Sustainability Talent Management: The New Business Imperative

Five Sustainability Leadership Competencies for Your Competency Model

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Compiled by Coro Strandberg

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About the Author

Coro Strandberg is the principal of Strandberg Consulting, which provides strategy advice to companies that seek to integrate social and environmental considerations into their business purpose, governance, operations and value chains in ways that create business value and lasting societal benefit.

Her current thought leadership focuses on the Qualities of a Transformational Company, engaging industry associations on sustainability, embedding sustainability into board governance, management and competencies and business social value creation. Coro is an Associate with Canadian Business for Social Responsibility and is a recipient of the "Canada's Clean 16" award for her sustainability impacts as a CSR consultant. Her publications can be found here: www.corostrandberg.com

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Feedback welcome

These competencies will be updated occasionally to reflect new insights. Please contact the author at coro@corostrandberg.com to provide feedback and to share your experience in using and adapting the competencies.

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Introduction

Fueled by globalization, technological change, population growth and changing demographics, sustainability mega-forces will affect the ability of business to succeed and thrive over the coming 30 years. With the global population expected to increase from seven to nine billion people by 2030, companies will reinvent themselves to secure their access to resources and the social license to operate and grow. Collectively, humanity is already consuming 1.5 times the resources that can be renewed in a year. Just as concerning, income inequality continues to grow, threatening future social cohesion. Businesses that anticipate, plan for and help alleviate these trends will not only build their competitive advantage, but will help build a viable society for all.

However, for business to prosper in this new global context, current and future leaders will need a host of new skills and competencies. Leading companies will retool their talent management systems to reflect the new competency imperatives and position their firms for future success. They will define the mission-critical skillsets and mindsets leaders need to create and protect value for the firm and society in the future, and embed these in their organizational competency models.

Understanding Competency Models

Competency models are a key strategic organizational tool to identify, develop and deploy top talent to drive high performance and realize business results. They define the performance and behavioural expectations – the skills and knowledge – which contribute to business success. Leading companies use competency profiles to inform their talent management strategies, including:

- Recruitment and selection
- Onboarding
- Training and development
- Career development planning
- Job descriptions
- Performance reviews
- Compensation
- Succession planning.

Organizational competency frameworks are essential tools for the selection and recruitment of upcoming leaders or high potentials. Specifying the key skills and knowledge relevant to organizational success helps leaders understand the requirements to achieve improved performance levels. By communicating consistent, observable and measurable performance ideals and standards, competencies provide a roadmap for career advancement. They also reveal opportunities for development interventions to enhance individual and team competency levels. Finally, and importantly, as organizations increasingly reward managers not just for their results, but how they achieve their results, sustainability competencies will shed light on the desirable attributes that merit incentive compensation.

Well-managed companies upgrade their competency profiles as a result of mergers, a change in business model or a new strategic direction. Equally, the changing business environment necessitates a competency model update. In the past, organizations operated within a fairly predictable, stable system while today's organization functions within large and complex interdependent networks, requiring it to be more external and forward-looking. To foster effective decision-making in the new business reality, traditional leadership skills such as analysis, relationship-building and change leadership need to be enhanced. Business leaders will need proficiency in managing complex systemic change and organizational transformation and more advanced cognitive, relational and emotional capacities.

Addressing the Competency Gap

Many executives believe there is a sustainability skills and knowledge performance gap in their organizations, as revealed by the Ashridge Business School in a 2008 global study conducted with 194 business leaders. More than three quarters believe developing sustainability skills and knowledge in their organization is important, while fewer than 10 percent believe their organization is doing this effectively. They also think business schools and professional membership bodies should be delivering sustainability education and training, but few are doing this very effectively[1]. Addressing this starts with identifying the sustainability competencies that will be required by leaders.

This research builds upon a companion study of the CSR criteria boards should use in CEO recruitment and succession planning, available here. This study compiles the key competencies identified in the sustainability and management literature deemed critical to drive high sustainability and thus organizational performance. More than 30 articles, research papers and books published over the past 10 years by HR and corporate sustainability consultancies, sustainability business networks, management experts, academic institutions and others were reviewed. From this, the top recommended competencies deemed essential for business leaders to steer their organizations through the dynamic sustainability terrain of the coming decades were identified. (See the Appendix for the list of publications.) The initial findings were shared with experts in the various competencies for validation and refinement.

