



Institute for Sustainable Leadership

Building the future's leaders and creating sustainable organisations

NEWSLETTER

ISL NEWSLETTER September, 2019



From the editor's desk

It is indeed a globalised world! In this issue, we report on some of our recent international activities and colleagues. We have become partners with the Swiss International Centre on Corporate Governance. This affiliation makes sense now that Boards are increasingly recognising the power of organisational culture. We ran an executive study tour taking senior managers to meet their counterparts at honeybee companies in Munich. The success of these enterprises makes it imperative for ISL to focus on sustainable leadership.

Gayle Avery



The Institute for Sustainable Leadership promotes the science and practice of sustainable leadership through research and education. Our symbol is the honeybee, which builds community, is collaborative and adds value to the world through its activities.

INFINEON: SPOTLIGHT ON A “HONEYBEE” FIRM SUSTAINABLE, RESILIENT AND HIGH PERFORMING

This year we uncovered several more organisations led by sustainable honeybee principles that perform well on multiple criteria. One striking example investigated by one of our student teams is [Infineon Technologies AG](#). Infineon is a German semiconductor company founded in 1999 as a spin-off from Siemens. Its mission is expressed in the phrase: “We make life easier, safer and greener”. The company’s stated aim is to help to solve the technological, economic and social challenges the world faces. Headquartered in a magnificent campus south of Munich’s city centre, Infineon exhibits a strong belief in

responsible and sustainable business practices in everything it does. For example, in addition to its published and practised pursuit of the United Nations’ (UN) Sustainable Development Goals under Agenda 2030, the company follows the 10 principles of the UN’s Global Compact. Infineon has also been very profitable. Revenue and earnings rose significantly for the fifth successive year in 2018. That year, revenue increased by 8% to €7.599 billion. High financial performance goes hand in hand with Infineon’s approach to sustainability, for which it has received many awards. The company has an explicit

sustainability agenda and an associated set of goals and targets, which it publishes. The business model reflects a carefully-planned commitment to running the business and making profits while fulfilling its responsibilities in relation to social justice, ecological concerns and sustainable economic growth across the world. The company’s Human Resource strategy and management demonstrate how much it values its workforce, trains and develops its people, and strives to retain employees. Like a honeybee company!



INSIDE...

10 years of teaching at CEIBS
Laos-Australia Institute seminar
Mentoring Thai researchers

Study tour to honeybee companies in Munich: *The study tour in pictures*
Research Watch: *New Thinking In Sustainable Business*

International Centre for Corporate Governance: *Partners*
Update on Friends of ISL abroad: *Europe and Thailand*

CELEBRATING 10 YEARS OF EXECUTIVE TEACHING AT CEIBS HIGH PERFORMANCE AND SUSTAINABLE LEADERSHIP

ISL is excited to celebrate the 10th anniversary of its collaboration with the China Europe International Business School based in Shanghai. Since 2009, we have been running our “High Performance and Sustainable Leadership” program at various CEIBS’ campuses. The participants are Presidents, Vice Presidents and senior executives from a wide range of Chinese private and government organisations, as well as managers from multinational corporations. CEIBS organises the programs extremely well, providing expert interpreters. Thank you for an outstanding collaboration, CEIBS!



LAOS-AUSTRALIA INSTITUTE PRESENTATION EXECUTIVES IN VIENTIANE, LAOS

We presented our work on high performance and sustainable leadership to about 20 executives from Vientiane, the capital of Laos. Many of the participants had received scholarships to study at various Australian universities, and are now working back in their own country in a range of capacities. In addition, seven executives and scholarship recipients from the disability sector attended the seminar. Laos has a vocal and active disability sector, which makes itself quite visible. Discussion was lively, no doubt reminding many participants of their time at university in Australia where they are expected to contribute rather than be passive recipients of lecture material.

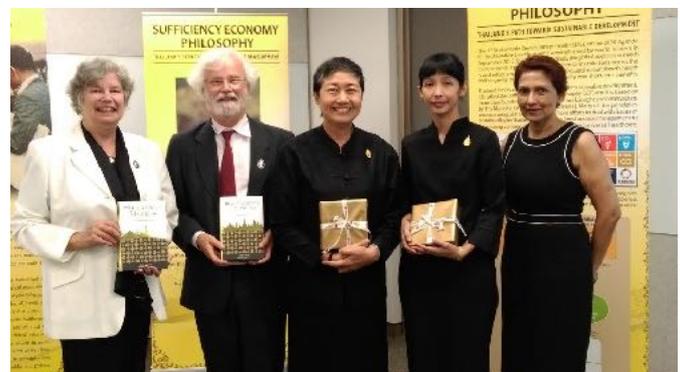


MENTORING THAI RESEARCHERS @ NATIONAL INSTITUTE FOR DEVELOPMENT ADMINISTRATION

Thailand’s SuDSESC centre at NIDA university in Bangkok researches sufficiency thinking and sustainable development goals. In particular, the centre aligns the Sufficiency Economy Philosophy developed by Thailand’s late King Bhumibol Adulyadej with the United Nation’s Sustainability Development Goals issued in 2015. SuDSESC has engaged ISL to mentor four research teams on preparing papers for publication in western academic journals. The teams are researching the following topics:

1. Sufficiency Thinking Based Human Capital Development in the Thai Public Sector
2. Moral Deficits and Sustainable Development
3. Sufficiency Mindset and Sustainability in a Disruptive World
4. Development of Smart People for Self-Reliance and Sustainable Energy Management.

