

Emergent Leaders of Tomorrow

Trust, Ethics, and Values: Critical
Foundations for Organizational Success

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Sustainability, Corporate Consciousness,
Leadership

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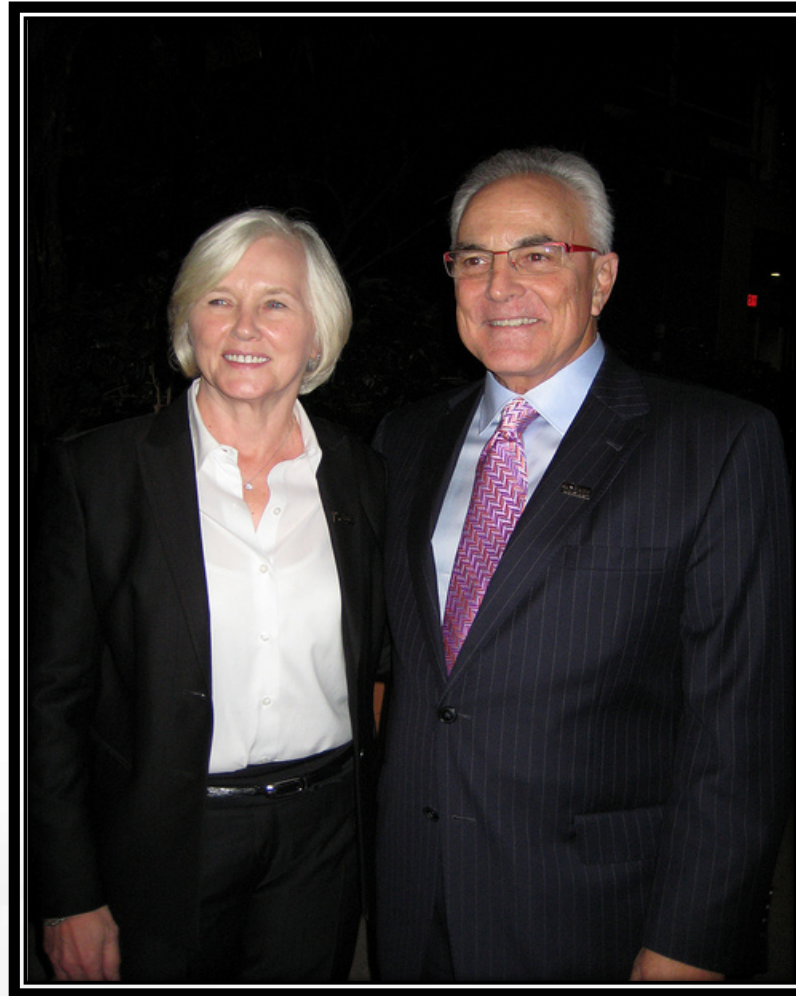
Brussels, Belgium

Intended Outcomes

- A little about where I have been and why I am here.
- Understanding of the Business Case for Change as we approach the mid-21st Century.
- Understanding of how these companies are addressing this change, individually and collectively.
- Learn what the common traits are with the sustainability leaders today
- Learn how *Ethics* will be the new differentiator of success in the future
- Raise your awareness of how this will change the character of your work going forward.

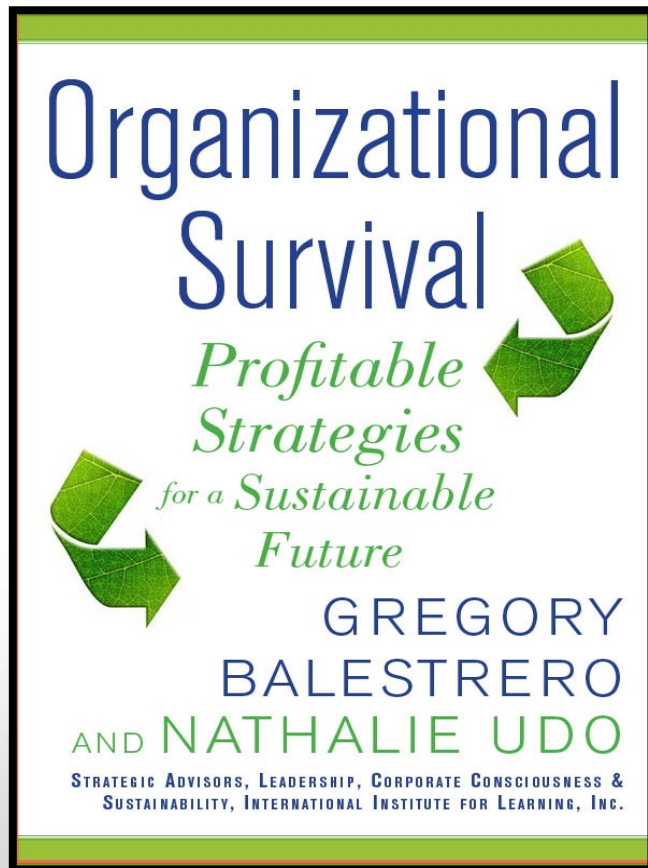
LaVerne Johnson and IIL...The Reason I Am Here!

