

Bright Green Leadership

An Article by Paul Hannam

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I recently attended a high level executive conference about Green Business that included CEOs from some of the largest corporations in the world. Out of the 400 delegates I would guess that a third were interested but still skeptical; a third were there because they wanted to find new revenue opportunities; and a third, including me, were there because we believe that Climate Change is the most important challenge facing humanity.

Very soon, I believe all CEOs, executives and entrepreneurs are going to have to face a critical question - *"what are we going to do to prevent climate change?"* Ten years ago such a question would have seemed absurd, today it is being asked more frequently and within five years it will dominate boardroom agendas.

For years, only environmental activists asked such a question, and executives responded that their goal is to maximize shareholder value. Now, there is an increasing recognition that we need leadership in every sector of society, including business, to bring about the wide-ranging changes required to tackle Climate Change. Only leadership will turn our awareness and anxiety action to follow through with long-term solutions

In addition, more and more executives are realizing that, aside from the ethical argument, there is a strong business case for tackling the enormous number of environmental challenges we face. Fortune 500 businesses like Wal-Mart, GE and DuPont are saving costs by being more eco-efficient, as they make the connection between increasing profitability and protecting the environment.

This dual purpose suggests an exciting, emergent model of leadership that enables executives to be leaders for their corporations and also for the environmental movement as a whole. This promises an alluring *win-win* where the objectives of both modes of leadership are integrated. For example, a huge number of green business opportunities offer entrepreneurs and corporations the potential for achieving both their financial objectives and promoting sustainability

I call this new model ***Bright Green Leadership***. It is characterized by a bright, positive vision of a green future where society has shifted from fossil fuels to renewable energy, and environmental protection is a top priority. Bright Green Leaders believe we can solve our environmental problems through innovation, design, creativity and the mobilization of people, finance and organizational resources. They dedicate their careers and towards leading their organizations, communities and families to a bright green future in both the private and public sectors.

Bright Green Leaders share the following core principles. They believe that -

We are facing an enormous crisis

They know we are facing an environmental crisis of enormous proportions. There is almost complete consensus amongst scientists that climate change is a major and dangerous threat to both humanity and the ecosystems of the planet (Union of Concerned Scientists). We do not need more research or evidence, we need leadership to provide solutions.

Rajendra Pachauri who heads the IPCC panel that shared the Nobel Peace Prize with Al Gore said in November 2007 "If there's no action before 2012, that's too late...What we do in the next two to three years will determine our future. This is the defining moment." (as reported in the New York Times 11/18/2007).

For those leaders that do not accept the reality of Climate Change, there are still convincing reasons for moving away from fossil fuel dependence such as rising energy costs, the depletion of oil reserves and the need for the US to be energy independent.

They also know we have much of the Knowledge, Technology & Resources to tackle the problem. They are convinced by the financial case for implement the necessary changes and that the potential cost of global warming is staggering. In 2006 the most comprehensive report on the economic impact of climate change was published in the UK. The Stern Report suggested that the total cost would amount to \$9 trillion.

They share a Mission

Bright Green Leaders share are motivated by a Mission. They have a responsibility to tackle climate change that distinguishes them from other leaders.

A powerful mission is also inspirational and mobilizes people and resources. How could the mitigation of Climate Change emulate the exhilaration of NASA's mission to put a man on the moon by the end of the 1960s?

The mission is not just to look after the interests of their organisation but to look after the interests of the earth and all its inhabitants for this and future generations. This is a transcendent and universal mission that can galvanize organizations and employees. Bright green leaders are ready to provide the vision, the will and the ingenuity to divert resources to dealing with climate change.

This is an outstanding Business Opportunity

Aside from the scientific and ethical reasons for change, Bright Green Leaders are galvanized by the massive business opportunity in confronting climate change. The global energy market is worth around \$6 trillion and the opportunity for renewable energy to even capture 10% of this market makes it a \$600 billion business. Then there is the water, green building and conservation sector to name a few.

There is increasing pressure from the consumer for change. Most surveys show strong popular support for action. A recent [CNN poll](#) shows that 62% of Americans should do what it takes to reduce global warming. Increasingly “conscious consumers” are making decisions based on green factors, and a recent survey by [BBMG](#) found that 87% of US consumers want their suppliers to be committed to environmental practices.

