

A Human Approach to Leadership


By

Rudi Plettinx and **Michael Jenkins**

Sustainability = Purpose + Prosperity + Innovation

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*The Planet will survive,
Humanity might not*



We would argue that to date, and due to COVID-19, sustainability as ‘the new way of doing business’ has been side-lined and largely ignored. The clock is ticking, and short-term business thinking still prevails.

“We won’t have a society if we destroy the environment” noted Margaret Mead (1901-1978), American anthropologist

Instead of innovating, we are hell-bent on pursuing old business models, turning to layoffs and cost savings to ensure the survival of the business. There is nothing wrong with that, but by doing so we have lost the perspective of the bigger picture.

Our proposition – “Sustainability = Purpose+Profits+Innovation” – will require a mindset shift in behaviours and leadership. It is about having an optimistic view of the future. Embracing a circular business model, for example, will bring us plenty of fresh and exciting business opportunities – but to get there will require us to embrace innovation and take a positive and opportunistic view of what lies ahead.

To achieve these objectives, we will need to optimise our current operations, by improving cash flows and EBITDA out of the current business instead of maximising shareholder value by paying dividends and by ceasing share buy-backs, which add short-term value only to shareholders and executives with share options. Reinvesting the money in a circular business model through innovation from products and services is, in our view, the only way to go.

The result will be recurring sustainable EBITDAs and cashflow coming from a business that is not only sustainable, but has also embraced sustainability.

Furthermore, a Purpose-driven business will be more profitable, create prosperity for all stakeholders and prove satisfactory for shareholder value creation due to recurring EBITDAs and improved cash flows. Business owners might even gain market share and see a better bottom line compared to sticking with traditional business models. A business that is creating a Better

Business and a Better Tomorrow contributes to the survival of humanity and makes our planet a better place to live.

So what is needed, now? Five Key Leadership Factors

We feel that a particular set of leadership factors working together – namely **Purpose, Plan, Culture, Collaboration** and **Advocacy** – are what will underpin the best approaches we could take now and into the future. These will be, without a doubt, the essential qualities for corporate sustainability through to 2030 and beyond.

Let’s take a closer look at these five key leadership factors, with a focus on Purpose.

Purpose: WHY we do what we do? Why does the business exist? For too long we have followed the mantra that profit maximisation and shareholder value were the only reasons for the existence of a business.

This way of thinking elicits a vehement “No” from us: for a business to exist, it must be Purpose-driven – *in order to maximise stakeholder prosperity and value*. Purpose also must be real. An expert on Millennials, Generation Z and the impact of purpose and sustainability, Jeff Fromm pointed out in an article in *Forbes* (16 January 2019) that: “Purpose isn’t profitable when it’s disingenuous. It must be real. In this age of digital transparency customers can see through it and will redirect their spend elsewhere.”

He cites Unilever as a good example where its “Sustainable Living” brands – such as Knorr, Dove and Lipton – are growing 50% faster than its other brands and make up more than 60% of the company’s growth, thereby showing that it is certainly possible to balance Purpose *with* Profit.

The evidence also shows that people who work for organisations with a purpose that they believe in, and buy into, will stay longer, be happier and perform better. 2020 Glassdoor data for Unilever in the UK gives the company a rating of 4 stars out of five, with 86% of employees saying that they would recommend the company to a friend. The Glassdoor average is 56%. Purpose makes a huge difference.

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So organisations that link their Purpose to sustainability – and who can prove that they are *genuine* in doing this – stand to benefit more than those who don't.

Purpose – and with it the idea of purpose-led organisations – is emerging once again after a surge some ten or so years ago following the Global Financial Crisis. What's important for us to notice is that the presence of purpose *centre stage* in corporate strategising today *might be* the start of a repeating pattern akin to what happened in the aftermath of the Global Financial Crisis. At that time, people welcomed the potential to do things differently and for a year or two it seemed that might happen. But for the most part in fact, organisations didn't change or mend their ways. So if the pattern were to repeat itself, we might start to see purpose waning in intensity in about five years' time.

