Transformational LEADERSHIP SUMMIT

25 March
University of Leeds

Delivering the Core Business Integration of Sustainability (CBIS) Executive Programme

CHALLENGING CONNECTIONS
23 – 25 March 2015

Leanne Denby, Macquarie University, Australia
Christa Gyori, Unilever
Rosi Kerr, Dartmouth University USA

The Plan

11:20 Welcome from EAUC and Sponsors

11:30 Introductions to each other

11:35 Introduction to the Framework

12:30 Break for Lunch

1:35 YOU LEAVE LUNCH

1:45-2:25 Activity

2:30 Case Studies

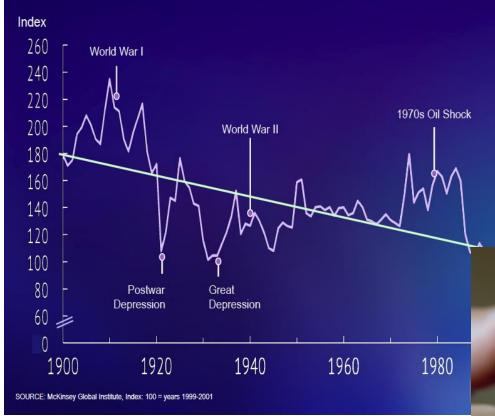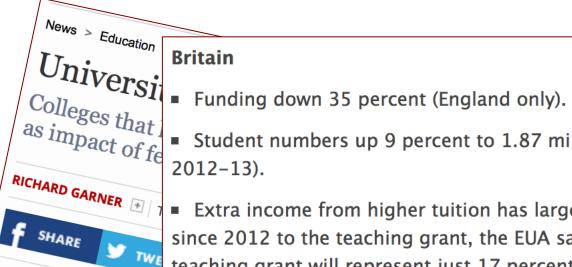3:10 Break

3:20 Activity and Stunning Conclusion

MegaTrends

British economist Lord Nicholas Stern has cited recent bushfires in Australia along with current flooding in the United Kingdom to argue climate change is already causing devastating destruction.

Lord Stern, who authored the influential 2006 study on global warming, said record rainfall and storm surges causing flooding across the UK "are a clear sign we are already experiencing the impacts of climate change".

MegaTrends

THE COST OF EVERYTHING IS RISING

Index

World War I

World War II

1970s Oil Shock

Postwar Depression

Great Depression

1900 1920 1940 1960 1980

SOURCE: McKinsey Global Institute, Index: 100 = years 1999-2001

CHALLENGING CONNECTIONS
23 – 25 March 2015

News > Education

Universi...

Colleges that ...
as impact of fe...

RICHARD GARNER +

f SHARE   TWE...

More than 30 universi...
numbers this autumn, ...

A breakdown of next yea...
middle-ranking universi...
as a result of the new fun...
rise to up to £9,000 a year...

Britain

- Funding down 35 percent (England only).

- Student numbers up 9 percent to 1.87 million (through 2012–13).

- Extra income from higher tuition has largely offset cuts made since 2012 to the teaching grant, the EUA says. It will mean the teaching grant will represent just 17 percent of overall higher education funding in 2015–16, down from 64 percent in 2011.

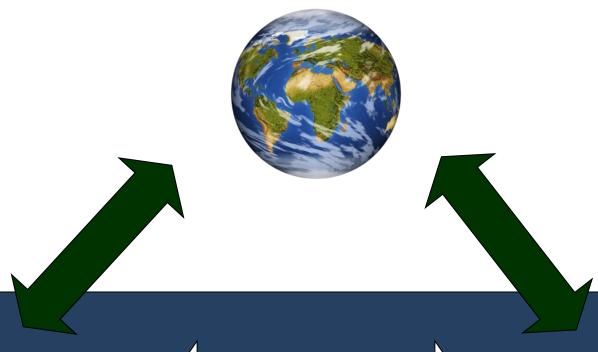- Universities have also had less central funding for infrastructure, though the research budget has been frozen in cash terms.