*For the purposes of this report, **sustainability** is used interchangeably with corporate social responsibility, corporate citizenship, and triple bottom line management and includes social and environmental considerations in business.*

[1] http://www.unprme.org/resource-docs/developingthegloballeaderoftomorrowreport.pdf page 7.

Sustainability Talent Management

- What sustainability qualities should you consider when recruiting leaders and building leadership teams?
- How should you develop sustainability talent in your organization?
- How equipped are your leaders for the future?
- Are you stretching and grooming your leaders effectively?

The literature review reveals there are five sustainability competencies - three skills and two knowledge areas - which firms should add to their existing leadership competency models to position the firm for future success. These include:

- **Systems thinking**
- **External collaboration**
- **Social innovation**
- **Sustainability literacy**
- **Active values**

This report defines these competencies and provides a set of illustrative behaviours that demonstrate proficiency at either the foundational or the advanced level. Each competency extends and enhances existing leadership competencies. As such, they are designed to complement current organizational development processes, rather than replace them.

The research revealed more competencies than organizations can practically use (about 10 per competency level). Rather than distill them into a more modest set, they are included in their entirety to enable organizations to identify the competencies most relevant to their context. When building their leader competency models, organizations can prioritize and combine relevant qualities to integrate into existing competencies.

Business Case for Sustainability Competencies

While the sustainability mega-forces are emergent and their full effects are not likely to be felt for 10 or more years, forward-thinking companies would be wise to consider including these five competencies in their leadership profiles. The business benefits of doing so include:

- Anticipating and managing risks
- Increased innovation and opportunity identification
- Early access to new markets with sustainable products and services
- Enhanced problem solving and more effective decision-making
- Greater ability to respond to changing economic conditions
- Employee attraction, retention and engagement.

Companies that reskill their leadership ranks to succeed in the future economy will find early solutions and realize a competitive advantage – while improving the social context for their employee and customer families and communities.

The Sustainability Talent Imperative

Business leaders face conditions of unprecedented complexity and rapid changes in the marketplace. The intensity of many economic, social and environmental challenges has overwhelmed society's capacity to respond effectively. There is increasing pressure for corporations to address societal issues. Few business leaders and their teams are equipped to do so. The majority of CEOs expect business complexity to increase, yet many doubt their ability to manage it. The challenge of steering most companies in these turbulent times is beyond most leaders' experience and capacity. Executive mindset failure, a lack of sufficient emotional intelligence to respond to relational demands and the rapidly recreating playing field are among the reasons executives fail. To steward and scale 'conscious capitalism' and create the future we want, we need more conscious leaders who are able to cultivate high-impact innovation, build high-trust relationships across stakeholders and consciously act with deep courage.

Adapted from "The Future of Leadership for Conscious Capitalism®", p. 2.

Five Sustainability Leadership Competencies

1. Systems Thinking

What is it? It is the ability to see and understand interconnections and interdependence between actors (stakeholders, relationships, etc.), domains (social, economic, environmental), across time (past, present to future) and scales (local to global) to reframe challenges and opportunities for business and societal progress.

Why does it matter?

Systemic mega-trends will affect the viability of business and society and generate large-scale issues requiring holistic, not reductionist, solutions. Immediate challenges are often deeply embedded in systems and can only be addressed at the root through changing foundational interactions, rules or resource flows. A systems-thinking perspective helps leaders understand issues more comprehensively to identify leverage points to foster change. Multiple perspectives increase insights and options to improve organizational adaptability and agility. They are the only way to fully understand complex problems and may allow win-win solutions to surface even when dealing with entrenched conflict and competition. Systems thinking enhances leaders' ability to observe and detect behavioural details in the activities of customers, suppliers, competitors and others to foster and improve innovation. It improves capacity to account and plan for possible rebound effects – where gains are made in one area while there is fall back in other areas.

