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Theme: Leadership and Governance

Responsible Business Leadership in an Uncertain and Changing Context^

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The preoccupations of many of India's business leaders and the requirements for organisational leadership in challenging and uncertain times are changing (Coulson-Thomas, 2018a & c). Responding responsibly to inter-related challenges and related opportunities in the contemporary business and market context in India and other countries raises a number of issues which directors, boards and CEOs are finding difficult to address with their current governance and organisational arrangements and practices. This paper will examine some of these issues and the questions they raise. It will also explore why they are proving so intractable and the implications for setting strategic direction and assessing firm performance.

The paper will draw upon presentations, speeches and discussions at annual international conferences concerned with Corporate Social Responsibility (CSR), leadership, environment management and climate change, corporate governance and sustainability, and corporate ethics and risk management organised by India's Institute of Directors (IOD) and highlight certain questions posed by the author for consideration at these events. While the focus is upon CSR, it will also consider how discussions of what is responsible may need to reflect concerns about the implications of corporate activities and conduct upon the environment and for addressing climate change.

Flows of polluted air and water cross national boundaries and the consequences of global warming, reduced biodiversity and many degraded eco-systems do not recognise them. An understanding of interconnectedness, the history of our planet and the many thousands of years for which the consequences of current activities such as the burning of fossil fuels may last, suggest hundreds of thousands of future generations may pay a price for our inaction (Crane, 2018). Lord Stern (2015) has asked: Why are we waiting? Are our priorities, board practices and governance arrangements, and the departmental structures of organisations acting as barriers to the rapid adoption of the multidisciplinary actions needed to address the challenges we face and seize related opportunities?

Corporate Social Responsibility in India

CSR in India has evolved through a series of stages from philanthropy and the charitable bodies established by leading business families such as the Birlas, Modis and Tatas to the social roles of public bodies, the more widespread acceptance of social responsibility by commercial enterprises and the provisions of Section 135 of the Companies Act 2013 (Mishra et al, 2018). Michael Porter and Mark Kramer (2006) have suggested that corporate growth and social welfare are not a zero sum game and that with appropriate analysis and careful evaluation CSR can lead to the creation of shared value and opportunity, innovation and competitive advantage. Are companies doing enough to ensure such an outcome, or just the minimum to satisfy the requirements of the 2013 Act?

By way of revising earlier guidance in 2011, the Ministry of Corporate Affairs (MCA) set out nine wide-ranging principles covering the social, environmental and economic responsibilities of businesses that relate to the areas covered by IOD international events. They include reference to all stakeholders, inclusive growth and equitable development and sustainability throughout the life cycle of an offering (MCA, 2011). In relation to the United Nations (2015) Sustainable Development Goals (SDGs) are companies adopting integrated approaches that together satisfy the principles set out by the MCA? Are they undertaking self-contained projects in particular areas, or adopting a broader set of responsibilities and coordinating complementary initiatives?

Following the introduction of the 2013 Act, the IOD acknowledged that despite evidence of a positive impact, integrated and strategic approaches and the use of CSR as a business strategy were not common (Agnihotri, 2014). The Institute's global and national Golden Peacock Awards for Corporate Social Responsibility are designed to encourage and recognise achievement. An examination of case studies of award winners suggest that while some companies have a wider range of initiatives than others, those recognised have formal policies, formulate strategies, operate processes for measuring and auditing impact, encourage employee involvement, monitor and report social projects and where appropriate operate with and/or through partner organisations (IOD, 2019). Award winners are encouraged to share their experiences at relevant IOD conferences.

Questioning Directors and Boards

A reputation for responsible conduct and fair dealing can help to build the trust that is necessary for markets to effectively operate and for companies to succeed. Trust and leadership are important in business and for building relationships with stakeholders, especially in an uncertain and cynical age (Blois, 1999; Greenwood and Van Buren, 2010; Coulson-Thomas, 2017a and 2018d). Directors should question, challenge and exercise independent judgement from the perspective of what is in the best long-term interests of the companies upon whose boards they serve (Coulson-Thomas, 2007 & 2018e). They should also take the interests of stakeholders into account when making decisions, as their continuing support or lack of it will largely determine their companies' futures.

