



Institute for Sustainable Leadership
Driving high-performing and resilient organisations

November 2021

NEWSLETTER

Vol. 1



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"Two-thirds of consumers around the world say they choose brands because of their stand on social issues, and over 90% of millennials say they would switch brands for one which champions a cause. We believe the evidence is clear and compelling that brands with purpose grow. Purpose creates relevance for a brand, it drives talkability, builds penetration and reduces price elasticity."

- Alan Jope, CEO OF UNILEVER

SUSTAINABILITY PAYS

By *Gayle Avery*, Co-Founding Director of ISL



While writing these lines, the outcome of COP26 as a global forum to tackle climate change has taken on huge significance worldwide. What happens post-COP26 is vital if we are to halt the literal and figurative fire that is threatening our planet and its inhabitants.

Apart from it being the right thing to do morally, there are many reasons for business to take action, not the least being self-interest. Successfully implementing actions that keep global warming to 1.5 degrees will obviously pay off for the environment and the world's peoples.

But sustainability pays off for the enterprise as well. Organisations that adopt responsible social and environmental practices exhibit lower financial volatility, higher sales growth, and greater chances of survival over a 15-year period, for example. These “good” employers will attract the talent, manage risk better, and appeal to a growing number of green consumers.

Is it only about profits and financial performance where we see how valuable sustainability can be? Unsurprisingly not. When organisations invest time, resources and passion to filter their vision and mission via sustainable leadership practices they achieve one of the most elusive attributes in business: resilience, that is, the enhanced capability to withstand crises.

At the 2019 SDG Business Forum, then Unilever CEO Paul Polman repeated his call for business to get involved and focus on achieving a better world, one that is more sustainable and aligned with all the wellbeing of its inhabitants. This requires a complete rethink of leadership and business-as-usual where everyone needs to adopt a more sustainable approach.

Fortunately, we can learn from others how to do this because sustainable leadership already exists in many successful organisations around the world. This new kind of leadership is being practised by global organisations such as Atlassian, BMW and Unilever, as well as by countless smaller firms.

Research is very clear that sustainability and beyond that, sustainable leadership practices, leads to high performance while taking care of people and the planet.

FROM DR. HARRYBEE'S DESK

In this section Dr. Harald Bergsteiner, Co-Founder of ISL, focuses on the theme of the month for our readers. His expertise in turning highly complex concepts into simple terms makes adopting the 23 Honeybee Sustainable Practices accessible to practitioners and researchers alike. You can find those practices [here](#).



SUSTAINABILITY PAYS: RESILIENCE IN TIMES OF CRISIS — DOING THE SEEMINGLY IMPROBABLE

By Harry Bergsteiner

Remember the 2007–2008 Global Financial Crisis (GFC)? Mostly it was due to a meltdown of global markets caused by the greedy, unethical and sometimes criminal shenanigans of major market players primarily in the Anglo financial markets. When the US government, contrary to its avowed policies, saw no alternative but to bail out AIG (the biggest financial-market offender) and General Motors (the biggest corporate ‘victim’) this further exacerbated market jitters.

So, what to do? Conventional government and corporate ‘wisdom’ is to sack numerous employees in order to quickly drive down wage costs and so protect corporate financial viability. Many actually do this. However, even the IMF conceded that if enough corporations adopt this practice, a herd effect can make it harder for countries to recover. This can have further highly negative and unexpected (by some) consequences for the corporations themselves, thus further impeding recovery.

So, is there a better alternative to sacking people? Actually, there are several alternatives but here I will only discuss the one that requires a lot more corporate savviness and courage than the others. The graph below shows the turnover from 1985 to 2020 of Kärcher, the world’s largest cleaning equipment and products company.



Adapted from the original graph “Facts and figures from the 2020 financial year” at [Kärcher](#)

The 2007–2008 GFC falls right in the middle of the 2005–2010 period. There is no obvious indication on the graph of the GFC episode. For Kärcher, the GFC literally didn't happen. Part of the reason for this actually is that Kärcher does not sack employees! Hence annual staff turnover is around one percent. Indeed, when we visited Kärcher in 2009 with a group of MBA students from Macquarie University, its then CEO (now chairman of the board) in response to a 'suggestion' from one of the students that "surely there are times when you just have let some people go", Mr Jenner flatly rejected this and opined that recessions and other crises were excellent times to acquire talent for the company, that is, that the company's philosophy was to act countercyclical. Now that is wise thinking!

Dr. Harald Bergsteiner

THE GOOD HIVE NEWS

In this section we bring you news that sparks joy, hope and maybe some creativity for out-of-the-box thinking in your organisation. At the [Institute for Sustainable Leadership](#) we take pride in integrating theory with practice. Hence, this section showcases a way of living based on good principles.



DENMARK'S OLD WIND TURBINES AS BIKE SHELTERS

Wind power is one of the cleanest and fastest-growing renewable energy sources in the world, but particularly in Denmark where it generates 40% of the country's energy.