What competencies does it build upon?
Problem-Solving, Analytical Thinking and Strategic Planning

FOUNDATIONAL: **Applies systems thinking to problems and decisions**	**ADVANCED:** **Applies systems thinking in collaborations to advance organizational and systemic change**
• Sees the big picture, takes a long-term view and understands the broad context when addressing a problem or issue • Takes a holistic approach to analysis that focuses on the way a system's constituent parts interrelate and how systems work over time and within the context of larger systems • Demonstrates "whole system awareness" which is the capacity to switch between different perspectives, scales and worldviews to see the big picture, interconnections and interdependencies within the system at all levels, including being able to scale down to small details • Frames problems in terms of longer term trends and root causes rather than immediate concerns	• Collectively analyzes complex systems across different domains (society, environment, economy, etc.), industry sectors, value chains, and product life-cycles, and across different scales (local to global), thereby considering direct and indirect impacts, trade-offs, cascading effects, inertia, feedback loops, time delays and unintended consequences of individual, organizational and collective actions to design sustainable products and resilient and adaptive organizations • Recognizes how changes to parts of the system affect the whole and uses an understanding of how elements of a system relate and processes within a whole interact to frame risks and opportunities, identify

• Constructs systems maps that locate a challenge, organization or policy in relation to other actors, trends, institutions etc. that have created the current situation • Perceives the larger system and web of relationships – organizations, supply chains, industries, cities, regions and eco-systems – of which the organization is a part, rather than focusing on the detail of any particular piece • Understands the interconnectedness and role of each actor in society (government, business, civil society) and how they interact with each other • Understands the interactions between issues at a local, regional, ecosystem, national or global level, and develops solutions in relation to the scale and nature of the challenge • Pays attention to interrelationships, patterns and dynamics to look for interconnections and root causes, and define and solve problems • Takes an all-encompassing view of a problem or challenge and avoids fragmentation of subjects and over-simplification of issues as simply right/wrong or true/false • Sees connections between large, disparate bodies of knowledge • Identifies long term trends that will either create or shut down opportunities to create change in a particular domain or around a particular issue • Combines and translates knowledge from two different domains	possible leverage actions, optimize them for a desired outcome, create solutions and promote the health of systems • Creates beneficial change in financial markets, consumer behaviour, organizational change, public policy, technology and other large systems • Applies multi-disciplinary and tri-sector (government, business, civil society) perspectives to system change • Uses system-thinking tools such as causal loop diagrams, stock and flow diagrams and simulation models in collaborative innovation initiatives • Has significant multi-disciplinary experience, including proficiency in two or more areas such as engineering and marketing, anthropology and industrial design, architecture and psychology • Demonstrates awareness of complex system behaviors such as emergence, causation, inertia and tipping points and the way they combine to produce unexpected, non-linear and sudden change • Has expertise in principles of systems management such as resilience and managing for emergence

2. External Collaboration

What is it?
It is the ability to influence and lead change beyond business boundaries and across disciplines and fields. Collaboration can be between businesses, businesses and governments, businesses and NGOs and multi-actor partnerships among all three. Collaboration builds external influence and pursues industry and stakeholder leadership and relationships to create value for the organization and

society. It enables organizations to jointly develop solutions and work together for the health of the whole system.

Why does it matter?
Today's organizational and societal challenges are too big and complex to be addressed by individuals or organizations working alone. The network of interdependencies creates mutual reliance in which collaboration is necessary for progress. An organization's significant sustainability impacts are often found up or downstream of their operations, requiring collaborative effort with suppliers or customers to realize solutions. A collaboration ethic can generate loyalty and build social capital to enable strong relationships and foster organizational resilience. Companies need to reach out to others to shape the social context in which they operate and explore new market opportunities. Working across sectors and up and down value chains is becoming a business necessity as sustainability outcomes can only be achieved through collective effort tackling systemic blockages across whole markets. It enables a company to unlock creativity and innovation and to access diverse knowledge, skills, and networks, share risk and pool investment.