Directors should be open-minded and should not take anything for granted, or lazily go with the flow, or hope for the best. If there is something that they do not understand, they should seek clarification. If there is an issue that concerns them, they should probe. When individual directors do question they often find that they are not alone. Acronyms are frequently taken for granted. Board members may be reluctant to ask what they mean for fear of appearing ignorant or being regarded a time waster. Consider corporate social responsibility and its acronym CSR. Is it a matter for the board, or should it be delegated while directors focus on more important issues?

Is CSR going under the radar and not discussed more in boardrooms because qualifying Indian companies feel obliged to do it, and a responsible executive provides assurances that Companies Act requirements are complied with? Can CSR influence the extent to which a company is socially responsible and/or has an ethical corporate identity (Balmer et al, 2007)? Looking at the words corporate, social and responsibility, there are many questions that a director could ask. Responses obtained might be very revealing of the attitudes, perspectives and priorities of colleagues around the boardroom table and how they see their roles, accountabilities and responsibilities.

Unpicking Perceptions of CSR

So what are the social responsibilities of those who are in business (Bowen, 1953; Mishra et al, 2018)? Consider the first word of the acronym CSR, namely "corporate". Is the term taken to only cover those activities undertaken by a company itself and their impacts, or does a board's CSR perspective embrace its supply chain and any value chains of which it is a part? In our inter-connected world, does it embrace a company's network of relationships? Do suppliers and in turn their suppliers observe the same standards of social responsibility in relation to their activities and conduct? An incident or behaviour in some seemingly remote part of a supply or value chain, or a corporate network, might have the potential to do great harm to a corporate reputation.

For most, the second word of the acronym CSR is “social”. How is it interpreted or understood? Do directors and responsible executives distinguish between social, economic and other responsibilities and impacts? Social responsibility should be related to social impact (Coulson-Thomas, 2016). If a link is made between social and society, does a societal perspective extend to local communities, a headquarters location, where certain stakeholders reside, or a company's perceived “nationality”? In the case of environmental impacts, does it embrace the planet? Views sometimes differ as to what activities should be considered “social”. For others CSR embraces “sustainability”, whether in terms of allowing corporate activities to continue, or living within the limits of natural capital (van Marrewijk, 2003). Either way, criteria and guidelines should be current.

The third word of the acronym CSR, namely “responsibility” raises the questions of responsibility to whom and for what? Are boardroom colleagues ranking different responsibilities, and/or being consistent across all of them? Do they discuss what might be considered responsible in terms of legal and regulatory requirements, or in terms of capacity and potential to benefit? What about responsibilities to future generations? Is a distinction drawn between responsibility and accountability? How each is perceived can have behavioural consequences.

Image and Corporate Reputation

CSR can also play a role within a framework for enhancing corporate identity, image and reputation, and these can be damaged when corporate conduct is considered to be irresponsible, wasteful, harmful to the environment and/or unsustainable (Marwick and Fill, 1997; Gray and Balmer, 1998; Stern, 2019). However, care needs to be taken to ensure that CSR and other corporate initiatives are not perceived as cosmetic, a distraction, deceit or window dressing, as activities thought to be undertaken just for such purposes might be counter-productive. They may adversely affect a reputation, harm relationships and alienate concerned stakeholders.

Globally, business and other human activities continue to pollute the environment and concentrations of C02 and other long-lived greenhouse gases continue to increase (UNEP, 2019). While many business leaders focus on continuing along an unsustainable “business as usual” path of growth and development, discontent with elites is growing (Stern, 2019). Young people in various countries around the world who are worried about the consequences that will bite in their lifetimes have been called “the climate generation” or “generation change” for “rising up to save its future” and protest at the lack of commitment to transformative change (Maynard, 2019).

