

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

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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 a sessional faculty member of the University of Alberta's executive education program and The Director's College and is an Associate with Canadian Business for Social Responsibility. She is a 2015 recipient of the "Clean16" award for her sustainability impacts as a CSR consultant. Her publications can be found at: 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 share your experience in using and adapting the competencies.

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Introduction

Fueled by globalization, technological change, population growth and shifting demographics, sustainability mega-forces will affect the ability of business to succeed and thrive over the next 30 years. With the global population expected to increase from seven to nine billion people by 2050, companies will need to 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, the income inequality gap continues to widen, further threatening social cohesion. Businesses that anticipate, plan for and help alleviate these trends will not only build their competitive advantage, they will contribute to building a viable society for all.

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 to position their firms for future success. They will define the mission-critical skillsets and mindsets leaders need to create and protect future value for the company and society, and embed these in their organizational competency models.

Understanding Competency Models

Competency models are a key strategic 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 management
- Compensation
- Succession planning.

Organizational competency models 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 what is needed in order to improve performance levels. By communicating consistent, observable and measurable performance standards, competency models provide a roadmap for career advancement. They also reveal opportunities for development interventions to enhance individual and team competency levels. Moreover, as organizations increasingly reward managers not just for their results, but for how they achieve these results, sustainability competencies 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. In contrast, today's organizations function within large and complex interdependent networks, requiring them to operate more externally and adopt a more forward-looking approach. In order to foster effective decision-making in this new business reality, traditional leadership skills such as analysis, relationship-building and change leadership need to be taken to a new level. Business leaders will need greater proficiency in managing complex systemic change and organizational transformation. They will also need more advanced cognitive, relational and emotional capacities.

Addressing the Competency Gap

Many leading 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 survey 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 well. They also believe that business schools and professional membership bodies should be delivering sustainability education and training, but few are doing this effectively¹. Addressing this starts with identifying the sustainability competencies that will be required of future leaders.

While much has been written about this competency gap, there is a lack of guidance on how to address it through organizational competency models. The current study compiles the key competencies identified in the sustainability and management literature deemed critical to drive high sustainability and thus organizational performance and organizes it into a competency model framework.

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 which are regarded as 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. (The research conducted for this report builds upon a companion study conducted by the author of the corporate social responsibility (CSR) criteria boards should use in CEO recruitment and succession planning, available [here](#).)

¹ <http://www.unprme.org/resource-docs/developingthegloballeaderoftomorrowreport.pdf> page 7.

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.

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 challenging and supporting your leaders effectively?

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

1. **Systems thinking**
2. **External collaboration**
3. **Social innovation**
4. **Sustainability literacy**
5. **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 conducted for this study revealed more competencies than organizations can practically use (about 10 each at the foundational and advanced levels). Rather than distill them into a more modest set, they are included in their entirety in order to enable organizations to identify which competencies are most relevant to them. When building their leader competency models, organizations can prioritize and combine relevant qualities and integrate them 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:

- Better ability to anticipate and manage 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
- Improved 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 alongside 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 fully 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 such a turbulent context is beyond the experience and capacity of most leaders. 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 better able to cultivate high-impact innovation, build trusting relationships across stakeholders and act consciously and courageously.

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.) and domains (social, economic, environmental), across time (past, present to future) and scales (local to global) to reframe and address 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 more comprehensively understand the issues they face, which in turn helps them 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 the ability of leaders to observe and detect behavioural details in the activities of customers, suppliers, competitors and others to foster and improve innovation. This thinking improves capacity to plan for possible rebound effects – where gains are made in one area with fall back in others.

What competencies does it build upon?