The potential benefits to the US of investing in renewable energy are enormous. A recent report from the [American Solar Energy Society](#) claims that there are currently 8.5 million green collar jobs in the U. S. and that this will increase to 40 million by 2030, about one-quarter of the total workforce.

There is also evidence that talent is attracted to businesses with a green agenda. According to a recent Ipsos Mori [survey](#), 80% of respondents across 15 developed nations would prefer working for a company that “has a good reputation for environmental responsibility” – the figure was 81% in the US

Leadership Practices

Bright Green Leaders also share similar leadership practices as their mission requires wholesale transformation in organizational activities, processes and culture. This means a new model of leadership commensurate to the challenge of climate change, with an associated set of skills and practices that facilitate the required changes.

Bright green leaders need strong skills in five areas of practice:

Creating urgency

One of the tasks of bright green leaders is to provide the will and impetus to overcome procrastination, and this means to creating greater urgency concerning

the threat and reality of climate change. A clear, simple and specific description of the current situation facing us and the implications of not taking action is crucial.

This might involve the use of scenarios that describe possible outcomes if the problem of global warming is not dealt with and help to create the urgency for change. Bright green leaders will need to raise awareness and increase the priority of climate change. In business it means communication with employees both formally and informally, and the measurement and reward of new environmental programs.

Leaders face many competing priorities and they need to ensure that their initiatives are reflected in the time, resources and policies they spend on them. Urgent Rhetoric needs to be supported by Urgent Action.

Providing a vision

Leaders use urgency to make us aware of the problem and to motivate us to take action. They also provide a vision of where they want to take us.

Yet there is no consensus on a positive vision of the world after climate change has been “solved”. Instead the focus has been on the negative consequences of not tackling the problem. One of the crucial outcomes of Bright green leaders is to offer a vision of how much better society would be when we combat climate change, and provide clear, measurable and achievable goals of how they intend to contribute towards the realization of their vision.¹

Leaders can develop a vision amongst a wide group of stakeholders and this process can be potentially more powerful than the content of the vision itself, as that participation in developing the vision increases commitment. This also enables leaders to help overcome the fear, denial or inertia that many people feel when forced to confront the threat of climate change.

Transforming worldviews

Perhaps the primary task of Bright Green leaders is to persuade a wide range of stakeholders to change their worldview as the precursor to taking action. So the skill or art of persuasion is a vital skill in bringing about change.

To bring about change leaders need to firstly persuade their people of **the logic for change**, and show what will happen if change is not achieved. This means

presenting the business case and also the scientific case clearly so employees and other stakeholders see that it is in their interest to

Leaders also need to make the **emotional case for change**. Leaders will translate complex science into powerful emotional arguments and stories, and persuade their people to see climate change as of the utmost importance. The presentation or “framing” of the problem of climate change is a high priority for environment leaders.

How does climate change relate to the average person’s daily concerns? These include economic and security issues such as energy independence. Other arguments for change include the ever-rising price of oil, which is over \$100 a barrel as of April 2008.

Many people espouse environmental values and want to do something about climate change, yet this does not always lead to more sustainable lifestyles or the transition to renewable energy. Only leadership will bring about the required behavioral changes.

Leading Complex Change.

The mission of bright green leaders is to translate values into action and effect and manage change. Indeed bright green leaders are “*Change Agents*”.

CEOs face a dilemma in attempting large-scale complex change. If we take Wal-Mart it is clear that the CEO, Lee Scott, is intent on making the retail Giant more sustainable, On the one hand he may be called an environmental leader as he has introduced a major campaign to reduce emissions. He has also made public [Wal-Mart’s commitment to promoting sustainability](#) as a core part of their business strategy.

In Lee Scott’s speech on [21st Century Leadership](#) he outlines Wal-Mart’s “simple and straightforward” environmental goals

1. To be supplied 100 percent by renewable energy.
2. To create zero waste.
3. To sell products that sustain our resources and environment.