Future corporate reputation might depend upon ensuring that short-term pressures do not compromise longer-term interests. Similar considerations may apply to corporate and sector practices for achieving objectives. For example, within the fashion industry should clothes be modelled by people whose body shape encourages others to slim to the point of anorexia, or damages the self-confidence of those who are a more normal size? Are such practices socially irresponsible? If so, how does one build a more socially sensitive board and managerial team?

In many companies, do board members have an agreed or aligned view of what represents responsible corporate citizenship? Do they view the companies for which they are responsible as corporate citizens in the context of society? If they benefit from society, to what extent should they give something back in the form of a social return or dividend? What needs to be done to build trust and a closer relationship between business and society? How might CSR considerations be better utilised to also build competitive advantage, especially in areas such as brand reputation and with certain stakeholder groups such as millennials? Which aspects or elements can best be leveraged?

Boundaries and Influencing Factors

Board members need to consider whether their being responsible and behaving responsibly is an example of self-deception (Trivers, 2011). Do they distinguish degrees of the extent to which activities or decisions could be regarded as responsible, or do they question and discuss whether they are responsible or not? Other than in respect of a legal or regulatory requirement, does it make sense to apply different criteria to CSR initiatives and other corporate activities? Shouldn't all corporate conduct be responsible? In relation to this question, could some business leaders learn from their equivalents in the voluntary sector (De Hoogh and Den Hartog, 2008)?

How should a board react to the impact of collective activity such as that of a particular sector? Are there areas in which CSR needs to be collaborative, as might be the case with actions to address the challenge of climate change or global warming? Does CSR activity always need to be selfless from the perspective of corporate personality? Excluding particular activities that benefit other parties and external groups from CSR because these activities also benefit a company may rule out certain win-win initiatives and mutually beneficial and shared outcomes.

Directors sometimes need acute antennae. For example, is corporate conduct affected and are a board's decisions influenced by the fact that other companies secure competitive advantage from engaging in behaviour that in other circumstances might not be considered responsible? Are certain areas not being discussed in order to avoid a spotlight being shone upon them and to keep any mention of them out of board minutes? Some directors incur the ire of colleagues by alerting them to matters they would prefer to ignore, and doing so in a way that ensures concerns are recorded. In some cases, not following up might lead to legal liabilities. In jurisdictions in which legislation imposes stringent duties and responsibilities upon company directors, and ignorance is not a defence, the sooner an item is brought into the open and appropriate action can be taken the better.

Embedding CSR into Business Strategy

One route to ensuring that actual or potentially critical but uncertain issues are not ignored is to ensure that "social" and "responsibility" considerations are addressed when strategy is formulated and important decisions are taken. They can also be integrated into marketing considerations (Maignan and Ferrell, 2004). Stakeholders, including customers, can be members of a wider society and responsible conduct, whether initial actions or responses, can be important in building relationships with them and increasing trust.

Irresponsible conduct, not treating people responsibly and avoiding responsibility can all undermine and destroy trust. In some cases it can be quickly lost. Whether or not organisational fairness will have an impact upon behaviour may depend upon personal values (Fischer and Smith, 2006). Boards might need to consider how embedding deep rooted, philosophical and ethical values that people relate to within an organisation can be beneficial, for example in terms of the behaviour of employees or how it is perceived (McNutt, 2010). Directors should consider whether aspirations, objectives and strategies for their achievement are responsible in the context of social responsibility criteria.

Are directors listening, engaging stakeholders and building stronger connections (Coulson-Thomas, 2014 and 2018c)? Are key stakeholders involved in CSR discussions and taken into account when responsible business strategies are formulated? How can a company ensure that its business development strategy leads to responsible growth? Where a CSR committee exists, including in response to a legislative requirement, in addition to policy, planning and control in relation to CSR, in what ways might it contribute to the determination of a wider and responsible business strategy?

