

SUSTAINABILITY LEADERSHIP for the 21st CENTURY



Leith Sharp

Director & Lead Faculty,
Executive Education for Sustainability Leadership
Harvard T. H. Chan School of Public Health
lsharp@hsph.harvard.edu



HARVARD
T.H. CHAN

SCHOOL OF PUBLIC HEALTH



3.8 billion years ago life began



By Now There are 30-100 million species



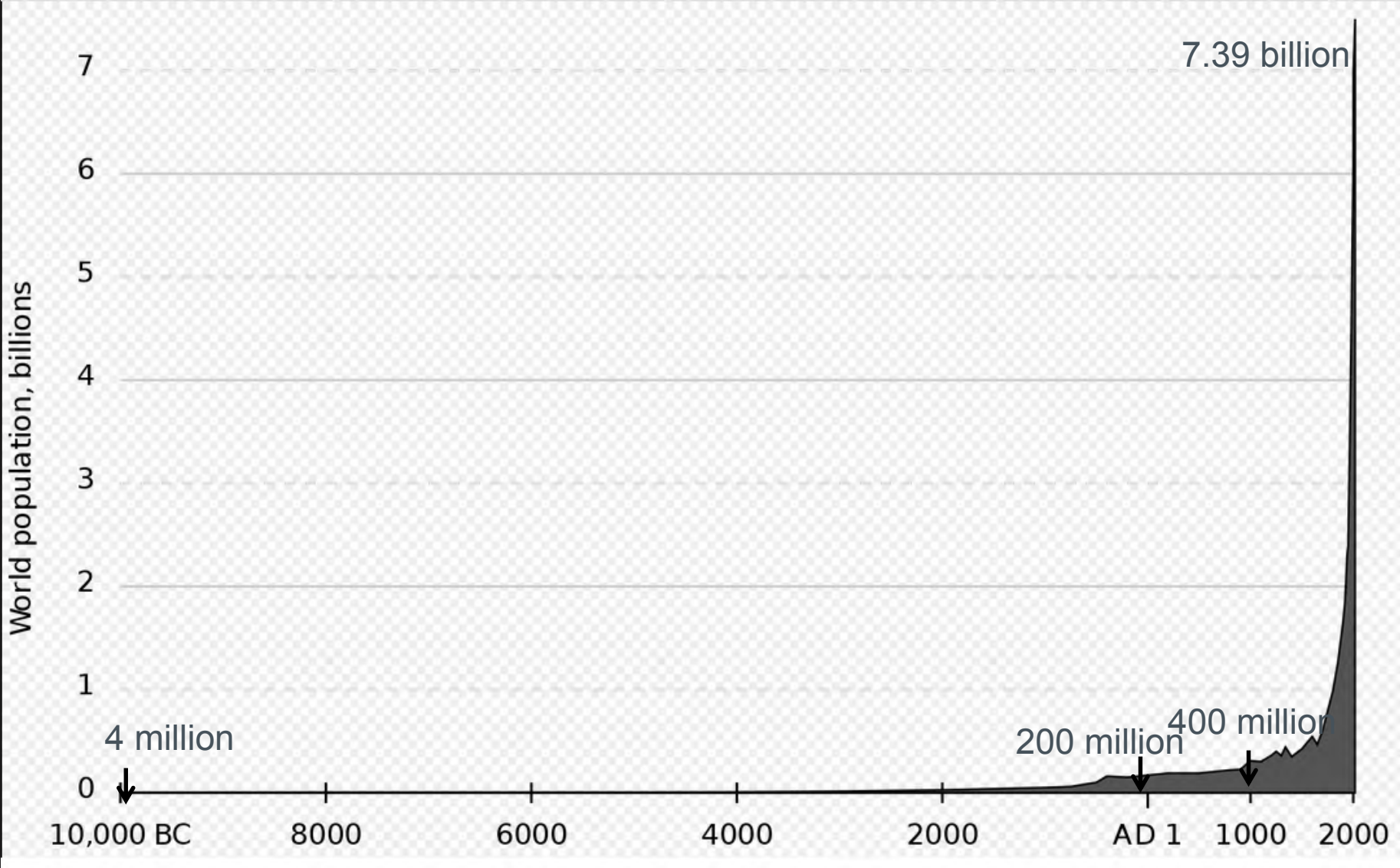
If we condensed 4.5 billion years of Earth's existence into the last 12 months,



humans turned up about 36 minutes ago.



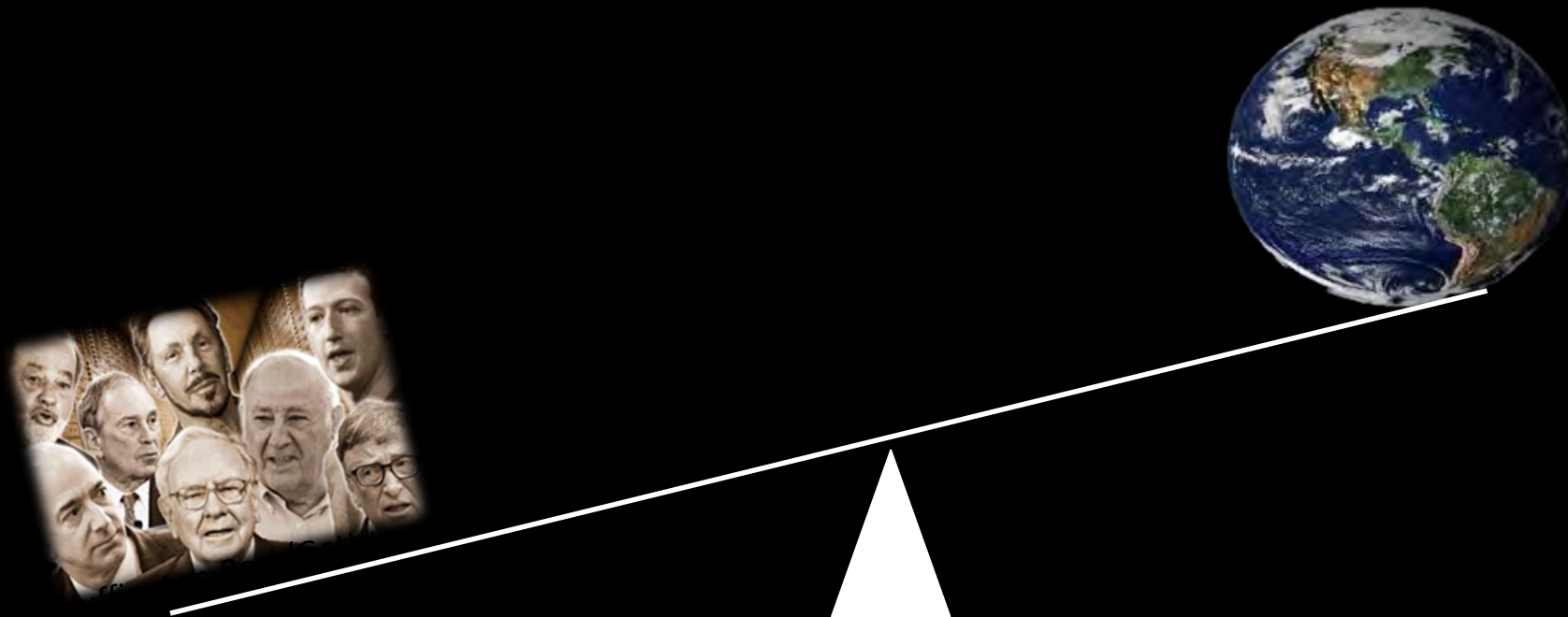
Estimated World Human Population 10,000BC to 2018AD





In 2017, Oxfam calculated **the richest 8 men had more wealth than the poorest half of the human population**, or 3.6 billion women, men and children.

In 2016, Oxfam announced that **the richest 1% now have more wealth than the rest of the world's population combined.**





We Are Now In an Evolutionary Hothouse
of Our Own Making



Now What?



Threads woven together in this presentation

- ❖ Personal Experience @ Harvard & Other Orgs
- ❖ Idea Flow Research
- ❖ Global CEO Leadership Research
- ❖ Biomimicry
- ❖ Harvard Executive Education for Sustainability Leaders
Case Stories

LEADERS ON PURPOSE TEAM



CHRISTA BYUMI

CEO & CO-FOUNDER
LEADERS ON PURPOSE

PROFESSIONAL OF
EXCELLENCE

CENTER FOR CLIMATE, HEALTH
AND THE GLOBAL ENVIRONMENT
HARVARD T.H. CHAN SCHOOL
OF PUBLIC HEALTH



LETHA SHARP

CO-FOUNDER
LEADERS ON PURPOSE

DIRECTOR & LEAD FACULTY
EXECUTIVE EDUCATION FOR
SUSTAINABILITY LEADERSHIP
CENTER FOR CLIMATE, HEALTH
AND THE GLOBAL ENVIRONMENT
HARVARD T.H. CHAN SCHOOL



DR. CHRISTIAN BUSCH

CO-FOUNDER
LEADERS ON PURPOSE

INNOVATION AND
CO-CREATION LAB
LONDON SCHOOL OF
ECONOMICS



MAYA BRAHMA

CO-FOUNDER
LEADERS ON PURPOSE

SENIOR COMMUNICATIONS
OFFICER, GLOBAL THEMES
WORLD BANK GROUP



DR. TATJANA KAZAKOVA

CHIEF OF STRATEGY
LEADERS ON PURPOSE

MANAGING CONSULTANT
STRATEGY AND INNOVATION
HORVATH & PARTNERS GMBH



NICOLE BELLISLE

CHIEF OF STAFF
LEADERS ON PURPOSE

MANAGING DIRECTOR
IMPACT HUB BOULDER

A COMMUNITY OF LEADERS RESHAPING LEADERSHIP.





**SAMPLING CRITERIA
FOR CEOs:**

01

**OPERATIONS IN OVER
30 COUNTRIES**

02

**FINANCIAL METRICS WITHIN
TOP SECTOR QUARTILE
(HBR ANALYTICS)**

03

**SUSTAINABILITY METRICS WITHIN
TOP 50% IN ESG RANKINGS**

04

**CEOS PUBLICLY COMMIT TO
SUSTAINABILITY
AND/OR PURPOSE**

2018 CEO CLUSTER



AJAY BANGA
CEO, MASTERCARD



ERIC J. FERAUD
CEO, AIG



CARLO CERETTO
CEO, AB INBEV



DENIS MACHUEL
CEO, SODEXO



EMMANUEL FABER
CEO, DANONE



FIKSE J. BESMA
CEO, DSM



GRANT REID
CEO, MARS



JOE KAESER
CEO, SIEMENS



JOHN FALLON
CEO, PEARSON



LARS SØRENSEN
FORMER CEO,
NOVO NORDISK



LORNA DONATONE
CEO, GEOGRAPHIC
REGIONS, SODEXO



PABLO ISLA
CEO, INDITEX



PETER AGNĖLL
FORMER CEO, IKEA



SIR MARTIN SORRELL
CEO, WPP



TOM LINBARGER
CEO, CUMMINS



ZHANG RUIMIN
CEO, HAIER

2019 CEO CLUSTER so far....



BARRI RAFFERTY
Ketchum



HUBERT JOLY
Best Buy



HARALD KRUEGER
BMW



DAVID TAYLOR
P&G



K. DAVID KOHLER
Kohler



LAURA KOHLER
Kohler



JAY GOULD
Interface



JOHAN TORGEBY
SEB



REMI ERIKSON
DNV GL



ANAND MAHINDRA
Mahindra &
Mahindra



FRANS VAN HOUTEN
Philips



BILL MCDERMOTT
SAP



JEAN PAUL AGON
Loreal



KAAN TERZIOĞLU
Turkcell



DAN SCHULMAN
Paypal



THE SEVEN MOST PRESSING
CHALLENGES ACCORDING TO
THE CEOs IN OUR STUDY:

01

CLIMATE CHANGE

02

MALNUTRITION

03

WEALTH DISPARITY

04

MIGRATION

05

SHORT TERMISM

06

DECLINING TRUST
IN INSTITUTIONS

07

EMPLOYMENT AND
TECHNOLOGY



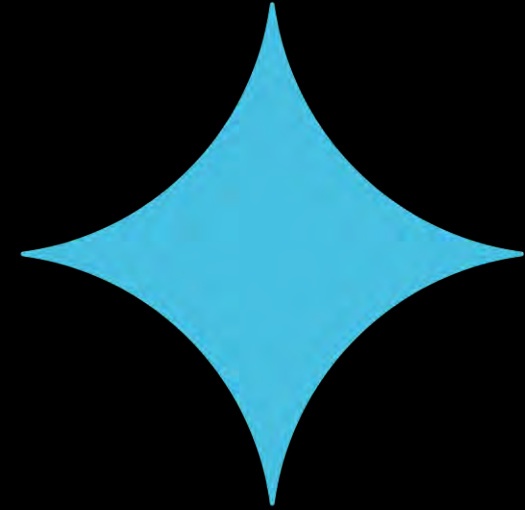
Society is demanding that companies, both public and private, serve a social purpose. To prosper over time, every company must not only deliver financial performance, but also show how it makes a positive contribution to society.

Larry Fink, Blackrock CEO

A person is seen from behind, climbing a steep, snow-covered mountain peak. The scene is set in a high-altitude, mountainous region with rugged terrain and patches of snow. The overall color palette is a deep, monochromatic blue.

“At the very time when we need to see strong institutions, we have seen an institutional breakdown in formal authority. Companies have to think more about moral authority.”

John Fallon, CEO Pearson



**LEADERSHIP FOR
THE 21ST
CENTURY**



The SDGs: Defines a Global Agenda that must become the Corporate Agenda





**"THE 17 SDGS HAVE HAD ENORMOUS
IMPACT IN OUR PART OF THE WORLD
AS WELL AS IN OUR BANK. IT HAS
GIVEN US A COMMON LANGUAGE AND
A FRAMEWORK TO DISCUSS THINGS
ABOUT SUSTAINABILITY."**

**JOHAN TORGEBY >
PRESIDENT & CEO, SEB**





“We have to think hard about how we can be part of a solution, and how can we be more active in issues that communities face. Then we become indispensable...”





“We always want to make sure that economic performance, business performance and ethical and sustainability performance go together and reinforce each other.

They are not antagonistic. They are not contradictory. Doing good is also good for the business and doing good business helps us also to do good. We really believe that the two are going in the same direction.”





Without a sense of purpose, no company, either public or private, can achieve its full potential. It will ultimately lose the license to operate from key stakeholders.

Larry Fink, Blackrock CEO



LORNA DONATONE, CEO
SODEXO GEOGRAPHIC REGIONS



“Companies who can demonstrate a strong purpose are more successful. It takes the right leaders – today’s generation wants transparent, genuine leadership.”

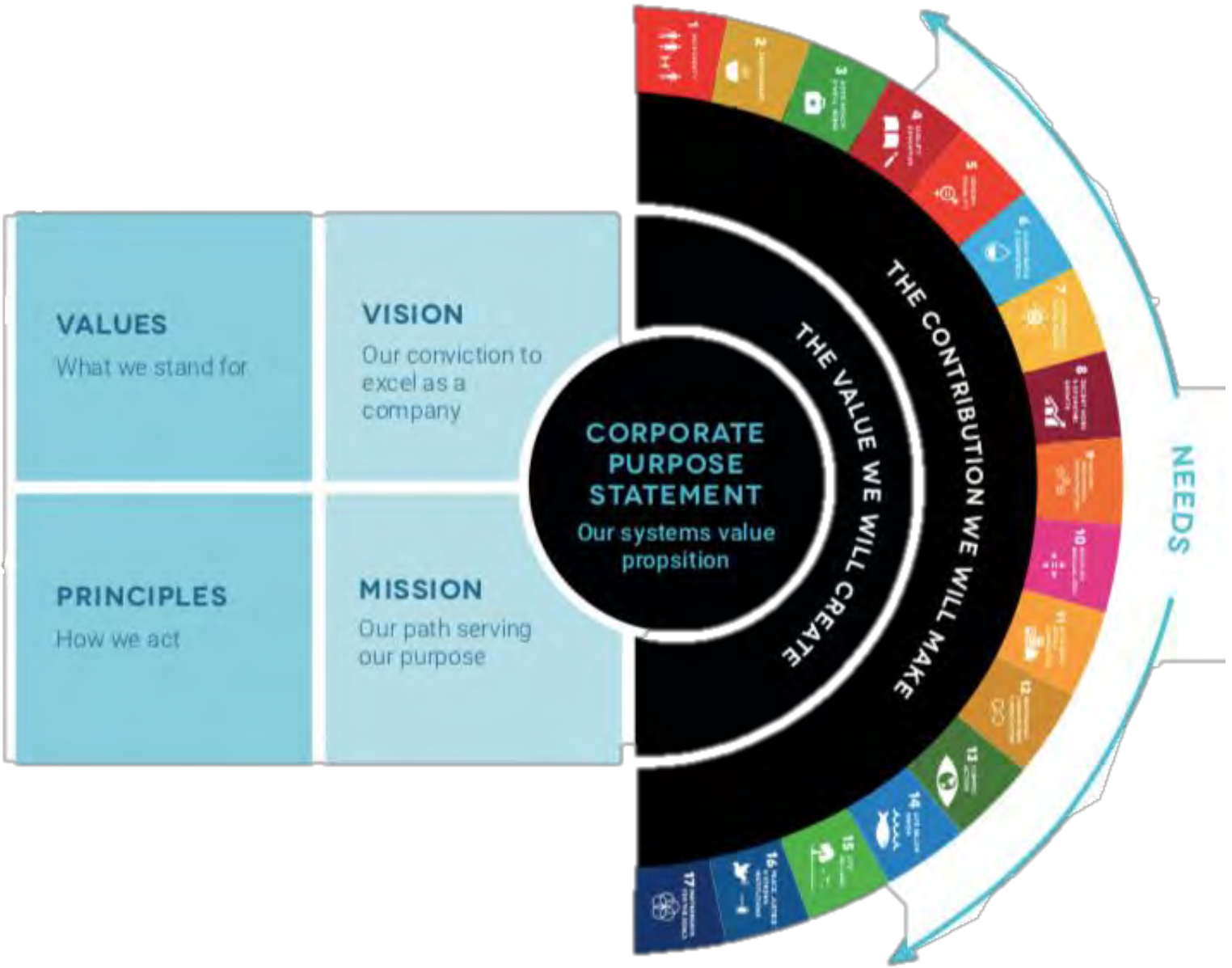




EMMANUEL FABER >
CEO, DANONE



“We tend to lead with big visions . I trust more in a vision that is followed by gradual execution, to start paving the road, rather than in a big plan... simply because of the volatility of other factors that can change things around very fast.” (Sharp et al, 2018)





Values

Everything that Best Buy is now – and strives to become – ultimately ties back to our core values as a company.

Unleash The Power Of Our People

Learn From Challenge And Change

Show Respect, Humility And Integrity

Have Fun While Being The Best

Business strategies morph over time but Best Buy's values as a company will never change.



OUR CORE VALUES

RESPONSIBILITY

We take consistent decisions and commit to them personally. This allows us to work freely and more effectively.

APPRECIATION

We reflect on our actions, respect each other, offer clear feedback and celebrate success.

TRANSPARENCY

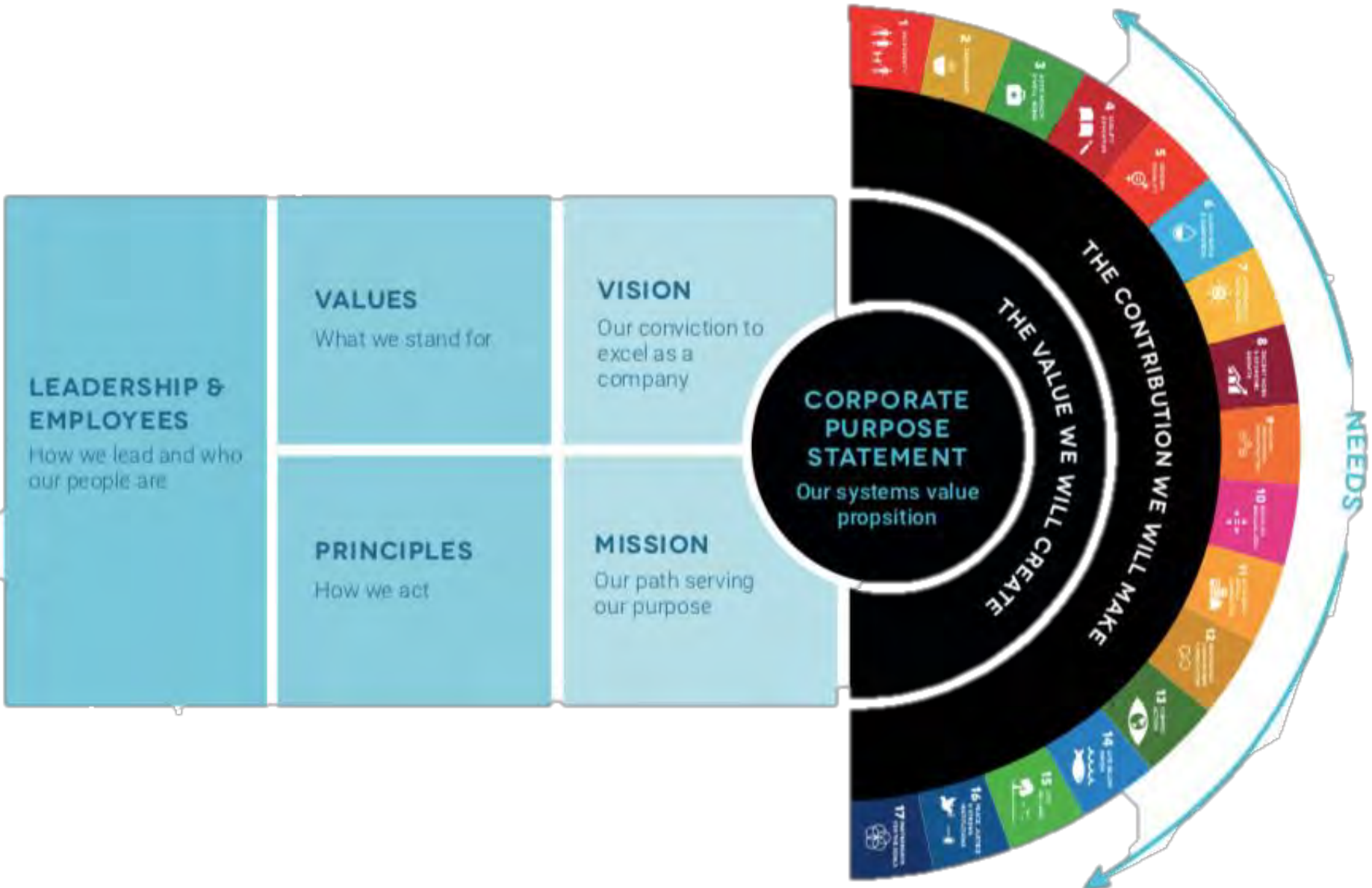
We acknowledge concern and identify inconsistencies in a constructive way. We act with integrity.