What competencies does it build upon?
Internal Collaboration, Relationship Building and Conflict Resolution

FOUNDATIONAL: **Stakeholder issue identification and consultation**	**ADVANCED:** **Multi-stakeholder co-created solutions**
• Understands the key stakeholders that impact and are impacted by the organization (positively and negatively, directly or indirectly) and understands their interests, concerns and expectations; is able to describe success from the perspectives of diverse stakeholders • Engages stakeholders through consultation and dialogue to identify issues, resolve trade-offs, balance competing demands and improve products and services • Gains different perspectives and insights from networking and partnering with diverse individuals and organizations; takes a strategic approach to networking; understands value of networks for learning, knowledge dissemination and cultural change • Possesses skills in external collaborative working methods • Cross-fertilizes ideas and fosters alternatives and hybrids by working across business disciplines and sectors (e.g. designers and product developers from one company cross-	• Builds multi-party, action-oriented, mutually beneficial collaborations with diverse sectors, industries, suppliers, customers, generations, disciplines, functions, cultures, communities and organizations, including unconventional stakeholders and competitors • Harnesses networks to accomplish societal and systems-change goals • Fosters trust, mutuality and shared understanding to build a collective vision, generate a common purpose and foster collective creativity to improve business and social outcomes • Understands and harnesses diverse business models and cultures from tri-sector experience in business, government and civil society • Navigates across different institutional and social boundaries and all sectors of society (including academia, big and small social organizations, amorphous networks, educational institutions, etc.), engaging with actors throughout systems, including those in power and those in more marginal or

fertilize with sustainability, sales and marketing experts from another) • Understands the roles of different organizations, to determine who has decision-making authority and to establish governance and accountability measures • Understands issues at the intersection of business and society • Develops partnering and collaboration strategies	vulnerable positions in society, and seeking input and fostering engagement in addressing systemic challenges • Understands how to address competitive boundaries and competition-related legal issues • Understands and is sensitive to power and privilege (i.e. have reflected on social inequity, one's own history and social position/rank - personally, professionally, organizationally, sectorally) and identifies and describes key examples of how individuals and social groups experience inequality; ability to design and implement a process or intervention that ameliorates the significance of power and privilege • Works productively and drives engagement as a leader of a virtual team; harnesses online engagement and collaboration tools

3. Social Innovation

What is it?
It is the ability to generate and enable business model, organization and system level innovation to advance business and social value. It shifts the collective focus from reactive problem-solving to co-creating the future with stakeholders.

Why does it matter?
How organizations react to the sustainability mega-forces will affect their ability to succeed and thrive in the future. All sectors, value chains, business models and functions will need to be re-engineered to enable simultaneous business and societal progress. Skills in innovation generation and implementation are needed to realize organizational and large-scale change. The ability to turn complexity into an opportunity will become a future competitive advantage.

What competencies does it build upon?
Change Leadership, Creativity and Innovation

FOUNDATIONAL: **Incremental insights and solutions**	**ADVANCED:** **Organization and system change**
• Identifies and implements opportunities to improve and redesign products, services and processes to create incremental business and social value • Questions the status quo, assumptions, group norms and received wisdom; thinks outside the box; treats organizational	• Builds and realizes aspirational visions that foster long-term organizational and system change • Leads the development of and communicates a compelling future that generates social and business value; leads organization-wide initiatives to envision and develop solutions to systemic issues and challenges; designs