Redefining Corporate Purpose

If business strategy derives from and/or reflects business purpose, should social and environmental responsibility be embedded into the articulated and agreed purpose of an enterprise? The view that business should have a social purpose is not new (Bowen, 1953; Mishra et al, 2018). Charles Handy (2002) posed the question of what a business is for. In recent years, speakers and other participants at IOD events have questioned whether the purpose of contemporary enterprises should be broadened to embrace the changing priorities of particular stakeholder groups, for example environmental, social and governance (ESG) investors, and the aspirations and concerns of a wider range of stakeholders. The purpose of an enterprise can also be a determinant of the extent to which work is considered meaningful (Bailey and Madden, 2016; Murray, 2019).

Are many directors unaware of wider public concerns? If they share them, what is holding them back (Stern, 2015)? Are they overly cautious, uncertain of how to address a combination of inter-related issues, or afraid of the downside risks of taking the initiative, while discounting the possible benefits of being a first mover? Are boards overlooking the human, social and environmental consequences of current approaches to growth and development (Raworth, 2017)?

In relation to climate change, the consequences of a perceived lack of business and Governmental commitment to transformative change have ranged from protests by young people around the world to a more general distrust of elites (Maynard, 2019; Stern, 2019). A recommendation from the 29th World Congress on Leadership for Business Excellence and Innovation is that some boards may need to redefine corporate purpose, excellence, quality, performance, productivity and success in terms of reducing environmental and resource footprints and addressing climate change (Coulson-Thomas, 2019a). Values, policies and practices may then need to be re-aligned.

Corporate Governance Considerations

To what extent is responsible behaviour related to the moral principles or core values of leadership and a leadership team (Andersen, 2017)? Are senior executives more or less ethical than many of those for whom they are responsible? Because individuals in senior leadership roles can come and go, the challenge for many directors is to ensure the resilience of certain values and responsible behaviours throughout a corporate organisation, including during periods of uncertainty and leadership change and when those at the top are not necessarily directly involved in an activity or decision.

Directors with aspirations for a company to become a more responsible business could review how CSR considerations might be better built into governance arrangements, processes and practices. Are they reflected in a company's mission, corporate objectives, statements of corporate values and the tone from the top, including the board's own practices and conduct? To what extent do directors consider inclusiveness issues or the extent to which the value created by a company is widely shared? Are there best practices that can be shared? Are guidelines for decision making required?

What about recruitment, remuneration and other practices? Do factors such as social sensitivity feature in selection criteria and the briefs of those searching for potential new directors? Should there be more oversight of corporate communications to ensure that they are socially responsible? Should more people benefit from flexible working arrangements that might better suit those with caring responsibilities? Could a company's mission or purpose be turned into a cause? Should its vision or its goals be more socially responsible? Are CSR initiatives aligned with them?

Environmental Governance Considerations

The scale of environmental damage from emissions that pollute drinking water to the plastic found in the world’s oceans, and the accelerating destruction of eco-systems, is alarming to many stakeholders. As already alluded to, younger people seem particularly concerned with business conduct, with one survey of millennials believing that impacts upon society and the environment should be a top priority (Verschoor, 2018). Millennials also prefer to work for companies they perceive as more socially responsible (McGlone, 2011). Perceived inaction may alienate this group upon whom the future of businesses will increasingly depend. Directors should be alert to stakeholder concerns. Their interests should be taken into account when board decisions are made.

Are new governance arrangements required in situations in which green growth solutions have to be quickly developed and scaled up, incremental change will not be sufficient and transformational leadership is needed? Where a mix of policies and actions are required that cross functional and organizational boundaries, who needs to be involved and how can their formulation and implementation be governed and differences of opinion between parties addressed?