TRUST

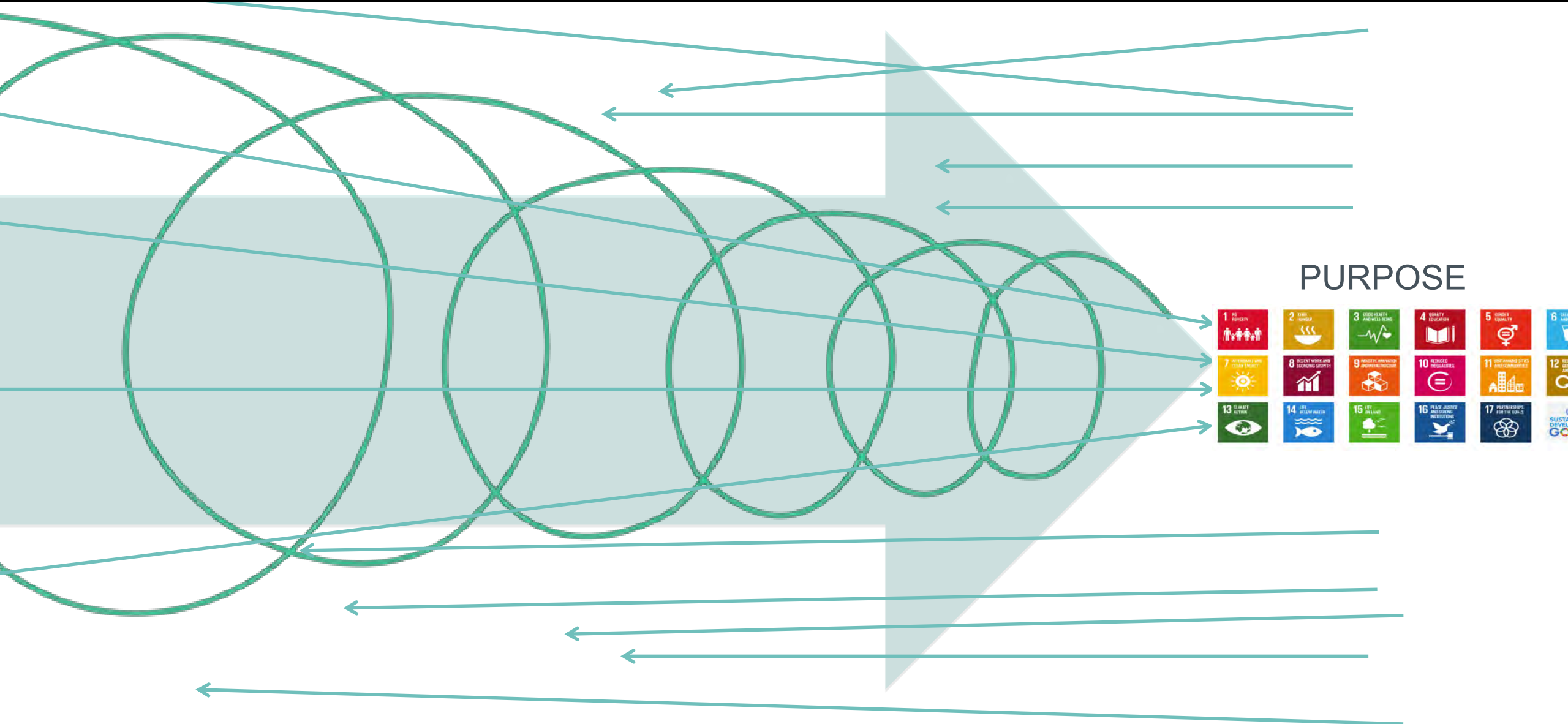
We trust and rely on each other. This is essential if we are to act swiftly and achieve our goals.

OPENNESS

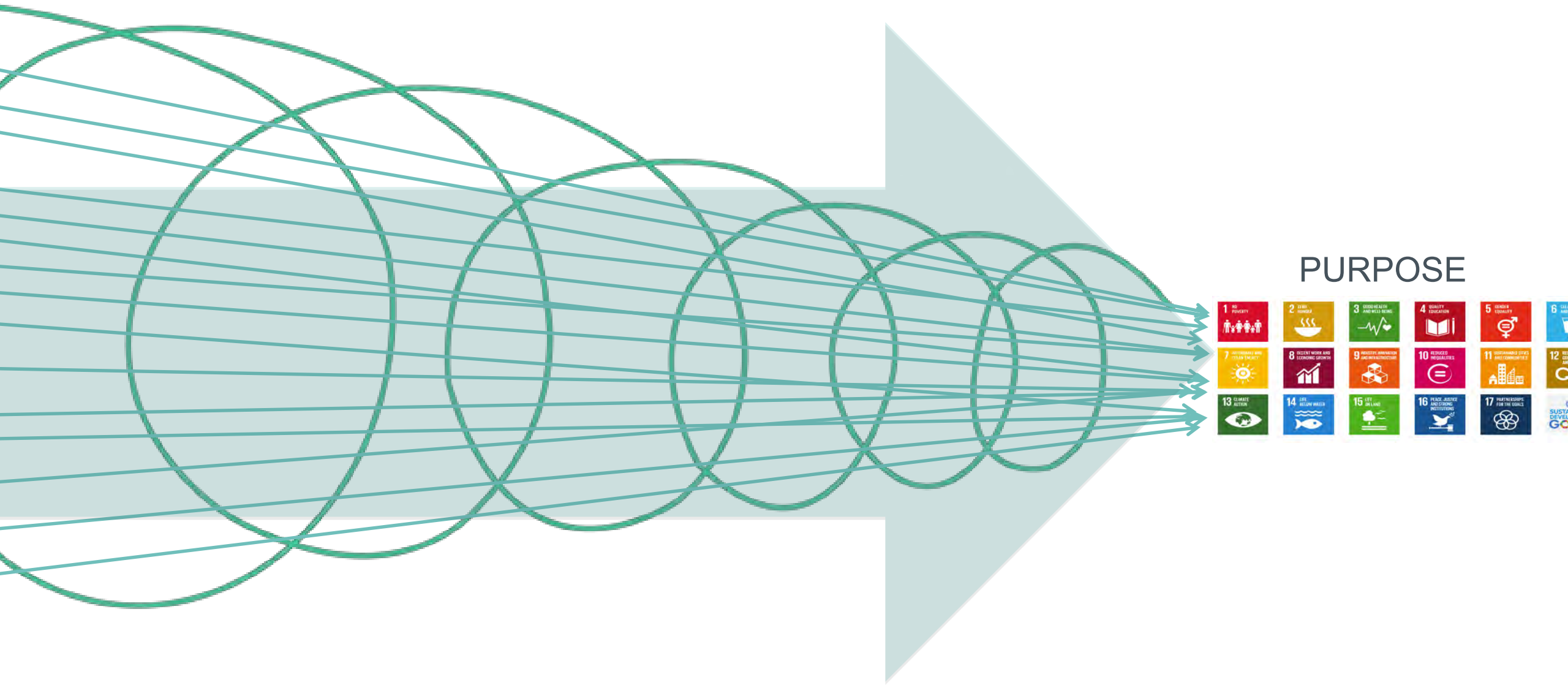
We are excited by change and open to new opportunities. We learn from our mistakes.

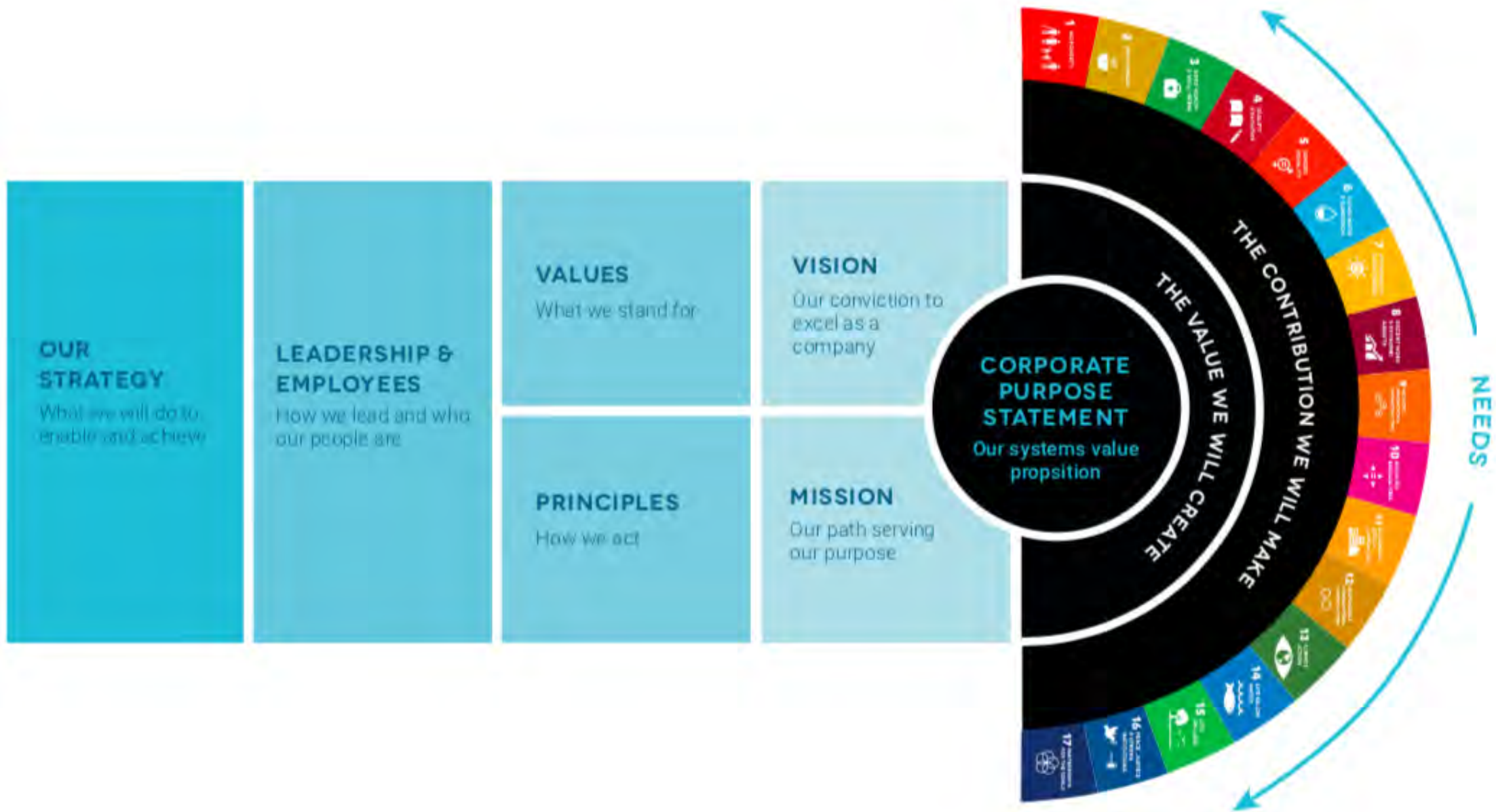


We Need a Radical Increase in the Flow of Purpose Driven Ideas, at all Scales, Across all Sectors.

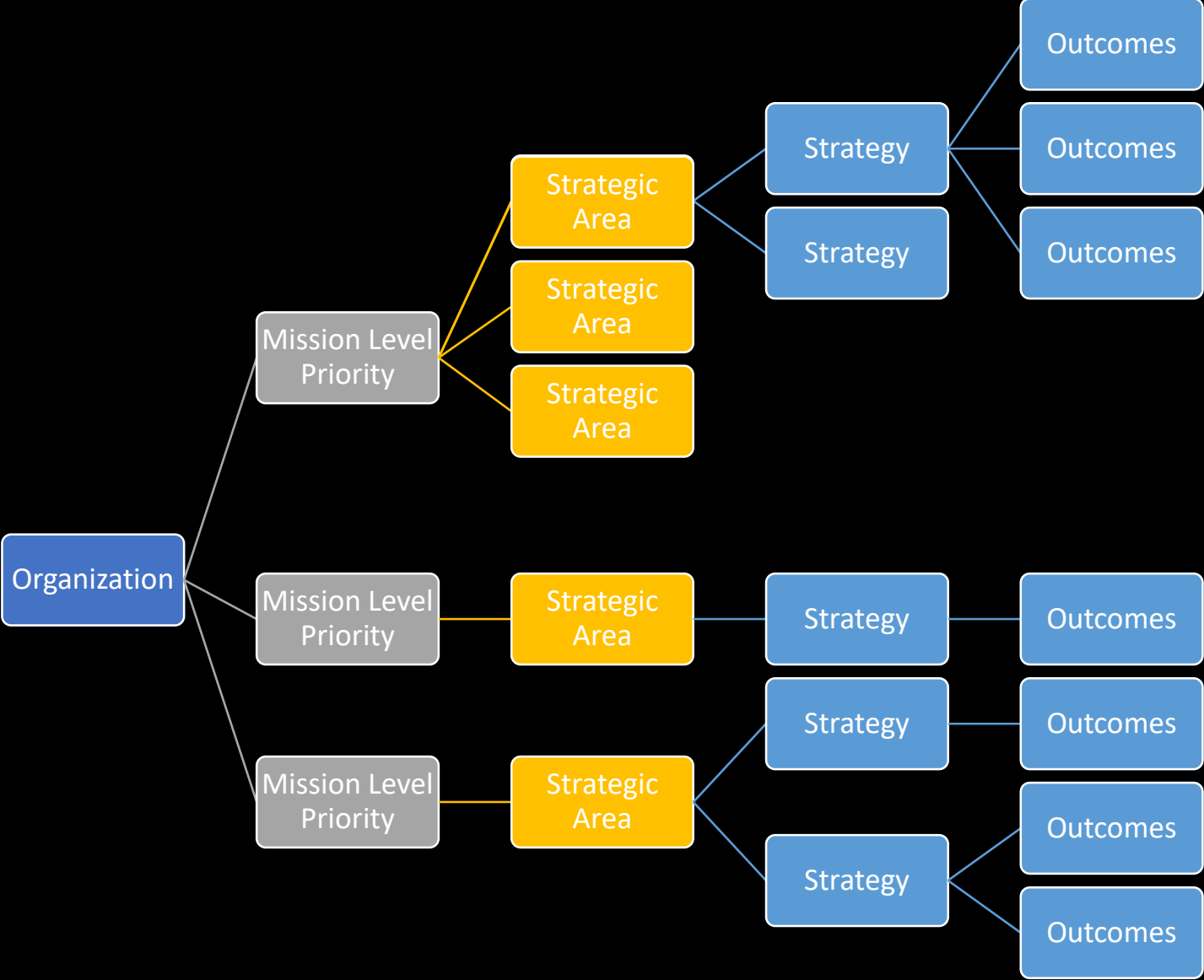


We Need a Radical Increase in the Flow of Purpose Driven Ideas, at all Scales, Across all Sectors.





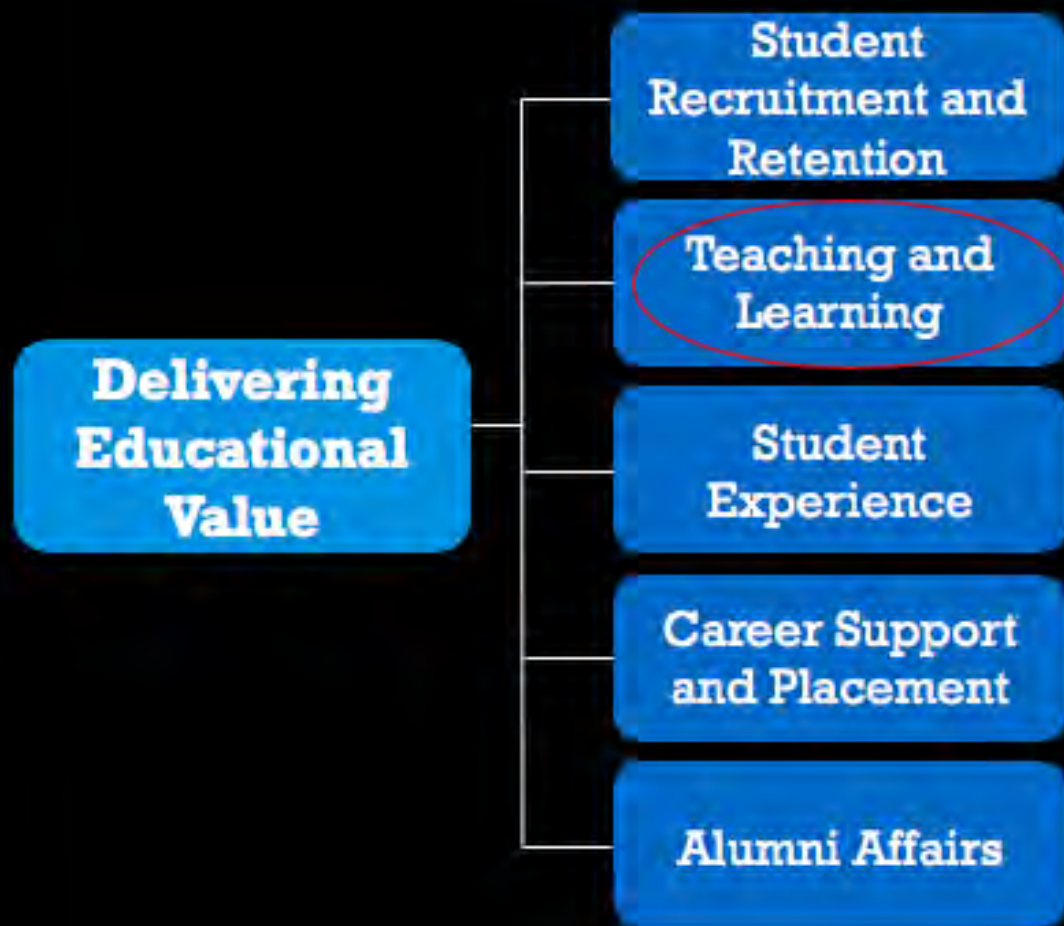
Higher Education



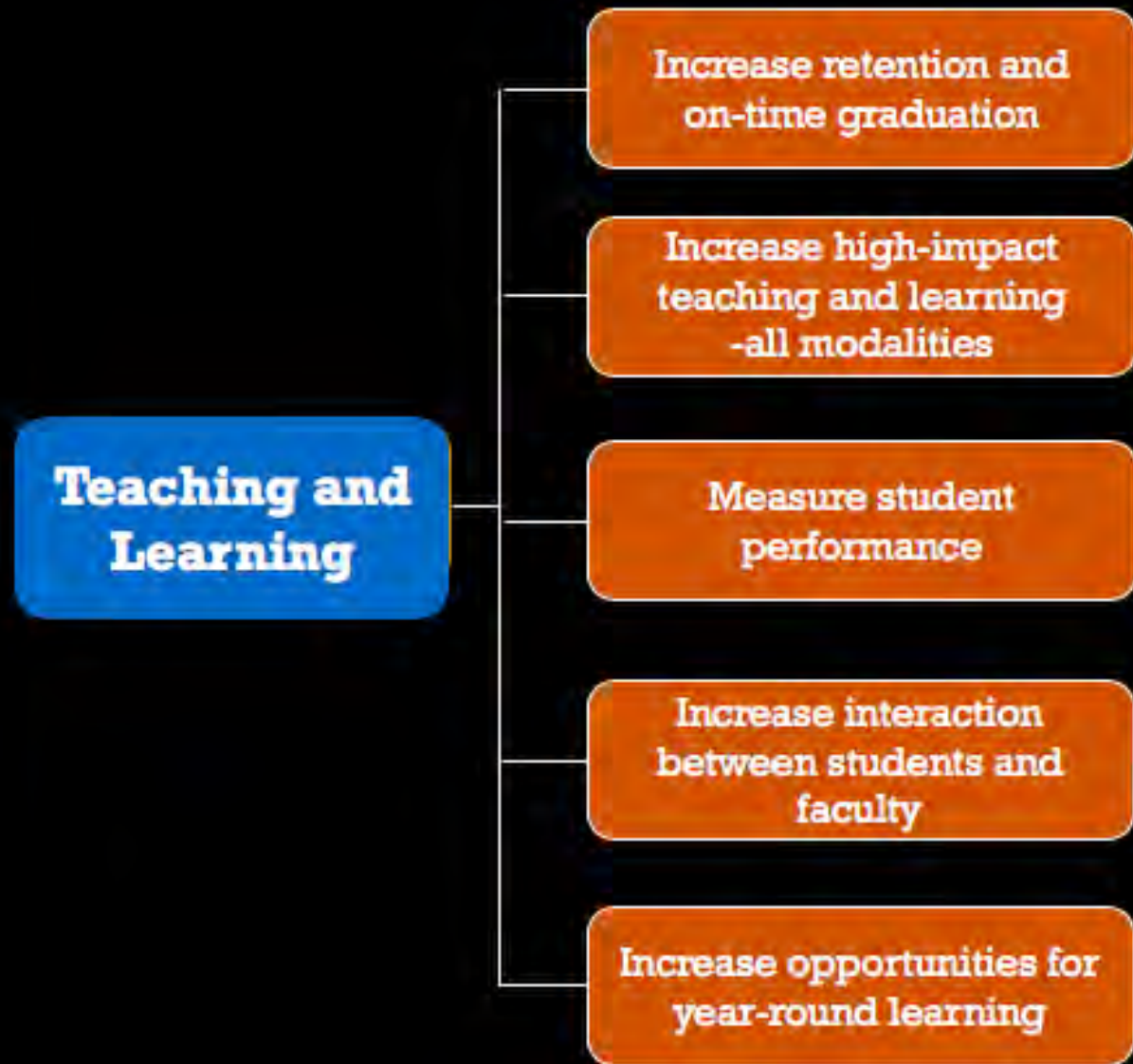
Higher Education - Common Mission Level Priorities