**She is a
Strong
Leader and
Friend**



**...And An
Inspiring
Professional**

And She Encouraged Us To Continue an Important Conversation About the Future!



With Coauthor, Nathalie Udo

So, what is this book about?

⇒ Guidance to Executives to Build a

Business Case

⇒ To Contribute to Global
Prosperity without Sacrificing
Profitability

⇒ While Contributing to
Global Sustainability

What is The Driving Force Behind The Conversation about the Need for Change?

**Global
Population: 9.2B
(+30%)**

**Critical Raw
Material
Scarcity**

**Urban
Population: 6.4B
(+80%)**

**Let's Look
Ahead at 2050**

**Global
Temperature
Increase/Climate
Change**

**New Middle
Class: 4.6B
(+330%)**

**Water Scarcity
Population: 6B
(Double)**

Water and Energy

Efficiency (Gallons/MBTU)

| Fuel Source | Low | High |
|-----------------------------|---------------|---------------|
| Coal | 41 | 164 |
| Natural Gas | 3 | |
| Petroleum/Oil | 1,200 | 2,420 |
| <i>Corn-Ethanol</i> | 2,510 | 29,100 |
| <i>Soy-Biodiesel</i> | 14,000 | 75,000 |
| Hydroelectric | 20 | n/a |
| Fossil Fuel Thermoelectric | 1100 | 2,200 |
| Geothermal | 130 | n/a |
| <i>Nuclear</i> | 2,400 | 5,800 |
| Solar Thermoelectric | 230 | 270 |
| Hydrogen | 143 | 243 |

Forestry and Its Impact

The world's forest ecosystems provide environmental services that benefit, directly or indirectly, all human communities, including watershed protection, regional climatic regulation, fibre, food, drinking water, air purification, carbon storage, recreation and pharmaceuticals.²⁰

13 million hectares (30 million acres) of forests are destroyed by human activity every year

UN's Food and Agriculture Organization

Ahmed Djoghlaif,

Executive Secretary of the Convention on Biological Diversity

ICT And Raw Materials

| Mineral | Use |
|----------------|---|
| Aluminum | Wiring on circuit boards; housings |
| Beryllium | Heat dissipation of conductors in electronics |
| Cobalt | Rechargeable batteries; coatings for hard disk drives |
| Copper | Conductors in electronics |
| Gallium | Integrated circuits; optical electronics; LEDs |
| Germanium | Transistor components |
| Gold | Solders, conductors, and connectors |
| Indium | LCDs, photovoltaic components |
| Iridium | Used in surface acoustic wave (SAW) filters |
| Lithium | Rechargeable batteries, surface acoustic wave (SAW) filters |
| Neodymium* | Neodymium (NdFeB, NIB, Neo) magnets |
| Niobium | Microcapacitors |
| Palladium | Conductors in electronics |
| Platinum | Hard disk drives, TFT LCDs, etc. |
| Sapphire** | LEDs |
| Silver | Wiring on circuit boards |
| Tantalum | Capacitors and conductors |
| Tin | Lead-free solders |
| Tungsten | Makes cell phones vibrate |

“As our gadget dependency grows, so does our appetite for these bits of earth. In fact, demand for the 14 most-critical minerals for today’s electronic technologies may as much as triple over the next 20 years, according to the European Commission.... “The era of access to easy resources is over,” says mining analyst Paul Bugala of Calvert Investments.¹⁶

“How a Handful of Countries Control the Supply of the Earth’s Most Precious Resources,” ; Kate Rockwood



