, the Middle East and North America. We also draw from CISL's nearly 30 years' experience developing leadership for sustainability among leaders from companies, governments and finance institutions, and ABIS' work since 2001 to build bridges and strengthen collaboration between the corporate and academic worlds to accelerate systemic change in business education and practice.

Our research has identified many good practices within the organisations that participated in this study. We found organisations who offer managers intensive simulations to improve their personal decision-making in complex environments and classroom-based educational courses for corporate Boards; businesses that design specific educational courses for specific functions to prepare for a low-carbon economy or firms that provide experiential learning courses to help participants put themselves in the shoes of other stakeholders.

Yet, in many cases participants recognised that there is a gap in knowledge, understanding and engagement between the sustainability team (who often have a good understanding of the changing social, environmental and economic context outside the business) and the functions responsible for people development and organisational learning within the company (who often have a significant influence over organisational culture and people's behaviour). Those responsible for talent development and learning as well as those in sustainability have many wide-ranging and comparable assets (see Figure 1 above), but based on our conversations these efforts are not sufficiently aligned for businesses to realise the benefits from anticipating and shaping the new external context for business.

In addition, our analysis identified the following:

- Businesses that have already developed an organisational response to sustainability have realised tangible benefits. Several of our interviewees reported that a strong position on sustainability helped increase employee engagement, attract and retain talent as well as inform approaches to innovation and support with brand and reputation.
- In many cases, interviewees identified that their organisation is missing opportunities from sustainability – citing that employees at all levels did not possess the knowledge and capabilities to yield these benefits – largely because the connection between the sustainability, HR and learning teams is often not strong enough.
- Boards play an important role in catalysing activity on sustainability, yet in many instances, individuals lack adequate knowledge of the new operating context in order to effectively steer the organisation.
- For all the talk about millennials (those born in the 1980s and 90s) in shaping organisational culture and prioritising 'purpose over paychecks', our interviewees indicated that this new generation of employees is not coming through in large enough numbers to significantly inform organisational strategy.
- Inherently, it is challenging for employees to reconcile short-term business needs with long-term positioning. In part, this challenge is amplified by a poor understanding of what the future will hold (especially the rate of change), as well as the focus of organisational systems (e.g. bonuses, reporting cycles) that promote short-term behaviour.

For organisations to proactively adapt to this more volatile and complex operating environment, these are the highlighted takeaways from our research for members of HR, L&D and sustainability teams:

HR professionals can:

- Use HR policies and processes to ensure that the organisation is forward-looking and aware of the external context, not just focused on past internal performance.
- Establish the right systems that incentivise sustainability behaviours for long-term business performance.

L&D professionals can:

- Expand learning programmes to include leading practices like experiential learning, simulations, placements or immersions for all levels within the business, including the Board.

- Ensure that programme content helps open employees' eyes to the changing global context, which can in turn unlock innovation, challenge beliefs, correct misperceptions and shape organisational approaches.

Sustainability professionals can:

- Anticipate future pressures and trends that necessitate action in the business, such as resource issues, pending legislation, customer demand and/or stakeholder pressure.
- Make sustainability relevant to the HR and L&D functions – make it tangible and specific.
- Support L&D to design and deliver learning programmes that provide employees with the practical insight into specific actions they can take to yield sustainability benefits.
- Focus the sustainability team on the people challenge, not on external measures of performance.

1. Introduction

This paper, written by the University of Cambridge Institute for Sustainability Leadership (CISL) with the Academy of Business in Society (ABIS) examines how businesses are equipping individuals to effectively shape the changing social, environmental and economic context. We examine what is required for future business leadership and specifically the role of people development in helping to build leaders for long-term business performance. Our hypothesis is that organisations need to equip their people to act in a way that will enable businesses, the communities in which they operate and the planet to flourish in the future. Businesses can do this by giving their employees the values to lead change, the knowledge to adapt and innovate, the skills to respond, and the supporting processes to empower them to act. For ‘future fit’ businesses to thrive, we believe that we need to urgently close the gaps between the changing social, environmental and economic context and people development.