- According to the Higher Education Funding Council for England, overall income for university teaching will rise from £13 billion ($21 billion) in 2010–11 to almost £15 billion ($24 billion) in 2014–15, including fees from overseas students, student loans and other sources.

PLANETARY SYSTEMS

INDIVIDUALS

The Source of Change is Here
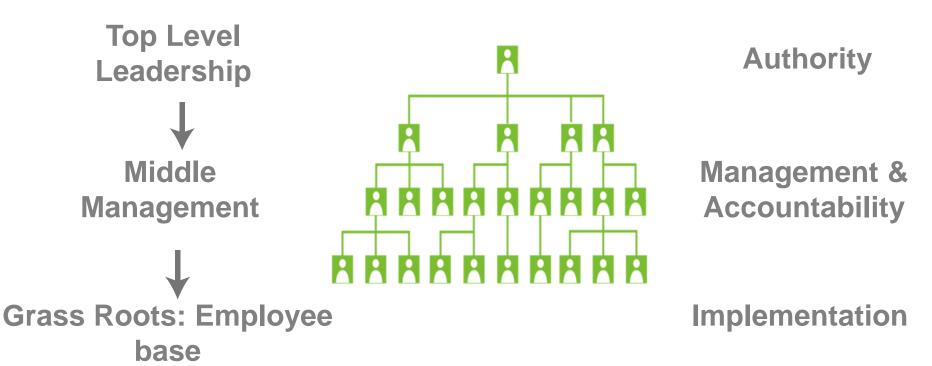
ORGANIZATIONS

What's Needed to Change?

Consumer demand: A change in **values**

Supportive **policy** instruments:

A trained **workforce**

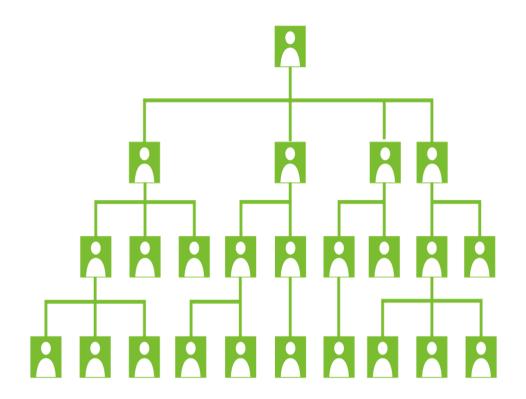A market providing **product** & **services**

Access to **capital**

To Change Society We Must Change a Complex Interdependent Web of Organizations

How Does a "Traditional Organization" Look?

Top Level Leadership

↓

Middle Management

↓

Grass Roots: Employee base

Authority

Management & Accountability

Implementation

Management Driven Hierarchy (Command Control) Predominates in All Sectors Including Higher Education
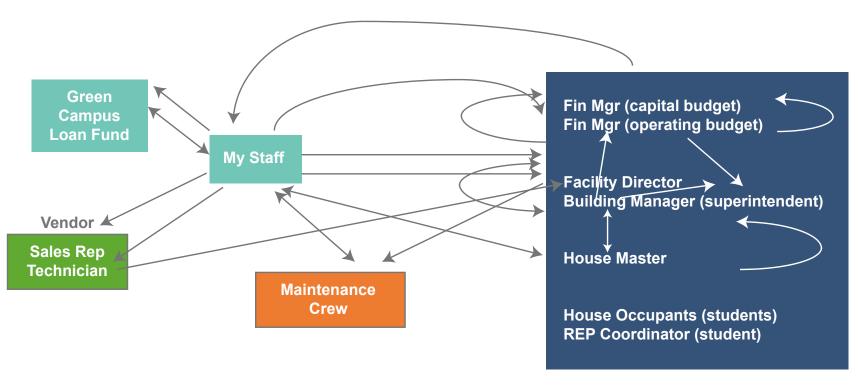
Management Driven Hierarchy (or Command and Control)

Hardwired Separation

Green Campus Loan Fund

My Staff

Vendor

Sales Rep
Technician

Maintenance Crew

Fin Mgr (capital budget)
Fin Mgr (operating budget)

Facility Director
Building Manager (superintendent)

House Master

House Occupants (students)
REP Coordinator (student)

Disengagement

70 % **of workers in the USA are not engaged in their work.** Defined as essentially sleep walking throughout their day.