With a high percentage of Danes using bikes and the current challenge of disposing of decommissioned equipment, such as wind turbines, a company called Re-Wind Network has combined the need for change with a sustainable solution. The Danish Government is re-using old wind turbines to provide weather protection for the beloved bicycles.

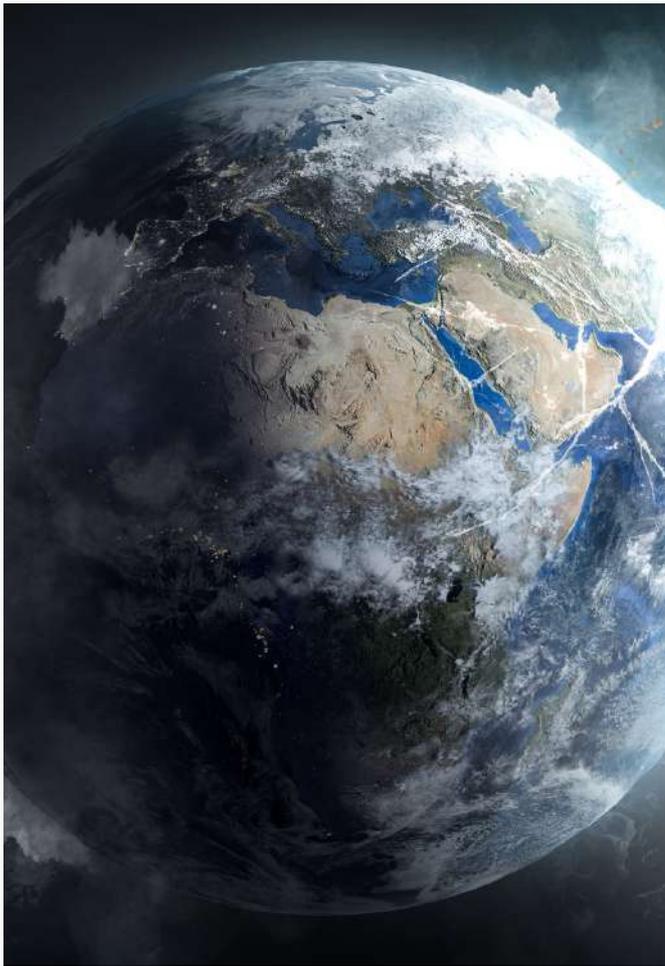
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FINANCIAL COALITIONS AND PRIVATE INVESTMENTS TO STOP CLIMATE CHANGE - COP26

Some might have predicted that Sir David Attenborough was going to present a dire future to the attendees at COP26 in Glasgow. Instead, his speech was more aligned with key concepts of commitment and (in)action. Developed countries with financial power failed in assisting poor countries with the \$100bn promised by 2020. On the positive side, Mark Carney, former Bank of England Governor, is leading a coalition of financial institutions ready to invest \$US130 trillion of private capital in supporting clean technology. The coalition is made up of 450 organisations managing approximately 40% of global private assets.

Hence, private capital is proving to be a key factor in reversing some of the effects of climate change. Atlassian co-founder Mike Cannon-Brookes has committed to \$1.5 billion in investments and donations for climate projects by 2030.



At the Institute for Sustainable Leadership we are committed to create a community that develops a strong bond with the planet, has a positive impact on the world and creates high performing organisations that do good. Enrol in our Foundations Course now with your own customised company forum to nurture a visionary workplace that achieves long-term success while caring for the planet and society.



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MEET OUR ISL COMMUNITY



DR MARK WILLIAMS

Certified in Sustainable Leadership after completing our [Foundations in Sustainable Leadership course](#), Mark contributes to the ISL community in many ways including through our online forums. We are eagerly awaiting his forthcoming minicourse about applying neuroscientific principles to sustainable leadership, managing organisational change and persuading others. Currently, Mark works with organisations to improve productivity and wellbeing. A particular passion is explaining to parents and employers what our heavy reliance on digital technology is doing to our brains.

Mark is very modest about his ground-breaking experience over 20 years in conducting behavioural and brain imaging research in humans, teaching neuroscience at MIT (USA) and various Australian universities, publishing over 70 scientific articles, and appearing often in the national and international media.

What are the biggest lessons from sustainable leadership?

Mark: Leadership is about understanding and enabling people to be the best that they can be, not about managing people. And secondly that long-term thinking and sustainable goals have a significant positive impact on company profits and bottom-line.

How does neuroscience help us build better organisations?

Cognitive neuroscience is about how the human brain works based on rigorous experimental methods. Organisations are made up of people and everything a person does is determined by their brain. Understanding how those brains think, learn, connect, collaborate, empathise, innovate, imagine, communicate, and work is essential for all organisations and their leaders.

Taking into account the current context in the world and speaking from your professional career as neuroscientist, what are three things that could take us closer to a better tomorrow as individuals and organisations?

- 1) We are losing our connection with each other, and we need to start focusing on really connecting to understand our issues and the solutions.
 - 2) Stop listening to influencers and start listening to real experts. In neuroscience there is so much nonsense being taught that is just plain wrong.
 - 3) Move to sustainable practices.
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