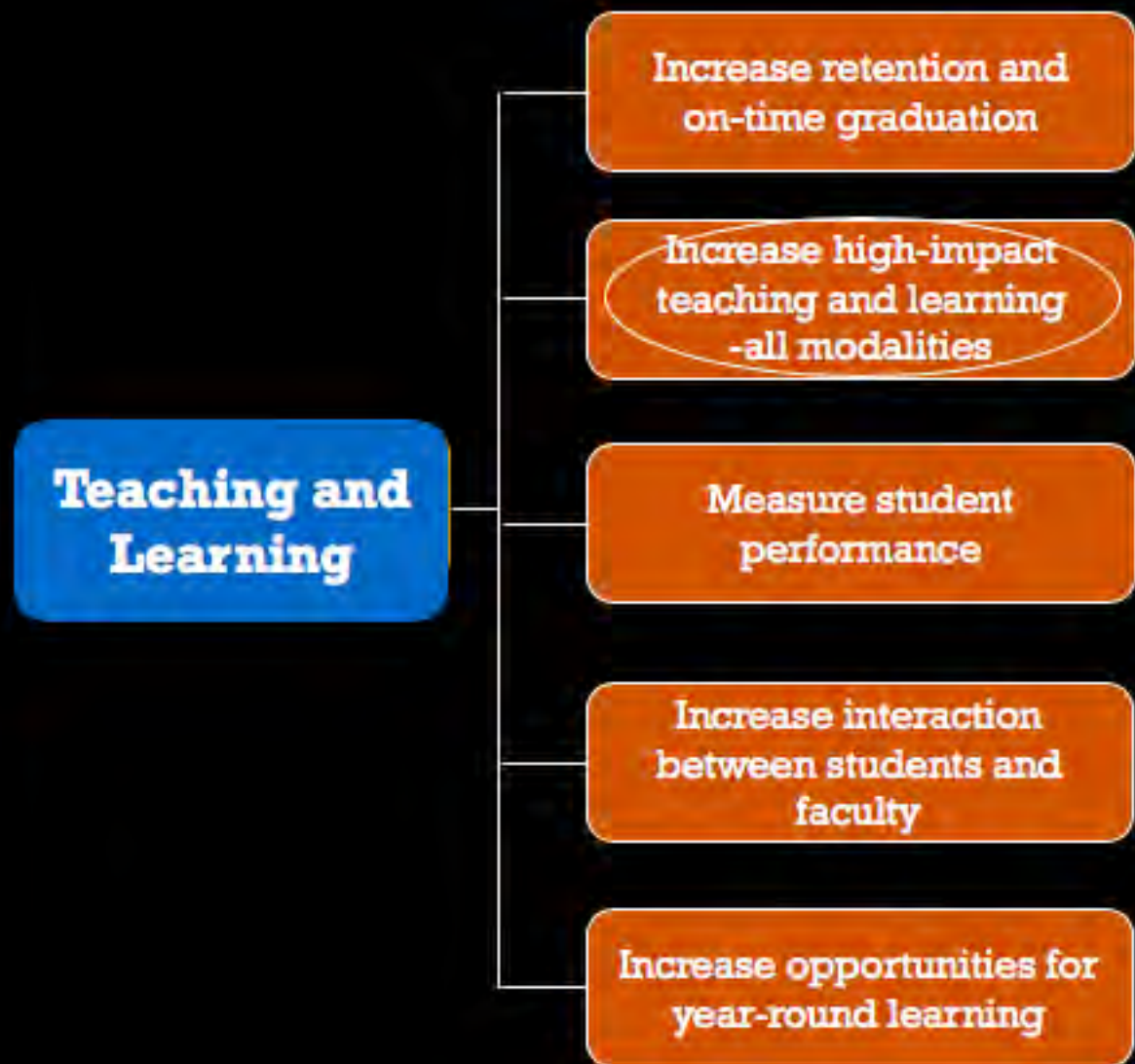
Higher Education - Strategic Areas



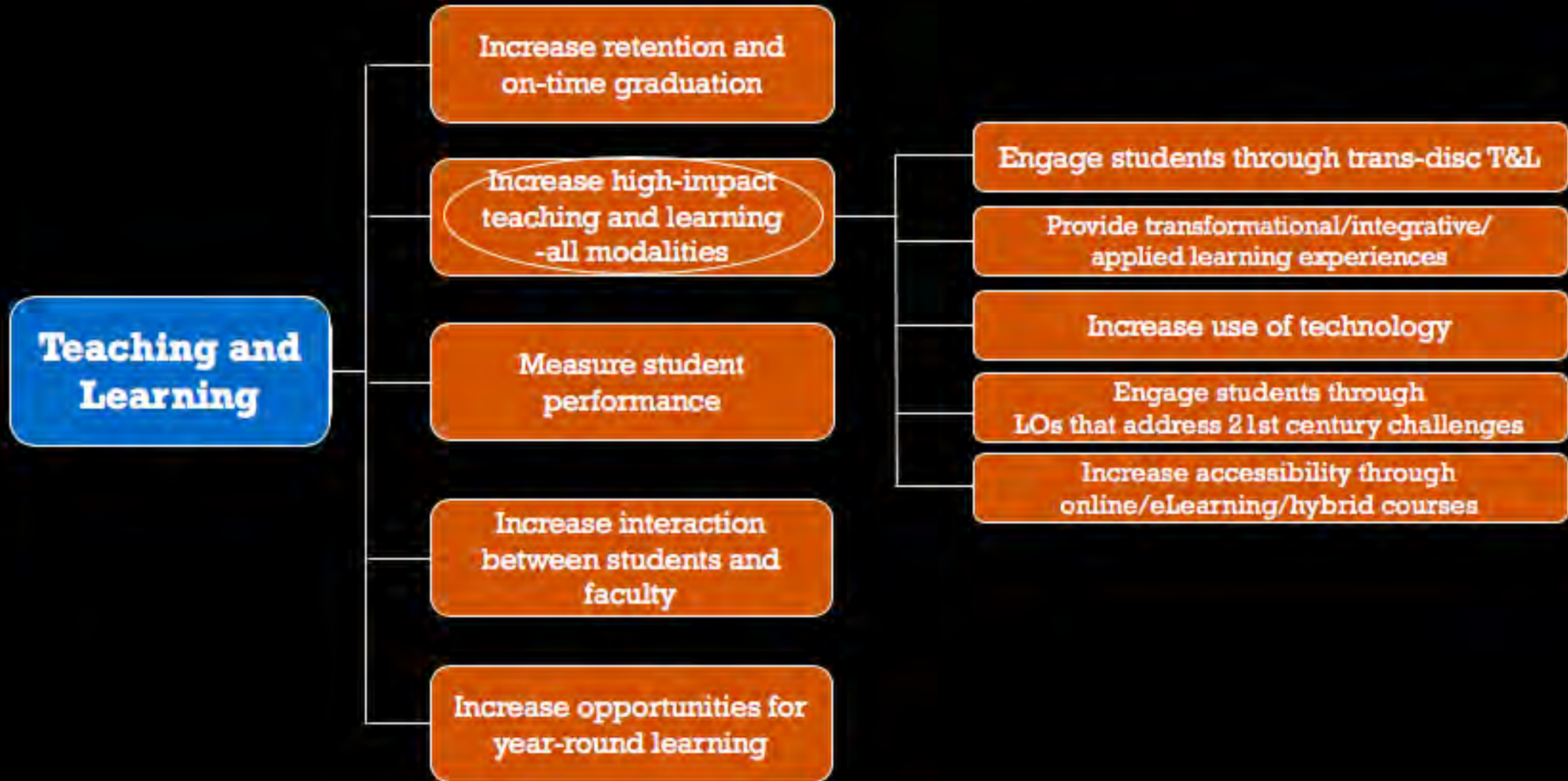
Higher Education - Strategies



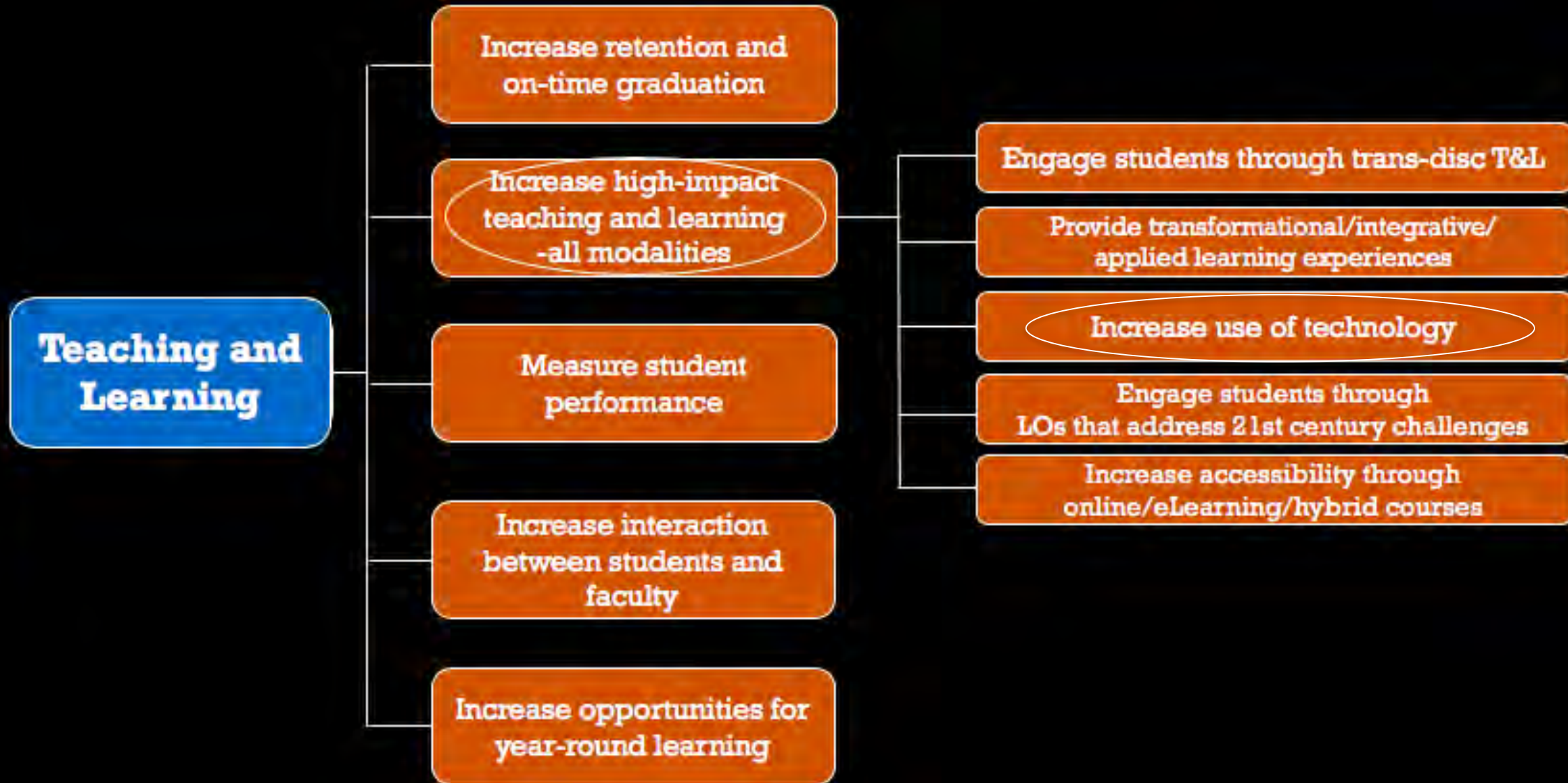
Higher Education - Strategies



Higher Education - OUTCOMES



Higher Education - OUTCOMES





Learning from the Journey of New Ideas, Inception to Scale

Idea

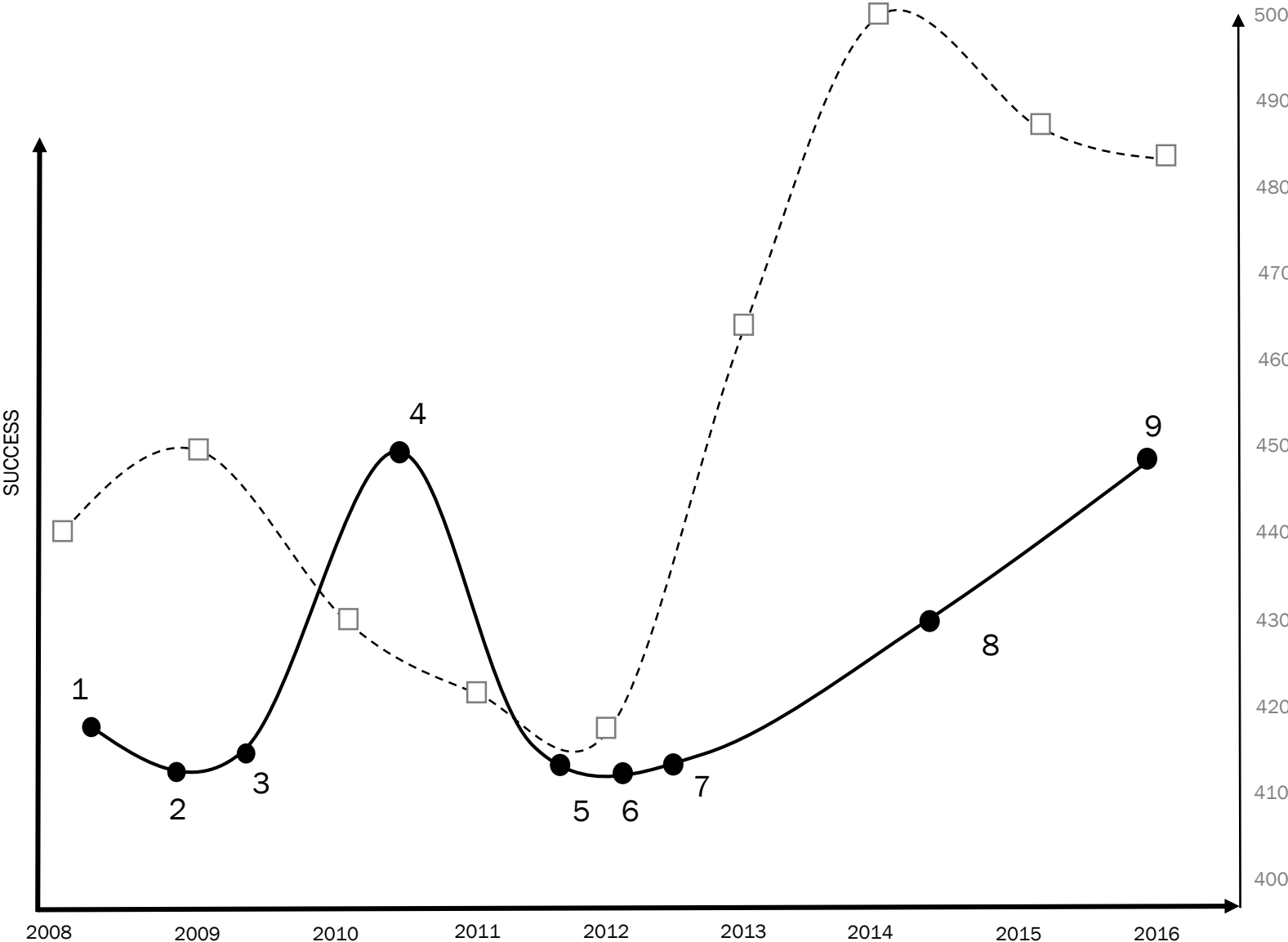


Forensic Idea Flow Mapping



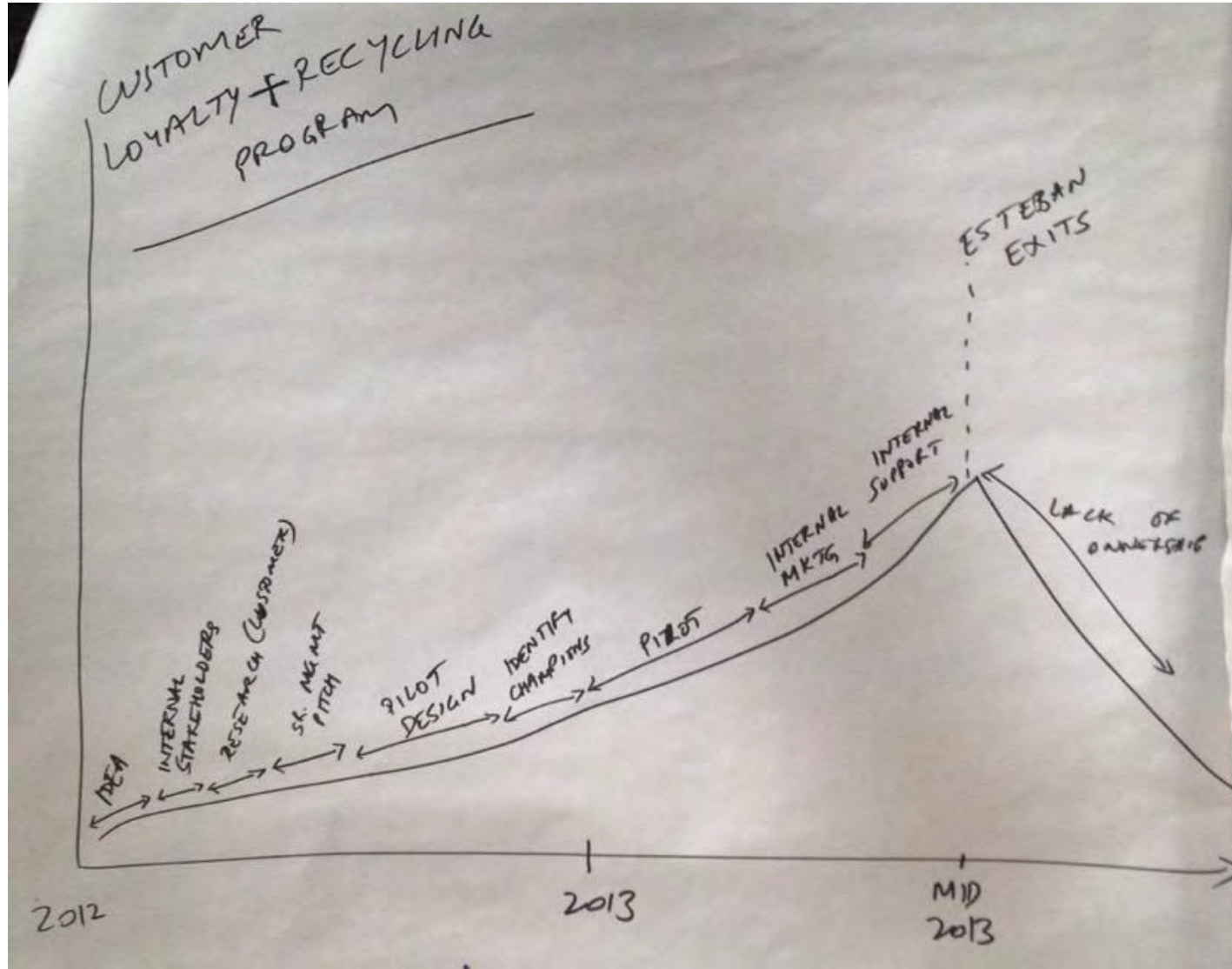
Mapping the life cycle of past Ideas from inception to full scale implementation (or death) reveals a great deal about our organizations.

Media & Broadcasting Goes Digital

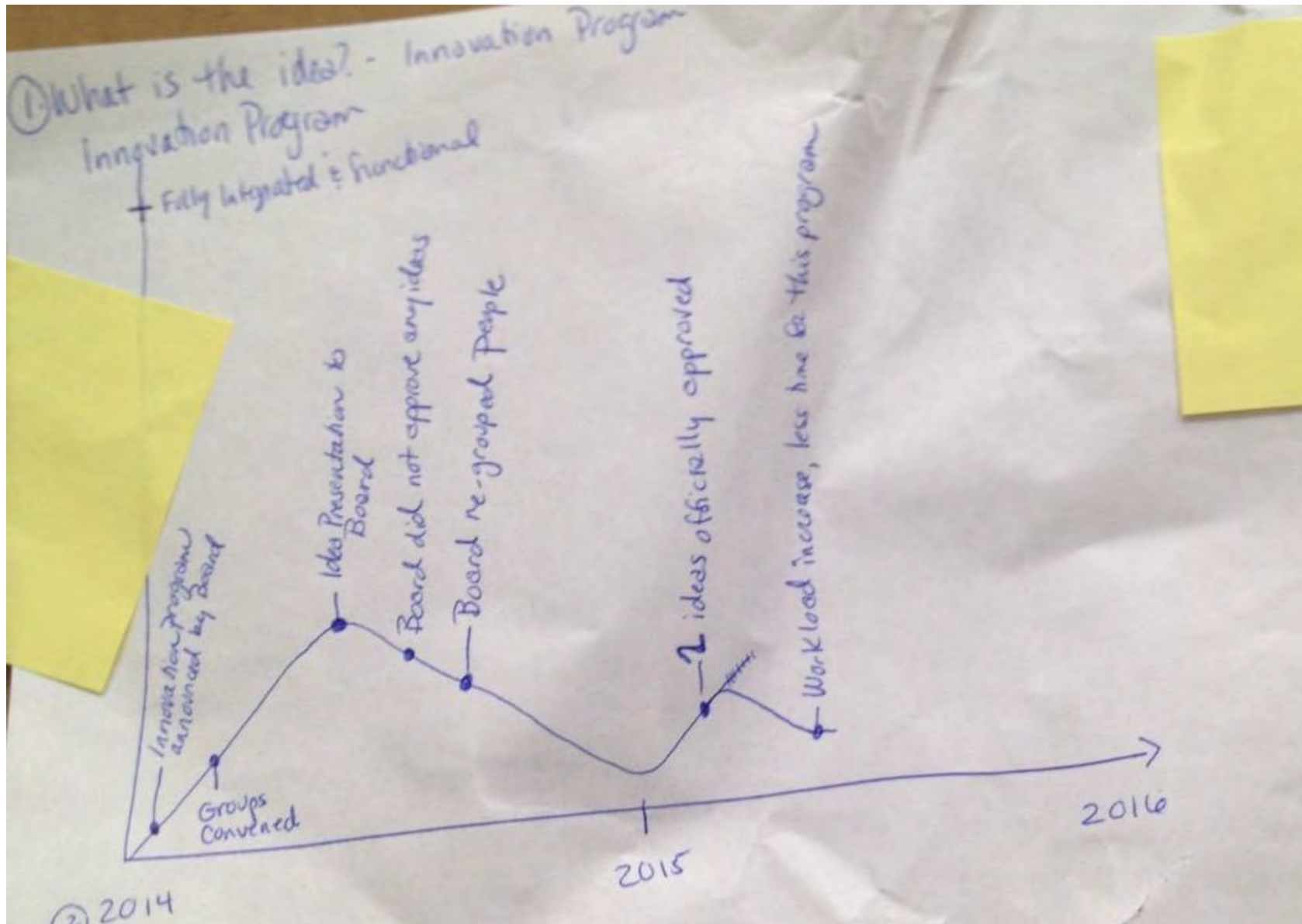


Milestones	
1.	Identify need to go digital: Fact Finding
2.	Seek Dean's permission
3.	Conduct feasibility study and SOW
4.	Receive funding
5.	MUTV Converted to Digital
6.	Begin curricular revision process
<i>Transition from Final Cut X to Avid</i>	
7.	Irwin Sabbatical, digital workflow
8.	Fully digital
9.	Revised curriculum approved

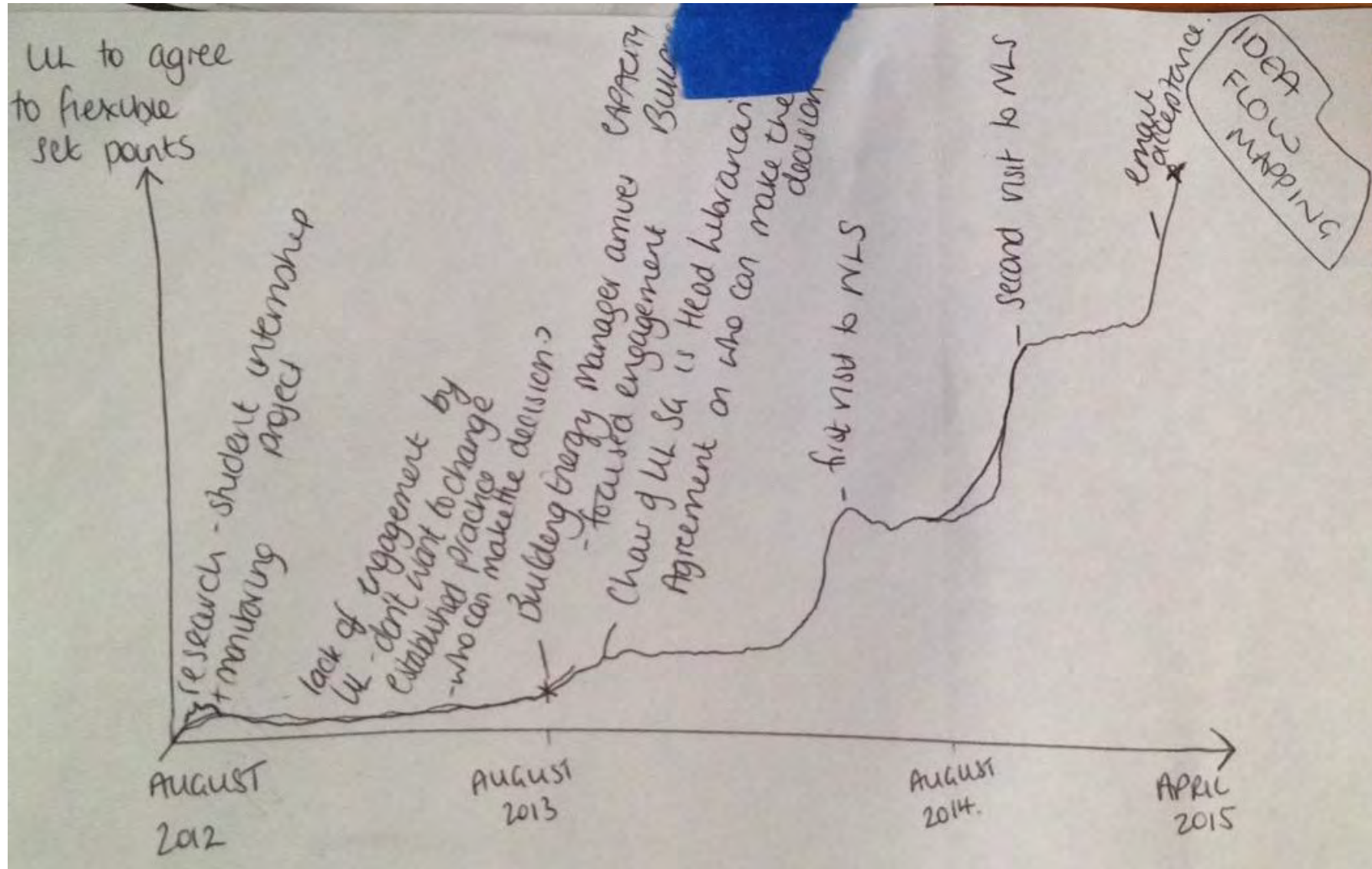
Getting into the Squiggle Using 'Forensic Idea Flow Mapping'



Getting into the Squiggle Using 'Forensic Idea Flow Mapping'



Getting into the Squiggle Using 'Forensic Idea Flow Mapping'



The Lifecycle of Every New Idea is as Unique as a Fingerprint.