constraints and perceptions as discussable and transformable • Encourages a questioning mindset and invites employees to challenge assumptions based on past experiences; supports, rewards and integrates diverse and unconventional points of view • Explores constraints in creative ways; redefines challenges to capitalize on connections across them; reframes problems as opportunities; understands how different problems relate to one another, how they come about and how different forces contribute to the status quo • Is comfortable with ambiguity, uncertainty and not knowing; able to work with paradox, contradiction and dualities; can hold multiple perspectives; ability to maintain dynamic tensions before premature synthesis and consensus to identify different options for moving forward; can see around corners and act despite uncertainty • Connects seemingly unrelated questions, problems or ideas from different fields to cultivate new insights • Experiments and learns from failure • Learns from creative achievements outside the industry and regularly discusses examples from other industries in team meetings; stays abreast of sustainability trends that are transforming other sectors and considers how to apply them • Gives open access to stakeholders • Challenges the business model to get the most from untapped opportunities • Makes decisions when enough is known and resists the urge to know it all; modifies actions based on what is learned • Integrates and analyzes timely information to gain insight, make quick decisions, and enable dynamic course correction • Confidently uses online and virtual tools and resources to source and implement ideas from third parties • Uses a wide range of communication approaches, technologies and tools to inform and engage	and manages breakthrough strategies and plans amidst unforeseen challenges and influences • Shifts the collective focus from reacting to problems to co-creating and building positive visions for the future • Practices and encourages experimentation and innovation throughout the organization and strategically uses rapid prototyping techniques to foster learning and build organizational momentum • Embraces uncertainty as a catalyst to new ideas and business models; uses adaptive management to dynamically steer complex change initiatives, changing the design or strategy as the context shifts • Embraces creative destruction as an opportunity, seeing wisdom in deliberate cultivation of instability in order to foster evolutionary change; takes balanced and calculated risks to disrupt legacy business models • Encourages social entrepreneurship in the organization and enables large scale innovation; energizes and enlarges the community of innovators; inspires collective experimentation • Creates interdisciplinary teams and collaborative processes to cultivate empathy through conversation, observation or experiences; employs human values and people-centric approaches (such as human-centred design methodologies) to improve or create new products and services • Surfaces, sustains and manages the dynamic tensions of the organization and stakeholder system and confronts difficult truths about the present reality; manages the creative tension between vision and reality to inspire new approaches and develop new strategies; develops transition strategies that identify undesirable states and dynamics and envisions desirable outcomes; harnesses tensions as a source of innovation and creativity • Exploits opportunities present in other parts of the system to create change around an

	issue by operating across scales or organizational/domain boundaries

4. Sustainability Literacy

What is it?
It is the knowledge of how sustainability impacts the organization and how the organization impacts sustainability. It involves an awareness of how to improve the organization's sustainability performance and how the organization and business model can be adapted to generate positive business and societal benefits.

Why does it matter?
Sustainability forces will affect commercial and societal success over the medium to long term. Foresighted businesses will leverage the sustainability trends to design new business models, build their social license to operate and grow and positively influence societal outcomes. Applied sustainability knowledge can enhance value protection and creation - and foster competitive advantage for the firm.

What competencies does it build upon?
Business Acumen and Financial Leadership

FOUNDATIONAL: **Sustainability strategy and functional knowledge**	**ADVANCED:** **Social purpose and embedment knowledge**
• Awareness of emerging environmental and social trends and the risks and opportunities they will have on the organization, customers, suppliers and sector; knowledge of the organization's direct and indirect social and environmental impact; awareness of how stakeholders and their peers are responding to sustainability mega-forces • Knowledge of sustainable development and fundamental socio-ecological concepts and principles • Understands the changing role of business in society • Can align social and environmental objectives with financial goals andarticulate the business benefits for pursuing social and environmental objectives • Knows how to improve the organization's social and environmental performance and how to develop a sustainability strategy with	• Awareness of how the company creates, enhances or destroys natural, social, relationship and human capital and its relevance to business and social success; knowledge of the company's dependence on and impact of ecosystems and social systems and the role it can play to improve both • Knowledge of environmental and social cost accounting and the financial costs and benefits of internalized sustainability impacts; can use stress testing and scenario analysis to prioritize sustainable investments • Knowledge of how the organization can become a sustainability catalyst and pursue social value creation through its core business, functions and relationships; understands how to accelerate and scale social innovation in business and society as a transformational company

a long term vision, medium term goals, and short term plans and tactics • Understands how sustainability applies to their role, function, and day-to-day decisions; ability to factor sustainability knowledge into strategic and operational decision-making • Uses scenario planning, horizon scanning, forecasting, back-casting, and materiality analysis tools	• Awareness of how to develop social purpose, resilient, regenerative, restorative business models, processes and products • Knows how to redesign and restructure the organization to achieve the long-term strategy • Knows how to embed a sustainability culture in the organization • Role models, teaches, coaches and mentors others on applied sustainability in the organization

5. Active values

What is it?
This describes self and whole-system knowledge and awareness. It encompasses the ability to develop and pursue higher purpose within self, teams and business; to practice mindfulness; and to foster and enable personal and organizational transformation.

