Strategic Direction

Emerald Article: Sustainable leadership: Leading business, industry and local government towards a sustainable future

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Sustainable leadership

Leading business, industry and local government towards a sustainable future

Introduction

Good leadership is the key to success in almost any human enterprise requiring cooperation and team working in order to realize a common goal. This is true whether the discussion is about business, industry, government or education. As we enter the second decade of the twenty-first century the challenges have become more acute in all of these fields. The global financial crisis, failure of industries which once seemed immutable, the growth of new political alliances and challenges to established educational systems all herald a world in which the only constant is change. What type of leadership is needed to meet these challenges and turn them into opportunities rather than disasters?

What is leadership?

A traditional interpretation of leadership is that the role of the leader is to ''be in control'' and maximize the financial returns of the organization. In banking, this led to a reckless mind-set where profitability was given a god-like status: unquestionable and unquestioned, worshipped as if money was the answer to all petitions. In this frenzied atmosphere anyone daring to question whether profitability was actually the answer risked being excommunicated from the elect. While the banking sector was at the heart of this monetary cult, other industries adopted similar high-risk strategies to maximize profits. Long ago a wise sage warned that the love of money was the root of all evil. The current global economic crisis seems to bear this out.

A model of sustainable leadership

However, donning sackcloth and ashes is not the answer to modern-day financial and managerial crises. Instead, the solution lies in new interpretations of leadership that embrace sustainability and provide a model for development that puts people before profitability. Social welfare, ecological impact, negotiation and inclusiveness are all buzz words of the new leadership. Nevertheless, changing the language of leadership is not sufficient; the words used must reflect a change of heart. Casserly and Crtichley (2010), writing in the journal *People Management* suggest that sustainable leadership must function at four distinct levels. The first of these is a personal level. The sustainable leader needs to maintain personal physical and psychological health in order to be able to lead effectively. The days of leaders racing through high-adrenaline lifestyles where workplace needs were always given priority are over. By creating and sustaining a healthy balance in their personal and professional life, a leader has a greater capacity to evaluate problems with clarity of mind and to value the contribution of colleagues in resolving these. This process is sustained by reflexivity, or the self-awareness required for altering direction, derived from reflection both in action and on action. While this is nothing new, having been described originally by

Schön (1987), understanding and utilizing reflection to achieve the reflexivity which supports intelligent decision making has become a crucial requirement of successful leadership.

The second level of sustainable leadership is the organizational level. The organization must support and nourish sustainability. This means identifying the organization's higher purpose and shaping values and actions to realize that purpose. In practical terms this includes valuing employees, recognizing their unique contribution, enabling them to have a role in identifying and shaping the goals of the organization and encouraging them to realize their own potential while doing so.

The third level of sustainable leadership described by Casserly and Critchley is the sociological level. At this level organizations recognize their impact upon the wider community and take steps to make this a positive association. This could include business internships for local students, charitable giving to help fund community projects, or provision of expertise to assist projects at community schools. While these are just a few examples, the key to sociological sustainability is for an organization to work in such a way that they become part of the community, sharing the values which lie at the heart of the community. Again, these are not new ideas. The annual factory trip to the seaside for employees and their families, local apprenticeships, contribution to building local schools, churches and civic projects, would all be recognized by our grandparents as part of the responsibility of successful industries. These old values need to be rediscovered and reinvented for the current age.

Finally, ecological sustainability completes the levels of sustainable leadership. Ecological leadership involves developing an awareness of how an industry or organization interacts, not just with the community, but with the world. Reducing the carbon footprint of an organization by ensuring buildings are well insulated and windows double or triple-glazed; considering how supplies are delivered and orders shipped to reduce carbon emissions; reducing or eliminating industrial pollution to levels well below legally required standards; changing heating and cooling methods to eco-friendly ones such as those using solar energy, wind-power or waste-wood furnaces, are all methods by which organizations can demonstrate ecologically sustainable leadership.