Each Idea has its Own Unique Stakeholder Ecosystem, Risks, Opportunities, Assets, Context etc.





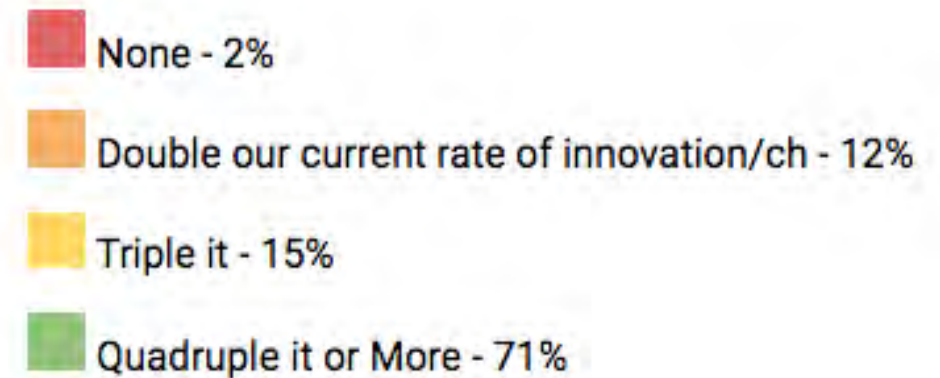
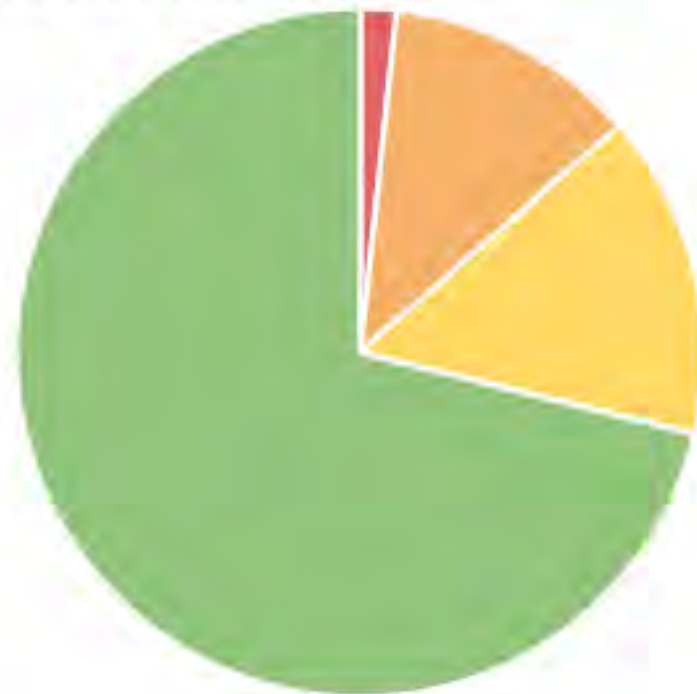
What is key now is that the pace of change is getting faster and how we can make a bigger difference faster. How can we use science to help and how can we make a greater impact
(Gyori et al, 2018)

What Rate of Change Increase is Needed?

What Increase in our Rate of Change/Innovation is Needed?

duration: 00:44:00

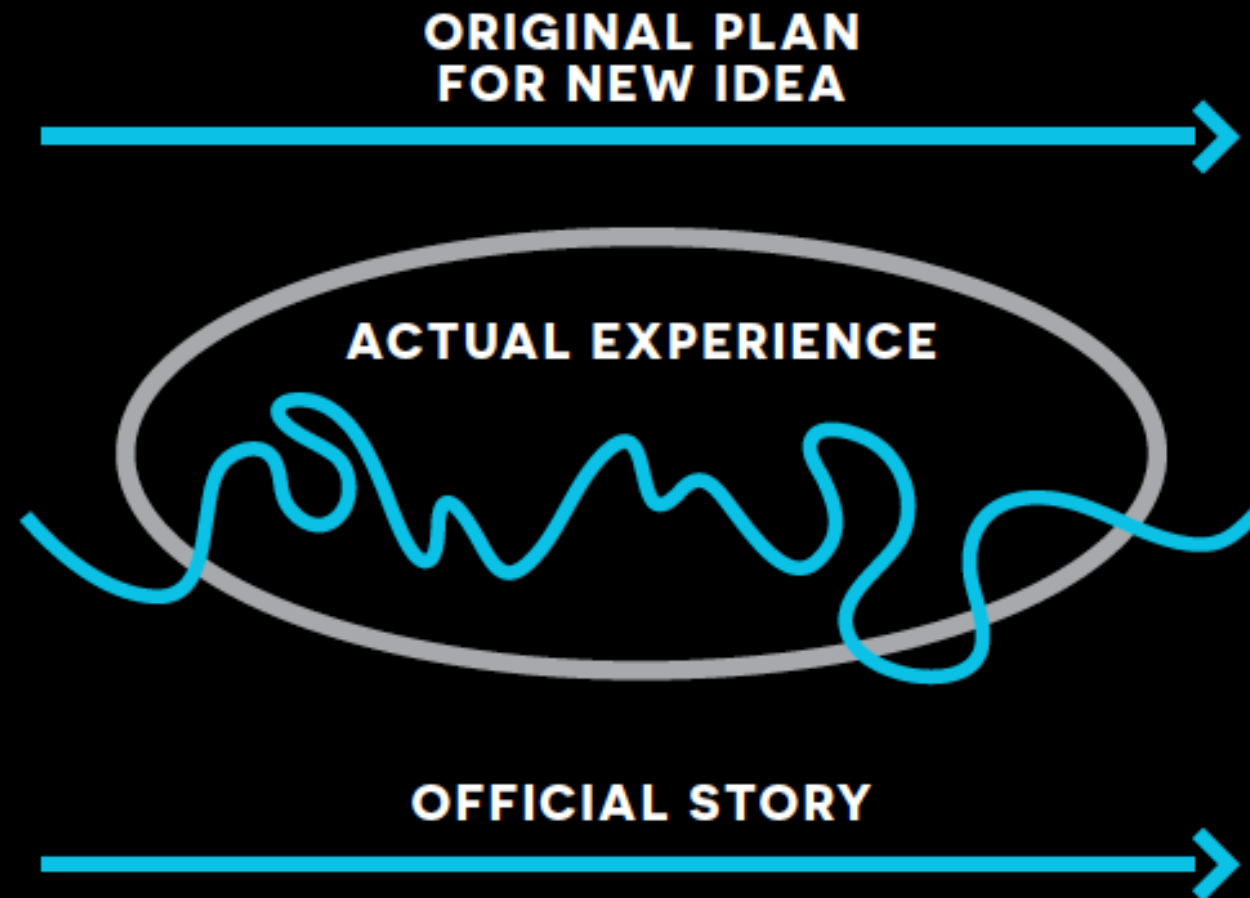
Harvard Executive Education for Sustainability Leadership Cohort, 2016



**THE ORIGINAL PLAN, ACTUAL EXPERIENCE
AND OFFICIAL STORY OF CHANGE**



THE ORIGINAL PLAN, ACTUAL EXPERIENCE AND OFFICIAL STORY OF CHANGE



2018 CEO CLUSTER



AJAY BANGA
CEO, MASTERCARD



ERIC J. FERAUD
CEO, AIG



CARLO CERETTO
CEO, AB INBEV



DENIS MACHUEL
CEO, SODEXO



EMMANUEL FABER
CEO, DANONE



FIKSU JESMA
CEO, DSM



GRANT REID
CEO, MARS



JOE KAESER
CEO, SIEMENS



JOHN FALLON
CEO, PEARSON



LARS SØRENSEN
FORMER CEO,
NOVO NORDISK



LORNA DONATONE
CEO, GEOGRAPHIC
REGIONS, SODEXO



PABLO ISLA
CEO, INDITEX



PETER AGNĖLL
FORMER CEO, IKEA



SIR MARTIN SORRELL
CEO, WPP

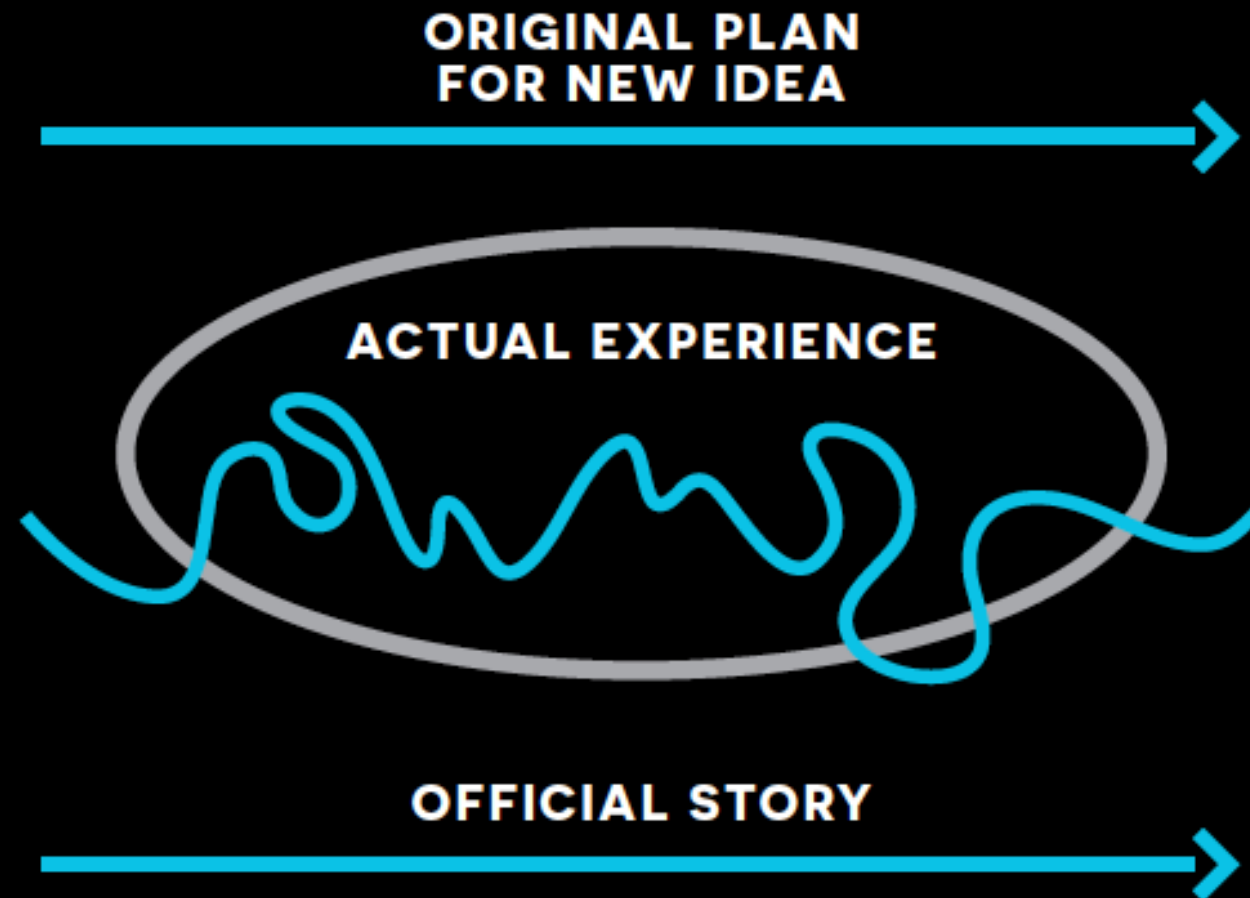


TOM LINBARGER
CEO, CUMMINS



ZHANG RUIMIN
CEO, HAIER

THE ORIGINAL PLAN, ACTUAL EXPERIENCE AND OFFICIAL STORY OF CHANGE



Chuckle.....yes

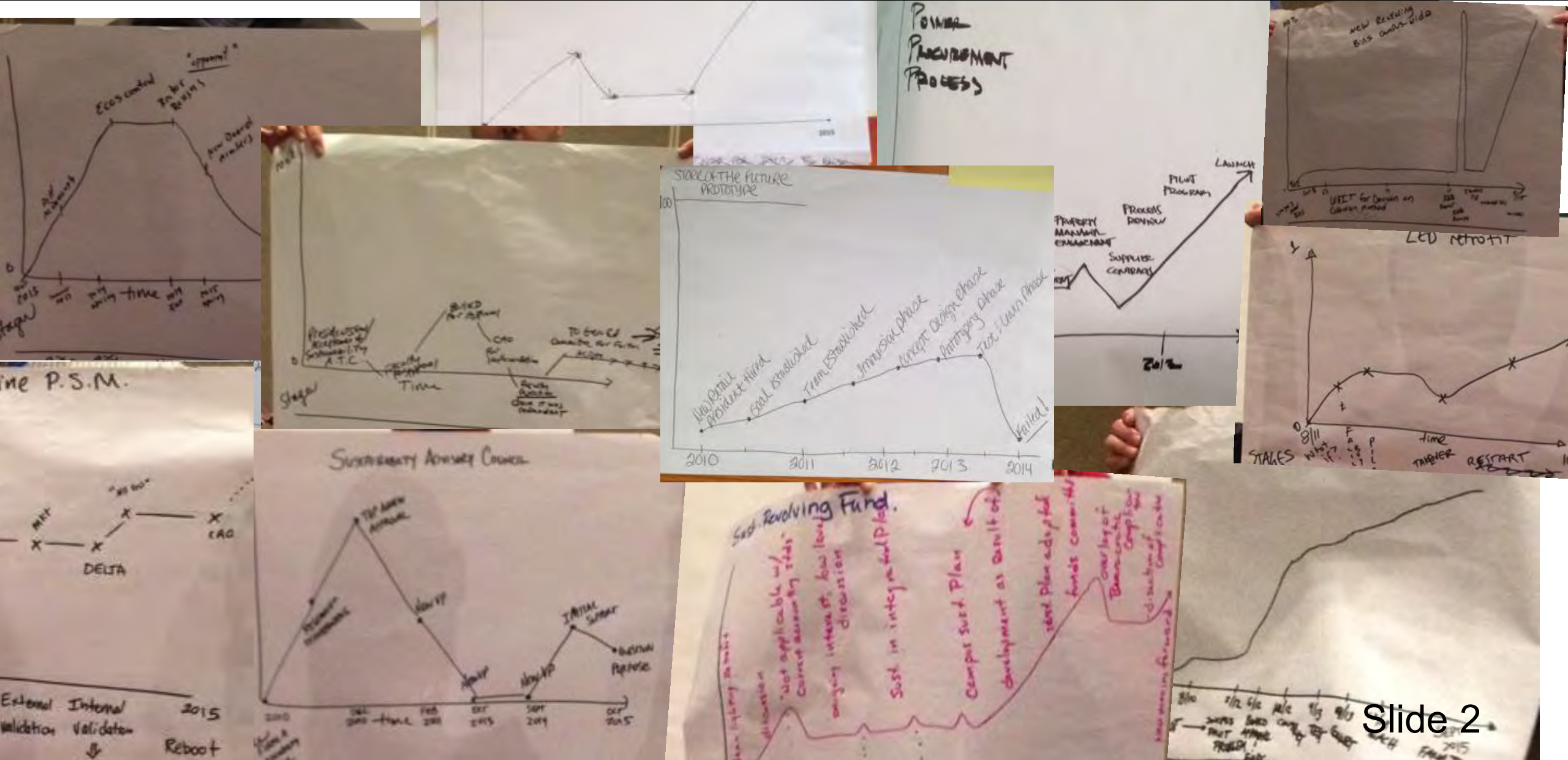


“Trying to get the **original plan** and the **official story** more aligned with **actual experience** is a potentially very liberating and empowering thing to do. Hard, though, but it's the right approach.”

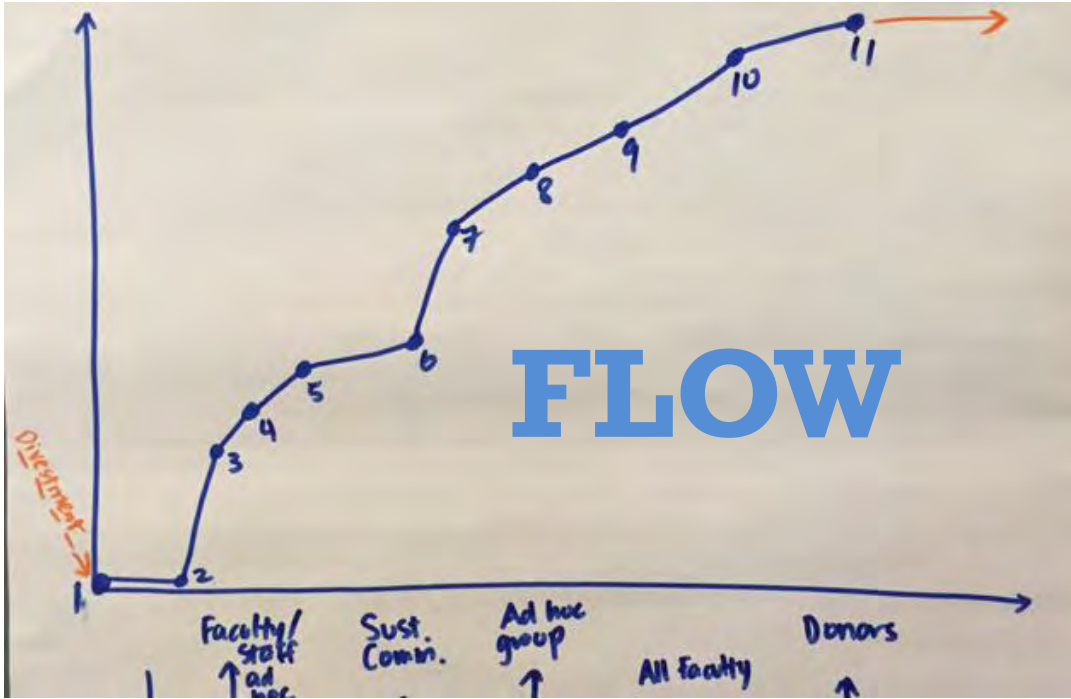
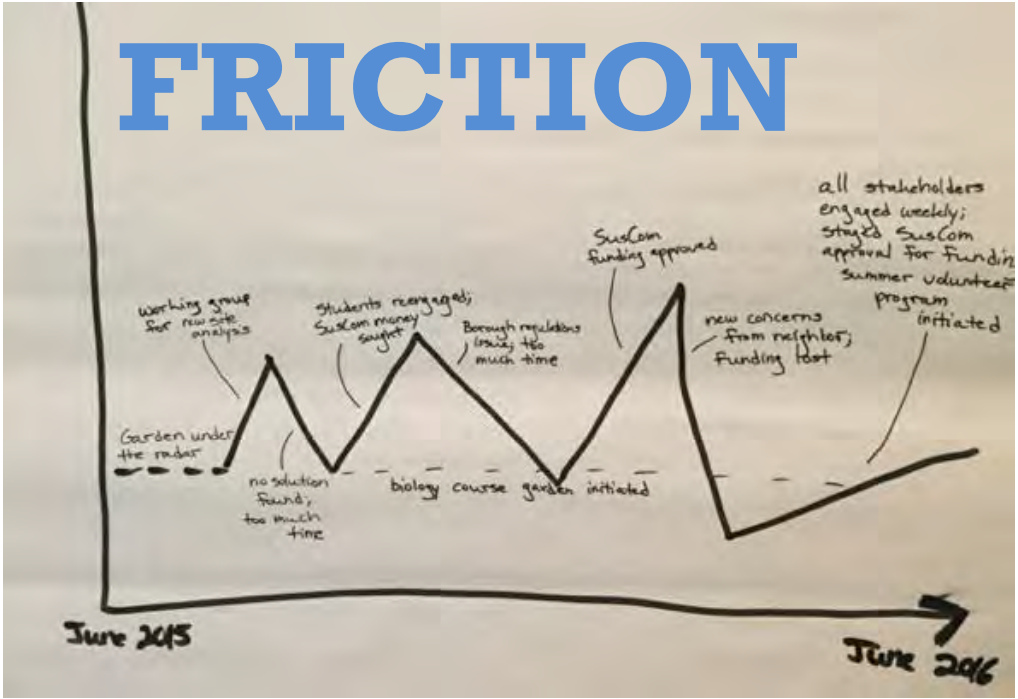
(Sharp et al, 2018)



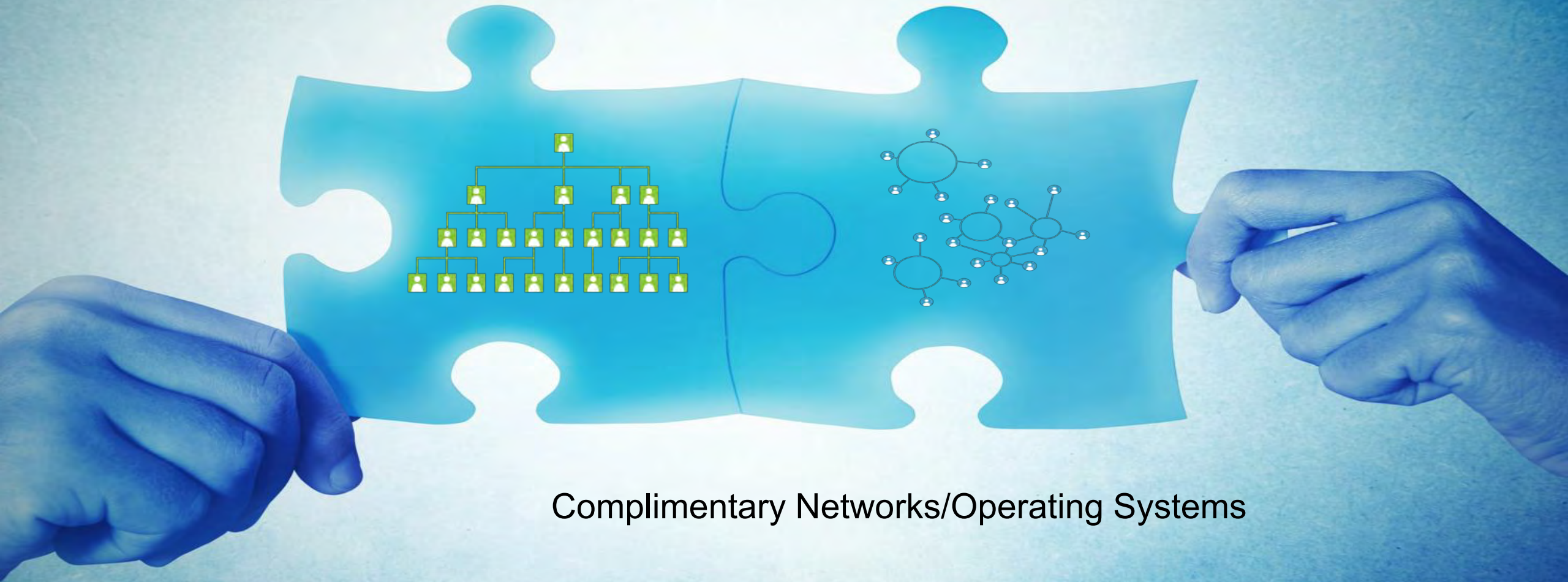
Patterns and Insights from 2000+ Purpose-driven ideas mapped from Inception to Scale



Many Idea Life Cycles Experience Friction & Some Experience Flow



Actual Story = Change Processes Require Two Networks or Operating Systems



Complimentary Networks/Operating Systems

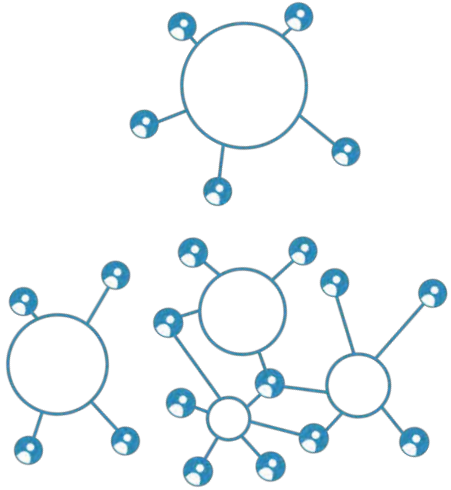


EXAMPLE OF HOW A COMPANY BALANCES ADAPTIVE AND HIERARCHICAL NETWORKS:

“You need to have an [iteration] between two of these systems and need to have a little bit of both in an organization in order to be successful long term. Obviously at IKEA, we are more adaptive, as I said, but there are areas where we obviously need to be more controlling to operate in a good way.”