Coalitions Are Working on the Future Challenges





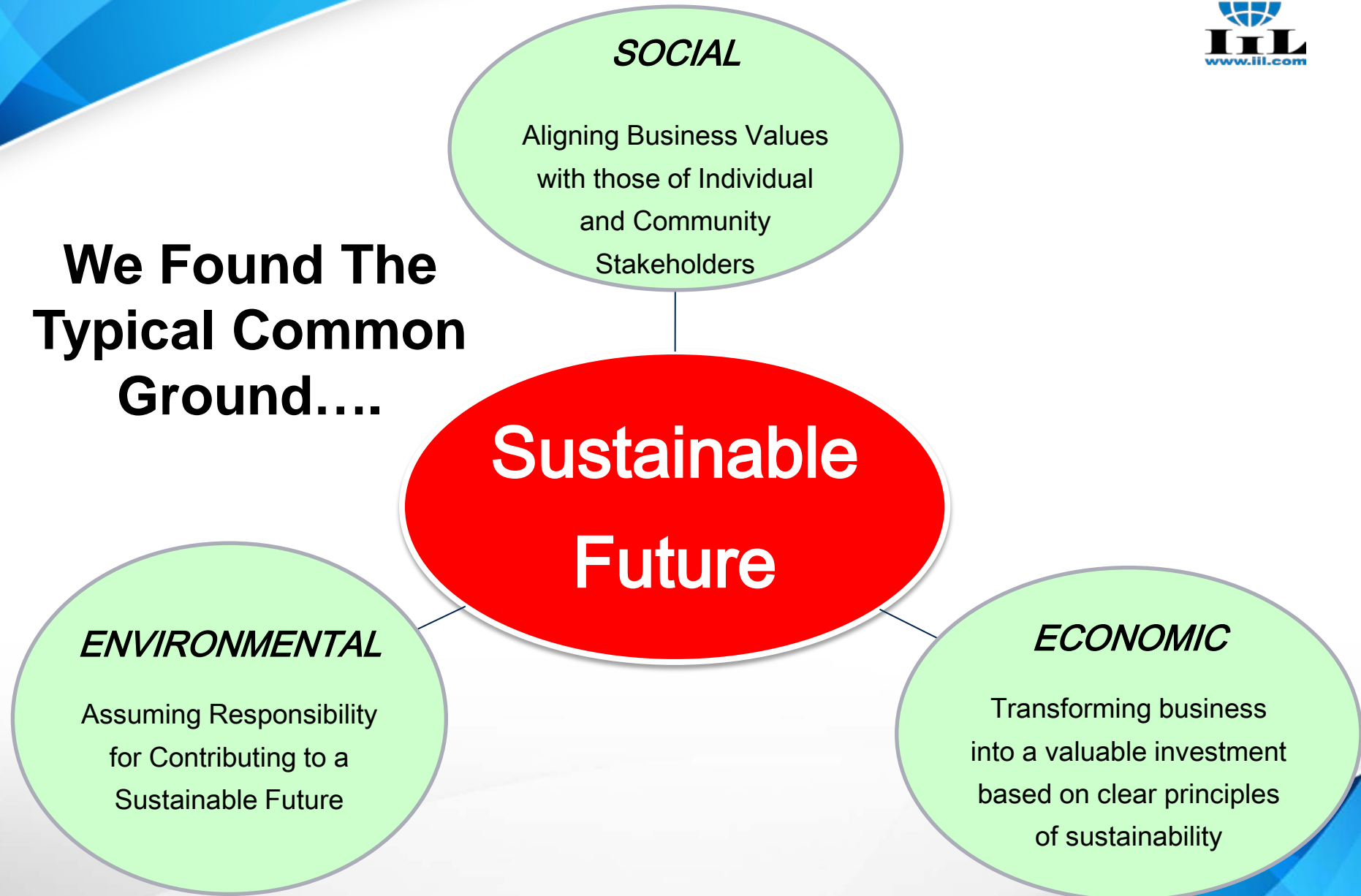
And So Are Companies



Common Traits of the Sustainability Leaders

- ✓ **Developing an integrated strategy and strategic decision process that embraces and embeds social, environmental**
- ✓ **Creating a long-term business view**
- ✓ **Focusing on results by actively reducing risks (environmental and others) and costs**
- ✓ **Taking responsibility for the complete value chain and supply chain**
- ✓ **Demonstrating transparency and accountability for results**
- ✓ **Nurturing innovation**
- ✓ **Embracing synergetic collaborations**

We Found The Typical Common Ground....