Gallop "State of the American Workplace Report 2013"

Exhaustion
Analogies from Change Leaders

- Being Tonto with the Lone Ranger at a bank-robbers' convention

- Trying to interest people who like junk food in a healthy diet

- Learning Spanish but finding myself in China

- Being a competitor on American Idol

- Being Stephen Bradbury winning gold at the Winter Olympics

- Pinning jelly to the wall

http://www.olt.gov.au/project-turnaround-leadership-sustainability-higher-education-2011
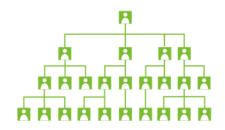
Leadership Challenge

- **See** ... **es in with** ... **& ince** ...

- Inad ... ding

- Bein ...

- See ... in a ... s

- Unc ... gs of sust ...

http://www.olt.gov.au/project-turnaround-leadership-sustainability-higher-education-2011
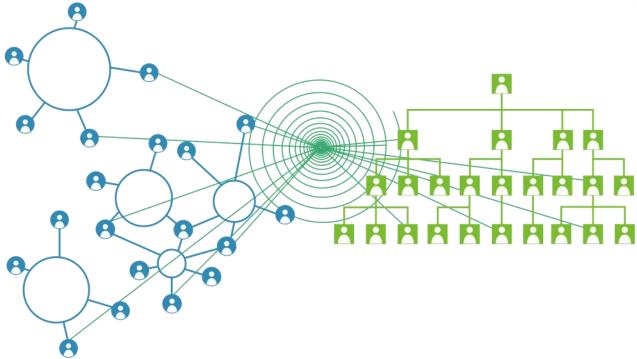
Management Driven Hierarchy (or Command and Control) alone is **inadequate** for the task of leading significant amounts of change & innovation.
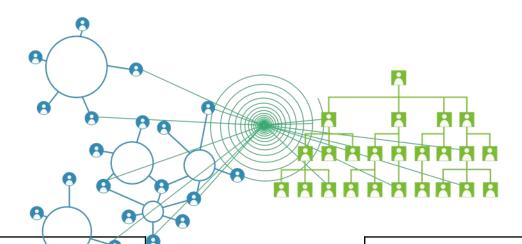
As it turns out, **sustainability is the ideal problem to solve our organizations.**

We are moving **from a command control operating system to a dual operating system aligned around shared purpose.**

ADAPTIVE OPERATING SYSTEM

Intrinsic motivation to enact shared purpose

Community structure, relationships

Boundary crossing connectivity

Co-created change, leadership as a system

Applied learning focus

Socially supported learning, story

Dynamic, multiple, transient

ALIGNED THROUGH PURPOSE

COMMAND CONTROL OPERATING SYSTEM

Extrinsic motivation to enact mission & vision

Authority structure, transactions

Division and hierarchy
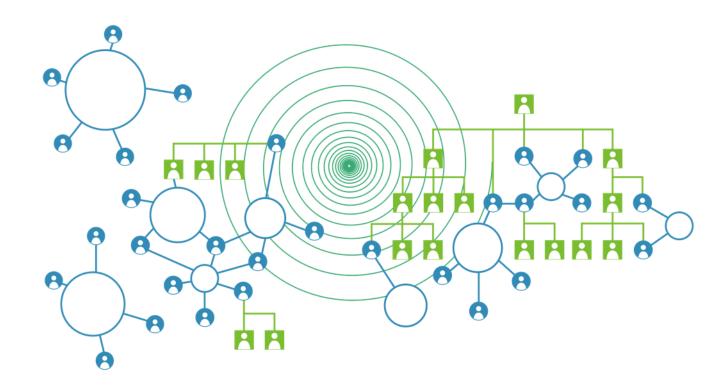
Top-down change, leadership as a linear