At a national level, policy instruments and governance may also need to be reviewed and a more systematic and comprehensive approach to both a top-down and bottom-up assessment of policy effectiveness adopted (UNEP, 2019). Increasingly, stakeholders may expect environmental and climate change issues to feature more prominently in corporate mission statements, priorities, objectives and strategies, and be reflected in business, excellence and operating models and risk management, investment and other practices. Boards require listening leaders who are aware of stakeholder concerns (Coulson-Thomas, 2014).

Conflicts between generations and individuals have long been a feature of the governance and management of family businesses (Levinson, 1971). Might these be exacerbated by differing views on the possible and likely consequences of the exponentially increasing costs to future generations of slow and inadequate responses to the challenges of climate change? Debates in some boardrooms are prolonged by the difficulty of obtaining independent, objective and multi-disciplinary advice and assessing the impact of a mix of environmental and other policies. Evaluation can require expert opinion and a mixture of quantitative and qualitative approaches (UNEP, 2019).

Assessing Corporate Performance

The changes that are occurring and an associated need for multi-disciplinary, complex and inter-related problem solving competences, the use of more multi-disciplinary, multi-location and multi-organisational projects and teams, and the systems thinking and competences required to analyse and understand complex and interdependent issues are complicating factors in productivity and performance assessment (Coulson-Thomas, 2018b). Performance assessment needs to be re-visited in the light of growing public and stakeholder concern about the environment and the responses required to address climate change (Coulson-Thomas, 2019b). This is an arena in which the United Nations Environment Programme (UNEP, 2019) has identified a pressing need for action and a requirement for both quantitative and qualitative approaches.

Where boards use quantitative measures of performance that encourage unsustainable activities, the scope of assessment may need to be widened, for example to embrace collaborative activity and/or a fuller range of costs and benefits included. Where more than incremental change is required, more effort should be devoted to the assessment of creativity, innovation and entrepreneurship (Coulson-Thomas, 2019b). Measuring the impacts of innovation is an issue for Governments and policy makers as well as for entrepreneurs and others running businesses (Al-Mubaraki et al, 2015).

Assessments need to take account of the context in which companies operate. Thus in relation to transportation, there are availability, perception, cost and infrastructure issues that those seeking to produce and market electric vehicles need to address (Bennett et al, 2016). More attention should be given to life-time and especially end-of-life costs such as the disposal and/or recycling of solar panels, or the decommissioning of nuclear power stations and the cost of treating and storing nuclear waste. Overlooking or ignoring them can impose an unwelcome charge on future generations, as with the disposal of thousands of offshore oil and gas platforms (Rowe, 2019).

Reporting Considerations

As boards seek to do more to address the interests of a wider range of stakeholders, build relationships with them and become more socially responsible, questions also arise relating to social accountability and integrated reporting. Corporate statements have evolved to take account of ethical and environmental considerations (Comite, 2009). Are boards aware of options, standards and best practice in these areas? What impact might ISO 26000 and SA 8000 have? How should one assess and report CSR activities and performance? Should integrated accounting and reporting and Global Reporting Initiative standards relating to sustainability be adopted?

In relation to reporting, how does one ensure that corporate reports are fair, proportionate and responsible in relation to challenges, opportunities and what has been achieved and for whom? The general importance of fairness for trust and trustworthiness should not be overlooked (Roy et al, 2015). For example, how does CSR and business strategy, activity and reporting relate to Paris Climate Change Agreement (2015) voluntary obligations or United Nations (2015) Sustainable Development Goals and the social needs they are designed to address?

Are transparency and respect aspects of responsibility? How do and should boards obtain assurance on the reality, significance, relevance and value of what has been achieved and reported? Should more board's commission independently undertaken corporate social audits of positive, negative and net impacts upon society and how these relate to CSR and social business objectives and the expectations of stakeholders?