We need to make sure that doesn't happen.

To do so will require advocating for a different kind of leadership – and different kinds of behaviours – to ensure that purpose stays at the heart of organisations and that we continue to agitate to make the workplace more human while at the same time achieving our organisational and business objectives.

As a *Deloitte Insights* article ("How brands that authentically lead with purpose are changing the nature of business today", 15 October 2019) puts it: "Purpose-driven businesses truly embed purpose in every action, aiming to leave an enduring impact on people's lives. Increasingly, customers are looking to engage with companies that help them achieve their goals. Whether it's Kellogg's aim to 'nourish families so they can flourish and thrive' through nutritious breakfast cereals; Patagonia being "in business to save our home planet"; or Sumo Salad aspiring to "make Australia a healthier and happier place"—orienting business around purpose can help companies drive their operations toward outcomes people value, and in turn, deliver what stakeholders value."

Certified B Corporations are also a new kind of business that balance purpose and profit. They are legally required to consider the impact of their

decisions on their workers, customers, suppliers, community, and the environment. This is a community of leaders, driving a global movement of people using business as a force for good.

New beginnings

We propose that we can all benefit from starting afresh. This means recognising that old behaviours are unlikely to achieve what we need to them to achieve as we move into a potentially very different type of existence, one characterised by more frequent and quite possibly more destructive global disruptions. We believe that putting purpose first – and underpinning it with deeply human values such as altruism, compassion and empathy – is the way to go.

Plan: WHAT do we do, and what do we aspire to do as an organisation?

Culture: HOW do we do things around here?

Collaboration: WHO should we work with in other businesses and in other sectors of society in order to be more effective? We believe this will require partnership in all aspects of civil society, business and academia.

Advocacy: WHERE we use the authority of a given business to encourage others to act in the interests of advancing sustainable development.

You could decide to be passive and adopt a "wait and see" approach, a "this movement will blow over" position. "Wrong," we would say. Procrastination cannot be the order of the day. Why? Well, the transition from maximising profits to satisfying stakeholder value will require us to embrace a different type of leadership. The models from the last century or even the last few decades will not do it for us. The revolution and force of disruptive innovation, insurgents and upstart market entrants will only accelerate. The time to act is now.

The scale and systematic nature of the sustainability challenges thrown up by the global forces of change *de facto* make individual approaches to problem solving obsolete. To address them we have to become the 'genius of the **"and"**' when it comes to realising the best businesses can offer in terms of co-operation –





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Sustainability is more than a marketing, feel-good exercise. It is about disruptive innovation and defining new recurring EBITDAs. And there will be winners and losers. The losers will be the ones that hang on to old, obsolete business models of the past century, such as the “make to waste” model, while the winners will be the ones that see sustainability as a new way of doing business

and that means both collaboration *and* competition. Whatever form of advocacy we go for will not be effective if we do not collaborate and form partnerships across businesses, sectors, academia, civil society and policymakers.

We need to recognise that some of the future change-critical leaders may yet not exist and that new, innovative, entrepreneurial businesses we can't yet foresee will eventually displace some of the best-placed and well-respected companies and organisations currently in existence.

Therefore, sustainability is more than a marketing, feel-good exercise. It is about disruptive innovation and defining new recurring EBITDAs. And there will be winners and losers. The losers will be the ones that hang on to old, obsolete business models of the past century, such as the “make to waste” model, while the winners will be the ones that see sustainability as a new way of doing business, combining purpose with profit and challenging their value chains to embrace circular business models from cradle to cradle.

This will be a balancing act between short-term gains, survival versus long-term perspectives and recurring gains in the future. It will also require us to invoke a sense of altruism too – in order to push home the message. The efforts we make now in furthering the sustainability agenda and in encouraging strategic thinking around sustainability will ultimately benefit the people of the future who don't even exist yet. Our descendants.

So, on which side of history would you like to be?