Execution focus
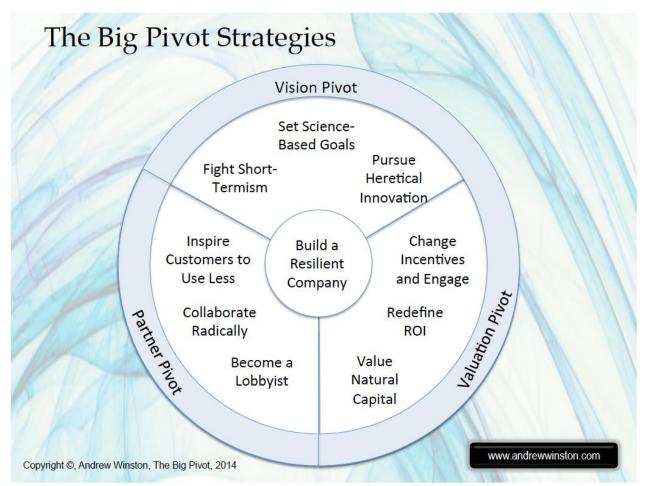
Strategy, metrics, reporting

Rigid, single, permanent

Over Time the Systems Can Transform One Another

The Big Pivot Strategies

Vision Pivot

Set Science-Based Goals

Fight Short-Termism

Pursue Heretical Innovation

Inspire Customers to Use Less

Build a Resilient Company

Change Incentives and Engage

Collaborate Radically

Redefine ROI

Become a Lobbyist

Value Natural Capital

Partner Pivot

Valuation Pivot

www.andrewwinston.com

CHALLENGING CONNECTIONS
23 – 25 March 2015

The Good News!

It can be taught, it can be learned and it can change everything.

Actions for Change Agents

1. Create Shared Understanding and Shared Purpose to Transform
2. Pursue Conditions & Processes as Well as Goals & Plans
3. Focus on Removing Risk & Fostering Stability
4. Be Amazing at Fostering and Leveraging Positive Social Dynamics
5. Pilot, Pilot, Pilot!
6. Democratize Access to Capital for Seed Funds and Pilots
7. Leverage Social Learning
8. Explore New Ways to Advance Group Intelligence
9. Engage Senior Leaders and Middle Managers to Improve Decision Making Agility

1. Create **Shared Understanding** and **Shared Purpose**

- Get Senior Leaders and Middle Managers into the conversation using enough shared language about this new organizational model.

- Co-Create Your Own Convenings for Senior Leaders and Middle Managers
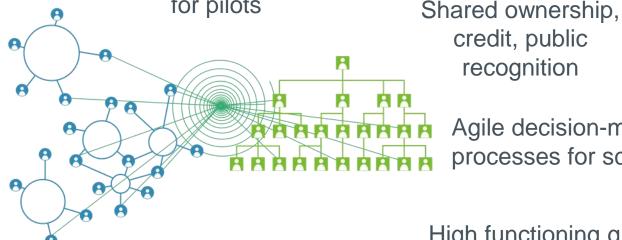
2. Pursue Conditions & Processes

Trust based culture

Access to seed funding for pilots

Shared ownership, credit, public recognition

Psychological safety

Forums, processes and permission for idea flow

Agile decision-making processes for scaling.