However, we questioned if this approach was adequate to address the global challenges, and ensure organizational success in the future?

We Found that Sustainable Trust Evolved as a Key Cornerstone for Long Term Success...



“Trust is the glue of life. It's the most essential ingredient in effective communication. It's the foundational principle that holds all relationships together. And Trust Grows out of Trustworthiness”

— Stephen R. Covey, *First Things First*

Building Sustainable Trust in the Public Requires Being...

Trusting

- Trust others will keep their promises, commitments

Core Elements for Sustainable Trust

Principle-Centered Leadership; Stephen R. Covey

Trustworthy

- Keep your promises; empower and enable others.

IT IS TOUGH ENOUGH, BUILDING TRUST BETWEEN TWO PEOPLE



For Organizations it is Much Harder!



Edelman Trust Barometer

*“It makes good business sense for business to broaden its definition of leadership. It cannot be seen as acting solely in self interest, but **rather must execute on both the fundamentals of profit and societal good.**”*



**Richard Edelman
President and CEO
Edelman Communications**

Reference: 2012 Trust Barometer; Executive Summary

Edelman Trust Barometer

*“Business must embrace a new mantra: move beyond earning the License to Operate—the minimum required standard—toward earning a License to Lead—in which **business serves the needs of shareholders and broader stakeholders by being profitable and acting as a positive force in society.**”*

**Richard Edelman
President and CEO
Edelman Communications**



Reference: 2013 Trust Barometer; Executive Summary

Further, He Said Business Must...

- ✓ **Exercise principles-based leadership** instead of rules-based strategy.
- ✓ Recognize that the operational **factors responsible for current trust in business** won't build future trust. Shift from vision to implementation with transparent measures guided by continual engagement
- ✓ Practice **radical transparency**. Establish a vision and transparently share reasoning, purpose, and results
- ✓ *Enlist a **broader range of advocates**, including employees, action consumers, social activists, academics and think tanks, seeking their input and reaction.*
- ✓ **Shape the discourse** on critical issues...affecting the customer, while embracing all channels of communications, actively listening to new voices of influence, and adapting

16 Attributes for Building Trust

- Listens to customer needs and feedback
 - Treats employees well
 - Places customers ahead of profits
 - Communicates frequently and honestly on the state of its business
 - Has ethical business practices
 - Takes responsible actions to address an issue or crisis
 - Has transparent and open business practices
 - Offers high-quality products or services
 - Innovator of new products, services or ideas
 - Works to protect & improve the environment
 - Addresses society's needs in its everyday business
 - Creates programs that positively impact the local community
 - Partners with NGOs, governments, and 3rd parties to address societal needs
 - Has highly regarded and widely admired top leadership
 - Ranks on a global list of top companies
 - Delivers consistent financial returns to investors
-

Perceived Characteristics Which Indicate Great Companies

(from 2013 Harris Poll RQ® Summary Report)

2012 Results

- Admire and respect
- **Trust the company**
- **High ethical standards**
- Outperforms competition
- Good value for the money