Based on our findings, much of today’s leadership training, even in many sophisticated global businesses, is not adequately preparing people to lead the organisations of the future. However, pockets of best practice do exist, where informed and engaged people development practitioners are working in effective partnerships with sustainability teams to build future capabilities and mindsets among employees that help embed sustainability into strategy, and serve as examples for how to encourage innovation and responsible leadership.

Our research approach

This research report is based on the findings of semi-structured interviews with businesses in a range of sectors and countries. For each business, we sought to engage a senior member of the sustainability team and individuals responsible for Learning and Development (L&D) or Human Resources (HR).

Businesses were selected to reflect a range of sectors and countries, including: Ahold Delhaize, ArcelorMittal, AstraZeneca, Barclays, BASF, BT, Coca-Cola European Partners, EDF Energy, Enel, Ferrovial, Fung Academy, Hitachi, HSBC, Jaguar Land Rover, Yoox Net-A-Porter Group, Novartis, SABIC, Swire Group, The Walt Disney Company, Unilever, Velux and Zorlu Holding.

In total, interviews were conducted with 38 individuals between July and November 2017.

Each interview aimed to assess:

- How well organisations are currently integrating sustainability issues (including the UN Sustainable Development Goals (SDGs)) into leadership development and talent management policies; and catalysts for change (see section below)
- Which approaches have most successfully embedded sustainability issues into core learning processes, and where these can be improved
- 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
- The role of the Board in building leaders for long-term success

Each of these questions is answered in the report below.

We hope that these findings provide useful insights as well as examples of best practice to practitioners in leadership and people development roles, including Human Resources (HR) and Learning and Development (L&D) as well as sustainability professionals, who together make an important contribution to the strategic direction and future viability of their organisations. Our ambition is that this study will contribute to a new sense of urgency and focus among businesses to ensure that they are equipping leaders to lead businesses in a volatile, uncertain, complex and ambiguous (‘VUCA’) world. Almost all the participants in this study recognised that achieving a sustainable business will require people to behave differently. The conclusions in this paper are part of ongoing research by CISL and contribute to a new leadership development model.

Our assessment builds on semi-structured interviews with leaders in global businesses to indicate how organisations are currently developing individuals to lead these changes (see 'Our research approach' box). We interviewed senior practitioners in functions including HR, L&D and Sustainability, as well as Board directors. We spoke to multinational organisations headquartered in Europe, the US, Asia and the Middle East.

In this paper, we address the current state of integration of sustainability into leadership development. We look at what more can be done to align leadership development with sustainable business. We consider the catalysts for change and successful approaches that leading businesses are adopting. We reflect on the ability of the Board to steer organisations in the new operating environment and the impact of the 'millennials factor' and its significance. We identify both characteristics of leading businesses and the role of different functions and stakeholders. Finally, we provide some specific takeaways for the key audiences for this study: the HR director, the L&D director and the Sustainability director.

2. The integration of sustainability into leadership development

Overall, our research identified that businesses recognise at the institutional level the need to adapt to – and lead change within – the rapidly shifting external context, yet many are not equipping people to do so.

Based on our findings, many leadership development programmes, even in well-established global businesses, are not adequately preparing people to deliver the changes required to ensure that their organisations thrive into the future (see Figure 1). Many may acknowledge that people development needs to include strengthening capabilities such as long-term thinking and innovation skills, but they lack the focus or expertise to do so. There are, however, pockets of best practice, where informed and engaged people development practitioners are working in effective partnerships with sustainability teams to build a future mindset among employees that helps embed sustainability into strategy and encourages innovation and responsible leadership.