Stories that model emotional resources: courage, hope, drive

High functioning group processes/meetings with optimal patterns of interaction
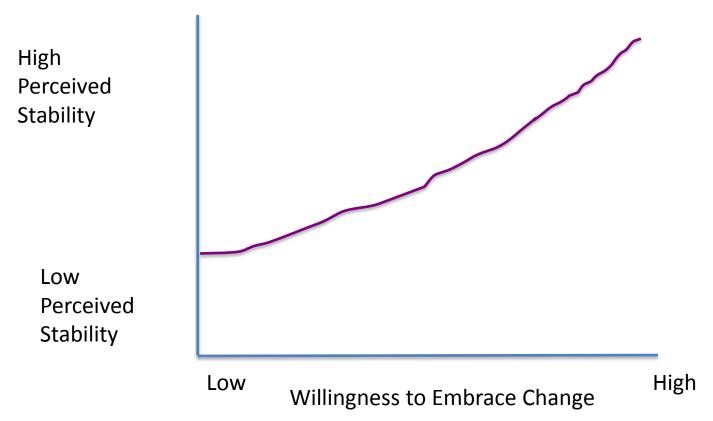
Permission for piloting and exploration

Forums for social (peer to peer) learning

3. Focus on Removing Risk & Fostering Stability

High Perceived Stability

Low Perceived Stability

Low

High

Willingness to Embrace Change

A change agent and a change capable organization creates stability and reduces risk so that others can join in.

4. Be Amazing at Fostering and Leveraging Positive Social Dynamics

Mastering the new leadership frontier of **social dynamics and social architecture** will be critical for our success.

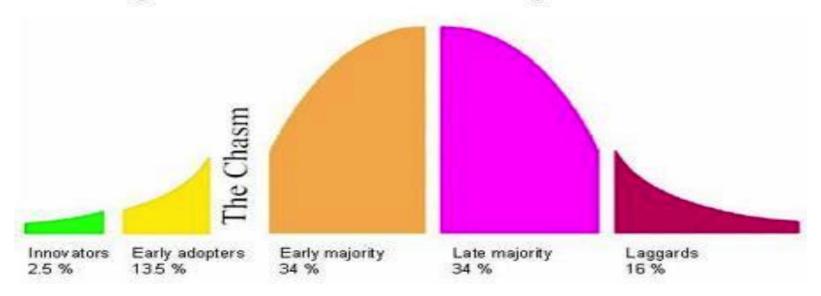# 4. Be Amazing at Fostering and Leveraging Positive Social Dynamics