Problem-Solving, Analytical Thinking and Strategic Planning



FOUNDATIONAL:

Applies systems thinking to problems and decisions

- 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 – can move from fact-based management to pattern-based management as necessary
- Demonstrates “whole system awareness” which is the capacity to switch between different perspectives, scales and worldviews to see the big picture and 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
- 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 business solutions in relation to the scale and nature of the challenge
- Pays attention to interrelationships, patterns and dynamics in order to look for interconnections, root causes and multiple causalities and to define and solve problems
- Takes an all-encompassing, 'bird's eye' 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

ADVANCED:

Applies systems thinking in collaborations in order to advance organizational and systemic change

- Works in internal and external collaborations to analyze complex systems across industry sectors, value chains, product life-cycles and geographic scales (local to global) to understand 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 and systems
- 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 possible leverage points or 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
- Demonstrates awareness of complex system behaviours 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
- Applies multi-disciplinary and tri-sector (government, business, civil society) perspectives to system change
- Has significant multi-disciplinary experience, including proficiency in two or more areas such as engineering and marketing, anthropology and industrial design, architecture and psychology
- Uses system-thinking tools such as causal loop diagrams, stock and flow diagrams and simulation models in collaborative innovation initiatives

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 (non-governmental organizations) and multi-actor partnerships among all three. 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. Networks of interdependency create 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, customers, business partners, competitors and others to realize solutions. Working collaboratively can generate loyalty and build social capital to enable strong relationships and foster organizational resilience. In order to explore new market opportunities and shape the socio-economic context in which they operate, organizations need to reach out to others. Working across sectors and up and down value chains is becoming a business necessity as sustainability outcomes can only be achieved through collective effort that tackles systemic blockages across entire markets and jurisdictions. It enables a company to unlock creativity and innovation and access diverse knowledge, skills, and networks, while sharing risk and pool investment.

What competencies does it build upon?

Internal Collaboration, Relationship Building and Conflict Resolution

<p>FOUNDATIONAL: Stakeholder issue identification and consultation</p>
<ul style="list-style-type: none"> • Understands the business case for effective external collaboration – including opportunity costs (of collaborating vs. not collaborating) • Understands the key stakeholders that impact and are impacted by the organization (positively and negatively, directly or indirectly) and understands their primary 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 • 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-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, accountability and communication measures • Understands issues at the intersection of business and society • Develops partnering and collaboration strategies • Understands how to build collaborative activities that promote equity and lateral thinking in the decision-making process where each actor contributes equally, with a similar level of engagement (i.e. lateral instead of hierarchical) • Possesses skills in digital, social media and in-person communication and collaboration tools and methods
<p>ADVANCED: Multi-stakeholder co-created solutions</p>
<ul style="list-style-type: none"> • 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 vulnerable positions in society, to address systemic challenges
- Understands and is sensitive to power and privilege (i.e. has reflected on social inequity, their own history and social position/rank – personally, professionally, organizationally, sectorally) and identifies and describes key examples of how individuals and social groups experience inequality; designs and implements processes or interventions that ameliorates the significance of power and privilege
- Understands how to address competitive boundaries and competition-related legal issues
- Leads virtual, cross-organizational teams

3. Social Innovation

What is it?

It is the ability to generate and enable business model, organization and system level innovation to advance both 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 sustainability mega-forces will affect their ability to succeed and thrive. 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 opportunity will give organizations a future competitive advantage.

What competencies does it build upon?

Change Leadership, Creativity and Innovation



FOUNDATIONAL: Incremental insights and solutions

- 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 and treats organizational 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 and redefines challenges to capitalize on connections across them; reframes problems as opportunities

- Is comfortable with ambiguity and uncertainty; works with paradox, contradiction and dualities; can hold multiple perspectives, see around corners and act despite uncertainty; maintains dynamic tensions before premature synthesis and consensus to identify different options for moving forward
- 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
- Provides stakeholders with open access
- Makes decisions when enough is known and resists the urge to know it all; modifies actions based on what is learned
- Confidently uses online and virtual tools and resources to source and implement ideas from third parties

ADVANCED:
Organization and system change

- 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 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
- 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 for 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 environmental, economic and social 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**