Repositioning CSR

Are the notion of an authentic company and whether CSR is authentic inter-related (Croft, 2005)? The contribution of CSR can reflect how it is perceived within a corporate organisation. Is it regarded as important and relevant to the whole, or as a marginal and largely self-contained activity? Who goes into CSR? Do ambitious high fliers seek out CSR roles, or are those who can be spared and who are viewed as “well meaning” rather than “competitive” allocated to them? Can one change CSR without changing the people involved with it? Are CSR teams waiting like coiled springs to be released and enabled to play a more significant role and have a greater impact?

For boards that place greater importance upon socially responsible objectives, strategy, conduct and performance does CSR need to be repositioned? What role should it play in relation to how social media is understood (Hinton and Hjorth, 2013)? Does it need to move from the margin to the mainstream? Should it be rated more highly as an academic subject and as an area of professional practice? Would some of those who are concerned with it benefit from development and greater recognition? Could and should a CSR model or programme be scaled up? Might it become more sustainable than current activities? Would it then project a more forward looking image?

Should more attention be given to social entrepreneurship and the conversion of social needs into business opportunities? Could a social perspective and social ambitions lead to the regeneration of a company and inspire and re-energise its people? Could it build loyalty and trust in e-business (Karake-Shalhoub, 2002)? There is evidence of a general decline in trust (Harrington, 2017). Could a reviewed and revitalised CSR help to restore it? Would more socially sensitive marketing and corporate communications reach new, different and younger communities, bridge generations and build a more caring image and a more valuable brand? Might a corporate or wider business response to social issues have a significant impact? Could it bring about a new era of social change and development, either independently of Government agencies or in collaboration with them?

CSR Project Management

In sectors such as construction or consultancy, some companies are in essence portfolios of projects. One also encounters companies whose futures are dependent upon certain mission critical projects, whether a new computer system or model of car. Directors may need to ensure and assure that a company excels in project and programme management. In other areas project management may receive less attention. Is there a danger that the focus of some CSR projects may be upon inputs, or compliance with requirements relating to expenditure, rather than outputs or the benefits delivered?

If a more strategic CSR contribution is sought, should a spotlight be shone on CSR project planning, monitoring, audit and evaluation? Could they contribute more to the management of corporate image and reputation (Gray and Balmer, 1998)? Are they benefitting from professional project management? Do the professionals involved have experience of community development and/or other socially and ethically motivated projects and their promotion? Many executives have limited exposure to community engagement and involvement, partnering with social enterprises, or collaboration with NGOs to scale-up an activity and assess and increase its impacts.

Corporate and project leadership should encourage creativity, innovation and entrepreneurship (Coulson-Thomas, 2017b). Sometimes there is a tendency to manage rather than grow projects. Are certain project managers so focused on delivery and keeping to budget that they miss opportunities to expand an activity, obtain additional funding and/or innovate? Are more entrepreneurial skills and different approaches required to develop and grow large-scale CSR projects? Should a project be opened up to collaborators? Does partnering and fund-raising competence need to be developed or brought in? Are there particular problems in raising finance for CSR projects? Is a company ready for a CSR project to become a significant proportion of its total activity and social impact?

Balancing Business and Societal Growth

Corporate citizenship, ethics and social responsibility are inter-related (Mackey, 2014). Some companies impose unwelcome burdens upon local communities, such as polluting effluents, noise, additional traffic that clogs a road or power and water demands that result in shortages. Local communities may struggle to provide the skills and services they require. Companies can be overtaken by technological innovation or a new business model, or outgrow their origins and move elsewhere, leaving desolation and unemployment behind. Achieving a balance between corporate and community requirements and business and societal growth is a measure of social responsibility.

Ideally, business and societal innovation and growth should be compatible, aligned, inclusive and sustainable. Collaboration can share the challenge of change and smooth upward and downward trajectories. Successful adjustment and social change can depend upon how companies respond to social issues and engage with local communities. Should discontinuity and radical change trigger a review of community involvement, communication and engagement strategies? Is a company prepared for brand, community and other stakeholder activism? Are new approaches and greater use of social media required? How can value-driven CSR agendas, activities and conduct help?