Leading the Learning Organization

5. Pilot, Pilot, Pilot
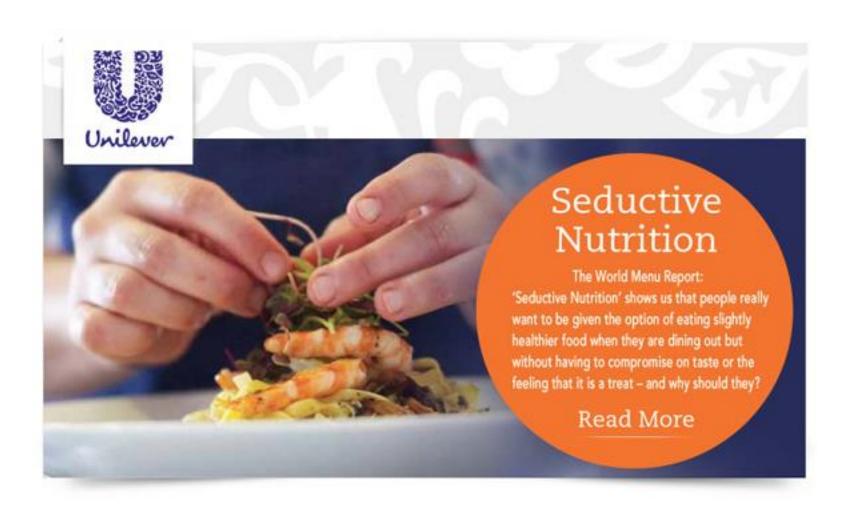
Roger's Innovation Adoption Curve

The Chasm

Innovators
2.5 %

Early adopters
13.5 %

Early majority
34 %

Late majority
34 %

Laggards
16 %

Trying to convince the mass of a new idea is *useless*.
Convince *innovators and early adopters* first.
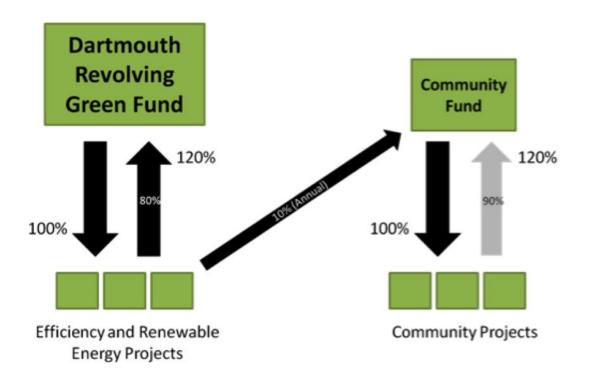
Scale up Pilots

6. Democratize Access to Capital

Dartmouth Revolving Green Fund → Efficiency and Renewable Energy Projects (100%) → (120%) → (80%) → 10% (Annual) → Community Fund → Community Projects (100%) → (120%) → (90%)

Reform Finance & Accounting Barriers

- Capital and operating budget disconnect.

- No commitment to capturing and reinvesting savings (costs avoided).

- No annual innovation/piloting/seed funds for the Emergence Operating System

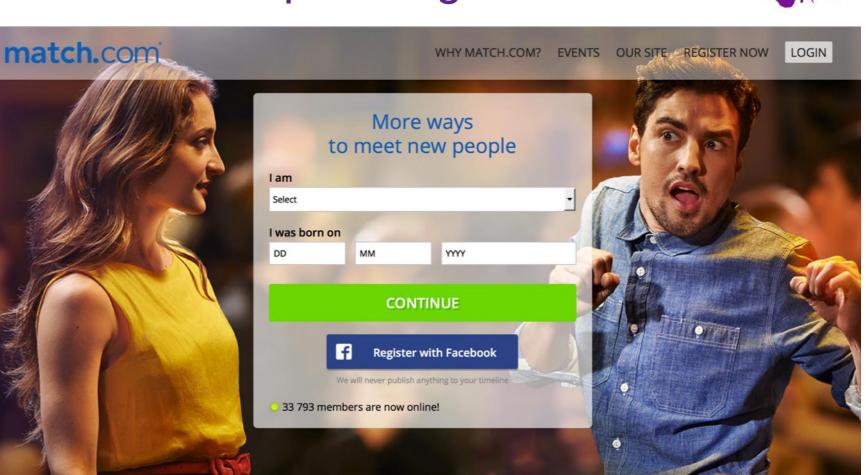- No efficiency funding in annual maintenance/operating budgets
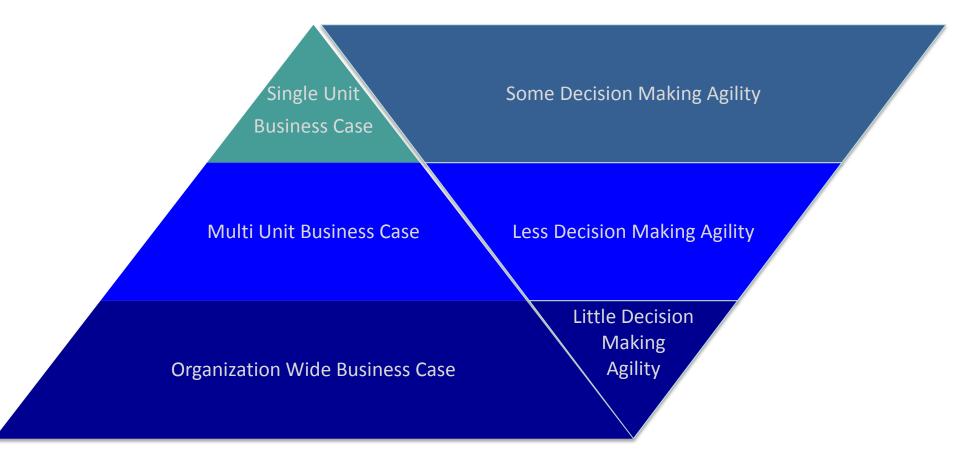
7. Leverage Social Learning