Yet will he change an economic system of shoppers who consume far more resources than the world can sustain? The footprint of Wal-Mart as a whole is simply staggering. A hundred million, one in three of all Americans, visit a store each week. The corporation employs 1.3 million people and has a fleet of over 7000 trucks in the US. Their supply chain consists of over 60,000 suppliers worldwide

Increased profitability and growth is still Lee Scott's primary objective because he is measured on his performance in this area and his success, and his job, depends on it. When the chips are down short-term financial pressures outweigh the longer term pressures of climate change.

This raises profound questions about the enormous, complex challenges that face the CEO of a major corporation like Wal-Mart in his "mission" to mitigate climate change. It competes with his mission to deliver continuous growth, which raises the question of what happens when bright green leaders have "competing missions".

If the carbon reductions that Wal-Mart achieve in their stores are outweighed by increases resulting from increased sales, then how should their initiative be evaluated? Even if emissions are reduced in one area, it is unclear how well Wal-Mart would measure up to a complete [life cycle assessment](#) which addresses the total impact of their business activities.

How can a CEO integrate their environmental principles and mission with competing principles and missions for which they were hired; how do they introduce policies which might inhibit growth?; how do they effect systemic change?

Leading Cross-Sectoral Networks

The challenge facing Wal-Mart and other corporations is that business on its own will struggle to provide the right level of solution. For example, we need government to support renewable technology with the same level of subsidies it gives to fossil fuels. Most consumers do not want to pay a premium.

Indeed, there are many difficult questions. To what extent is leadership of a public corporation aided or hindered by institutional shareholders and the markets? How is the environmental mission affected by financial performance and by competing missions? How are organisations impacted by their stakeholders? How are businesses influenced by government policies such as subsidies or taxation?

For changes to be permanent they need supportive systems where the changed behavior is in alignment with the other behaviours, attitudes and values found in the system. For example if a CEO decides to make their business sustainable they must consider the potential for systemic change - which involves the full range of inter-related behaviours, attitudes, supply chain, promotion and marketing influencing the products and services.

At the individual, group, organisational, national and international level we are part of a complex socio-economic system which is built on fossil fuels. This system is growing relentlessly and is incorporating high growth economies such as China and India. Only sweeping changes across all countries and within all sectors will begin to stop the massive growth in carbon emissions across developed and developing countries.

This suggests that leaders should be building cross-sector networks through partnerships and alliances from which change might emerge. So a CEO could position themselves as catalysts for bringing together stakeholders from politics, business and civil society at multiple scales from local to international. This might involve creating new initiatives which find experimental ways of tackling climate change, yet are not under the direct control of the senior executives.

An example of this is an initiative among leading American Corporations and NGO, the **US Climate Action partnership (USCAP)**, that outlines specific goals in their 2007 Call for Action report. These include major mandatory & immediate reductions in emissions, and policies to support renewable energy. Their goals are simple, specific, measurable and potentially achievable.

Overall, leaders will be called on to be more sophisticated in their approach to change. Leaders are generally trained and encouraged to reform not to transform, and to promote linear changes rather than complex systemic change. Consequently we require a wholesale change in leadership education, development and practice which shifts the focus to systems thinking, networking, alliance-building and complexity. This is the foundation of Bright Green leadership.

About the Author

Paul Hannam combines has over 20 years experience as a successful entrepreneur, lecturer at Oxford University, trainer and author. He was the owner and Chairman of a successful computer services corporation in the UK, and co-founder of a new environmental executive search and consultancy firm called [Bright Green Talent](#) which has offices in London and California.

Paul is also chairman and co-founder of [Greenest Host](#), an internet marketing and design business in San Diego which runs on 100% solar powered servers, and a new venture fund [Enso Ventures](#) which Paul has created with partners in London to invest in environmental businesses in the US.

Between 2001 and 2005 Paul lectured in Environmental Management and Entrepreneurship at Oxford University where he was an associate fellow. He was also an adjunct fellow of Linacre College from 2002 until 2005. In addition, Paul owned a training business, *Quantum Leap Coaching*, which provided courses on leadership, change management, communication and sales to some of the world's leading corporations such as Barclays Bank, British Airways, HSBC, BT, Canon, Fidelity Investments, Mars and many more.

His second book, [The Magic of Groundhog Day](#), is published by Waterside Press February 2008.

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