Why does it matter?
High emotional intelligence fosters resiliency, commitment, trust and reciprocity with co-workers and external stakeholders, all of which are essential to enable business, social and transformational change. It improves teamwork, collaboration, innovation and creativity. Mindfulness and contemplative practices help overcome the limitations of existing mental models and enhance focus and commitment during challenging, ambiguous and rapidly changing situations. An empathic and compassionate mindset can generate product and service innovation aligned with core human values that are relevant to customers' genuine needs and interests. Alignment of deep personal passion with the society's and the planet's greatest needs can create opportunity and prosperity.

What competencies does it build upon?
Diversity, Integrity and Self-Management

FOUNDATION: **Personal awareness and values alignment**	**ADVANCED:** **Personal transformation and higher purpose**
• Leads cultural, generational and gender diverse teams and to harness diversity of thought and perspective for insights • Complements rational thought with intuition, aspirations, fears, values, memories (reference) and a heart-based approach • Understands own emotions and needs and those of others (emotional intelligence) and to see their own place in and influence on a situation (reflexiveness); can recognize and	• Is fully aware and present in the moment and through that observe their thoughts and how they are relating, feeling, sensing, and judging through intentional observations of various dimensions of their self (including the physical, mental, shadow, emotional and spiritual realms); ability to actively experience and observe a thought (especially the negative and limiting ones), assumption, judgment, habitual pattern, emotion or sensation like fear, confusion, conflict or

overcome unconscious assumptions, blind spots, limitations and personal resistance to change; ability to understand how their mental models and emotional assumptions influence their perception; regularly self-reflects in a structured way • Knows what key values are important in one's life and acts authentically upon them • Transcends self-interest and focus on the collective or greater good • Aligns deep concern for social-ecological integrity to business roles and decisions and to be guided by a commitment to authenticity, truth and transparency in decisions, strategies and plans • Is open to ideas that seem foreign and even threatening; ability to act without all the answers and to move beyond the comfortable approach of figuring out the answer and then implementing it; ability to let go and let the unexpected (and often very innovative) emerge amid urgency and time pressures; openness to learning from others • Is guided by humility and a sense of gratitude and compassion • Is a positive values role model within and outside the organization and demonstrate adherence to a set of values in good and bad times • Is a values mentor, developing values-based leaders and advocating for responsible business leadership internally and externally • Demonstrate humbleness – can say, "I do not know" and ask for help • Involved in organizations and events advancing ecological and social sustainability	desire, and then refrain from immediately reacting or responding to the situation • Demonstrates unconditional acceptance and kindness toward all the dimensions of themselves and others, regardless of circumstance; ability to reflect upon themselves and others without judgment • Creates higher purpose for themselves and aligns their authentic nature with actions within and outside business and if what they are doing doesn't align with purpose, they adjust and redesign it until it does; has a legacy mindset to harness business to improve prospects for present and future generations; ability to use their energy and drive to generate benefits for the greater good • Determines the deeper meaning or significance of what is being expressed by connecting with people at the deepest level; ability to foster reflective and generative conversations through creation of carefully structured processes of analysis and reflection; creates opportunities for people and teams to question, explore and make meaning of the values and assumptions that inform the decision-making process • Creates and helps catalyze higher purpose for others and to draw upon this for inspiration and insight; ability to support teams to tap into intuition and cultivate collective intelligence • Pursues work for a cause greater than themselves; perceives work and business as an integrated way to help transform society • Engages in transformational change initiatives that build upon a deep connection with themselves, the people they work with, the planet and the broader world; has a mindset which sees the world, other people and all situations as part of a whole in which everything is connected; ability to make choices and pursue actions based upon the belief that everything is inter-connected – beyond self-awareness to transcendent awareness

	• Proficiency in mindfulness practices or their equivalent which create heightened alertness and focus, calm the mind and allow access to a peaceful, relaxed but highly awake and intelligent state of being • Seeks personal transformation; pursues developmental experiences which challenge their world views; enhances ability to cultivate their own awareness and expand their thinking through contemplative and physical practices such as meditation, yoga, journaling, nature walks, coaching, playing a musical instrument, art, tai chi, retreats, peer mentoring and communities of practice