Current state in most organisations

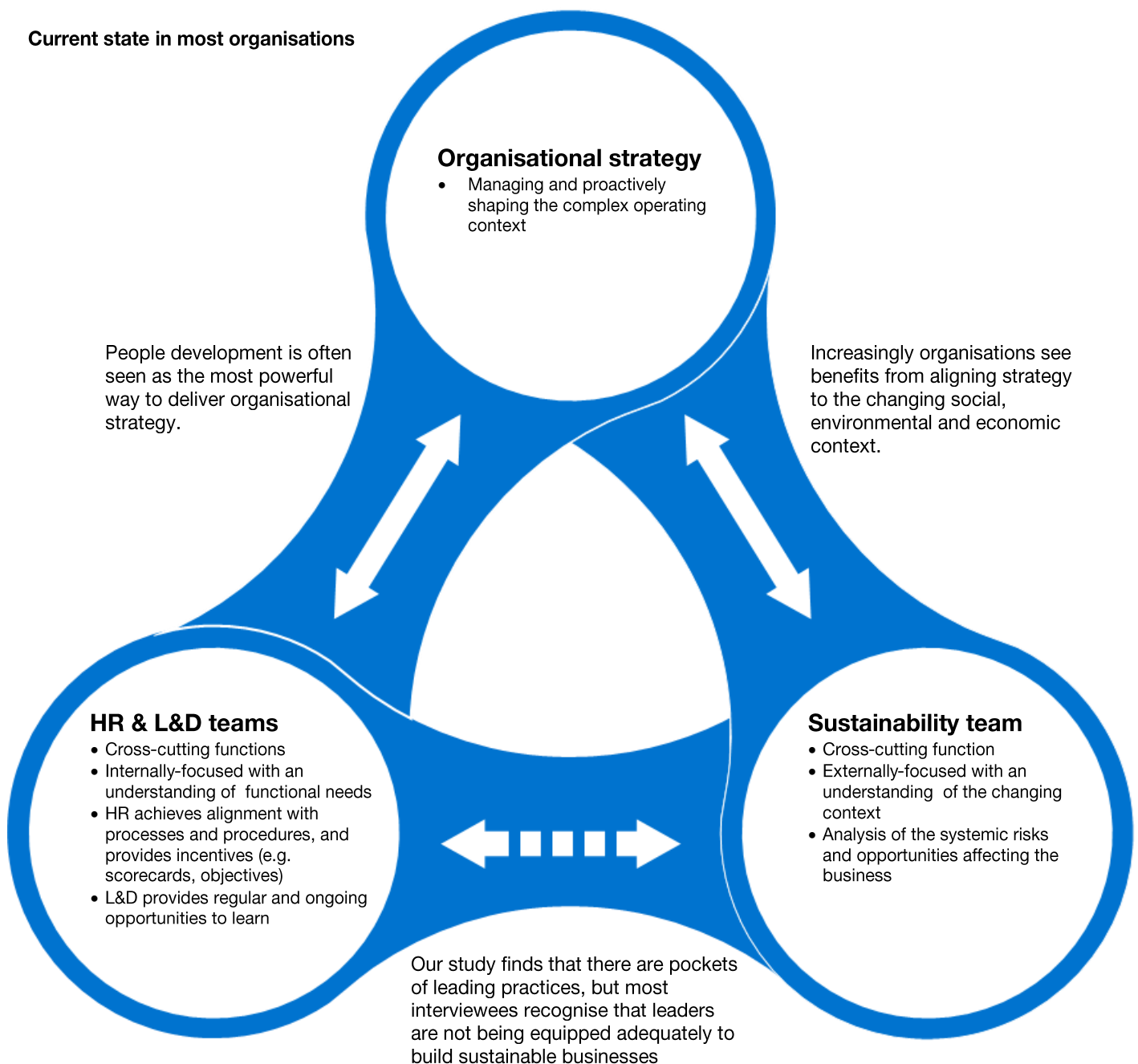


Figure 1: Our analysis highlights a misalignment in the agendas between those in HR and L&D and those in sustainability

In many cases (but not all), achieving a sustainable business was often an integral part of the strategic vision for the organisation. The drivers varied, but organisations identified that being more sustainable was helpful to attract and retain talent, enhance brand value and reputation, and promote supply chain resilience. Yet, our research identified that these benefits were untapped: many participants cited that employees at all levels did not possess the knowledge and capabilities to yield these benefits – largely because the connection between the sustainability, HR and learning teams is often not strong.

