



“WE CANNOT SOLVE OUR
PROBLEMS WITH THE
THINKING WE USED TO
CREATE THEM” - A. EINSTEIN

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Introduction

This paper explores the topic of sustainable leaders in business to unearth how managers can become sustainability leaders in their firms. Furthermore, this paper will look at opportunities and problems that these organisational leaders encounter when assisting in the solution of the world's sustainability concerns. Thus, to expand on the topic of developing sustainable leaders in business, concepts such as Corporate Sustainability, Experimental Learning Programmes, Responsible Management Learning, Social Entrepreneurship, and the Linear Economy Vs. the Circular Economy would be examined to a certain extent to highlight the significance of fashioning sustainable leaders in business.

World leaders convened in New York in September 2015 to approve the Sustainable Development Goals (SDGs), United Nations, 2015. Notably, within this agenda, it is expected that corporations, governments, and civil society organisations would all share equal responsibility for charting a more sustainable way onward. Experts argue that the corporate market has unique qualities to contribute to the achievement of the SDGs, such as ingenuity, flexibility, efficiency, and the availability of certain talents and assets as pointed out by Scheyvens, et al., 2016.

Consequently, at present, sustainability problems force firms in a variety of industries to adapt. Since the turn of the decade, there has been a rise of interest in how the private sector might help achieve the SDGs. Such necessity for transformation reminds me of one of Winston Churchill's famous phrase, "to improve is to change, so to be perfect is to change often". Hence, managers and entrepreneurs are essential to the process of becoming more sustainable, yet leading change for sustainability necessitates new skills. Individual learning is essential for building new capabilities. In essence, the aim of this essay is to provide credible evidence to

establish how managers may successfully contribute to the resolution of the world's sustainability issues.

Creating Sustainable Leadership Through Education

Corporate Sustainability, Experiential Learning Programmes (ELPs), Responsible Management Learning (RML) and Social Entrepreneurship.

There is widespread consensus that managers must accept responsibility for their actions. Given the gravity of societal grand challenges that endanger our planet as highlighted and discussed by George et al 2016, managing responsibly has become an urgent matter in recent years. However, if you ask a corporation to define sustainability, chances are it will use the Brundtland Commission Report 1987 definition: “Sustainable development is development that meets the needs of the present generation without compromising the ability of future generations to meet their own needs”. Although many businesses acknowledge the need of a sustainability framework, the majority have yet to implement it into their entire company strategy, Kashmanina, et al., 2011.

As a result, corporate sustainability is critical in terms of how managers may learn to adapt to sustainability difficulties and interact with sustainability concerns. Dyllick & Hockerts, 2002 indicates that corporate sustainability and responsibility is centred on the principles of; “eco-efficiency, socio-efficiency, eco-effectiveness, sufficiency, and ecological equity”. It must be mentioned that the literature on corporate sustainability and responsibility is relatively new. Even so, the question here and now is, how can managers acquire such competencies for corporate sustainability?

Baden & Parkes 2013, discuss how experimental learning programmes (ELPs) serve to draw learners closer to sustainability challenges and enable opportunity to connect with a

diverse range of individuals with diverse perspectives. ELPs enabled management students to make connections with the world's sustainability concerns such as climate change, resource depletion, ethical issues, and the growing gap between the rich and the poor. As a result, ELPs have proven to raise awareness of the importance of integrating sustainable development and social responsibility into management education for upcoming managers and leaders, Baden & Parkes 2013.

In addition, Haney et al., 2022 expands on the research of ELPs by highlighting three key categories of learning outcomes when ELPs were incorporated into management education. These three main categories are understanding, personal connection and empowerment to act. In their study, Haney et al., 2022 revealed that the primary learning outcomes of ELPs are linked to the gentler, more human elements of sustainability skills, such as values, inspiration, and the ethical need to act for sustainability. In summary, making sustainability personal for leaders is a unifying factor through each of the learning outcomes reported in this investigation. This academic field offers the framework for leaders to be dedicated to, and encouraged to participate in, organisational sustainability.

Another emerging field that might also enable managers to function as responsible leaders that can address critical sustainable concerns and grand challenges is Responsible Management Learning (RML), as highlighted by Montiel et al., 2019. Montiel et al., 2019 builds upon the work of Meyer & Land, 2005 & 2003 with regards to threshold concepts. Threshold concepts are characterized by “a transformed way of understanding, or interpreting, or viewing something without which the learner cannot progress” Meyer and Land 2003.

Thus, threshold concepts contribute to the development of a practical style of thinking by transforming an individual's attitude in an academic discipline. That is why Montiel et al, 2019 believes that employing threshold concepts to RML in the area of corporate

sustainability will enable managers and professionals to create and execute greater sustainable responsible management practices.