The project has reached the stage where the authors are drafting their papers after completing the data collection.



Dr Priyanut Dharmapiya, SuDSESC Director (centre), pictured during a recent visit to Sydney to launch the book ISL edited, *Sufficiency Thinking*.

STUDY TOUR TO “HONEYBEE” COMPANIES, MUNICH, 2019 ACTION LEARNING FOR STRATEGY AND ETHICAL LEADERSHIP

ISL’s 12th study tour has just finished! This time we ran a study tour together with colleague, John English, for executive MBA students from the Australian Catholic University.

As on all our deep-level study tours, participants engaged in a stimulating round of research into the designated host companies while still in Australia. The resulting reports exposed many ethical, strategic and leadership issues that surprised even the companies themselves. Questions that could not be answered from publicly-available information were sent to the hosts in advance of the meeting so that they could prepare their responses and assemble the necessary experts to interact with us.

On 25 September, 16 students plus the three teachers met in the beer garden of our Munich hotel to kick off the tour. We then discussed the reports and thoroughly prepared for the ensuing visits. Ten days later, the group members reluctantly farewelled each other and Munich, agreeing that a huge amount of learning had transpired - learning on academic, personal, cultural and business levels. The photos on the next two pages tell some of the story!

Host 1: Allianz Allianz sent 10 executives to the meeting!



Host 1: Our team thanks host Jochen Haug, CEO of Claims



The beer garden was clearly the hit! It allowed for endless informal discussions....



MORE ABOUT OUR 2019 STUDY TOUR IN MUNICH A STORY IN PICTURES

Host 2: BMW

After visiting the BMW plant in Munich, the group was impressed with how a large global company with 134,000 employees can operate consistently on honeybee principles



Host 3: Infineon

A honeybee in the semiconductor industry - in a stunning campus setting



Host 4: TÜV SÜD

In the TÜV SÜD academy's state-of-the-art studio for producing e-learning materials



The mountain hike!

While one group walked up Tegelberg Mountain, others walked around Alpsee, an alpine lake beneath Neuschwanstein Castle



The 750m high and 11.6km long mountain hike was no mean feat as the data from someone's activity record show



Back at the fort the hard work began again

Groups spent two days debriefing their learnings on strategy, leadership and ethics.



RESEARCH WATCH

NEW THINKING IN SUSTAINABLE BUSINESS

It is high time to reconsider the business models currently being used to achieve sustainable business. This issue of *Research Watch* covers three recent articles challenging conventional thinking.

Developing responsible and sustainable business practice: Value, mind-sets, business-models

This special issue of the *Journal of Business Ethics* contains a number of articles exploring the changes in values and mind-sets that are required for new, sustainable and ethical business models and consumption practices to flourish. Notable manifestations of efforts to embody an ethical perspective within business practices are seen in recent attempts to rethink business models (Bocken et al. [2014](#); Linder and Williander [2015](#)) and to develop hybrid organisations (e.g., social enterprises) and collaborations (Defourny and Nyssens [2006](#)) more likely to balance economic, social and environmental needs.

Changes in consumption range from selecting more ethical and sustainable options, e.g. fair trade and renewable energy (De Pelsmacker and Janssens [2007](#); Bang et al. [2000](#)) and slowing the acquisition and replacement of goods (Cooper [2005](#), [2010](#)) to more radical shifts in lifestyles such as voluntary simplicity (Marchand et al. [2010](#); Shaw and Riach [2011](#)). It is widely recognised that embedded practices and beliefs constrain change, but there is a keenness to investigate the emergence of business and consumption practices that shift away from traditional resource-depleting forms of capitalism.

Papers in this special issue examine diverse forms of enterprise and consumption, evidencing efforts to embed more responsible and sustainable approaches. Though the papers vary in the conceptual lenses that they adopt, the trend towards a process-based perspective of valuation is evident among them. The editorial starts by articulating some of the changing conceptions of value and the potential to explore how evolving mind-sets and mental models can influence responsible and sustainable business. Citation: M. Painter, S. Hibbert & T. Cooper. 2019. The Development of Responsible and Sustainable Business Practice: Value, Mind-Sets, Business-Models. *Journal of Business Ethics*, 157(4), 885–891.

Stakeholder theory through the lenses of Catholic Social Thought

Beyond different starting points, stakeholder theory (ST) and Catholic Social Thought (CST) share many compatible perspectives when analysing the role of the firm in economic activity, especially regarding the attention of the firm to different social and economic actors. Additionally,

ST bears limitations regarding its ethical and anthropological foundation, and also about the legitimisation of the different stakeholders' interests. Therefore, ST lacks clear criteria to solve possible conflicts of interest between stakeholders.