There is a tendency to look backwards rather than forwards. Many of today's successful global businesses believe that they will continue to win in the future and recognise that, to do so, they must adapt to a rapidly changing operating context. Yet, the predominant culture within institutions is often quite backward-looking – more informed by past experience than by the best evidence that is shaping the new context.

A number of organisations in the study have made investments to educate senior leaders, specific functions and high-potential employees in order to deliver long-term success. Investments that have been most successful have run for several years, with learners accessing a blend of new knowledge, experiential learning and applied project work, and being supported by changes to institutional structures such as scorecards, key performance indicators (KPIs) and annual appraisals.

Putting sustainable business practices into professional development is necessary but challenging. Often businesses report that their people development plan and sustainability strategy are disconnected. Our interviewees reported several different reasons why such a disconnect happens, ranging from a general lack of awareness (or interest) across the business of the risks and opportunities presented by sustainability issues (even at the Board level, see box on page 13); challenges in reconciling the short and long-term issues, as well as uncertainty by HR professionals about the practical steps they can take to build capacity for sustainable business.

More can be done to align leadership development with long-term business performance

Closing the gaps between the changing social, environmental and economic context and people's understanding of how to operate within it is essential for future business to thrive. By doing so, organisations have the opportunities to embrace sustainability and secure their long-term business success. Our engagement with some of the most progressive organisations has indicated that there is no silver bullet when it comes to building leaders for long-term business performance. Motivated and engaged L&D professionals talked about the need for a multi-pronged approach rather than a 'one size fits all' sheep-dip approach. Of the leading practices that we saw, these included experiential learning, simulations, placements or immersions for key functions within the business (see box on experiential learning, page 14).

Sustainability is a powerful way to look at the future. The need and scope for significant innovation in business models, products and processes, and the need for new collaborations within and beyond organisations, can be very inspiring and can open up new ideas and ways of working. However, those businesses that are really harnessing these benefits are not using the language of 'sustainability', which has legacy associations of risk and reputation management, but about a purpose to society and shaping the future we want.

Sustainability must be made tangible. One of the biggest challenges to overcome is the scale and scope of sustainability. 'Sustainability' is extremely abstract: the debate has the wrong timeframe (long-term) and the scale is too big and global – the opposite end of the spectrum from the reality of most employees' day-to-day priorities. Businesses are interested in delivering their products and services and in meeting their quarterly targets. They are making decisions on their marketplaces, not on the future of the planet and the wellbeing of its 7.5 billion inhabitants. There is a need both to make 'sustainability' relevant to individuals' day jobs and spheres of influence, as well as to build the capabilities needed to lead for the future. There is a need to translate sustainability into actionable, teachable and learnable chunks and to find engaging ways to develop people, for example through collaborative innovation projects, field trips and the involvement of customers.

Technology is a key driver of change and has huge potential as a solution to sustainability challenges. To align technology-led changes with sustainable business imperatives, leaders must have a clear sense of purpose to inform and underpin their decisions, to understand the social and environmental implications of new technologies, and to understand how technology may represent solutions to sustainability challenges. Importantly, they also need to be equipped to navigate rapid and disruptive change, understanding stakeholder perceptions and building

engagement to avoid resistance or backlash.

The volume and quality of data that we now have available is very powerful. Businesses need leaders who can harness the value of this data, both to think systemically and spot trends, and to ensure evidence-based decision-making. Diversity within sustainability teams themselves is also proving valuable – representing different essential skills such as data analytics, design, engineering and technology, as well as communications, enables teams to more successfully engage with different stakeholders within the business.

Sustainability and L&D teams need to collaborate as a priority to equip people to do things differently.

Overwhelmingly, our interviewees felt that delivering a sustainable business needs individuals to do things differently, but in several cases the pressing demands on sustainability and learning teams means that energy is invested in other directions. For example, the business of reporting, awards, indices and league tables can suck up much (often limited) resource. This is also true of the amount of effort that goes into increasing ratings rather than creating real change or spending time engaging with the rest of the business. Similarly, learning agendas are often dominated by compliance training. Working together, sustainability and learning teams can pioneer learning pilots that help build greater awareness of what is happening outside the business, acknowledge and align personal values and drivers, and foster long-term mindsets and a culture of innovation and collaboration.