- Familiar with foundational concepts of sustainability; knowledge of sustainable development and fundamental socio-ecological concepts and principles
- Aware of emerging environmental and social trends (including small trends and weak signals) and the risks and opportunities they create for the organization and its customers, suppliers, sector and overall business operating context over the medium to long term
- Knowledge of the organization's direct and indirect social and environmental impacts
- Aware of how stakeholders and their peers are responding to sustainability mega-forces and can identify and prioritize relevant stakeholder interests or concerns
- Understands the changing role of business in society
- Aligns social and environmental objectives with financial goals and articulates the business benefits for pursuing social and environmental objectives
- Designs and implements strategies linked to the organization's core business strategy that improve the organization's social and environmental performance, with long term visions, medium term goals, and short term plans and tactics
- Applies sustainability to their role, function, and day-to-day decisions and factors sustainability knowledge into strategic, financial and operational decision-making
- Implements sustainability principles into organizational functions, policies and practices
- Uses scenario planning, back-casting and hot spot and materiality analysis tools

ADVANCED: **Social purpose and embedment knowledge**

- Aware of how the company creates, enhances or destroys natural, social, relationship and human capital and its relevance to business and societal success

- Knowledge of the company's dependence on, and impact of, ecosystems and social systems and the role it can play to improve both
- Applies environmental and social cost accounting
- Uses stress testing and scenario analysis to prioritize 'sustainable' investments
- Designs strategies for the organization to become a sustainability catalyst and pursue social value creation through its core business, functions and relationships
- Implements strategies to accelerate and scale social innovation in business and society
- Develops social purpose, resilient, regenerative, restorative business models, processes and products
- Establishes support and governance structures for oversight and accountability of sustainability commitments and strategies
- Embeds a sustainability culture in their teams, departments and organizations
- 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 between co-workers and external stakeholders, all of whom are essential to enable business, societal and transformational change. Equally, active values are needed to build adaptive capabilities and resilient organizations, improve teamwork and collaboration and to surface, accept and adopt innovation. Mindfulness and contemplative practices help transform 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 values with business, society and the planet's needs can reduce stress, improve productivity and create opportunity and prosperity.

What competencies does it build upon?

Diversity, Integrity and Self-Management



FOUNDATION:

Personal awareness and values alignment

- Regularly self-reflects in a structured way; recognizes and overcomes unconscious assumptions, blind spots, limitations and personal resistance to change
- Actively experiences and observes a thought or a feeling (especially those that are negative and limiting), assumption, judgment, habit, emotion or sensation such as fear, confusion, conflict or desire, and then refrains from immediately reacting or responding to the situation
- Complements rational thought with intuition, aspirations, fears, values, memories and an emotion-based approach
- Understands own emotions and needs and those of others (emotional intelligence) and can see their own place in, and influence on, a situation (reflexiveness)

- Demonstrate humbleness – can say, “I do not know” and ask for help; is guided by humility and a sense of gratitude and compassion
- Open to learning from others and can let the unexpected (and often very innovative) emerge amid urgency and time pressures; open to ideas that seem foreign and even threatening
- Is a positive values role model within and outside the organization and demonstrate adherence to a set of values in good and bad times; advocates for responsible business leadership internally and externally
- Aligns deep concern for social-ecological integrity to business roles and decisions and is guided by a commitment to authenticity, truth and transparency in decisions, strategies and plans
- Transcends self-interest and focuses on the collective or greater good
- Involved in organizations and events advancing ecological and social sustainability

ADVANCED:

Personal transformation and higher purpose

- Is fully aware and present in the moment and therefore observes their thoughts and feelings and how they are relating, sensing, and judging through intentional observations of various dimensions of their self (including the physical, mental, shadow, emotional and spiritual realms)
- Demonstrates unconditional acceptance and kindness toward all the dimensions of themselves and others, regardless of circumstance; reflects upon others without judgment
- Possesses a mindset which sees the world, other people and all situations as part of a whole in which everything is connected and makes choices and pursues actions based upon the belief that everything is inter-connected – moving beyond self-awareness to transcendent awareness
- Seeks personal transformation and pursues developmental experiences which challenge their world views
- Engages in transformational change initiatives that build upon a deep connection with themselves, the people they work with, the planet and the wider world
- Pursues work for a cause greater than themselves and perceives work and business as an integrated way to help transform society; demonstrates a legacy mindset to harness business to improve prospects for present and future generations
- Creates a higher purpose for themselves and aligns their authentic nature with actions inside and outside business and, if what they are doing does not align with purpose, adjust and redesign it until it does
- Supports teams to tap into their intuition and cultivate collective intelligence; creates and helps catalyze higher purpose for others, drawing upon this for inspiration and insight
- Fosters reflective and generative conversations through the 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
- Cultivates their own awareness and expands 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