The threshold concepts that are listed here are for the purpose of highlighting areas of study, as it is not my objective to explain in dept the concepts and theories, but rather to expose them. Montie et al. 2019 give an analysis of the opportunity for each corporate sustainability threshold concept theme to drive effort towards responsible management. The following are examples of the Corporate Sustainability Threshold Concept Themes: Emotional Agency, Stakeholder Dynamics, Evolving Value Creation, Altruism Pitfalls, Management Reinvention and Ecological Connection.

Finally, the notion of social entrepreneurship is another newly developed and somewhat "untidy concept" for steering firms toward the achievement of social goals, Peredo & Mclean, 2006. Pomerantz, 2003 expresses the secret of social entrepreneurship as follows:

Involves taking a business-like, innovative approach to the mission of delivering community services. Developing new social enterprise business ventures is only one facet of social entrepreneurship. Another facet is maximizing revenue generation from programs by applying principles from for-profit business without neglecting the core mission.

(Pomerantz 2003)

Accordingly, the important idea here is that if organisational managers are to be effective in their jobs to help reduce the world's sustainable concerns, they must thoroughly comprehend and have a personal connection to the issues at hand. This will help to guarantee that these managers improve their ability to measure and ensure that the desired results are achieved. And this may be accomplished through higher education programmes such as corporate sustainability, ELPs, and RML along with the aspiration to be a social entrepreneur. To close this point, the United Nations Global Compact Leaders' Summit of 2010 specified that 72 percent of CEOs believe that education is the most important global development problem to solve for their company's future success.

The Business of Sustainability

Alexandre Magnin's, 2015 video on 'Sustainability' proposes four basic principles that firms should follow if they wish to contribute to a more sustainable future. Magnin's four principles for ensuring a sustainable society are as follows:

“...nature is not subjected to systematically increasing concentrations of substances extracted from the earth's crust, concentrations of substances produced by society, degradation by physical means and in this society, people are not subject to conditions that systematically undermine their capacity to meet their needs.”

(Margin, 2015)

This means that businesses should minimise and/or aim to eradicate unsustainable behaviours by: ceasing to take resources from the earth's crust and instead using renewable resources in a manner that allows them to replenish for future utilization, seeking alternative solutions to dangerous compounds created by society that deplete the ozone layer and ensuring suitable waste disposal management processes are in place to prevent pollution, and engaging in creative sustainable practises that reduce pollution, participate in creative, sustainable techniques that result in the safeguarding of the earth's natural resources and finally, provide equality and justice for all members of society by providing appropriate working conditions, pay, benefits, and training, among other things, that allow society to satisfy their requirements.

Companies across all industries are paying more attention to sustainability needs, Kiron, et al., 2012. This is due not only to the gravity of the situation dawning on our society, but also to corporations recognising that to be profitable over time, they must consider sustainability and, ideally, cope with the difficulties the world is facing, Khan, et al., 2016.

Still, businesses are hesitant to include sustainable practices at the core of their business' strategy since they believe the costs of sustainability methods and procedures overshadow their benefits, yet academic studies and business experience points to a rather opposing view,

Whelan & Fink, 2016. Organizations that invest in sustainability and accept responsibility for a far more sustainable future manage risk effectively while also fostering innovation.

For example, according to Fink 2016, Nike applied sustainable methods into its creative process and launched the 'Flyknit' line, which generated over USD\$30 billion in revenue for the fiscal year 2015. Nike's 'Sustainability and Innovation Case Study' by Fink assessed the impacts of the 'Flyknit' shoe line and discovered that while designing "the most groundbreaking sneaker innovation in over 40 years," the organisation was effective in reducing the number of materials used and lessened waste material by 80 percent.

As a result, companies such as Nike that participate in sustainable production and practises embrace responsibility for developing a more sustainable future. Nike executives are taking an active part in achieving the United Nations Development Programme's 2015 12th Sustainable Development Goal of ensuring sustainable consumption and production practises by 2030.

Organizational leaders must recognise that sustainable production is the path to a more sustainable future, and that it is based on the Yildirim 2020 go-green strategy. That is, a method focused on environmental preservation when products and services are created to meet the demands and requirements of families and people as pointed out by Yildirim, 2020. This guarantees that people may easily acquire and use environmentally friendly goods and services, thereby enabling sustainable consumption.

In essence, managers who engage in sustainable production and go green assure waste reduction, pollution prevention, and the promotion of green management tools to ensure environmental welfare. This, in turn, can enhance considerable resource efficiency and minimise natural-environment expenses, Alam & Islam 2021.

Applying the Concepts of the Circular Economy to the Business Model

This essay will now focus on understanding the linear economy Vs. the circular economy as a strategic tool to help managers and leaders of organisations solve the world's sustainability needs. The purpose here is to provide credible information about the benefits of managers understanding and implementing strategic initiatives to mitigate the business risks posed by a linear economy and existing production and consumption behaviours.

To begin, according to MacArthur 2013, our current economic system has scarcely progressed past one key feature developed since the initial stages of industrial development, namely a linear model of resource consumption that follows a “take-make-dispose” pattern. This pattern is consistent with the tendency where businesses gather and remove materials, then utilise them to make commodities, which is subsequently sold to a customer, who then throws it away when it no longer serves its function.