The focus should be on diagnosing and addressing the real business needs. Building leadership for sustainability isn't as simple as adding a 'one size fits all' briefing module into existing programmes. It is about diagnosing the knowledge, thinking, values, attitudes and capabilities gaps, understanding the leverage points and developing the right approach to meet these needs. Common needs within the organisations we spoke to include:

- The need to help leaders to develop emotional intelligence and empathy, the ability to actively listen, to be aware of and address unconscious bias, to be open-minded, inclusive and curious.
- Businesses need people to be passionate about sustainability. Integration of sustainability into strategy and objectives is important but it isn't enough if people don't have the passion and mindset necessary to lead change.
- There is a need for people to think more innovatively and creatively. Sometimes all that is needed is to define the ambition, then create space for innovation and give permission for creative responses. Other times it is about creating mindsets or providing thinking tools, and sometimes it is about courage and resilience.
- Communication skills are critical. Leaders need to be good at telling stories, bringing a vision or strategy to life, making it real, making it personal.

Having employees with a multi-stakeholder perspective is seen to be good for innovation and growth. Engaging external stakeholder groups can accelerate organisational learning and sustainability performance. Breaking down the traditional boundaries of an organisation is hard but a valuable way to bring the changing external context into an organisation. Organisations in our study are often interacting with non-traditional groups like civil society, both through formal processes like materiality and stakeholder forums and also as participants in training programmes. They are engaging through the supply chain and working with customers. They are also seeing the benefit of mixing different levels within organisations together in training sessions. Leaders need to understand the world and their stakeholders better to be able to create products and services that meet changing needs.

Employees must learn how to challenge assumptions and identify new ideas. Opening the eyes of employees to the changing context and global challenges can unlock innovation, challenge beliefs, correct misperceptions and unconscious bias, and shape organisational approaches. In some instances, this involves taking teams to places where they can experience issues like water scarcity, poverty and other impacts of climate change for themselves. However, these types of experiential learning programmes don't have to involve expensive overseas field trips to places like Africa or China. Effective learning interventions can also be delivered in the communities in which businesses operate and through engagement with different types of customers. Importantly, to really harness the value of experiential approaches, there is also a need for clear structures for analysing, reflecting upon and applying learning.

Teams must learn to walk in each other's shoes. The new challenges that businesses need to navigate, and the potential scope for sustainable business innovation requires effective collaboration across different functions within an organisation. This requires leaders to be able to understand each other's priorities and expertise (the box

below outlines the contributions that different functions are making to develop leaders in the most progressive businesses). How can HR, L&D and Sustainability understand and work better together – and support leaders across the business to work better with other functions? At a leading bank, the CEO is sponsoring the placement of front-line investment bankers into audit and risk functions. Despite initial resistance from the bankers, two years in, there is now an alumni group of 40 of the top fee earners who have a deep understanding of the work of the control functions and why what they do is good for business. They are now looking at a reverse placement scheme and ways of taking the best learning and making it available to more people quickly.

Characteristics of leading businesses and the role of different functions and stakeholders

- HR: Achieve alignment with processes, procedures and incentives such as scorecards, objectives, KPIs, recognition; alignment with business values
- L&D: Provide regular and ongoing opportunities to learn through different formats including experiential learning, simulation exercises, classroom learning with academic partners and multiple stakeholders including customers, suppliers and local communities. Training at all levels of the organisation and in diverse groups to encourage cross-fertilisation of ideas
- Board: Lead with the knowledge of current systems, pressures and trends, a sense of urgency, embedding strategy and longer-term targets and ensuring appropriate board-level governance
- Sustainability team: Incubate new programmes, provide secondments, first-hand involvement in training, understand priorities of internal functions and leverage points
- IT: Develop systems that encourage collaboration, experimentation and forward-looking data analysis that drives behaviour change in the organisation and measures impact
- Communications: Create compelling narratives that encourage change and foster a culture of authentic and truth-based communications, not greenwash
- Individual employees: Stand up as courageous change agents at all levels of the organisation
- External stakeholders and learning partners: Provide new perspectives and knowledge, and a willingness to challenge and collaborate

3. Identifying catalysts for change in building long-term business performance

“As someone who was an HR director for 20 years, I agree that HR is not always advanced. HR is the first line of defence and we spend too much time working with data to look backwards. We need to become better at forward-thinking engagement.”

