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Transformational Leadership for Promoting Climate Resilient Economic Growth

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Plenary Session III: Transformational Board Leadership for Sustainability

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Some people define sustainability in terms of enabling existing operations, growth and development to continue. For others, sustainability is living within the boundaries of what is possible given the finite resources of our planet. Reconciling the two requires transformational leadership.

The Vedas highlight the importance of environmental protection and ecological balance. They encourage the planting of trees and living in harmony with nature rather than its exploitation. They portray mankind as an element of nature rather than above it.

The Puranas also advise conduct to prevent atmospheric and water pollution. Despite this Indian ancient wisdom and its warnings about tampering with the environment, the scientific consensus is that human activity contributes to global warming.

Addressing climate change requires more than incremental adjustment. If sustainable lifestyles are to occur in both the developing countries and the developed world, business, economic and social transformation are required.

Many organisations need to operate differently and move more quickly. Boards making steady progress need to step up, provide transformational leadership, and embrace new models of organisation and business, and different strategies, methods of finance and forms of governance.

Many committed and well intentioned directors are comfortable with current practices. They feel successful, live well and consider they are doing a good job. Will they make the required transition?

For most of my working life there have been a variety of options for transforming organisations, supply chains and how we operate. They can have a beneficial impact upon the environment and reduce some of the drivers of climate change.

Yet many boards are only now looking at approaches, applications of technology, and business models that are far superior to current practices. Why the disinterest for so long?

Are the laggards obsessed with compliance and standards, lazily following past procedures or just risk averse? Like some accountants and auditors, are they focused upon what happened last year rather than creating a better tomorrow? Are they suffocating transformation?

To provide environmental leadership, boards need to encourage diversity, challenge and creativity. They have to release potential, support innovation and inspire and enable entrepreneurship.

I'm old enough to remember Alvin Toffler's 1970 book *Future Shock* on the impact of digital technologies. The main shock for me has been how slow we are to seize opportunities.

Many so called disruptive technologies are not new. They are only disruptive for the complacent, unaware and idle. The alert, imaginative and energetic see them as enabling technologies.

Artificial intelligence is a back on conference agendas. At Xerox PARC in the 1980s we had working AI environments. They complemented human intelligence and alerted us to links, patterns and relationships.

We made donations of AI workstations and software to certain universities. I recall visiting Cambridge a year after a major donation to be told that the most common use of the work stations was to leave them on overnight and it kept the damp off the walls.

Knowing something does not mean that it will be used to transform how a company is organised, operates and creates value. Impact depends upon how knowledge is used and for what purpose.

In the 1980s I encountered a rich diversity in terms of how, when, where and with whom one could work, learn and acquire. It seemed that traffic jams and their associated pollution would soon be reduced. Work would go to people rather than people to work.

I recall software packages that allowed people to design their own products for local manufacture. They would prompt users and suggest changes – such as wider legs that would hold the weight of someone designing a chair. 3D printing has its predecessors.

As chair of a panel of judges for e-business awards, I wondered why successful digital innovations were emulated by so few companies. My 1992 books *Transforming the Company* and *Creating the Global Company* were about flexible networks of relationships that could quickly adapt, expand and contract, and operate internationally. Most boards continued to preside over corporate bureaucracies.

More recently, UK retail chains have announced store closures and a desire for voluntary agreements with their creditors. Their CEOs and directors cite changing purchasing habits such as buying on-line as the reason for their discomfort.

On-line shopping is hardly new. Twenty five years ago certain tribes in the Amazon basin were selling their craft wares via the internet. I wondered why companies run by highly paid business school graduates and advised by leading professional firms were not as imaginative.

Why are so many companies so slow to seize opportunities and so determined to stick with outdated business models and protect past investments rather than create new options and choices? Is improvement rather than creating new options and choices opting out or a comfort blanket?

Many boards follow rather than lead. They hope that something will turn up. Boards should inspire and make things happen.

Are people in your company brought together in mixed discipline groups and asked to come up with more sustainable alternatives? Are key customers and their staff involved? What would they rather have? What would better enable them to achieve *their* sustainability objectives?

Many boards have access to significant intellectual and financial resources. Scientific and technological developments allow us to change aspects of the natural world and create new forms of

basic life. They can also give rise to moral and ethical dilemmas.

Many companies excel at what they do today. Will their boards have the courage to call time on profitable activities that make unsustainable demands on natural resources? Will they work with customers to create less environmentally damaging business models, offerings and lifestyles?

What could your company do differently that would benefit the environment? Answers to such questions are often constrained by experience of current practices. Blue skies thinking might be easier to find in a local school than in a firm of consultants.

If transformational leadership is required but is not being provided, we need to kick start the process. How can we get directors who feel they have arrived to realise that they have not yet started to provide the leadership we need to address environmental issues and the challenge of climate change? What should we do differently tomorrow as a result of what we learn today?

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An experienced chairman of award winning companies and vision holder of successful transformation programmes, Colin is the author of over 60 books and reports. He has held public appointments at local, regional and national level and professorial appointments in Europe, North and South America, Africa, the Middle East, India and China. He was educated at the London School of Economics, London Business School, UNISA and the Universities of Aston, Chicago and Southern California. He is a fellow of seven chartered bodies and obtained first place prizes in the final exams of three professions. Details of his most recent books and reports can be found on: <http://www.policypublications.com/>