Inadequacies of the competency model of leadership

While recognizing that leadership needs to change to a sustainable model is an important first step, it can be a difficult one to take. Leaders trained in a culture in which power and control have always been the accepted tools of management and where profit was perceived as the highest goal may find it incredibly challenging to move to a culture where self-awareness, emotional intelligence and even ecological intelligence are now seen as hallmarks of the good leader. According to Passmore (2010) writing in *The Conference Board Review* one of the problems is that executives do not really understand leadership or understand how to develop a leadership strategy that will enable their organization to grow and change with the changing world. Passmore suggests that many organizations use a competency model to identify leadership needs. However, the problem with such a model is that it bases competencies on what worked in the past rather than identifying requirements for the future. A good example is the recent Deepwater Horizon spill in the Gulf of Mexico.

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The CEO at the time, Tony Howard, admitted that BP had not done any forward planning for a disaster of this magnitude. BP had developed leadership competencies around what had happened in the past, rather than looking forward to what might be required in the future. The disaster and the subsequent ducking and diving done by BP points to a failure of leadership at all levels, albeit most obviously at the ecological level.

Developing leadership for today and tomorrow

Clearly a major change in the way leadership is perceived, developed and sustained is required to move the mind-set of leaders from past successes to the recognition that future challenges may be completely different than what they have dealt with previously. Understanding that the needs of leadership are complex and that good leadership requires high-level thinking is nothing new. As early as the 1930s GM Chairman Alfred P. Sloan helped to develop MIT's Sloan Fellows program to educate executive leaders for the future. Today a business school education is often a prerequisite for a managerial or leadership position in many organizations. However, unless such educational programs adapt their philosophies to meet the needs of tomorrow's leaders, students may be graduating with few tools to help them become the leaders needed by the organizations for which they will work.

Part of the responsibility lies with industry, business, and government. Organizations within these sectors must identify and disseminate the changes they wish to make in their leadership structures. These form no less than a cultural transformation in many organizations and include insuring congruence between organizational strategy and actual output (does an organization actually do what it says it does?); implementing a people-centered strategy for identifying, recruiting, training and retaining leaders; and designing an organizational strategy which provides employees with opportunities to develop the skills needed by future leaders. However, a revolution in organizational culture is at the heart of these changes. Leaders with new sets of skills or those working from paradigms which conflict with that of the organization into which they have been recruited will either leave or become socialized into extant models of behavior. For new leadership models to take root, the organization must cultivate the seeds of change and this almost always involves developing new philosophies, new organizational goals and new ways of working. All of this may be difficult for existing managers and leaders and some who cannot or do not want to change may be lost to the organization.

Sustainable leadership for local government

An interesting study about the leadership role of the mayor in both the UK and The Netherlands (Verheul and Schaap, 2010) highlights that elected (UK) and appointed (NL) city officials also face many similar challenges concerning the role of leadership and how this role can be implemented to make a positive impact upon civic life. The authors identified the inherent conflict between the public desire for strong civic leadership and the requirement to make such leadership both accountable and inclusive, in other words, more sustainable.

Conclusion

Effective leadership remains one of the most important factors in helping industrial, educational and civic organizations meet the challenges of the twenty-first century. Looking forward and not back and ensuring sustainability seem to be the key lessons that can ensure leaders who will be able to meet the needs of their organizations now and in the foreseeable future.

Comment

This review is based on recent articles by Casserly and Crtichley (2010), Passmore (2010) and Verheul and Schaap (2010). The first two papers explored the challenges inherent in leading twenty-first century organizations in the post credit-crisis global economy. Casserly and Critchley proposed a new model of leadership based on sustainable values while Passmore suggested training strategies to achieve such change. The article by Verheul and Schaap, while interesting, did not really offer guidance to industry or business organizations seeking new philosophies of leadership. Instead, this paper provided a comparison between the UK model of elected mayor and the NL model of centrally appointed mayor. The link to the first two articles lies in the suggestion that towns and cities also require a model of sustainable leadership.

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