Reviews of corporate purpose and business models in the light of wider considerations and the interests of a broader range of stakeholders over a longer time horizon could involve a shift of emphasis from materialistic growth and its quantitative indicators to experiential, sustainable and more inclusive growth and to the quality of life and issues such as food security. Are boards ready for this? Are they using applications of decision and performance support to increase awareness and help employees, customers, supply chain partners and others understand the consequences of different options and make more sustainable choices (Coulson-Thomas, 2012a & b, 2013)?

UN Sustainable Development Goals (SDGs)

The United Nations (2015) SDGs represent a useful starting point for the discussion of collaborative action involving leaders of both private and public sector organisations, as they embrace both environmental challenges and requirements for social transformation. They might be the key to formulating shared objectives, rebuilding trust and aligning business, regulatory and intervention strategies. Although both social and technical innovation may be needed to address SDGs, bottom-up and local approaches are occurring and encouraged by the UN Environment Programme (UNEP, 2019). For some directors, accepting wider responsibilities and stepping up to the challenges involved may require a change of perspective and board away days for fundamental reviews of assumptions and the role a company could play in the development of collective solutions.

A former President of Ireland has described the impacts of climate change as fundamentally unfair (Robinson, 2018). Some people are affected much more than others through no fault of their own and some of those who are least influential are at greatest risk. Lord Stern (2019) believes that the pursuit of a zero-carbon economy will generate strong and inclusive growth that can result in a more acceptable climate and assist the delivery of SDGs. Are sector strategies required? For progress towards their achievement to be better monitored, do SDGs need to be grouped and a more concise and quantitative set of targets agreed (UNEP, 2019)?

Accepting wider and collective responsibilities may require a review of corporate investment models and decision making practices. Are social and environmental as well as financial costs recognised? Are business strategies aligned with environmental and other dimensions of SDGs? There may be externalities to assess and internalise, whether the costs of natural and man-made disasters or the benefits of eco-innovation. There are also many opportunities for innovation in fields as varied as electric and driverless vehicles and geo-engineering, and for companies to contribute to India’s strategy to meet its voluntary obligations under the Paris Agreement (2015).

Corporate and Collective Innovation

In relation to the built environment, and particularly cities and mega-cities, are the approaches adopted by planners and developers too incremental and overly focused upon adaptation and mitigation of the impacts of climate change, rather than the more imaginative design and creation of new approaches to urban living and new models of cities (Dobraszczyk, 2019)? An equivalent question could be asked about patterns of living and sustainable land management in rural areas and whether there are alternatives to the current use of this finite resource and the urban-rural divide (UNEP, 2019). Early adoption of environmentally friendly activities and offerings by some can exert a social influence upon others to follow their lead (Axsen et al, 2013).

Fossil fuel power generation is a major contributor to global warming. Progress in energy efficiency and transition to low-carbon energy sources is continuing, but is still not sufficient to achieve Paris Agreement (2015) targets (UNEP, 2019). While the major sources of CO2 and other greenhouse gas emissions may be known and potential solutions identified, do more companies need to understand obstacles and barriers to adoption and implementation and find ways of overcoming them, either by individual or collective action? For example, there are availability, perception, cost and infrastructure issues that advocates of electric vehicle need to address (Bennett et al, 2016).

There are many opportunities for individuals and organizations and the agricultural, industrial and domestic sectors to increase energy efficiency and use water more efficiently by reducing waste and increasing recycling and reuse. Sustainable development can be a source of competitive advantage (Pop et al, 2018). Lord Stern (2019) believes the policies required to unlock a new, sustainable and inclusive model of growth can be identified and the finance and technology required to make a rapid start is available. Will green banking and further innovation fill any remaining gaps? What is holding us back from more imaginative and determined action? Within boards, is there the will and leadership to respond to growing public concerns with corporate and collaborative action? Might fiscal incentives and statutory intervention help?