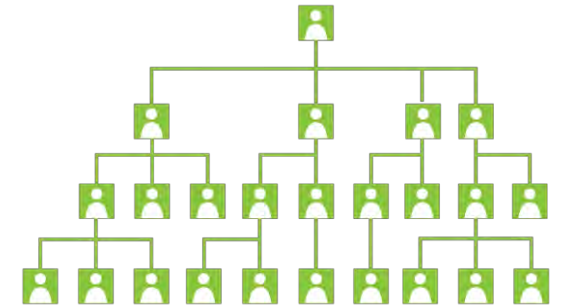
Peter Agnefjäll, CEO IKEA. (Sharp et al, 2018)

Each Network/Operating System Has Different Operating Rules, Priorities, Language etc.



Adaptive Networks provide responsiveness to context, sensing, connecting, ideas, learning and adapting.

Hierarchical Networks provide efficiency, control, scale, accountability, structure and cohesion.





Structure
and
Control



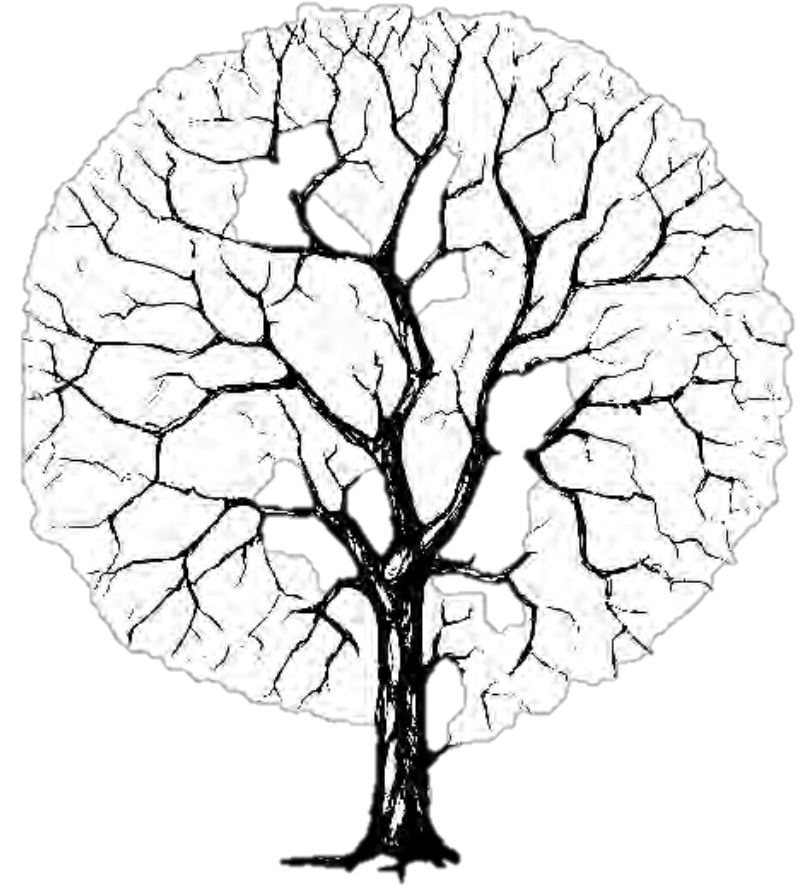
Sensing
&
Emergence

BUILDING BLOCKS FOR AGILITY: ADAPTIVE AND HIERARCHICAL NETWORKS



The Trunk and Main Branches/Roots of the Tree

- Structure & cohesion to support the whole
- Conserves & distributes resources for the Whole
- Routines to support existing system needs

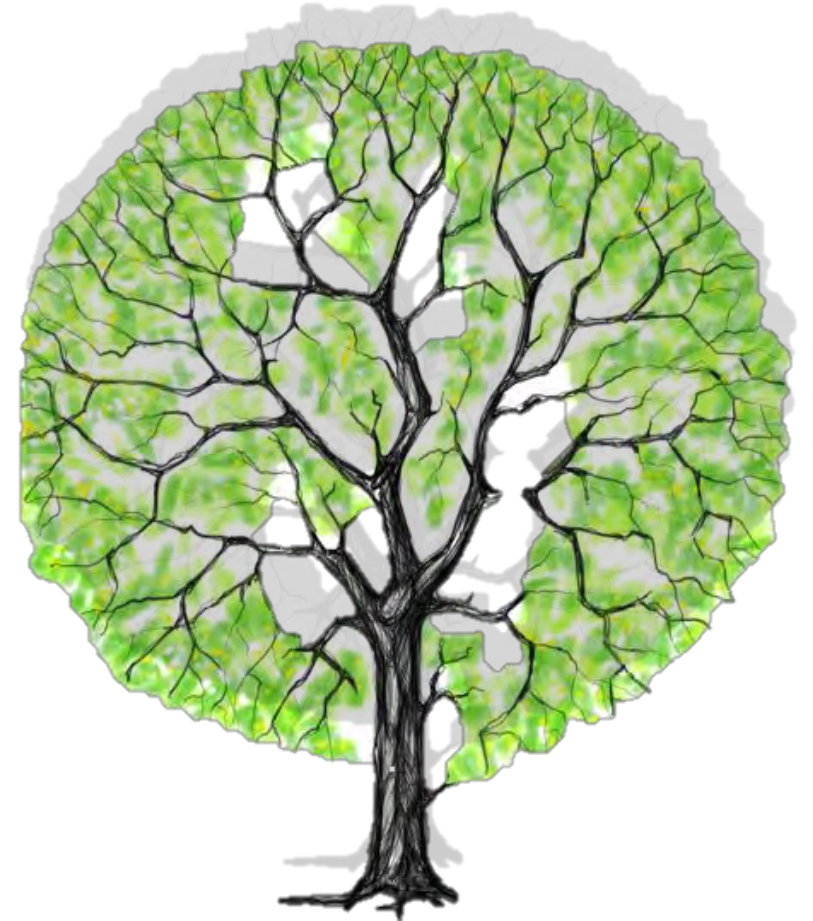


HIERARCHICAL NETWORKS IN NATURE

BUILDING BLOCKS FOR AGILITY: ADAPTIVE AND HIERARCHICAL NETWORKS

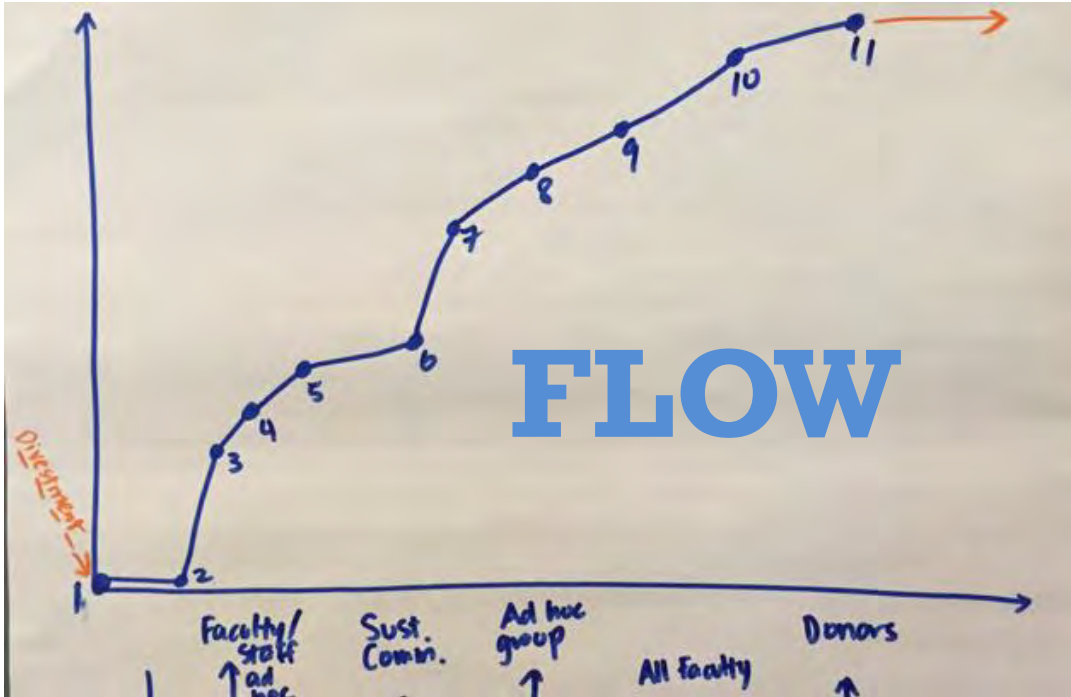
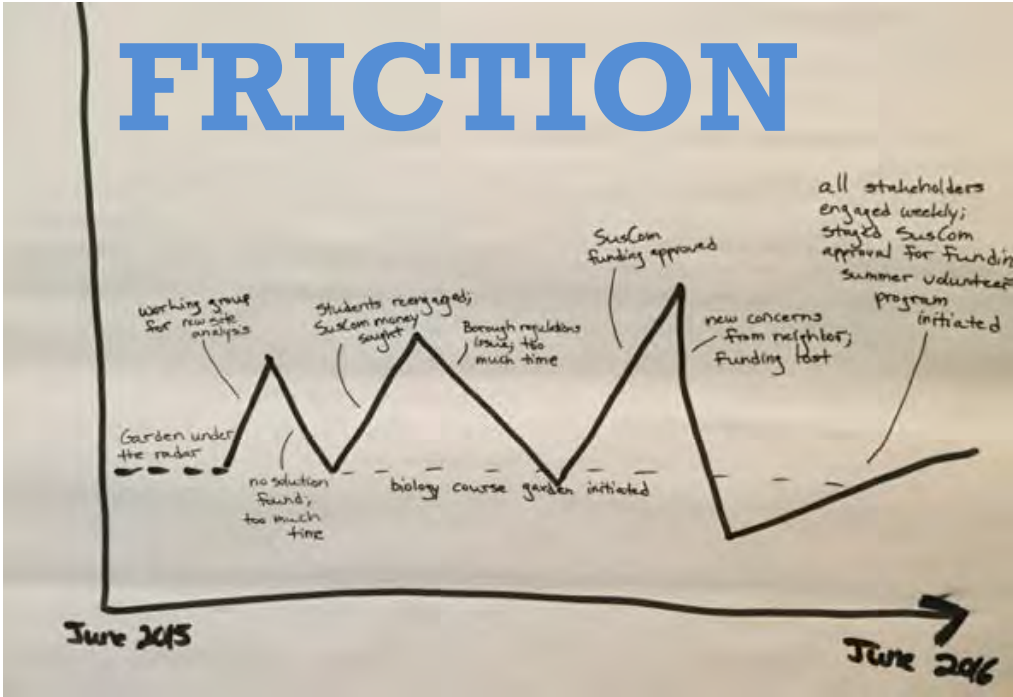
The Leaves and Fine Roots of the Tree

- Interface and balance with the broader context
- Sensing new resources, risks & needs
- Adapting/Evolving new growth and routines

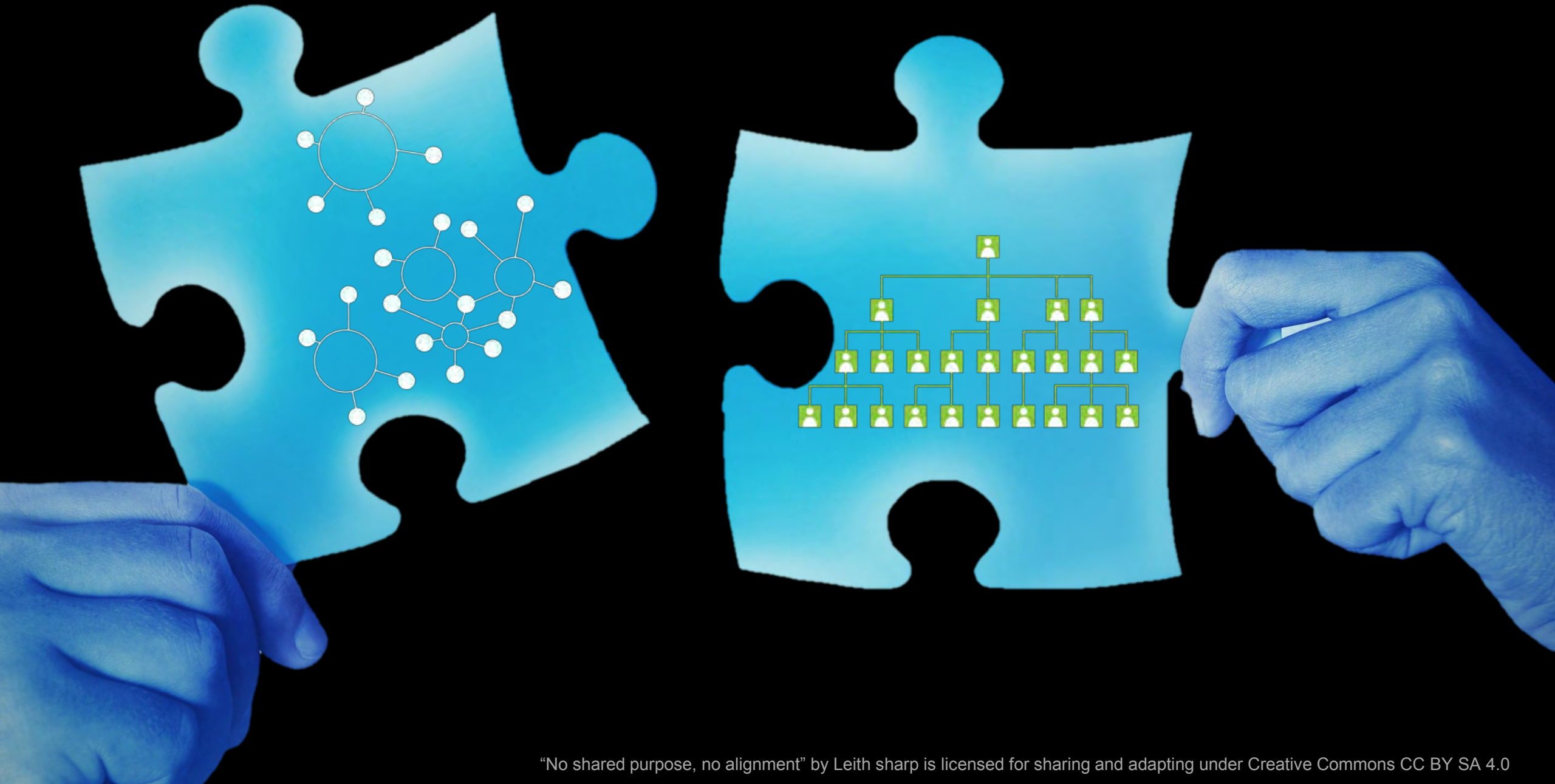


ADAPTIVE NETWORKS IN NATURE

Many Idea Life Cycles Experience Friction & Some Experience Flow

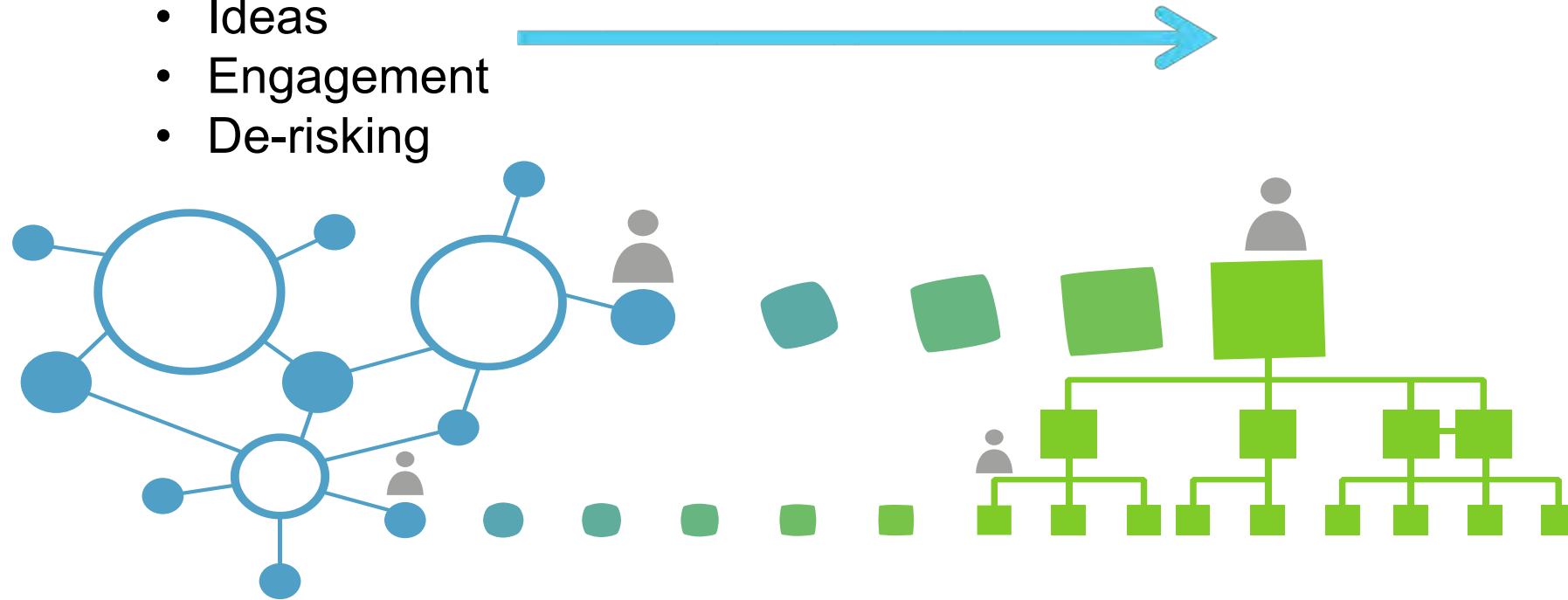


They Don't Automatically Play Well Together



Enormous Synergy Exists Between Adaptive and Hierarchical Networks

- Sensing
- Ideas
- Engagement
- De-risking



- Permission/Invitation
- Resourcing
- Business Alignment, Cohesion
- Scaling Strategy & Structure

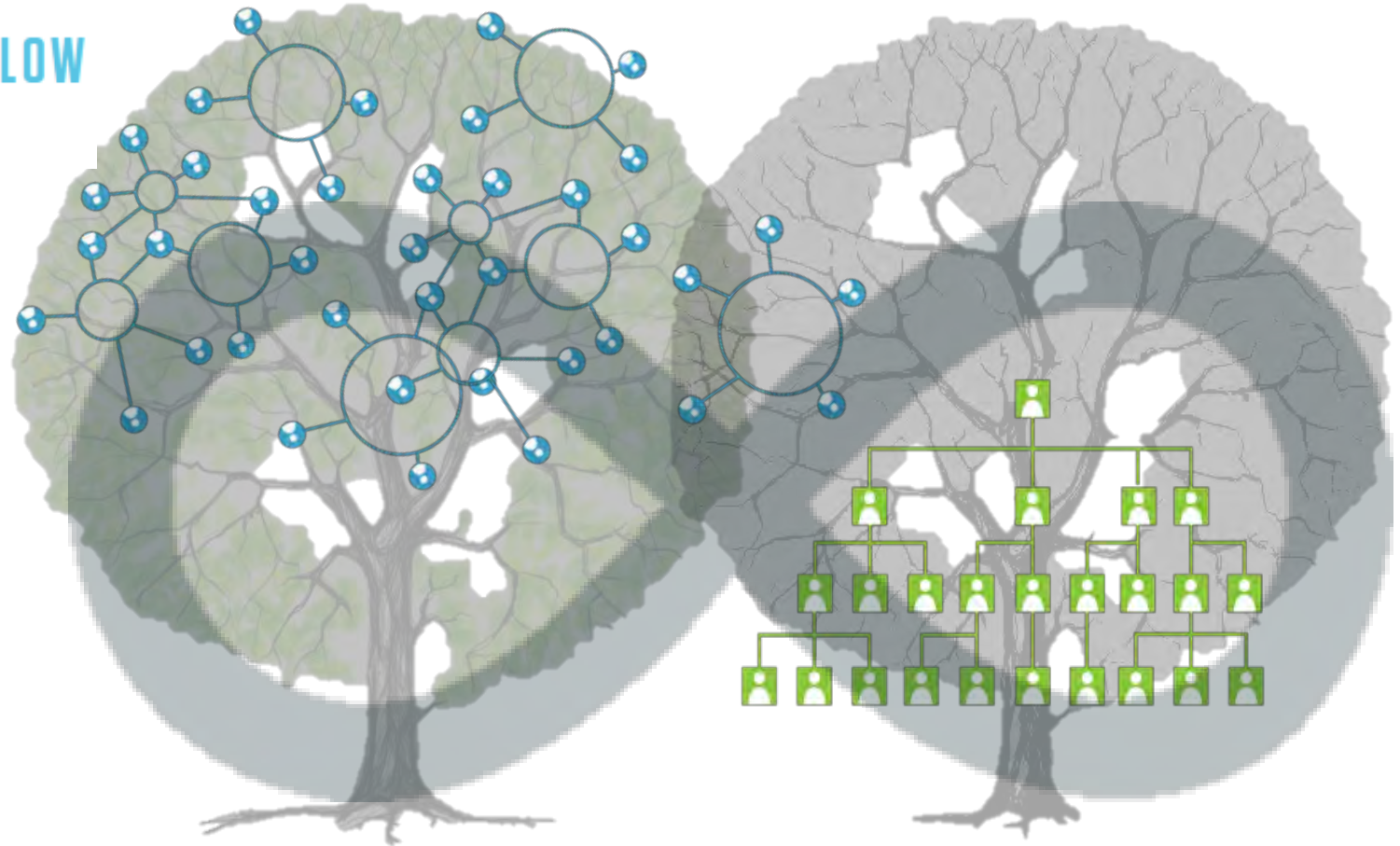


LARS R. SØRENSEN >
CEO, NOVO NORDISK



"IF I WERE TO TALK ABOUT THE EVOLUTION OF OUR PROJECTS, ON SOCIAL RESPONSIBILITY, AND ENVIRONMENT, THEY HAVE CLEARLY FOLLOWED THIS LINE WHERE IT STARTS IN THE ADAPTIVE [NETWORK]. LATER ON YOU BUILD CREDIBILITY, AND THEN YOU INTERNALIZE AND INCORPORATE IT AS I SAID BY ITERATING AND DE-RISKING THE IDEAS. THEN, ALL OF A SUDDEN, IT GETS ADOPTED, AND, IN THE WHOLE COMMAND AND CONTROL OPERATING SYSTEM, IT BECOMES INSTITUTIONALIZED IN THE COMPANY AS PART OF A CONTRACT."