One of the greatest challenges that businesses face with this agenda is the struggle to reconcile short-term business needs with long-term planning and performance. In many cases, businesses have articulated the impacts of global trends (such as climate change, shifts in demographics and availability of resources) in publicly available documents such as the sustainability report. However, often many of these topics are not translated into the leadership development curriculum: the priority is mandatory compliance training, process and procedure, and there is little time for a longer-term needs assessment. Here we examine catalysts that can help create favourable conditions.

“We need to balance how we keep our foot in the current while we also thresh out over the future to ensure that the future does not take us by surprise.”

Often, most of the significant wins for the sustainability agenda in recent years, such as the Paris Agreement on climate change and the UN SDGs are set over several years or even decades and require multiple actors including business, government and civil society to work together.

In many instances, translating the SDGs over multi-decade timeframes into more localised contexts was seen as a powerful way to drive change. However, many interviewees recognised that businesses should guard against tokenism where they reorganise their activities into the terminology of the goals, rather than doing anything significantly differently. As one interviewee said: “The SDGs are creating too much comfort rather than discomfort. Every organisation is cross referencing everything they’ve already decided to do.”

Understanding key audiences: both the young and old can stimulate change

Over the past few years, significant attention has been paid to millennials (those born in the 1980s and 1990s) and commentators have anticipated that this tech-savvy, well-educated and agile group will accelerate sustainable business practices. Studies¹ have identified that these value-driven employees will look for more ethical organisations, that businesses will shift their cultures in order to fight and secure the brightest minds, and there would be significant change in the ways that organisations operate.

Our research finds that while there is evidence that the new generation of employees has a specific set of motivations and aspirations, they are not coming through in large enough numbers to shape culture in individual businesses quickly enough.

Moreover, many respondents noted that millennials were less vocal about the importance of having a positive impact than they have been in the past. More significant was awareness that millennials expect to work differently – less hierarchically, in a more dynamic cross-functional way – and that they also learn differently, which has implications for future learning programmes.

“Young people are inquisitive and like to find things out for themselves through peer learning, not with a bloke in a suit saying this is how we do it.”

Many HR practitioners also noted the changing attitudes of more mature employees, keen to ‘do good’ at the end of their career and leave a legacy.

¹For instance, Global Tolerance concluded that 62% of millennials would like to work for a business with a purpose in 2015 (<https://www.theguardian.com/sustainable-business/2015/may/05/millennials-employment-employers-values-ethics-jobs>)

Understanding key audiences: the role of the Board

“When the 15 most powerful people in the business decide to do it, then you can create change.”

One recurring theme in the interviews was that a clear commitment from the chairman, CEO and the Board would really help embed sustainability in L&D programmes and the business more widely.

Yet, our interviewees – especially those in sustainability – indicated that members of the Board often lacked the knowledge of the new context or the motivation to steer organisations in the new operating environment. In many businesses, the perception is that the senior management team is too experienced to require development themselves. Paradoxically they are the ones often seen as most out of touch, lacking the real front-line contact that enables them to see the implications of social and environmental challenges in the markets in which they operate.

“The mindset is that the Board don’t have to be trained. Having leadership development at Board level is crucial. It would really move the needle. For example, they may go to a developing market for a meeting but they are not experiencing what it is like there when they get the private jet and limo to a 5 star hotel.”

“There’s a general feeling in the business that the owners of the business are overly obsessed with financial performance.”

External pressures can serve to bring into sharp focus where the business needs to change in order to maintain its licence to operate. Savvy sustainability practitioners are using these moments as leverage points to push through initiatives. External crisis or perceived threats may originate through pending legislation, customer demand, competitor advances and/or stakeholder pressure.