Green Growth and Market Solutions

Individuals, large and small companies, the Government, regulators and a variety of public bodies can all have their part to play. How their efforts are coordinated at local, national and international levels can be the key to success, but how many companies can contribute the programme management and other skills required? In one survey undertaken for the UN Global Compact, almost all CEOs of global companies felt that sustainability should be considered when thinking about corporate strategy and operations (Perrott, 2014).

Boards can be critical in recognizing concerns, initiating debates and engaging stakeholders. They can provide leadership by prioritizing and main-streaming environmental, sustainability and climate change concerns and by adopting and implementing green growth business models, strategies and policies. Companies could aspire to leadership within sectors such as green banking, insurance, energy, design, construction, education and infrastructure. How many will do so? How many directors and boards will provide the leadership required? How can environment protection be embedded into corporate strategy and their DNA?

In relation to achieving aspects of certain SDGs further innovation is needed (UNEP, 2019). The developments required to more confidently address such environmental issues and climate change will not occur simply because boards wish for them. Sustained innovation by larger companies can occur, but directors have to balance different requirements and may need to run existing businesses as well as create new ones (Pisano, 2019). What should the role of boards be in kick-starting action to develop, test and scale up alternative approaches and models? How could they better engage with scientific expertise, innovators and MSMEs? How can entrepreneurs and regulators help in developing green market solutions? Where it is too late for start-up entrepreneurial businesses to achieve the scale needed for a global impact, how can MSMEs and large companies work together?

Collaborative Responses

Appropriate collaboration can be effective. International action has been successful in tackling problems caused by ozone-depleting substances and certain chemicals, but in many areas more needs to be done (UNEP, 2019). Governments, utilities and infrastructure providers can have an important role to play in coping with the macro effects of individual decisions, for example in providing incentives for the recharging of electrical vehicle batteries at times when power supplies are available. Will they be able to work together? Will any public intervention be flexible, thought through and affordable to those affected? Will boards be able to inspire the creativity, enable the innovation and support the entrepreneurship that is required (Coulson-Thomas, 2017b & c)?

Consistency and the avoidance of conflicting priorities, policies and interests are important. New business models can impact upon sustainability, but when innovation and changes are considered other considerations may impact upon environmental benefits (Schaltegger et al, 2012). For certain companies, might corporate processes designed to ensure that activities and conduct are responsible and ethical inhibit innovation that would benefit the environment (Baucus, 2008). Should boards devote more effort to ensuring that environmental and other objectives are aligned, initiatives are not in conflict and reward and promotion policies do not encourage different behaviours?

Boards need to ensure that obstacles to progress are identified and intended steps are taken. Sometimes so many barriers may be found that companies might face a challenge in determining which to address first (Berkeley et al, 2018). Tackling sufficient of a combination of them to achieve progress may require the flexible coordination of inputs from various departments, working parties and projects. How should boards ensure companies have access to the creative, scientific and entrepreneurial skills needed to participate in networks of relationships and collective action?

Responsible Business Leadership

There may be multiple pathways to achieving the required environmental improvements within SDGs and the use of different model-based scenarios may help in their identification (UNEP, 2019). Will boards commit the effort required to develop them? Evidence suggests that there may be more synergies than trade-offs, which suggests the prospect of a virtuous spiral of increasing financial, lifestyle and other benefits for those that make the effort (Stern, 2019, UNEP, 2019). The exercise of environmental leadership may be with the grain of ESG investor and other stakeholder opinions and simultaneously achieve multiple objectives.

Other things being equal and when looking for employment, graduates are more likely to want to join companies that are environmentally conscious (Hanson-Rasmussen et al, 2014). Companies that focus upon sustainability also have a lower staff turnover (Pop et al, 2018). Organisations that act responsibly may find it easier to attract and retain the people they require to implement their social responsibility, environment and other strategies. Responsible board leadership might also rebuild reputation, trust and inter-generational rapport and ensure a better future for mankind.

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