

# Managing towards Sustainability



**Managers and Management** are currently experiencing a **paradigm shift** regarding the expectations civil society is placing upon business organizations. They are subjected to it as well as being requested to shape this shift induced by these forces. Managers need to acquire the capabilities to **shape the course of their enterprise in this landscape of sustainability expectations in order** to navigate in this new environment successfully. The seminar 'Managing towards Sustainability' is a primer in that it intends to inspire a journey of discovery for managers and their companies.

## Purpose:

The role of management in a corporation committed to sustainability differs in significant aspects from management solely focused on profit maximization. **Stakeholder-value generation** becomes the new guiding paradigm and managers see the **contribution of the firm in a wider societal context**. They assume the responsibility of running a profitable enterprise within a framework of societal and ecological goalposts. By integrating ethical considerations into business decisions managers lay the groundwork of a new social contract and establish a sound footing for earning the trust of stakeholders and constituents. The firm enters a new era as it strives to do 'the right thing' and to the degree it advances it will gain new confidence and respect. Reputation- and risk management are no longer the primary motivators that guide the sustainability related behavior of managers. It will be replaced by a solid understanding and willingness to contribute to the development of society with the means and purpose of the firm. This stance **enables innovation and the creation of new business opportunities** and even new business models as the company starts to operate in sync with societies' challenges.

## How does it work?

The journey of discovery will commence with business reasons for adapting this new paradigm of sustainability and becoming a leader in this area. This reasoning is based on the business case for sustainable corporate conduct founded on arguments that concern **cost effectiveness, enhanced employee motivation, risk management and reputation management**. Case studies of companies' journeys and successful adaptation will highlight the advantages of and the need for new management strategies.

We will then explore the foundations of a normative management approach that integrates ethical considerations into managerial decisions. Normative management evolves the paradigm of maximizing profits within the boundaries of the given regulatory and legal framework to the **paradigm of earning only legitimate profits**. Legality describes the adherence to the letter of the law while legitimacy can only be gained when adhering to the spirit of the law. In this second stage the participants will receive a compass to integrate ethical considerations into managerial decisions.

The final stage will allow us to frame the current challenges for management in the light of the normative approach and translate these insights into real-world business situations. We will explore how your managers will be able to create and sustain a stable and prospering business by **solidifying the legitimacy of the way it does business**, by earning trust of its stakeholders and by developing a higher sensitivity to identifying new business opportunities.



## What is in it for me, the manager?

At first sight, paying attention to societal expectations might seem an additional complication to managerial life or even a competitive disadvantage. However, managers and companies have lost trust and are regarded as not in sync with the needs of the societies they operate in. While some might be tempted to ignore or fight these expectations others want to discover how to take advantage of them. **By adopting a normative approach to management the manager is able to operate on a higher, more insightful, level.** He or she understands the context the business competes in, can re-position the firm and the role of the manager in a stream of new opportunities and becomes a shaper and influencer in a changing landscape. Integrating ethical concerns into managerial decisions thus turns into a business opportunity rather than being a managerial burden.

Replacing the single minded profit-maximization yoke with the stakeholder-value-generating paradigm allows for a new flexibility and renewed commitment to the business. Not only the manager, but all stakeholders will be relieved from conflicts with laws, environmental concerns and societal expectations. However, **the manager will benefit most by gaining greater authority, acceptance and followership through leading the business with personal and organizational integrity.**

Leading the paradigm shift has its risks for the manager too, pioneers are targets of criticism, hence understanding how to move and how to tread wisely is paramount in any era of profound change. The seminar offers guidance and room for reflection for managers wanting to shape their role and the strategy of their company in the era of sustainability challenges.





## Seminar Content

### Sustainable strategies and their execution

- What was the challenge, what triggered, what enabled the change in pioneering firms?
- How does success look and feel like for the leaders?

### Defining and sizing up the challenge in your enterprise

- Diagnosing the strategic challenge in the competitive markets of your industry (products, work force, suppliers, industry leaders, regulatory agencies)
- The challenge in different perspectives: the economic paradigm versus the sustainability paradigm

### Conventional strategies being applied to sustainability challenges

- Risk management and reputation management – case studies
- Defining values, guidelines, code of conduct, goals, roadmap in conventional approaches
- Product strategies, customer focus, supplier management, compliance organization

### Humanistic management approaches to sustainability challenges

- Providing a compass for managing the paradigm shift
- Raising awareness of societal expectations and scientific knowledge or concerns
- Rising to the challenge by acknowledging responsibility and enhancing moral competence
- Positioning of the company in the competitive markets of your industry
- Changing management models and practices (transformational management and beyond)

### Capturing opportunities by starting the journey of transition in our company

#### (interspersed in previous steps)

- Our approaches as to date – a diagnostic view
- What we cover – what we don't address – an evaluation of the business case
- How it could look like - a visioning exercise
- What we want to achieve – a tentative roadmap with targets and timelines

**Duration:** Two-day seminar, leading into a series of distance coaching sessions with action learning sets

**Faculty:** Ernst von Kimakowitz, PhD and Gerd Hofielen, Discovery Global Consulting Ltd.