Corporate and Employee Benefits from Meditation Investments

“More than one-quarter of Aetna’s (large US health insurance company) workforce of 50,000 has participated in at least one yoga and meditation class, and those who have report, on average, a 28 percent reduction in their stress levels, a 20 percent improvement in sleep quality and a 19 percent

reduction in pain. They also become more effective on the job, gaining an average of 62 minutes per week of productivity each, which Aetna estimates is worth \$3,000 per employee per year. Demand for the programs continues to rise; every class is overbooked.

Aetna is at the vanguard of a movement that is quietly spreading through the business world. Companies like Google offer emotional intelligence courses for employees. General Mills has a meditation room in every building on its corporate campus. And even buttoned-up Wall Street firms like Goldman Sachs and BlackRock are teaching meditation on the job.”

[New York Times article, 2015](#)

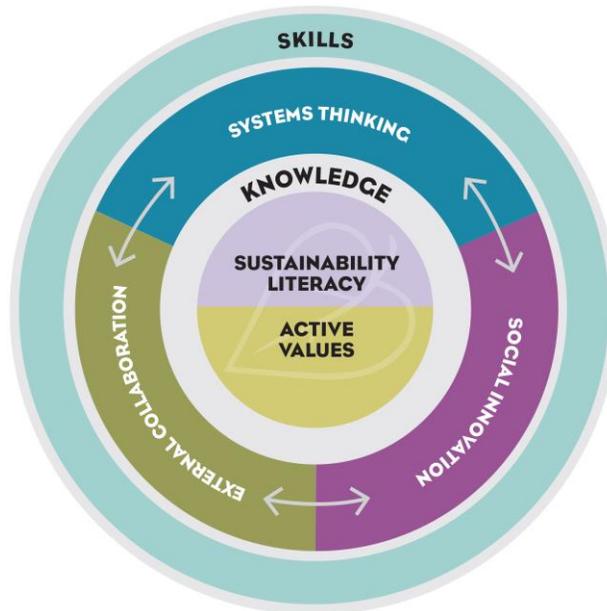
Practiced together, these five competencies will build strong leaders, teams, organizations and societies and position the business for success over the medium to long-term. Organizations that recruit, select, develop, incentivize and deploy talent with these characteristics will not only reap business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

Interdependent Competencies

The five competencies identified through this research are highly interwoven. One set of behaviours reinforces another set, creating a virtuous circle whereby one competency enables and enhances the others in a mutually beneficial way. This combination demonstrates the essential nature of these five capacities and their interdependence as illustrated below and in the following diagram:

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 – 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. As well, 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 Sustainability

As organizations progress with sustainability and CSR, they continuously embed sustainability 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](#) that executives, managers and boards can use to inventory their progress.

SUSTAINABILITY 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 talent investments companies should make to foster commercial and social success 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 both 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

While change starts at the top and requires vision, everyone has a role to play: boards, executives, sustainability managers and HR professionals are encouraged to incorporate them into 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 their role in equipping future leaders with these competencies. HR, talent and learning and development professionals can identify gaps in their current approach to leadership development and build these leadership qualities 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.

9 Personal Capacities for Authentic Leaders, 2012

<http://emergentbydesign.com/2012/01/29/9-personal-capacities-of-authentic-leaders/>

A Leaders Framework for Decision-Making, David J. Snowden and Mary E. Boone, Harvard Business Review

<https://hbr.org/2007/11/a-leaders-framework-for-decision-making>

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/>

At Aetna, a C.E.O.'s Management by Mantra, The New York Times

http://www.nytimes.com/2015/03/01/business/at-aetna-a-ceos-management-by-mantra.html?_r=1

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

Capitalizing on Complexity, IBM, 2010

<http://www-935.ibm.com/services/us/ceo/ceostudy2010/>

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>

Developing Socially Responsible Behaviour in Managers: Experimental Evidence of the Effectiveness of Different Approaches to Management Education, Susan C. Schneider, Maurizio Zollo and Ramesh Manocha, 2010

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