PURPOSE ALIGNS NETWORK FLOW
WHICH INCREASES AGILITY



Nature's Purpose and Our Purpose – To Preserve & Extend Life

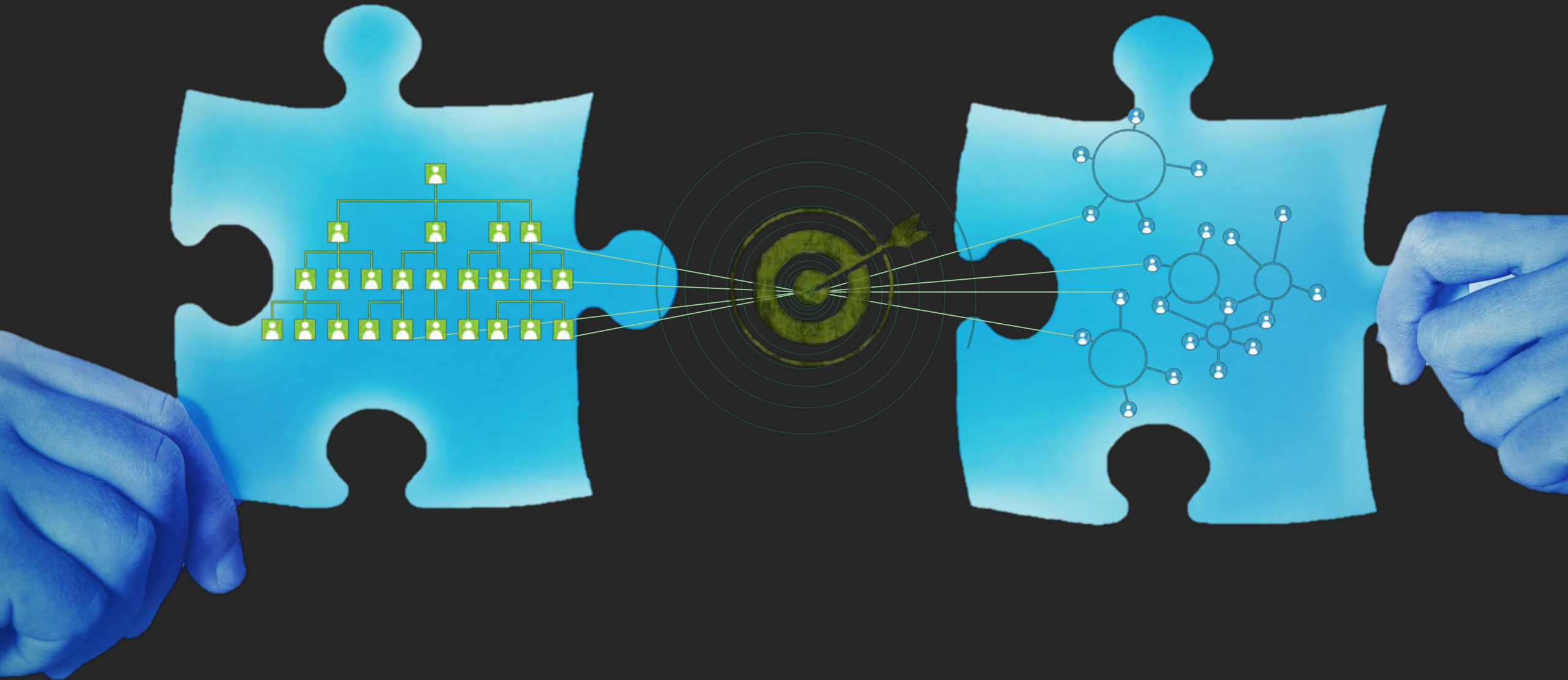


Both
aligned
around
purpose:
Life



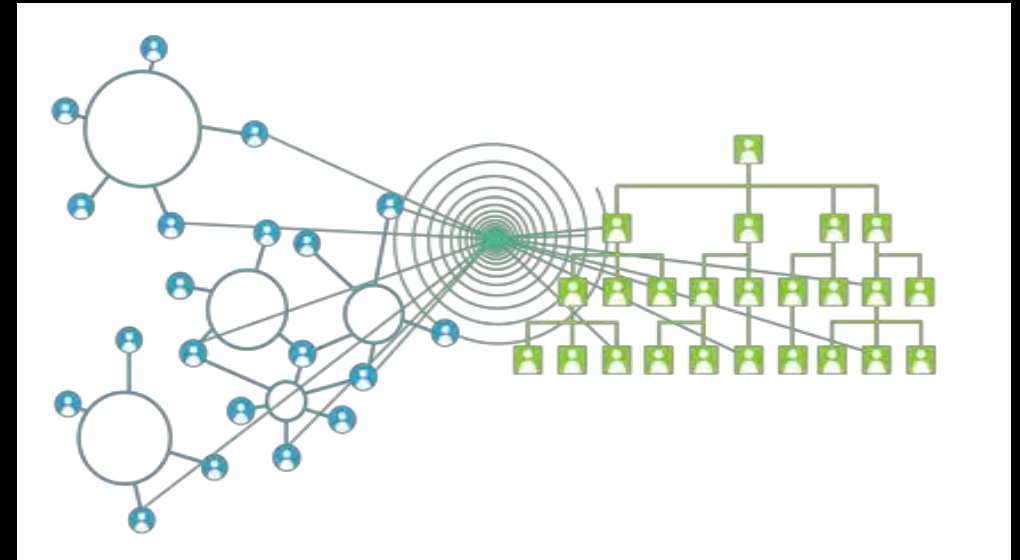
“The motivation, purpose, engagement to have fun, to love a certain business, those kinds of things you cannot enforce top-down... The whole purposing aligns the two [organizational systems] and makes the organization more creative.” (Sharp, 2019)

Shared Purpose & Psychological Safety Provides the Aligning Force



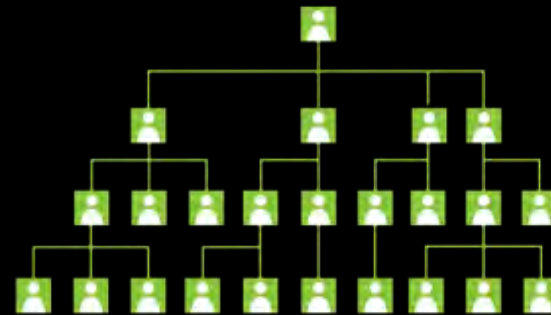
Minneapolis - St. Paul International Airport: Snow Removal

Snow removal problem. Climate change messing with snow dumps patterns, delaying aircraft.



Something Changes

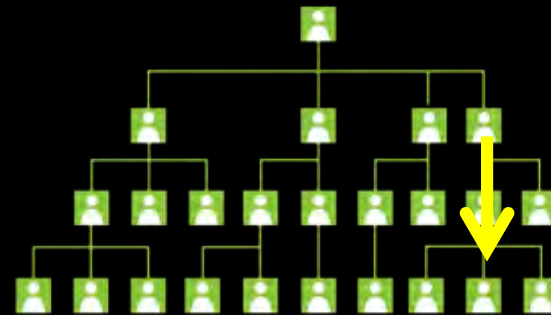
New Problem that Needs Solving



Hierarchical Network

Initial Response

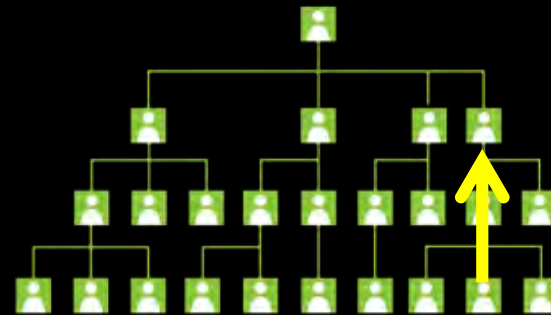
New Problem that Needs Solving



Mandate – Fix
it

Initial Response

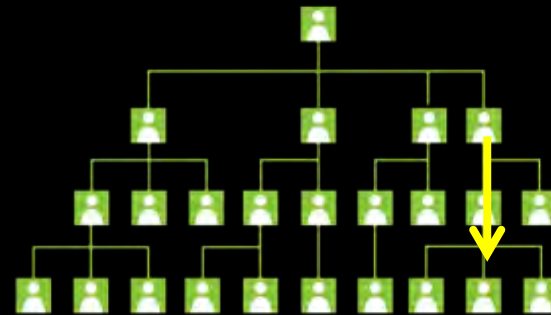
New Problem



We Will Fix it.
How do you Want Us to Fix It?

Initial Response

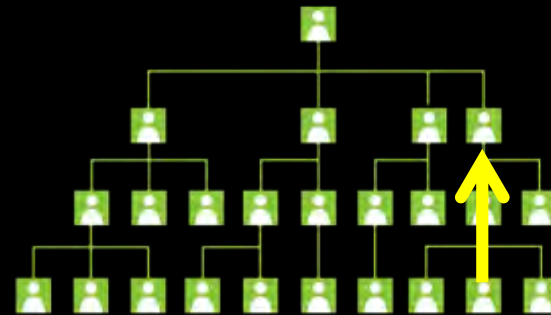
New Problem



Mandate – Fix
it

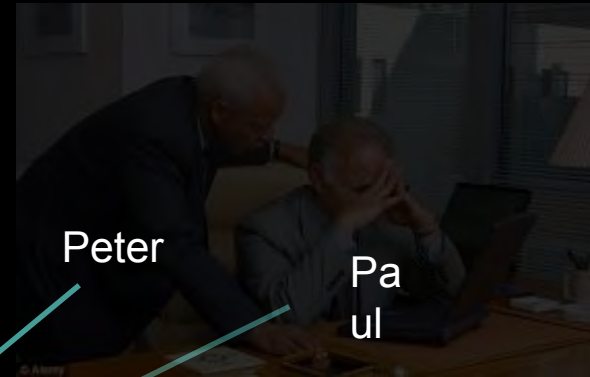
Initial Response

New Problem



We Will Fix it.
How do you Want Us to Fix It?

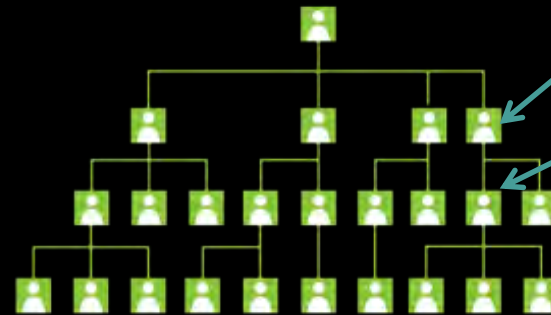
Paul Gets Sick of It – He Cracks



Peter

Paul

New Problem



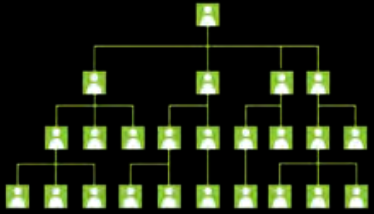


A LIMITATION OF THE HIERARCHICAL NETWORK – INDIVIDUAL ENGAGEMENT

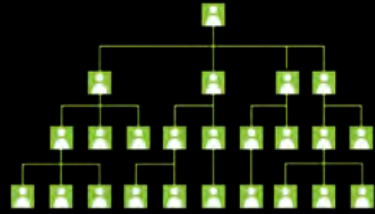
“... one thing you can never dictate, and it's to gain the hearts of your people. You cannot do that by dictating. And that you should realize that you miss a dimension, you miss their own flexibility, their own thoughts, their own ideas if you don't gain their hearts. They will still do what you say, if you're strong enough, but you will miss creativity, you will miss the extra mile, you will miss whatever they can do if you gain their hearts.”

Feike Sijbesma, CEO DSM.

What Paul Did: Started Leading between Adaptive & Hierarchical Networks



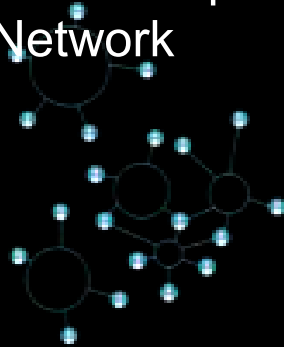
~~Mandate~~



Permission

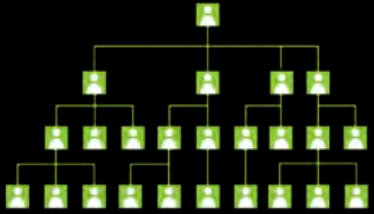
New Problem

Engages Snow Plow Crew as an Adaptive Network

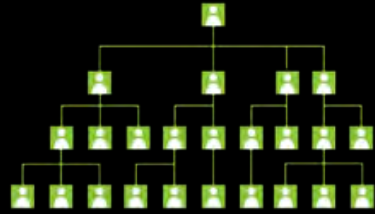


WEEKS LATER.....

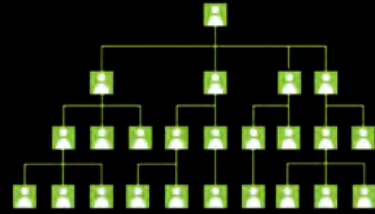
What Paul Did: Hit a Wall



~~Mandate~~



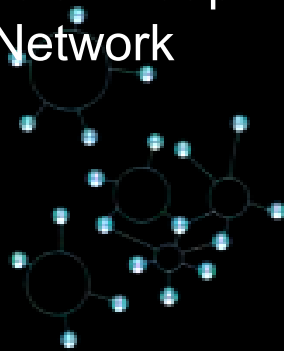
Permission



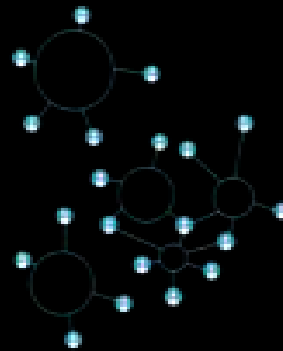
Permission Withdrawn

New Problem

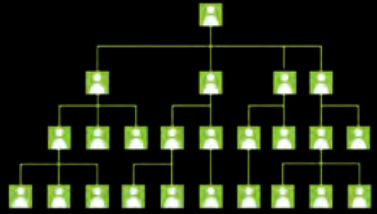
Engages Snow Plow Crew as an Adaptive Network



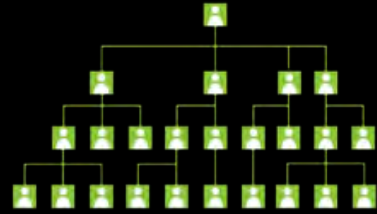
Engagement Withdrawn



What Paul Did: He Creates the Social Atmosphere or Medium Within Which the Adaptive and Hierarchical Networks can Iterate



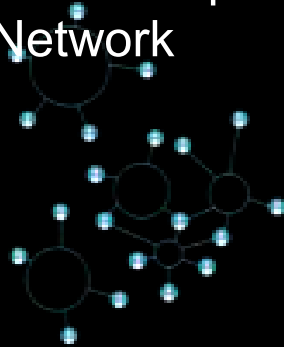
~~Mandate~~

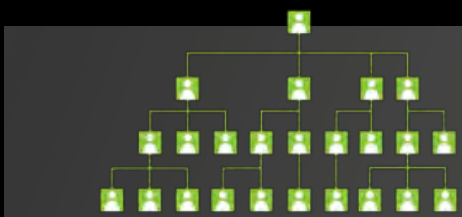
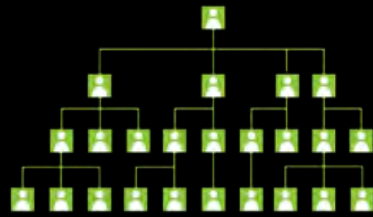
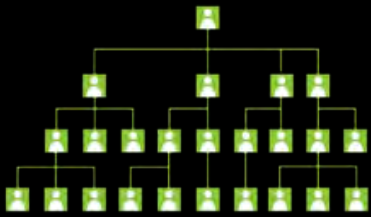


Permission

New Problem

Engages Snow Plow Crew as an Adaptive Network





~~Mandate~~

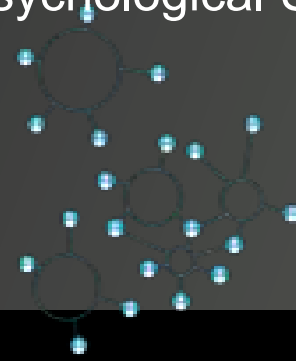
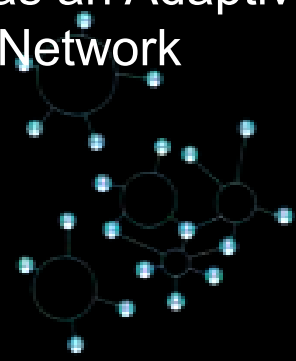
Permission

Hierarchical Sponsor has Psychological Safety

New Problem

Engages Snow Plow Crew as an Adaptive Network

Drivers have Psychological Safety



Psychological Safety

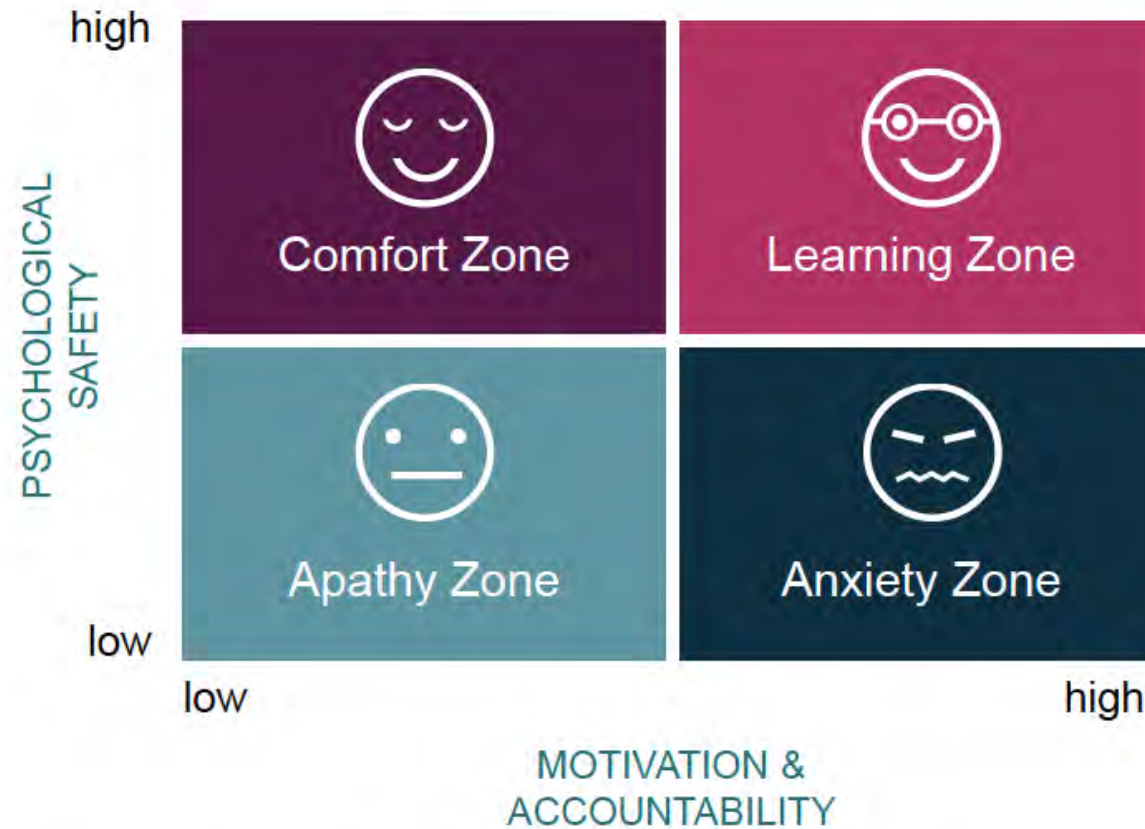
Making it Safe



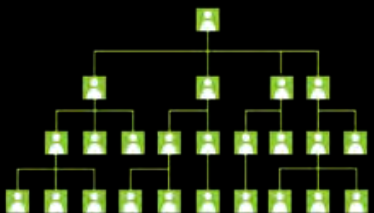
Psychological safety is a belief that one will not be punished or humiliated for speaking up with ideas, questions, concerns, or mistakes.

IT'S ESSENTIAL TO EMERGENCE.

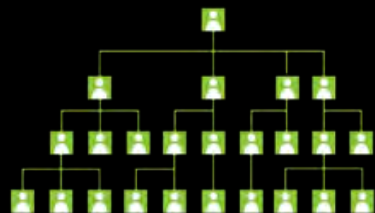
THE POWER OF TEAMING



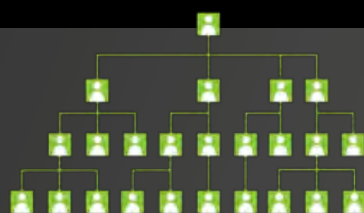
What Paul Did: Continues Leading between Adaptive & Hierarchical Networks



~~Mandate~~



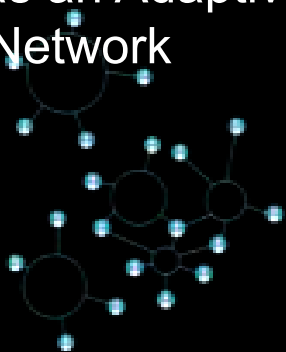
Permission



Hierarchical Sponsor has Psychological Safety

New Problem

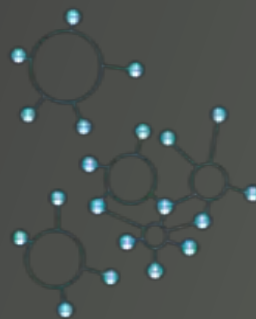
Engages Snow Plow Crew as an Adaptive Network



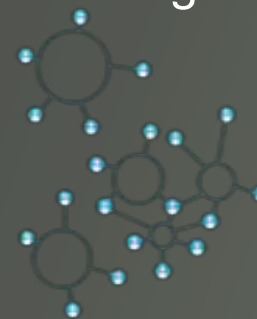
Drivers have Psychological Safety

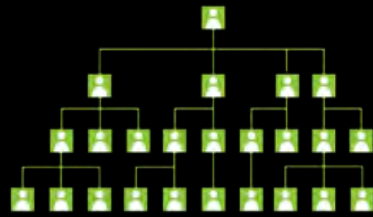
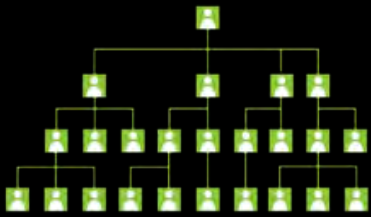


Ideas



Piloting

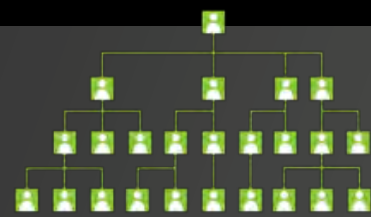




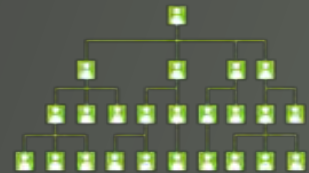
~~Mandate~~

Permission

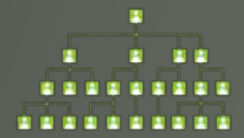
New Problem



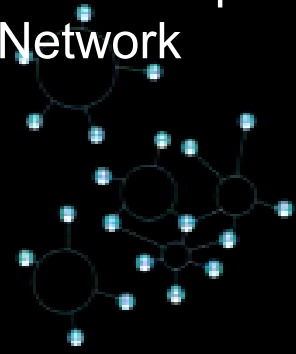
Hierarchical Sponsor has Psychological Safety



De-risk for Hierarchy Approval



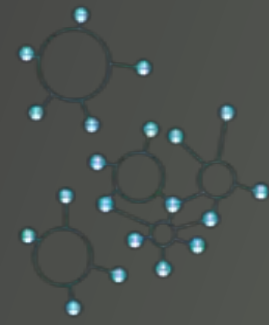
Engages Snow Plow Crew as an Adaptive Network