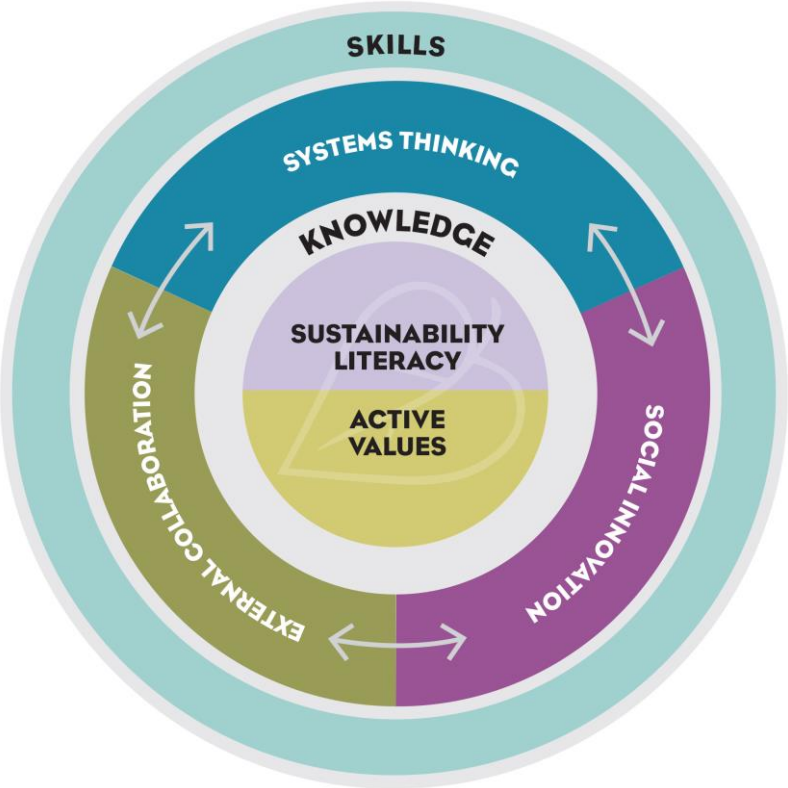
Practiced together, these competencies will build strong leaders, teams, organizations and societies and position the business for success over the medium to long-term. Organizations that recruit, select, develop, incentivize and deploy talent with these characteristics will not only reap business benefits, but will create healthy workplaces, resolve personal/commercial tensions and realize more harmonious communities and societies within the ecological carrying capacity of the planet.

Interdependent Competencies

The five competencies identified through this research are highly interlinked. One set of behaviours reinforces another set, creating a virtuous circle whereby one competency enables and enhances the others in a mutually beneficial fashion. The combination shows the essential nature of the five capacities and their interdependence:

Systems thinking -> reveals more instrumental relationships -> opportunities for strategic collaboration -> social innovation which is enhanced by -> systems thinking and seeing a system from different viewpoints -> sustainability knowledge helps prioritize strategic investments and embed sustainability -> values-based self and system awareness -> fosters open mindedness and enhances ability to collaborate -> social innovation, etc.

SUSTAINABILITY COMPETENCIES



Creativity and innovation are realized through sense-making, which is the ability to connect things to create new ideas. To foster social innovation it is essential to collaborate with external partners and to see a system differently. It is important to be aware of, and overcome, existing mental models based upon an earlier time and experience. Sustainability knowledge helps inform the strategic focus and catalyze organizational change.

This interdependence suggests that leader competency models should reflect all five attributes to ensure a balanced and effective result.

Progress toward Embedding CSR

As organizations move along the CSR path, they continuously embed CSR further into their human resource systems, corporate purpose and business models. The chart below shows a typical maturity path organizations pursue. It is a tool executives, managers and boards can use to inventory their progress on this path.

CSR EMBEDMENT PATH

Basic Focus	Compliance & Transaction Focus	Strategy Focus	Knowledge & Competency Focus	Business Model Focus
Define sustainability for the organization	Embed in management system	Embed in KPIs, corporate strategy, business and performance plans, bonusable goals	Embed in conventional, functional, core training	Embed as core purpose
Ensure business case is understood	Embed in policies, procedures, employee code of conduct, basic communications		Embed in competency model, leadership development and employee life cycle	Embed in corporate mission and vision
Adopt a sustainability policy and vision				

What's Next?