2013 Results

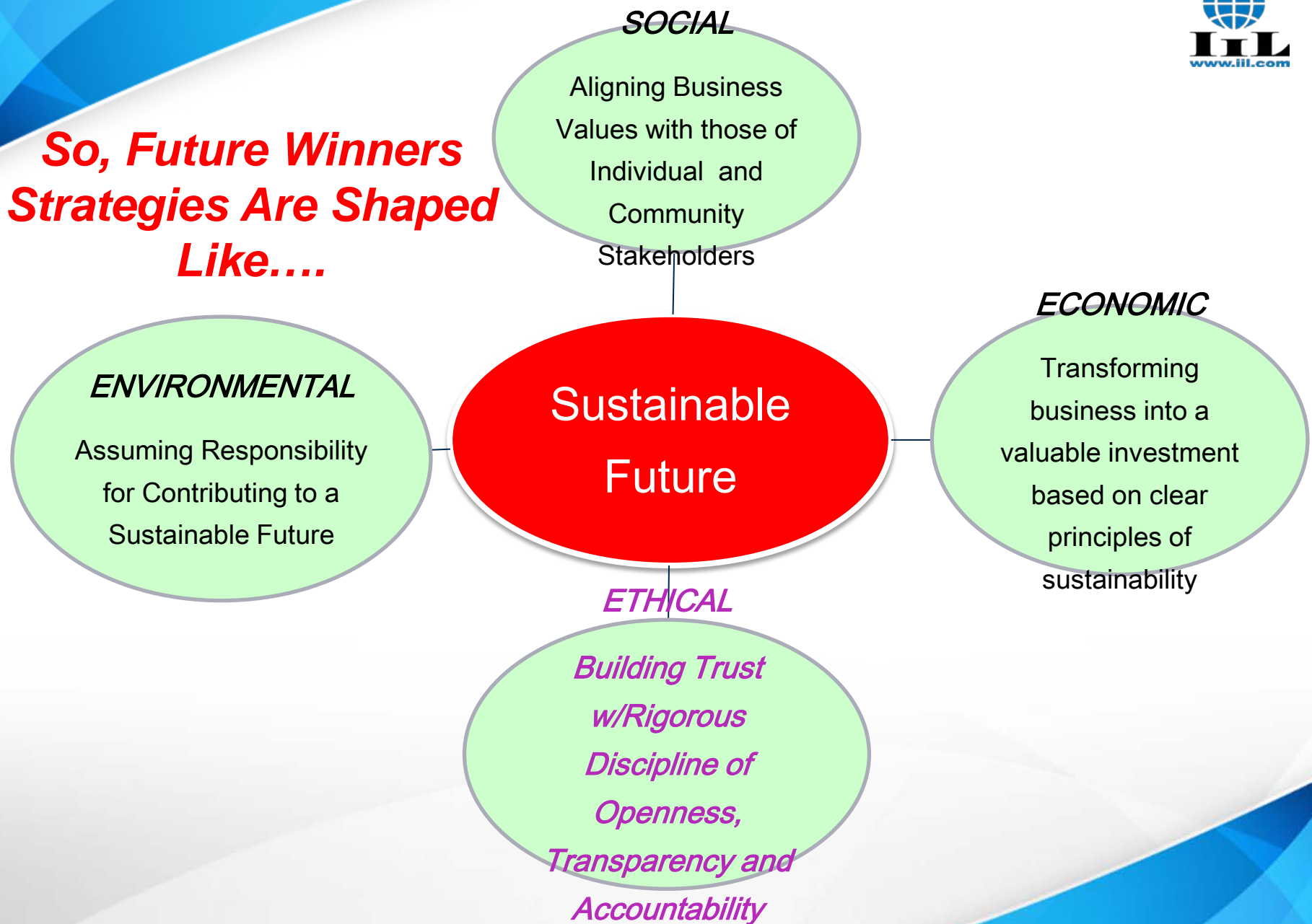
- Outperforms competition
- **Admire and respect**
- **Trust the company**
- Plays a valuable social role
- Good company to work for
- **Good feeling about the company**