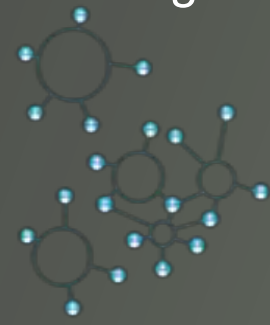
Drivers need Psychological Safety



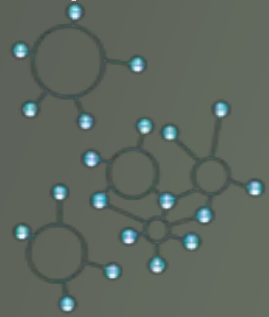
Ideas



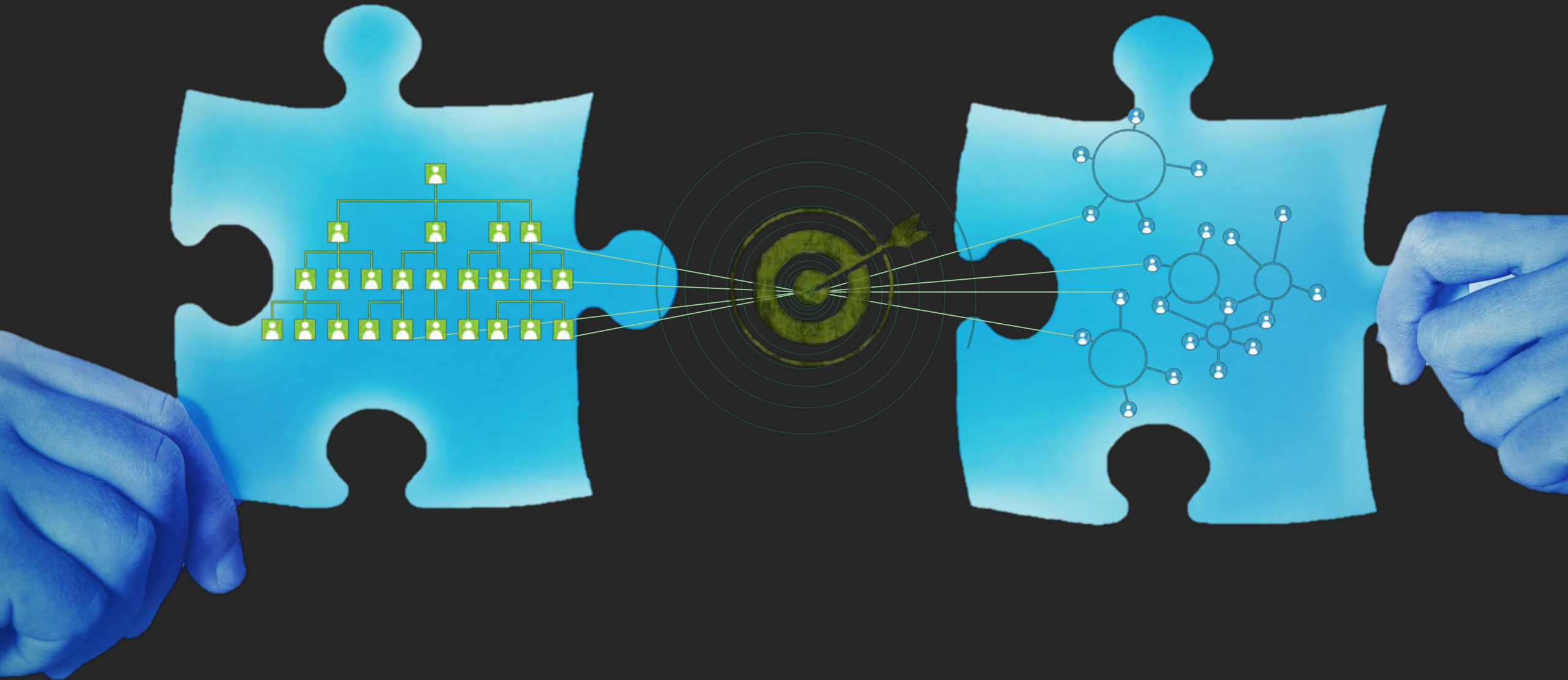
Piloting



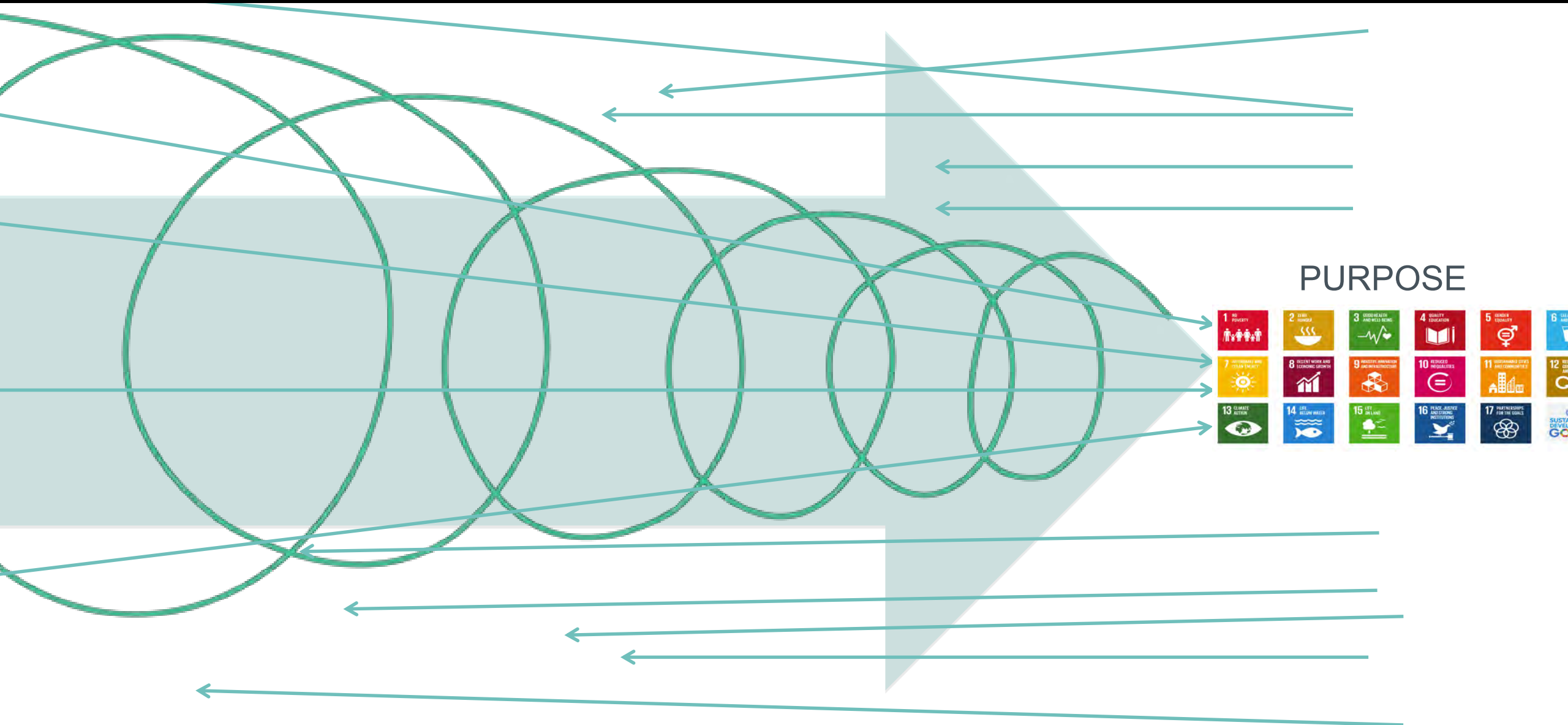
Implement



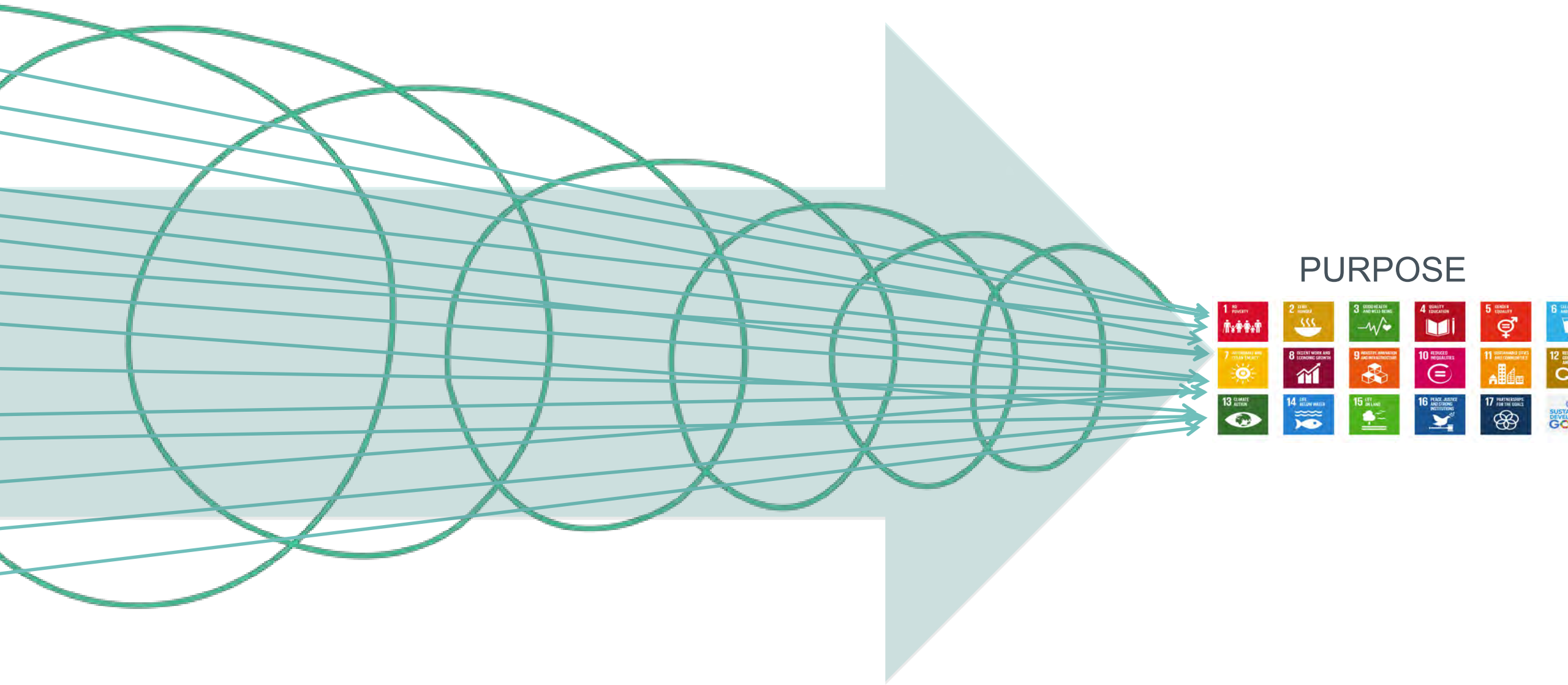
Shared Purpose & Psychological Safety is the Right Social Medium for Network Flow



We Need a Radical Increase in the Flow of Purpose Driven Ideas, at all Scales, Across all Sectors.



We Need a Radical Increase in the Flow of Purpose Driven Ideas, at all Scales, Across all Sectors.



A microscopic image showing several cells in a grid-like pattern. The cells are illuminated with a mix of blue and yellow light, creating a vibrant, almost ethereal appearance. The cells themselves are roughly oval-shaped and contain internal structures that are partially visible. A large, dark green circular overlay is positioned on the left side of the image, containing white text.

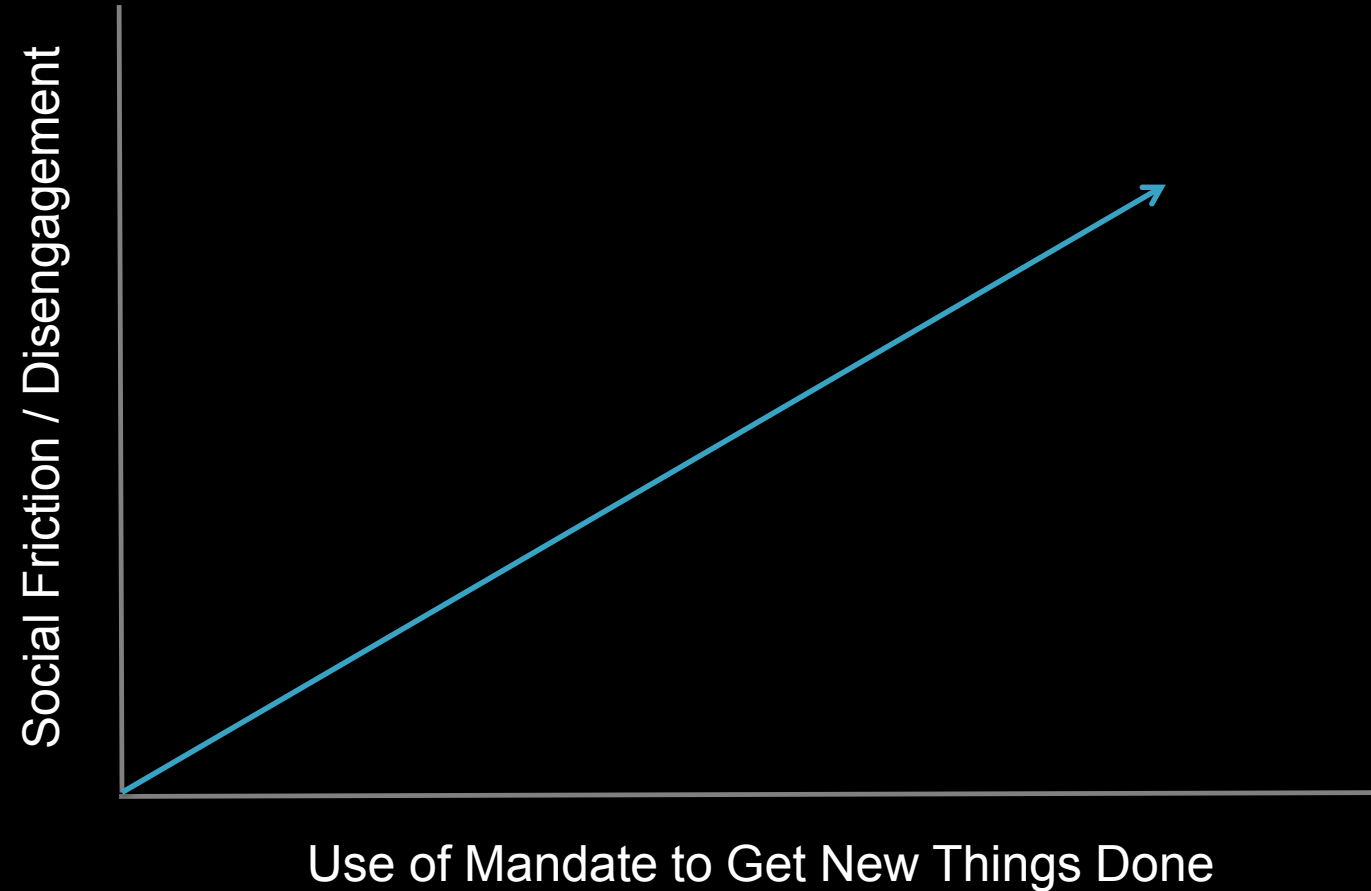
**We Must
Transform
Organizations
into Habitats for
Idea Flow**

Pair & Share

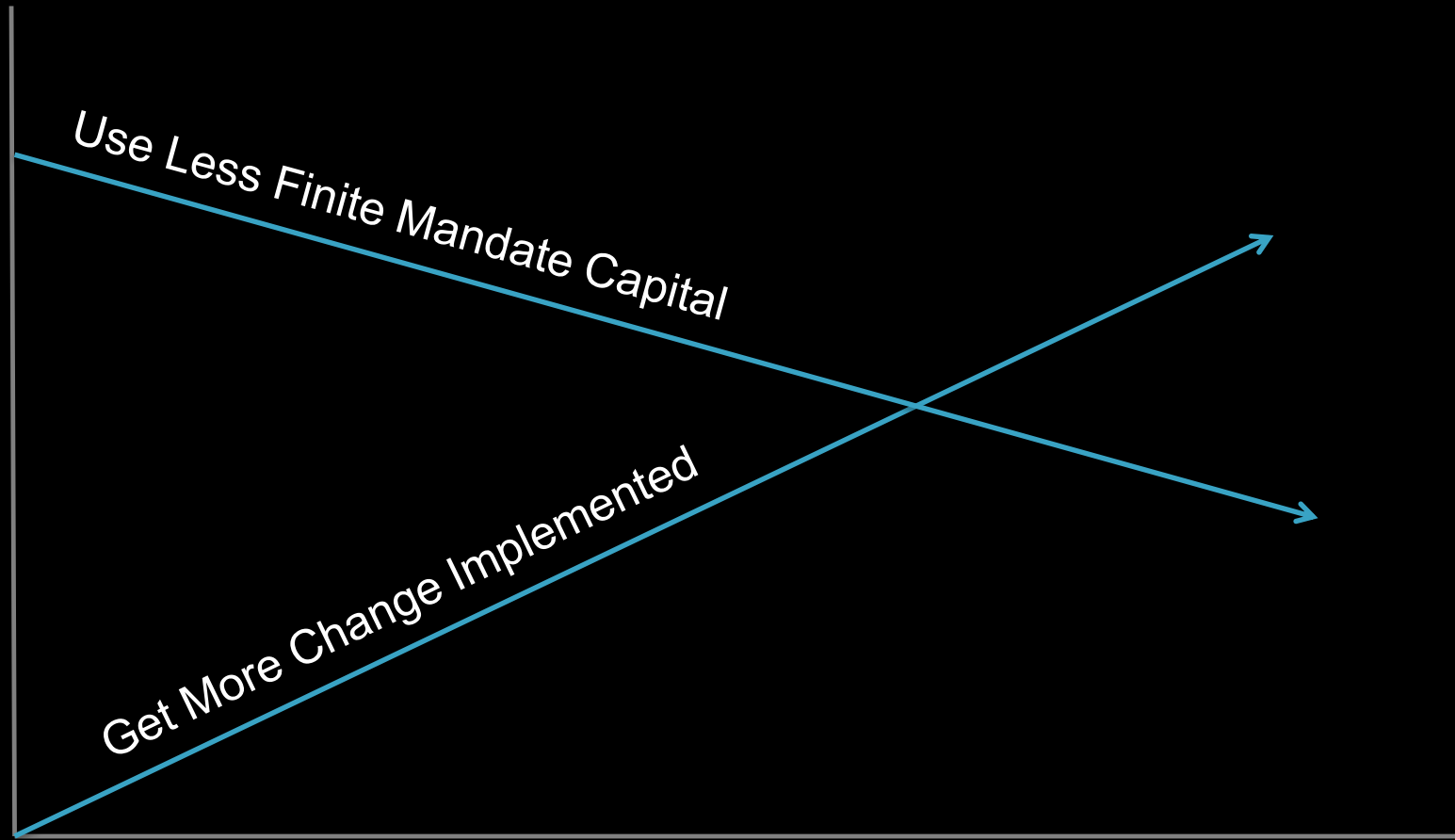
Turn to someone next to you and for 3 minutes each listen to one another answer this question:

What's most alive for you in this content so far and why?

More Mandate = More Social Friction/Disengagement in Organizations



Using Less Mandate Capital to Lead More Change



This Requires Us to Structure in More Adaptive & Hierarchical Synergy

A group of dolphins swimming underwater in a blue-green environment. The dolphins are in various positions, some looking towards the camera. Bubbles are visible in the water, suggesting movement or breathing. The overall scene is serene and captures the natural behavior of these marine mammals.

Unleashing
Collective
Intelligence

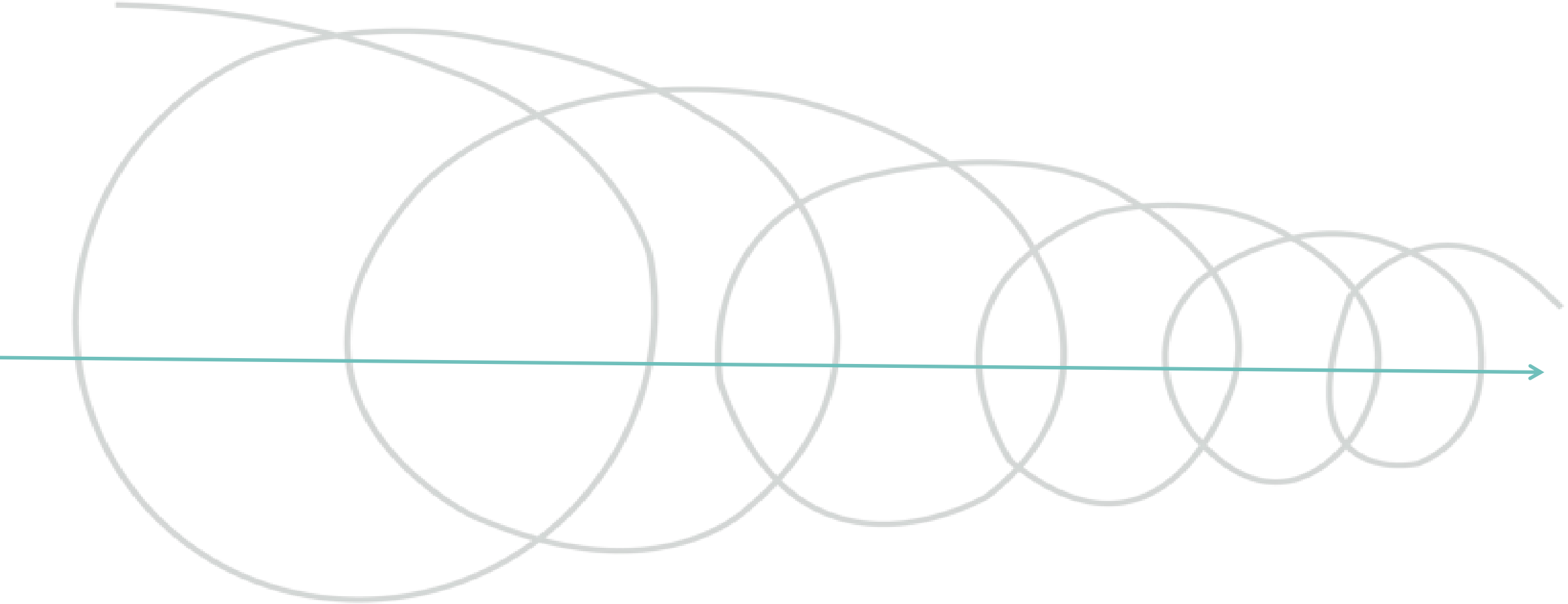


DAVID TAYLOR
CEO Procter & Gamble

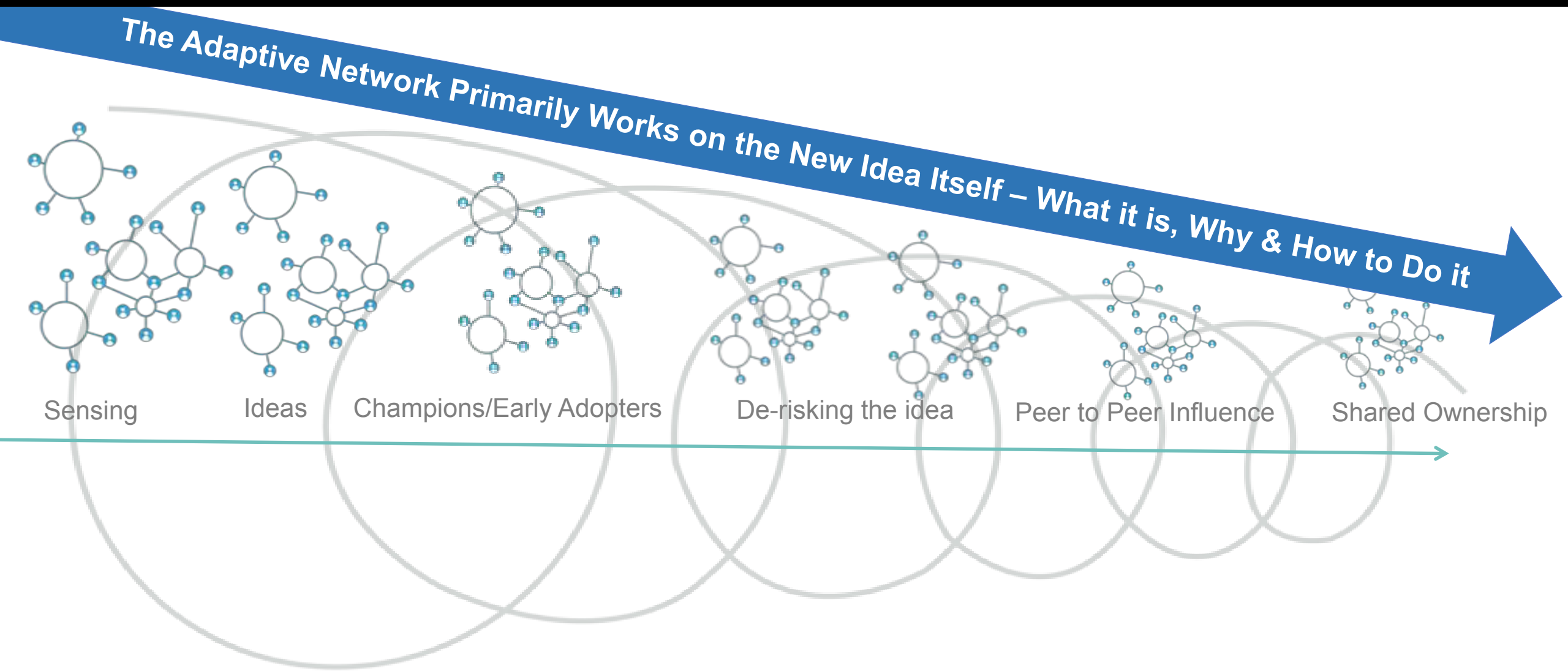
“I do believe both exist (adaptive and hierarchical networks). I believe the interaction is important, but the ability of some people to move from one to the other is high. The ability broadly for most people to move one to the other is probably not nearly as much and in part because we have put people in roles, often for years and years, in a hierarchical network into unleash people to have the creativity and willingness to fail is difficult.