These competencies do not necessarily define what makes people and firms successful today. They anticipate the competencies which will be critical for success tomorrow, given the sustainability mega-forces, future challenges and expectations which will affect the ability of firms to succeed and thrive over the next 10 to 20 years. They recognize that what made leaders successful in the past may not equip them to be effective in the future. These five competencies are deemed the top talent investments companies should make to foster commercial and societal success in the decades to come.

> CFO asks CEO: "What happens if we invest in developing our people and then they leave us?"
> CEO: 'What happens if we don't, and they stay?"
> *Unknown source*

Boards, executives, sustainability managers and HR professionals are encouraged to adapt them to their competency models and use them to select, develop, deploy, reward, recognize and promote leaders. By using these five sustainability competencies to define and drive high performance, companies will be able to build a leadership foundation to chart a successful route to the future.

Professional associations, management education and business schools should consider how they are preparing future leaders for these effective leadership roles. HR, talent and learning and development professionals can identify gaps in their current approach to leadership development and build these leadership qualities and skills to enable future sustainable and commercial success. Organizations can

use these competencies to enhance the talent pipeline and develop the next generation of leaders and the organizational capacities to steer corporations toward a sustainable future for all.

Appendix

The following resources informed the development of the five sustainability leadership competencies.

Building the New Leader: Leadership Challenges of the Future Revealed, Hay Group, 2014
http://www.haygroup.com/downloads/MicroSites/L2030/Hay_Group_Leadership_2030%20whitepaper_2014.pdf

Are You Ready? Here Are The Top 10 Skills For The Future, Reuven Gorsht, SAP, 2014
http://www.forbes.com/sites/sap/2014/05/12/are-you-ready-here-are-the-top-10-skills-for-the-future/

The Dawn of System Leadership, Stanford Social Innovation Review, Peter Senge, Hal Hamilton, John Kania, 2015
http://www.ssireview.org/articles/entry/the_dawn_of_system_leadership

Leadership Character and Corporate Governance, Jeffrey Gandz, Mary Crossan, Gerard Seijts and Mark Reno, Ivey Business School at Western University, 2013
http://iveybusinessjournal.com/topics/leadership/leadership-character-and-corporate-governance#.VJx6b14AAA

Defining a Profession: Core Competencies for Sustainability, The College of Estate Management, 2013
http://www.cem.ac.uk/about-us/our-research/reports-publications/defining-a-profession-core-competencies-for-sustainability.aspx

Recruiting CSR Competent Leaders: Six Criteria for CEO Succession Planning and Recruitment, Strandberg Consulting, 2015
http://corostrandberg.com/publications/corporate-social-responsibility/recruiting-csr-competent-leaders

MSU Global Sustainability Competencies, Michigan State University, ND
http://sustainabilityspecialization.msu.edu/competencies.pdf

Systems Thinking, Center for Ecoliteracy, accessed January 15, 2015
http://www.ecoliteracy.org/essays/systems-thinking

Developing the Global Leader of Tomorrow, Ashridge, ND
http://www.unprme.org/resource-docs/developingthegloballeaderoftomorrowreport.pdf

Sustainability Leader Competencies: A Grounded Theory Study, Pamela G. Schwalb, 2011
http://digitalcommons.unl.edu/cgi/viewcontent.cgi?article=1030&context=aglecdiss

Habits of a Systems Thinker, Waters Foundation, accessed January 15, 2015
http://watersfoundation.org/wp-content/uploads/2012/09/habits-onepage.pdf#page=1&view=FitH

Transforming Sustainability Education at UBC: Desired Student Attributes and Pathways for Implementation, 2013
http://sustain.ubc.ca/sites/sustain.ubc.ca/files/Sustainability%20Attributes%20March%202013.pdf

Key competencies in sustainability: A Reference Framework for Academic Program Development, Arnim Wiek, Lauren Withycombe, Charles L. Redman, 2010
http://link.springer.com/article/10.1007%2Fs11625-011-0132-6#page-1

Leadership Competencies for Corporate Citizenship, Boston College, 2010
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