“There were difficult questions from investors and customers – disruptions caused by us not understanding where sustainability is going – the message to the business is we need to get better at long term.”

“You need to identify the right moments to push. You can’t achieve big change with a small team without using leverage.”

One example has been the global financial crisis. This crisis forced many organisations to prioritise leadership development efforts in order to protect their brand and comply with new regulations: creating a cycle of ‘Defend–Build–Flourish’, according to one participant.

In the new complex operating environment, organisations will need to proactively anticipate change and be more efficient at managing risk. For individuals, this will require additional personal resilience and the strength of people to overcome these challenges.

“We’re still carrying the cost of legacy issues, particularly in the investment bank world. We’ve worked for multiple years now on corporate risk, conduct and ethics, and behaviours around trust to get away from legacy. Yes, training often comes out of crisis but we’ve gone beyond that now.”

Building long-term business performance requires incentives for sustainable behaviours. Embedding support for clear sustainability outcomes was seen as a significant way to institutionalise better behaviours. Shifting scorecards to promote different decisions was recognised as a useful way to change culture, but in many cases interviewees reported that their current processes rewarded people for past performance (e.g. quarterly sales targets), rather than helping the organisation find new ways of responding to future challenges.

“You need the right systems that incentivise sustainability behaviour.”

“We have to adjust our incentive schemes appropriately otherwise forget sustainability.”

“I’d be happy if every manager is recognised for having a different mindset that includes sustainability and awareness of the impact of the business on the future of mankind.”

Create closer relationships between business functions. If delivering sustainable business is really a ‘people problem’ (as most of our interviewees said), then more needs to be done in order to make sustainability relevant to the HR and L&D functions. In many cases, the people development function sometimes had limited view of today’s business strategy – and was often unaware of impending sustainability risks and opportunities.

“It is very important to make the business case to other parts of the business and ideally let them take over and lead sustainability initiatives.”

Experiential learning

Opening the eyes of employees to the changing context and global challenges can unlock innovation, challenge beliefs, correct misperceptions and unconscious bias, and shape organisational approaches. Businesses are incorporating immersive learning experiences in different ways. In the banking sector, this can take the form of spending time with charities dealing with people going through financial hardship so that employees can understand what that feels like or bringing in ex-offenders convicted of fraud to work on training hackathons.

“We’re looking to build our team’s resilience. We want them to have an emotional connection with people in their communities.”

For a property division, it involved taking the Board to meet and talk with farmers who were growing food for the region. Previously their predominant mindset had been that ‘land equalled development opportunity’.

“Their initial questions included ‘Don’t you think it’s selfish that you are using this land to grow food when you could build houses on it?’ Their conversations that day led to a complete change of attitude and understanding.”

For other businesses, it involves getting cross-functional teams working on simulation exercises to generate new, innovative approaches to problems.

4. Key takeaways for business

Build a strong connection between the sustainability, HR and learning teams.

Work together to build learning programmes that help employees at all levels understand the world and your stakeholders better to be able to create products and services that meet changing needs.

Strengthen collaborative working between functions – breaking down the traditional boundaries of an organisation is hard but a valuable way to bring the changing external context into an organisation.

HR professionals can:

- Use HR policies and processes to ensure that the organisation is forward-looking and aware of the external context, not just focused on past internal performance.
- Establish the right systems that incentivise sustainability behaviours for long-term business performance.

L&D professionals can:

- Expand learning programmes to include leading practices like experiential learning, simulations, placements or immersions for all levels within the business, including the Board.
- Ensure that programme content helps open employees' eyes to the changing global context, which can in turn unlock innovation, challenge beliefs, correct misperceptions and shape organisational approaches.

Sustainability professionals can:

- Anticipate future pressures and trends that necessitate action in the business, such as resource issues, pending legislation, customer demand and/or stakeholder pressure.
- Make sustainability relevant to the HR and L&D functions – make it tangible and specific.
- Support L&D to make learning programmes that provide employees with the practical insight into specific actions they can take to yield sustainability benefits.
- Focus the sustainability team on the people challenge, not on external measures of performance.



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