I believe successful companies going forward will be certainly able to execute, but they will have a strengthened muscle in the adaptive network, leaders that understand how to create the environment for people to be creative and still get things done.” (Sharp, 2019)

Iteration between Adaptive and Hierarchical Moves



Iteration between Adaptive and Hierarchical Moves

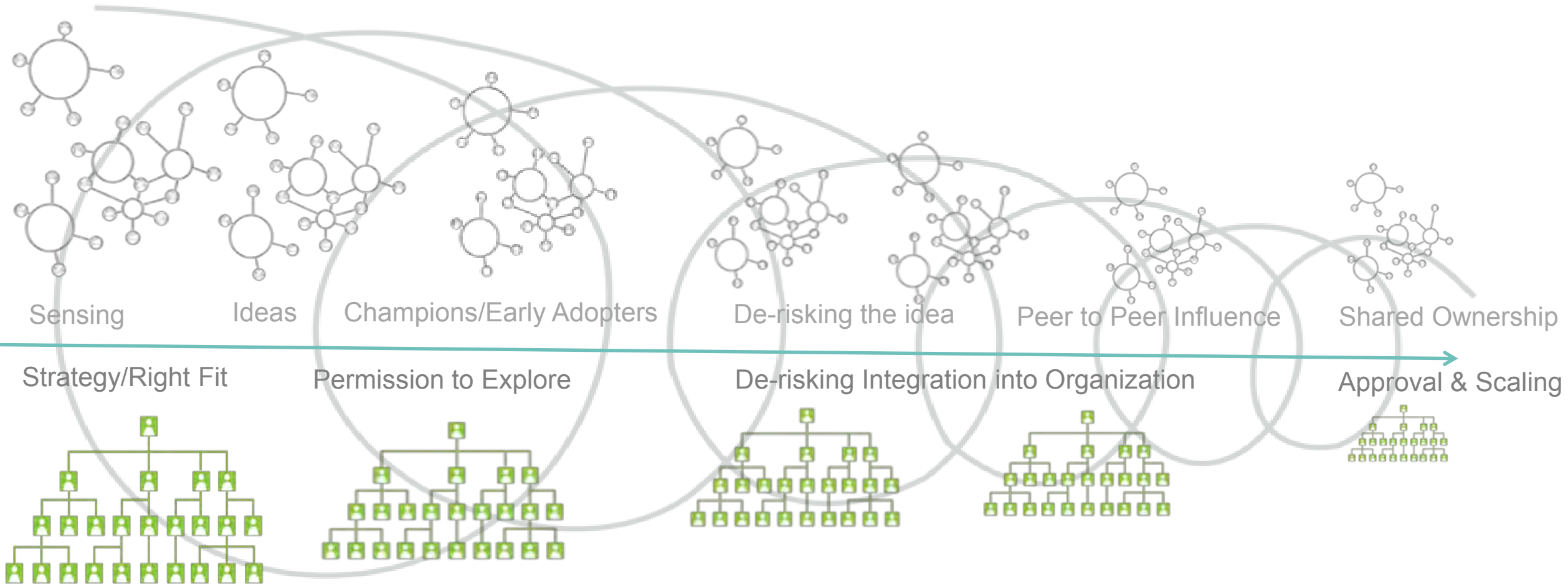




"TRUST [IS A] BIG, BIG THING FOR ME AS WE WORK IN [A] MUCH MORE FAIL FAST AND FIX [ENVIRONMENT] - MUCH MORE AN ORGANIZATION WHERE PEOPLE COME TOGETHER ALMOST ON-THE-FLY AND IN SMALL GROUPS TO WORK ON A SPECIFIC PROBLEM. DISBAND, REFORM, GO AGAIN, THIS IDEA, ONE OF TRUST AND ALSO THE IMPORTANCE OF, THIS FACT: I CAN GIVE YOU CLARITY. I CANNOT GIVE YOU CERTAINTY."

(Sharp, 2018)

Iteration between Adaptive and Hierarchical Moves





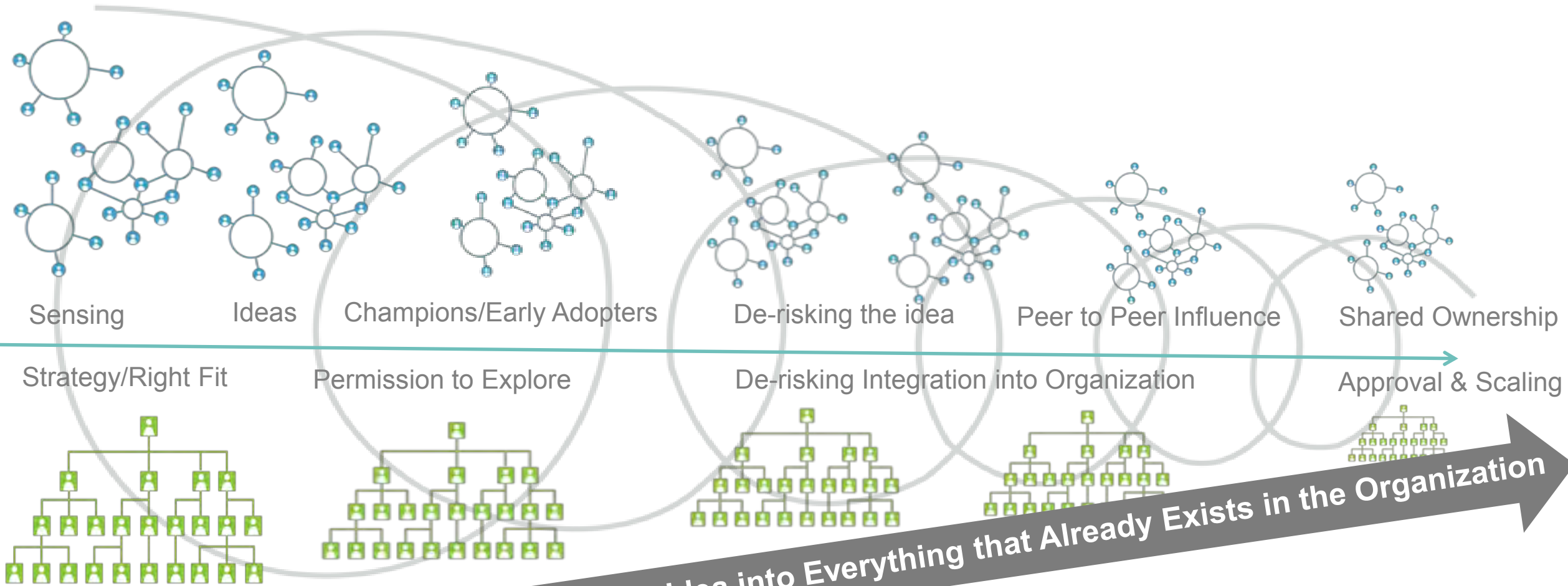
**Frans van Houten, CEO
Philips**



“You need the guardrails and the insight, of the hierarchical networks in the organization, and allow the creativity of the adaptive networks (to work) in a collaborative manner of multi-disciplinary teams to deliver an outcome to a customer.”

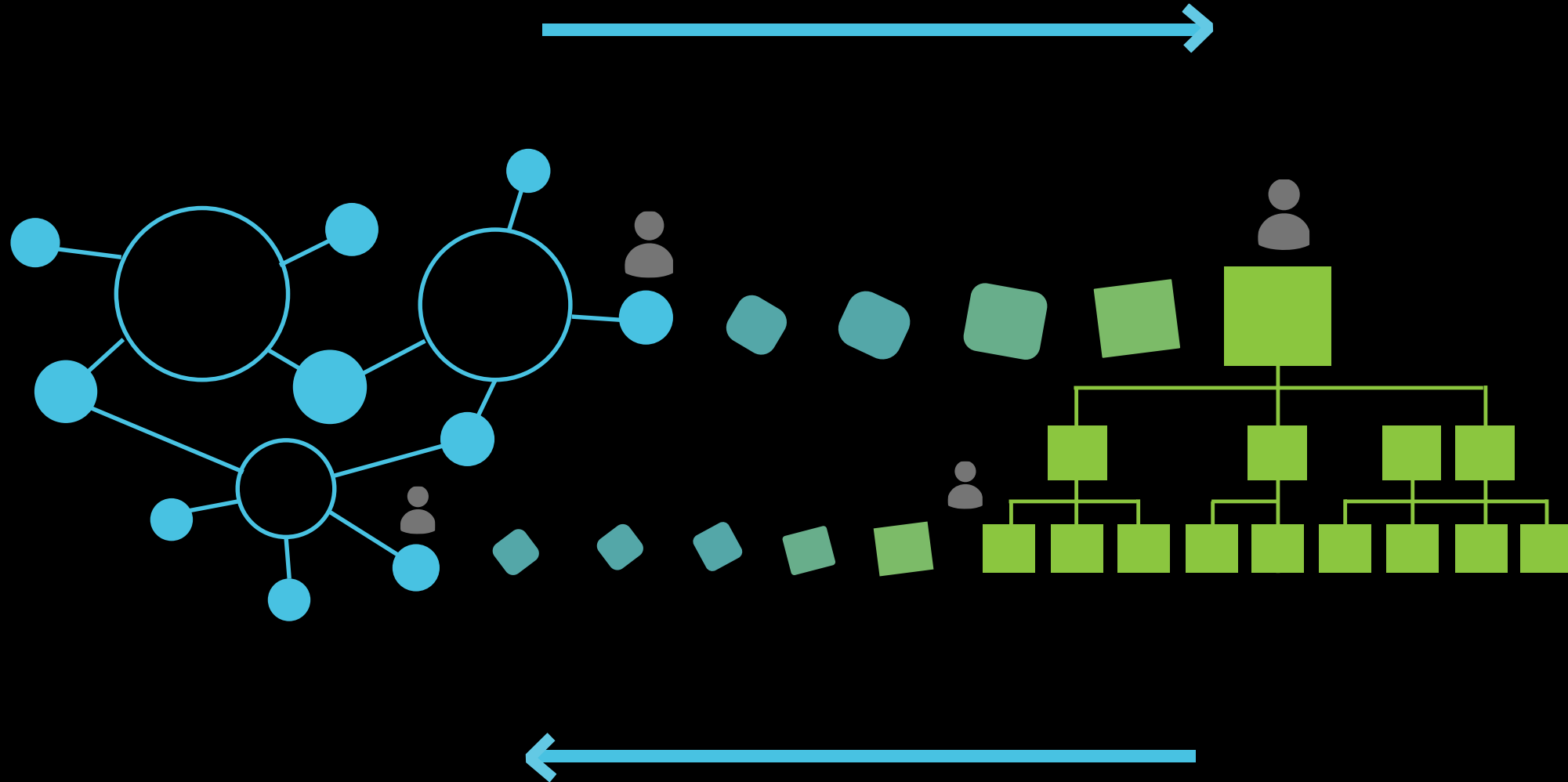
Philips adds that this ensures that creativity and ideas are “leading to innovations that we can sell. I’m less interested in creativity that leads to 35 different ways to send a credit note”. (Sharp, 2019)

Iteration between Adaptive and Hierarchical Moves



The Hierarchical Network Integrates the New Idea into Everything that Already Exists in the Organization

Training Hierarchical & Adaptive Networks to be more Iterative.

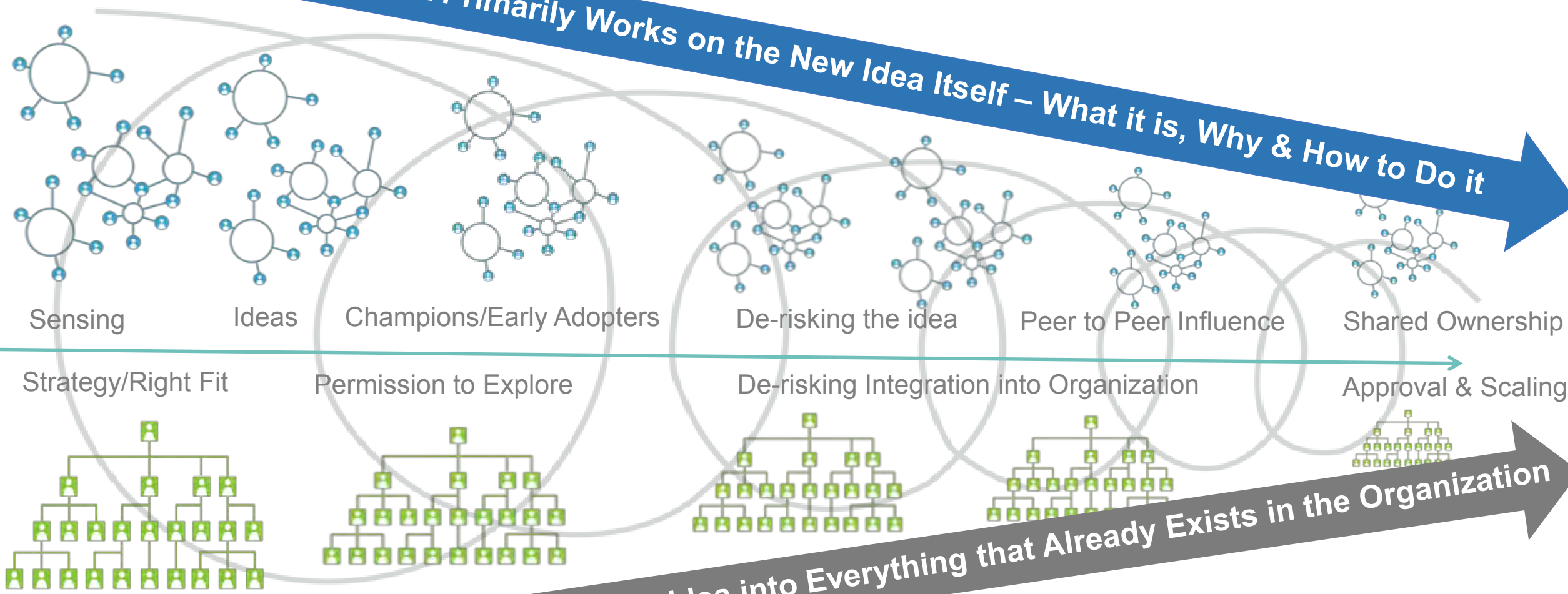




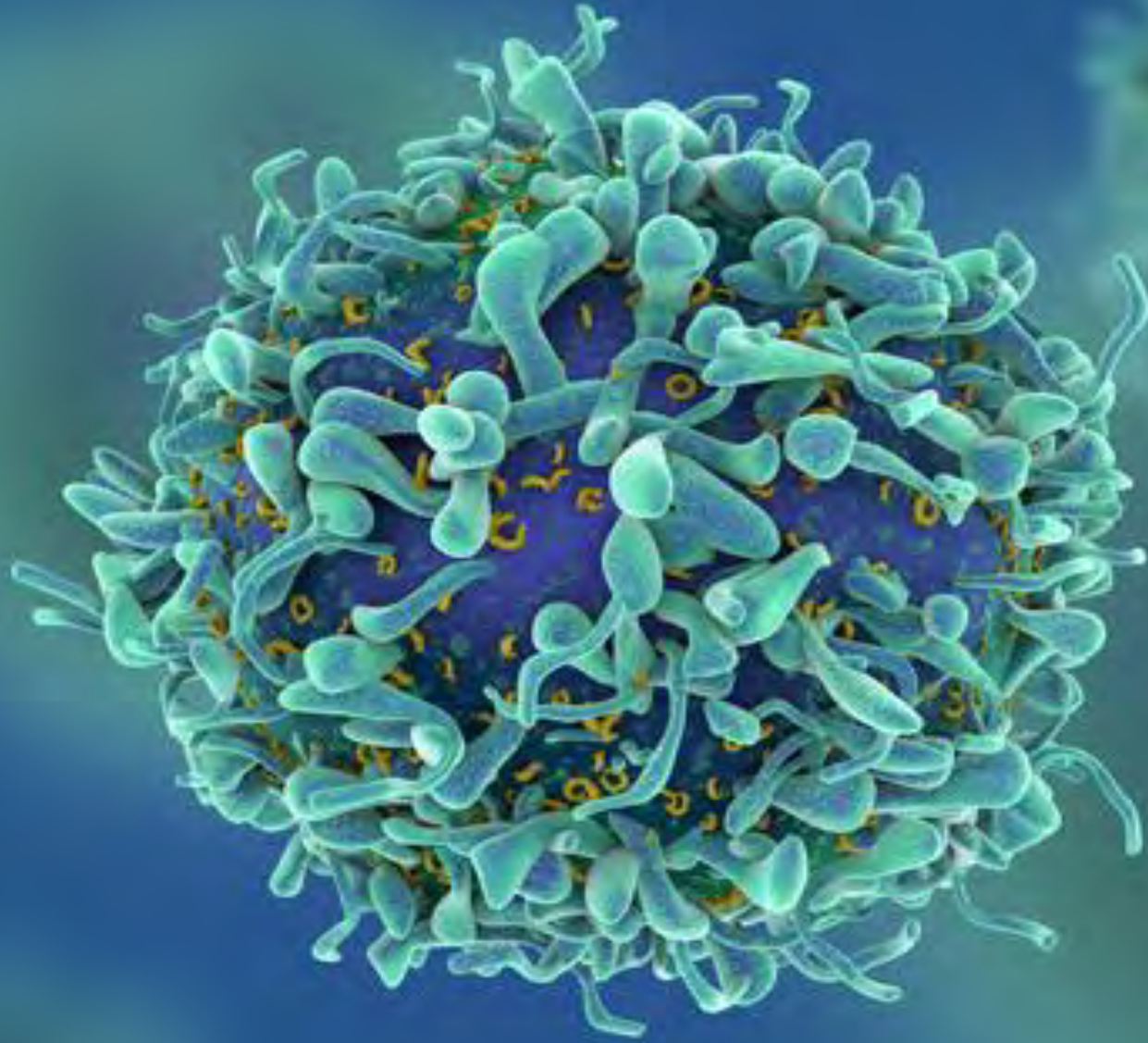
Iterating Toward Thresholds

Healthy Idea Flow

The Adaptive Network Primarily Works on the New Idea Itself – What it is, Why & How to Do it



The Hierarchical Network Integrates the New Idea into Everything that Already Exists in the Organization



Failing
Forward



EMMANUEL FABER >
CEO, DANONE

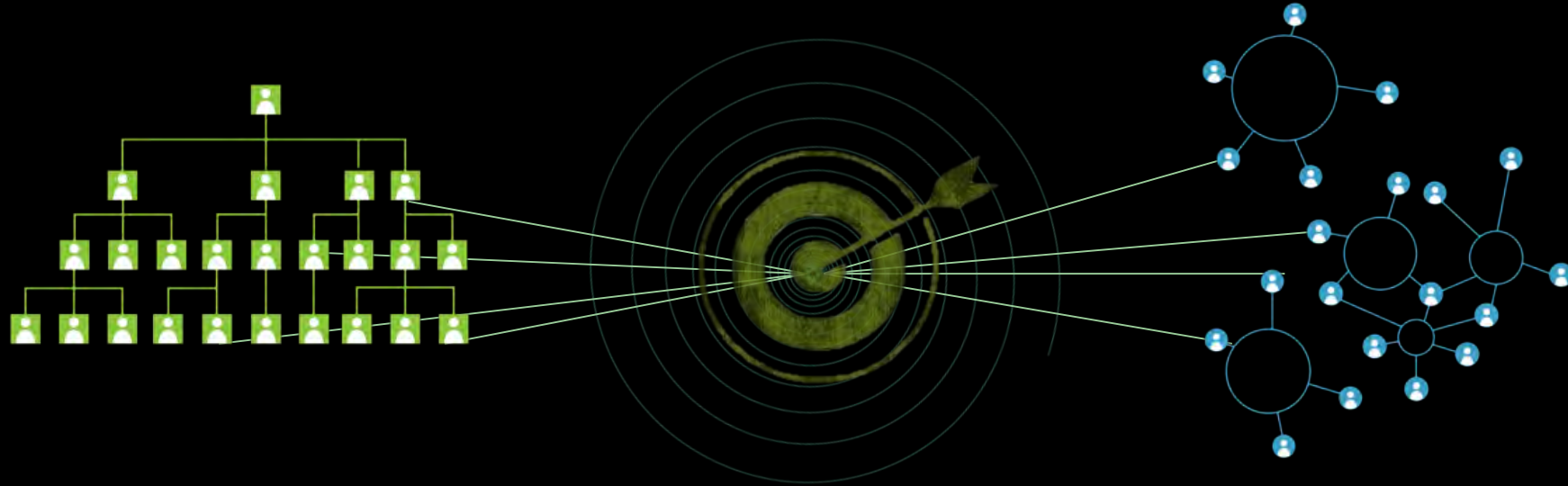
“I think we have all parts of ourselves working on both sides [adaptive and hierarchical].

So the more you train people to use their own inner ability to reveal their power, in effect to interact with people on both sides, the more powerful.....and the more stable it is for the organization.

...then you don't need to orchestrate, because this will be fully integrated within the people themselves and the self-balance would happen at that level.” (Sharp et al, 2018)

Emmanuel Faber, CEO Danone

Conscious Competence





Economic
Mutualism



Can We Evolve?

For a Deeper Dive





Executive Education for Sustainability Leadership

Who Should Attend? Executive tier leaders, high potential leaders & sustainability leaders with a senior report. All sectors encouraged.

Location: Harvard University, Cambridge campus, MA

Program Cost: \$4,300

Class Size: 60 participants

www.eesl.hsph.harvard.edu