Sustainability will challenge the future of business leadership, which is why we need to move fast to model new behaviours. Failure to do so will effectively put the survival of humanity itself at stake. The planet will regenerate itself with or without humans and while we have still the keys to our success in our hands, the clock is ticking.

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A Human Approach to Leadership

By

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Virtues in Action

How kindness can transform the workplace for sustainability of the organisation

Across all cultures, since the beginning of time, there has been a sense of organised humanity. We suggest that kindness has always been a universal quality of this, although its manifestation may take various cultural forms.

Kindness in the workplace is our focus and the source of the change, or spark, we want to advance. It is the root of what we want to express. It involves the virtues of empathy – which is most important – along with humility, compassion, love, and respect.

Kindness is the application of all these virtues combined.

Thus, acts of kindness can be considered ‘virtues in action’. And through these, we can see the power of kindness unfold in respect, listening, appreciation, trust, and caring. In short, to truly see and hear others.

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The foundation of our thinking is that leadership, like kindness, is for the benefit of others. Yes, kindness is directed at others, but it also provides numerous benefits for the person who initiates it

A human-to-human business philosophy

Think of kindness as the trigger to elevate each of us and all that we do for one another.

The foundation of our thinking is that leadership, like kindness, is for the benefit of others. Yes, kindness is directed at others, but it also provides numerous benefits for the person who initiates it.

In an organisational setting, the individual engages in these behaviours to benefit the group and the individual people who comprise it. As leaders develop their organisation’s human potential, this developed potential provides the advancement of organisational goals and ultimately the sustainability and success of any business.

However, the organisation is not just infrastructure – it is the organisation of human beings to accomplish goals. If we believe this then why would we take the humanity out of the organisation or separate the humanity from the people running the organisation?

The notion that only the rational self is more valued than the humanised self has been supported for years. And this has coloured our understanding of leadership behaviour. Leadership is seen solely as the rational being that considers kindness only an occasional approach to engagement. This has created a model of leadership that prevents leaders from using their ‘kindness muscle’ to bring balance – which is sorely needed – to the mission of the organisation.





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How to install kindness in the organisational process

As leaders, it is incumbent on us to make the space for kindness to manifest. Leaders should realise that they own the structure, the protocols of the organisation, and thus the organisation itself. They are the ones that can create the psychological space for kindness to become part of the fabric of the organisation.

You can make space for kindness by:

- Allocating meeting space and time to embed acts of kindness into the flow of your business processes, regardless of when and where they may take place.
- Scheduling meetings and appointments with consideration for worktime boundaries and personal needs and obligations.
- Balancing required tasks with their impact on team members' schedules and lives. Not all tasks warrant deadlines that keep people working after hours. Leaders should control the schedule so harsh deadlines aren't the norm.
- Emailing with care using discipline to think through what's being asked of the worker. Most experienced managers batch email into fewer, and less random and careless messages. Make it clear that the work can be handled within respectful work hours and turnaround times. Some of the biggest errors in work and safety were related to sleep deprivation.
- Arranging meetings, deadlines, and required travel in a way that accommodates the schedules of single parents, multigenerational families, and caregivers. This is especially important for global work. Plan with respect for responsibilities.
- Creating a pace that supports and encourages individual health and wellbeing. We've all heard bosses boast "we don't eat lunch here". Don't be that person!
- Acting as a host in the workplace, providing assistance for people when they're in the building, be they vendors, job applicants, or recently hired colleagues.



- Speaking to people with a greeting – asking how they are – before launching into a request or assignment. If someone is struggling, pause and offer to lighten the load.
- Onboarding new hires so they have the support needed for them to be successful. Allowing new people to struggle with unfamiliarity is passive hazing.

By taking steps like these, effective leaders become the catalyst for the power and energy of kindness and basic human respect. This will spread throughout the organisation – suppliers, partners, customers, employees, families, and communities – and become integral to the brand – and its reputation.