These authors analyse the potential of ST, which is widely accepted in corporate management, to integrate CST principles in order to solve those conflicts. At the same time, the paper studies the possibility of finding in the principles of CST an anthropological and ethical foundation for ST. This foundation could be the source of criteria to discuss the levels of legitimisation and prioritisation between stakeholders' interests, especially when those interests collide. Citation: J.L. Retolaza, R. Aguado & L. Alcaniz. 2019. Stakeholder Theory Through the Lenses of Catholic Social Thought. *Journal of Business Ethics*, 157(4), 969–980.

How organisational structure and managerial discretion co-evolve in new managerial roles

As new roles emerge in organisations, it becomes critical to understand how organisational structure can impede or enable the managerial discretion available to role incumbents. These authors leverage the rich context provided by the emergent role of sustainability managers to examine the interplay between the top-down forces of structure and the bottom-up influences of managerial discretion in shaping new organisational roles over time.

The researchers analysed qualitative data collected from in-depth interviews with sustainability managers in 21 case-study organisations in India and Australia, supplemented with archival and observational data. They identified three organisational configurations, with varying levels of top-down structural and bottom-up managerial discretion dynamics at play. Each configuration had different implications for the manager's role.

Results suggest that the third configuration—with semi-structured formalisation and a decentralised sustainability program—provided the most conducive conditions for managers to use their discretion to champion innovative sustainability initiatives. New managerial roles in the other configurations, however, do not have to be static. With the maturation of organisational programs and active championing by managers, structuring of organisational functions and managerial roles can co-evolve. The findings describe a process of “shaping and being shaped,” as structure and managerial discretion co-evolve over time. Citation: S. Sandhu & C.T. Kulik. 2019. Shaping and Being Shaped: How Organizational Structure and Managerial Discretion Co-evolve in New Managerial Roles. *Administrative Science Quarterly*, 64(3), 619-658.

INTERNATIONAL CENTRE FOR CORPORATE GOVERNANCE SWISS FOCUS ON CORPORATE DIRECTORS

ISL is excited to have become a partner with the International Centre for Corporate Governance (ICfCG) at the University of St Gallen in Switzerland. We are partners for competitiveness at the national level and for organisational culture. Pictured are ISL's Harry Bergsteiner and Gayle Avery with the founder of the Centre, Emeritus Professor Martin Hilb. Professor Hilb is a recognised world expert in corporate governance and has written many books on the subject. He has founded the Swiss Board School to educate directors in their responsibilities. We look forward to attending international meetings of the centre and seeing how we can introduce honeybee leadership to governance.



International Center
for Corporate Governance



UPDATE ON FRIENDS OF ISL IN EUROPE

MARICRUZ ORTIZ

We caught up with former leadership student and ISL assistant, Maricruz Ortiz. Maricruz now lives in Munich with her husband and young son. Some of you may remember Maricruz from the ISL conferences that she helped organise. She will return to work at a local preschool once her maternity leave finishes.



SUSANNE MERBOLD

Susanne Merbold, a former ISL study tourer, is now assistant to a Member of the Management Board at Infineon Technologies in Munich. She has long been a friend of ISL, and designed our new corporate identity in 2014. Thanks to her intervention, we visited Infineon Technologies during our 2019 study tour. Susanne has recently returned to work after taking maternity leave to look after her young daughter.



CHRIS SHUTTLEWORTH

2007 study tourer, Chris Shuttleworth, lives in Zürich. Until recently he was a partner at Deloitte, where he specialised in fraud detection/prevention. We look forward to collaborating with him in his new consulting business in sustainable leadership. In 2013, Chris joined ISL to facilitate a session at the Global Dialogue in Bangkok. He recently addressed our 2019 study tour group.



MICHAEL ZIRKLER

We first met Professor Michael Zirkler at the University of Basel, but for the past few years we have been teaching honeybee leadership in one of his masters of psychology programs at the Zürich University for Applied Sciences. Next year students from the US undertaking an exchange program in Strasbourg will join our course. We also caught up with Dr Nada Endrissat, also a former colleague from our time at Basel Uni, and her family. Nada lives and works in Bern.



HONOURED FRIENDS OF ISL IN THAILAND



ISL was honoured to lunch in Bangkok with Privy Councillor Dr Chirayu Isarangkun Na Ayuthaya, former Head of the Crown Property Bureau, Chair of Siam Cement Group and of many other corporate boards, and founder of the Thailand Sustainable Development Foundation. Dr Chirayu (right in photo) is pictured with ISL's Gayle and Harry, and Dr Priyanut Dharmapiya, who heads the new research centre at NIDA (National Institute for Development Administration). Dr Chirayu is advisor to the centre. Together these two experts are continuing to study and promote the Sufficiency Economy Philosophy and sustainable development approach that the late King Rama IX implemented across the country.