



Embedding sustainability

Andy James and Ross Nicholson, co-founders of the executive search firm Six Degree People with expertise in sustainable business, discuss why identifying the right talent mix capable of embedding sustainable business practices is critical to becoming a sustainable business of the future

There are significant opportunities ahead in identifying the right talent mix capable of embedding sustainable business practices. Sustainability is no longer simply an environmental or corporate responsibility issue. It now impacts every aspect of your organisation – economic, social and cultural. We have carried out a study, *The 5 Stages to a Sustainable Business*, combining 12 years of experience profiling and interviewing over 1,000 corporate sustainability leaders, globally. We've combined this with specific research from business leaders, experts in organisational change and talent development, as well as leading NGOs and business schools to test our hypothesis on how an organisation can become a fully sustainable business.

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We have identified why re-engineering future leaders programmes could form a critical part of the transition towards becoming a sustainable business of the future. Our experience has shown there are five broad, often subconscious, stages a business goes through on the way to embedding sustainable business thinking at the heart of all decision-making:

- Stage 1: environmental focus;
- Stage 2: corporate responsibility and/or issue focus;
- Stage 3: embedding sustainability across key functional areas;
- Stage 4: sustainability at the core of business strategy;
- Stage 5: re-engineering leadership development programmes.

Stages 1–4 focus on leadership and the broader question of whether the experience and profile set of the head of sustainability changes as the aspirations of the organisation move from Stage 1 to Stage 4. What we term a Stage 5 business goes beyond leadership where sustainable business is part of the culture. We want to focus on our hypothesis that an organisation’s future leader programme (FLP) should be at the core of a transition to a Stage 5 business.

There are several reasons that an FLP is the right vehicle to embed sustainable business practices throughout organisations at an operational and strategic level:

- future leaders are of a generation that wants and expects change;
- future leader programmes are connected across all the business – the cross-fertilisation effect; and
- your leaders of the future will develop linking sustainability concepts to business success.

Traditionally a FLP running over a seven- to 10-year period will give

exposure to three or more core functions, a mixture of strategic and operation roles and for global companies generally time in both emerging and mature markets.

We ask the question, is it not logical to re-engineer the programme to include roles majoring on profit-focused sustainability initiatives as a pre-requisite to career progression?

Developing sustainability with top talent

There are three current approaches to developing a sustainability skills set in your top talent:

- an external sustainability leadership training or MBA with sustainable business modules;
- secondments to relevant think tanks and NGOs; and
- active participation in their organisation’s corporate responsibility initiatives.

We think all have a place in exposing your top talent to the potential opportunities and threats to your business of sustainability issues; however, unless linked to a broader implementation strategy, they can be counterproductive.

Our research shows that individuals inspired by what they learn or experience outside, can quickly become frustrated when the right structures or roles don’t exist within their organisations to put what they’ve learned into practice and make a lasting change to the business.

Expectations need to be managed. This is a long-term journey, and core business practices often can’t just change overnight. However, frustration can turn to disillusionment. There is also the danger of your talent pursuing alternative opportunities as other global businesses transform towards the low carbon/new sustainable economy.

Andrew Armes, ex-vice president talent management and HR strategy at Invensys and founder of Why World Wide, comments: “Something happens to an individual’s level of psychological and emotional awareness when they become conscious of the personal, societal and commercial benefits of behaving with sustainability in mind... Before, they may have accepted these broken promises. Now they find the self assurance to head for the door.”

We believe the right future leader programme provides that implementation structure.

Debbie Whitaker, current group head of sustainability for WSP Group who has uniquely held both heads of HR and sustainability roles within a FTSE 100 business, comments: “The best leaders ‘get’ sustainability. They have a mindset which takes an outward-looking view of factors affecting the long-term success of their business, be they environmental, social, political and so on. But this skill is usually honed by having the right development opportunities where they manage how these factors play out.”

One organisation that has created a link between sustainable business adaptation and promotion is InterfaceFLOR. Ramon Arratia, head of sustainability, stated: “We identified that a key to business growth is that its leaders are proficient in sustainability. Graduation from their ‘Ambassador’ sustainability programme is a pre-requisite for promotion to senior leadership across the business. Part of the programme is to identify and implement a sustainable business initiative, we developed the programme in conjunction with ‘Forum for the Future.’”

There are several examples of profit-focused sustainability roles. Developing new more sustainable product or service lines, which the market wants and can

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attract a premium, is an obvious example. Philips increased sales of Green Products by one-third to €5.3bn in 2007. It also plans to increase its Philips’ EcoVision4 programme, which aims to double sales from Green Products by 2012.

But an HR strategy role connecting sustainability performance with attracting and retaining the very best people in the market is another good example of a profit-focused sustainability role.

Despite evidence that many organisations are already looking at these issues and how sustainability impacts across all functions of the business, we believe they are missing an opportunity by not integrating these initiatives through FLPs. It is crucial these businesses ensure all future heads of IT, procurement and sales, for example, have an in-depth understanding of the link between sustainability and increased business performance.

What about your current leadership team?

Focusing on re-engineering FLPs does not mean ignoring current leadership in the short term. Our network of sustainability leaders tell us that the struggle to engage with senior business leadership is one of the biggest challenges they face.

From the five stages to a sustainable business we have identified, at the point where an organisation has Stage 4 aspirations they should look to appoint an individual with a track record of success across multiple functions. For your heads of supply, procurement or sales to understand the link between sustainability and better business performance the message must be in a language they understand – ideally from a leader they see as a peer. They also

need exposure to sustainability initiatives that impact directly upon their KPIs.

There is a possibility that a proportion of your current leadership will not be receptive to the initiatives. They may feel there is potential conflict between the mid- to long-term nature of sustainability objectives against the more short-term business reporting.

Those organisations which combine the appointment of a leader from Stage 4 in order to engage with the existing business leadership, while re-engineering their FLPs will gain maximum commercial advantage in the short-, medium- and long-term.

Moving towards Stage 5

From a talent perspective appointing a profile for sustainability leader also sends a message that understanding the link between sustainability and profit is a route to the board, and expands career opportunities rather than it being seen as a ‘risky’ career move.

Richard Gillies, head of Plan A with Marks & Spencer, comments: “In my appointment as director of Plan A, a clear internal message was sent to the entire organisation that sustainability is central to how we do business and to our future leaders that a senior role within sustainability is a genuine career path to board level.”

Becoming a Stage 5 business is a challenging journey which might take seven to 10 years. Those organisations that appoint the right profile leader, one who can engage existing leadership while developing your talent to see and understand sustainability and business success are intertwined, will have the opportunity to prosper. ■

The 5 Stages to a Sustainable Business is an ongoing study. To take part in the current study and be included in future updates visit:
<http://talent.sixdegreepeople.com>