The Ellen MacArthur Foundation report further identifies distinct risks that many organisations and managers are currently confronting because of a linear economy: demographic trends, infrastructural demands, political risks, globalised markets, and climate change. The report also notes that these risks are connected to the increasing costs of natural resources, which are directly linked to major supply interruptions and scarcity. A linear production model generates waste in the production chain, the deterioration of ecosystem services, and, in general, the existing paradigm causes imbalances that impede economic progress. Also, within this linear economy prices and volatility are anticipated to stay high because of the world's growing population along with urbanisation. Thus, the continuation of a linear economy is rather frightening for humanity's existence.

Certainly, this is truer now than ever- with regards to quantity of waste generated by businesses and consumers. According to the European Commission, global material extraction

rose 14 times between 1900 and 2015. Global material extraction soared from 6 billion tonnes in 1990 to around 84 billion tonnes in 2015 and is expected to rise by 119 percent by 2050, which is an estimated value of 184 billion tonnes in 2050. Additionally, the World Bank revealed that in 2020 the people of the world were forecasted to create 2.24 billion tonnes of solid waste, which equates to a footprint of 0.79 kg per person each day. Furthermore, given the projected increase in the world's population, yearly garbage output is anticipated to rise by 73 percent from 2020 levels to 3.88 billion tonnes in 2050. For these reasons, organisational leaders must reconsider their "business as usual" approach and acknowledge that we cannot tackle such global sustainability issues with the same mindset that created them.

It appears that a complete operational structure replacement is required to support society's sustainable needs. This is where the circular economy, as well as the circular business model, come into play in the quest of transformation. Lewandowski 2016 offers definitions as well as a literature analysis on these two concepts, which would be most valuable for managers to acknowledge and understand so to develop and improve their sustainable strategic business proposals. The Ellen MacArthur Foundation's report defines the circular economy as "an industrial system that is restorative or regenerative by intention and design". In other words, a transformation that encompasses the use of renewable energy, the removal of hazardous chemicals, and the reduction of material waste through the development of new materials, commodities, processes, and value chains.

The European Union, as well as China, Finland, France, Japan, the Netherlands, the United Kingdom, and Sweden, encourage this shift away from the linear economy to the circular economy, Kanda, et al., 2021. Likewise, firms such as Unilever, Renault, and Google promote this transformational shift in paradigms. This necessitates tasking organisational managers with constructing a circular business model in which the theoretical basis for

producing value is centred on harnessing the economic importance of commodities that remain after disposal in the development of newer ones.

Now, consider a vital question on the minds of managers: Is there any business profit to be gained from adopting a circular economy in the pursuit of sustainable development? In response to such inquiry, numerous studies have been conducted to estimate the total financial advantages of this change. Engagement in the circular economy, for example, is predicted to yield economic gains of 1.8 trillion euros per year for the European Union and US\$4.5 trillion for the world's economy by 2030 as revealed by Chen, et al., 2020. Thus, although consideration is now being paid to societal and environmental issues throughout the world, the profit motive behind these corporations undoubtedly remains, Camilleri 2017.

Notwithstanding, there are many challenges surrounding what managers ought to do or ought not to do with regards to solving the world's sustainable needs. There have been extensive studies that reveal barriers of circular business models. Oghazi & Mostaghel 2018 identifies the following challenges of circular business models.

-  Absence of Support Regulations
-  Organizational impediments
-  Cultural divides
-  Financial and economic obstacles
-  Technological impediments
-  Restriction on customer type
-  Restriction on product categories
-  Fashion vulnerability
-  Return Flow Issues
-  Individual company confidentiality
-  Inadequate channel control
-  Partnership trust and increase dependency on partners

It should be mentioned that while the research on the transition to circular business models is still in its early phases, the nature of such studies are more exploratory. Managers

may learn from Sweden, which is one of the leading countries employing a circular economy, as mentioned by Oghazi and Mostaghel 2018.

Conclusion

To conclude, managers of organisations are in the position to do something about the world's sustainable needs. They oversee creating and executing business strategy plans and ought to embrace sustainable development while retaining business profits. This endeavour is doable, as demonstrated by organisations such as Nike, Google, and Unilever. Managers can only do this if they are thoroughly aware and educated on such sustainable concerns. This essay focused on corporate sustainability, experiential learning programmes (ELPs), responsible management learning (RML), social entrepreneurship and the notions of a circular economy and circular business models. Although these educational management programmes and concepts are relatively young, they are being advocated globally by national governments and numerous corporate organisations as the way forward. These concepts appear to be economically viable, and they have drawn the attention of the corporate world to sustainable development efforts. It is only reasonable to suggest that if natural resources are extracted from the earth's crust and may be reused several times, as opposed to linear economy techniques, there is a significant reduction in waste created by this economic output. This is an indisputable triumph for all stakeholders, including businesses, consumers, governments, households, and the environment.

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