



## 4 WAYS TO BE MORE SUSTAINABLE LIKE UNILEVER

TO EMBED SUSTAINABILITY WITHIN BUSINESSES WE HAVE TO CHANGE  
HOW MANAGERS THINK

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Our planet and the people who live on it are depending on individuals making the right decisions in response to sustainability challenges. Not simply in relation to their personal impact, either; the choices made by corporations are shaped by managers' personal value systems as well as company culture.

In fact, IMD research suggests that the most difficult aspects of embedding sustainability within businesses relate not to external factors such as lack of buy-in from shareholders or consumers – although these are undoubtedly still of concern – but to how managers think. This creates three main deterrents to full strategic implementation of sustainability: first, fixed mindsets, such as the belief that sustainability does not sell, or that it must remain part of philanthropy; second, short-term mindsets, which are driven purely by immediate shareholder returns; and an inflexible corporate culture that resists new ways of seeing, thinking, or doing things outside traditional business models.

What, then, can companies do to overcome these barriers? How can they create an organizational culture that will allow them to deliver an innovative and fully integrated sustainability strategy? Our research, undertaken in collaboration with Unilever – one of the most proactive companies in the world when it comes to embedding sustainability at the core of its business – has identified four opportunities for change and three questions that all decision-makers should be asking themselves.

### **1. Leadership alignment**

Too often the language used in high-profile speeches by senior executives does not flow through into the conversations that managers have between themselves and with their people about everyday business. It should; how we talk shapes how we think.

Alongside this, companies should conduct regular checks on where their important decision-makers stand on sustainability objectives: who are the ambassadors? Are there naysayers? Are others simply sitting on the sidelines? Leaders have to both walk the talk *and* talk the walk – internally as well as externally – to bring about change.

Be prepared for this degree of change to take time; few companies today are anywhere near fully incorporating sustainability considerations into their core decision-making and innovation processes. And be aware that some functions may have “hardwired” ways of thinking and acting that can make them particularly difficult to reach. Even Unilever, which has had a significant commitment to sustainability for a number of years, does not expect changes to be made overnight.

### **2. Attracting and developing top talent**

Recruiting new executives with the right mindset can be very helpful but existing leaders also need attention. Very often up-and-coming talent understands the criticalness and urgency of these issues better than executives who have been with the business for years, yet it is usually members of that older generation that are in charge of making strategic decisions. All leaders need what Unilever calls “experiential sheep dip” – that is, immersion in emerging trends and new realities – so that they can fully understand both the issues involved and how they can make a difference in their roles.

Interestingly, Unilever is finding that executives from emerging economies, where people have often had early exposure to the negative impacts of social and environmental issues, are proving to be better-prepared for the business realities of the future than their peers in fully-developed economies.

### **3. Performance metrics and management**

Performance metrics are an essential ingredient for success. At Unilever, the core objectives of its Sustainable Living Plan (SLP) are embedded into its overall performance management systems. Financial metrics are still an important measure of corporate success, but alongside this it is choosing non-financial metrics related to brands, customer satisfaction and so on against which each executive's performance can be measured when it comes to delivering the SLP.

### **4. A new and more empowered HR function**

Few global companies have HR functions that are known for taking the lead on developing a sustainability culture. Usually this is because it lacks the power to do so – something that can and should be changed. An empowered HR function with access to the resources it needs can provide invaluable support to leaders; on the other hand, greater power brings a heavier responsibility, which in turn requires HR executives to develop the skills and mindsets needed to bear it.

**Finally, three questions that all decision-makers should ask themselves when delivering a “walk the talk, talk the walk strategy”:**

1. What value systems does my company need to put in place or reinforce in order to induce managers to change or enable sustainability strategy implementation and alignment?
2. How can my company promote and enhance the best corporate culture for sustainability strategy alignment?
3. How can the HR team use recruitment, training, and reward systems to reinforce culture and values systems that will help us to embed sustainability strategy in the organization?

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*Dr Aileen Ionescu-Somers is director of CSL Learning Platform. The CSL Learning Platform invites you to its forthcoming event where it will launch its most recent research carried out in partnership with Burson Marsteller “**How authentic is YOUR corporate purpose**”, including discussion of the IMD Unilever case with a senior HR executive: <http://www.imd.org/calendar/csmevents/Leadership-Authenticity-and-Corporate-Purpose.cfm>*

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