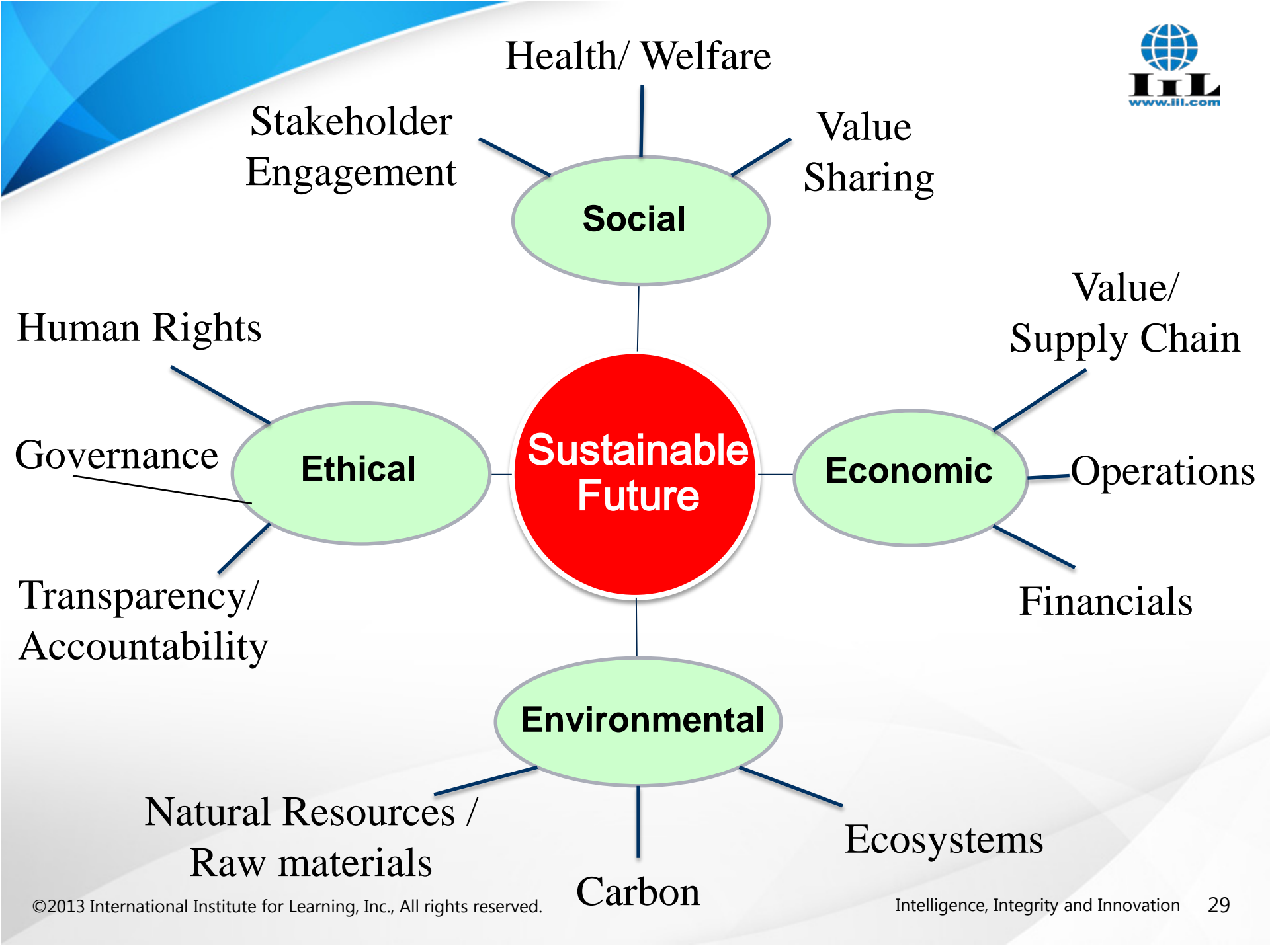
And, Trust Affects Buying Decisions



2012 Global RepTrak 100: The World's Most Reputable Companies, 19-21;
Reputation Institute

So, Future Winners Strategies Are Shaped Like....





Future Leaders Also Share Other Common Traits...

- ✓ **An integrated strategy and strategic decision process that embraces ETHICS AND TRUST, along with social, environmental, and economic principles**
- ✓ **Has rigorous goal setting that is shared publically to all stakeholders**
- ✓ **Practices radical transparency in all activities, including holding themselves accountable**
- ✓ **Take a proactive involvement in critical issues affecting sustainable communities.**
- ✓ **Lead with their values, rather than financial goals**

So, What Does This Mean to You?



1.



In the Future, Expect that you will be asked to be accountable for social, environmental, economic and ethical dimensions of your work.

continued 

2.

Recognize that your customer is not your only stakeholder...they include members of the local community, regulators, board members, shareholders, suppliers, competitors, and the general public



continued 

3.

Recognize, whether you like it or not, **YOU CAN'T HIDE, AND YOU CAN'T CONTROL COMMUNICATION.** Your world and your actions are transparent, and you are accountable especially through social media.



continued 

4.

Regardless of the scale of your work, gain agreement and understanding from your colleagues and team members on organizational ethics and values...and the impact on your stakeholders.



continued 

5.



Look for difference in ethics and values throughout your value chain and life cycle...REMEMBER, they are NOT the same in different parts of the world...or different neighborhoods!

continued 

6.

Expand your understanding of risk and risk assessment, specifically as it relates to ethics values, and organizational reputaton.



continued 

And Finally...



Look for and Expect Moments of Clarity that Will Test Your Will and Conscience...You Are Responsible For Your Actions.

continued 

“Even the most rational approach to ethics is defenseless if there isn't the will to do what is right”

Alexander Solzhenitsyn: author

Questions ?



IIL in Brussels



Upcoming Courses...

PRINCE2 Foundation and Practitioner

23 – 27 September

Project Management Fundamentals with *ToolsToGo*™

2 – 4 October

The Project Management Certificate Program

14 – 18 October

Business Analysis Fundamentals

11 – 12 November

Facilitation Skills for Business Analysts

13 – 15 November

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