The relationship between kindness and decisions

Much has been written about the predisposing factors for kindness. While some people discuss nature, others refer to nurture as accounting for the variance. Regardless of our attribution about the etiology of kindness, let's acknowledge that kindness creates a full-fledged vigorous implementation for tasks that individuals engage in. We love to do good for those that do good for us.

There is a measurable relationship between acts of kindness and our ability to see more, understand more, learn more and, therefore, decide and act better than before.





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'Application' refers to the applied practice of engaging in kind behaviours and creating a routine. This routine must be installed in an organisation in order to propagate, to become endemic. It's like installing a new version of operating software that will enhance a device's functions and improve performance

For the recipients of these acts and onlookers, one can observe how nurtured souls go further, sacrifice more, and achieve more. We have also seen how many employees are motivated to achieve more for their team and colleagues and not just for themselves. Being kind and demonstrating goodness can create a culture with higher calling and standard for respect.

If you could download a Kindness app

'Application' refers to the applied practice of engaging in kind behaviours and creating a routine. This routine must be installed in an organisation in order to propagate, to become endemic. It's like installing a new version of operating software that will enhance a device's functions and improve performance.

Most organisational routines need to start and articulate steps that are repeated each day in order to achieve excellence. As noted earlier, kindness feels good to the giver and receiver, so the routine that started it is easily passed along.

It's possible to create space for kindness in any increment, from six seconds to sixty minutes.

By doing this we want to ask readers what it would look like if you were to repeat a practice each day. What steps can be created to inspire more kind interactions? Kindness interactions, in turn, lead to stronger connections and deeper relationships which promote work outcomes and organisational commitment.



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What are some organisational acts of kindness that you could institute near term and long term?

Near term: establish a check-in every morning and consider holding a check out before staff depart. This can be as simple as two minutes per person to see how they're doing – to ask, to listen, to appreciate, and to acknowledge one another in every encounter we share.

Longer term: rethink onboarding processes so they ensure people new to the organisation or new to a department are properly introduced to the job, the resources, and the people they'll need to know to be effective. Expecting people to figure these out for themselves probably does more to isolate individuals than to energise them as contributors and team players. Rethink any process that brings people together to co-operate; that's where the potential of inserting kindness will have the biggest effect. We work better together in those places where kindness and trust are at the highest possible level.

To start imagining routines, consider the metaphor of an operating system and model. If an operating model changes one must also change the operating system. And if we are to institute an operating system for kindness we must consider what the code is. What is the specific line of code that we would write for an organisation to fundamentally practice daily, that would shift the operating system into a new update?

Just like writing a line of code to change a program, you have to build virtues in action into the work processes. Then repeat it over and over, until it becomes culture.

If the old line of code were Leader to Follower (LtF), perhaps the new code might be Person to Person (PtP) to create more kindness. This single shift can encourage those who have historically seen themselves as subordinate in power, to initiate acts of kindness. It would empower employees to initiate kind acts in all directions, not just toward direct reports but including acts that are upwardly and laterally directed. Instead, all employees would take responsibility for this in all they do. It would create a base code that would eliminate the hierarchy which places the burden of responsibility on the identified leader.



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99%

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Once kindness embeds itself through daily routine into every PtP interaction, we achieve an exponential effect in the quality of organisational impact and speed. More kindness equals more energy, more resilience, more motivation, more engagement, more creativity, more openness, more quality, more speed, more cooperation, more performance, more results, more everything. And, yes, more well-being, joy, and happiness.

Where does this begin? With you

Think of the old saying, "If it is to be, it's up to me".

It's generally assumed that initiatives like this come from those at the top, however the leaders of an organisation only make up approximately one percent of the organisation's full population. It's the other 99% that can establish the new kindness code. The leaders are accountable for creating the space for it to happen.

This larger segment of leaders controls the culture – the power rests in the populace and individually, it's a contribution to the advancement of the organisation. And therefore, to the advancement of all of us. The improvement of the Human Condition: it's time to get started, one small act of kindness at a time.



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