MY MODUS OPERANDI IS DIAL UP THE AWESOME AND BREAK THE KNOB OFF

8. Explore New Ways to Advance Group Intelligence

9. Engage Senior Leaders and Middle Managers to Improve Decision Making Agility

Single Unit Business Case

Some Decision Making Agility

Multi Unit Business Case

Less Decision Making Agility

Organization Wide Business Case

Little Decision Making Agility

Individual Systems	Social Systems	Organizational Systems	Infrastructure Systems
Personal & Interpersonal Capabilities Skills/Abilities	**Status**	**Vision/Mission**	**Buildings**
	Trust	**Governance**	**Transportation**
	Social Influence	**Management Structures**	**Energy**
	Inclusiveness	**Planning Processes**	**Materials**
Motivation/ Values/Attitudes Habits/Behaviors	**Fairness**	**Decision Making Processes**	**Food Supply**
	Relatedness	**Finance & Accounting**	**Water**
	Autonomy	**Policy Instruments**	**Sewerage**
	Emotional Sensitivity	**Information Systems**	**Landscaping**
	Group Intelligence	**Procurement Systems**	**IT**
		Human Resources	
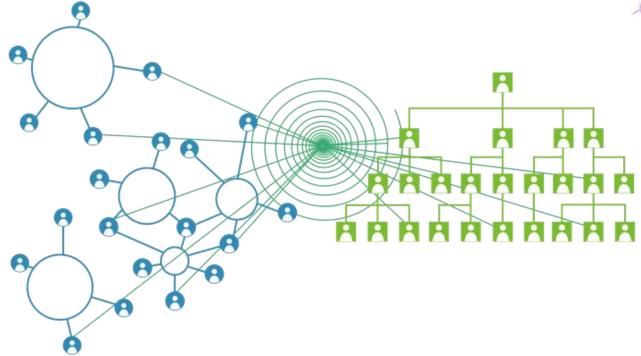
This organizational model open new idea pipelines by:

- ❖ Increasing organization-wide idea flow, exploration, group intelligence & social learning
- ❖ Reducing Risk Across the Organizational Ecosystem
- ❖ Locating diverse business models
- ❖ Unleashing new levels of purpose & engagement
- ❖ Improving Decision-Making Agility

ACTIVITY ONE

1. Select someone at your table to be the Reporter
2. As a group, you have 10-12 minutes to answer the question:

WHAT IS ONE THING THAT RESONATES MOST POWERFULLY WITH YOU ABOUT THE CONTENT AND WHY?

4. Summarise your 1 minute report out (4 minutes)
5.   Each group will have 1 minute to report back

If you agree then raise your hand! No repeating!

ACTIVITY TWO

1. Individual reflection time (5-10 minutes):
What are your biggest insights about how you might apply this framework? What are your next steps, how will you use these ideas?
2. Join to make groups of 3 and share reflections – make note of key reflections, insights, ideas and summarise these to report back (15 minutes)
3. Groups to share insights through open discussion (25 minutes)

The Future?

Speeding Up
Towards the Cliff

Eco-Absurdity

Slowing Down &
Doing Less Bad

Eco-Efficiency

Changing Direction &
Doing Well By Doing Good

Eco-Effectiveness

WANT MORE?

Executive Education in Sustainability, Harvard University

Sessions in 2015: July 7th-10th Oct. 19th-22nd

To learn more or request an application

www.chgeharvard.org/CBIS

"I left energized & ready to tackle the most complex adaptive problems that my college faces. Wherever your organization is in relation to sustainability this program helps you go to the next level."

Community College President