

10. Detailed Work Programme

Sustainable Leadership for a Fair and Green Transition

Call for proposal VP/2019/002 - Reference number VP/2019/002/0049

1. Rationale of the project

The environmental, economic and social challenges that European managers, professionals and policy-makers currently have to face are characterized by their multi-dimensionality, interconnectedness and urgency. Even though these volatile, uncertain, complex and ambiguous (VUCA) contemporary issues are recognised by senior leaders, as the Global Risks Report 2019 has illustrated¹, the current paradigm in management education and business practice continues to be centered solely around shareholder value. It is therefore important to develop a European model of sustainable leadership and management. The EU's commitment to the Sustainable Development Goals, the implementation of the Paris agreement and various other European Commission and social dialogue objectives call to action at operational levels, including in the workplace.

When referring to sustainability, the environmental, social and economic dimensions are often differentiated. However, there is also a procedural component delivering materially on these issues. As the concept of environment, social and governance (ESG) highlights, an emphasis is also to be put on *how* companies evolve towards a business model that suits more than financial interests. A change in the governance / **management model** of companies is therefore key to making concrete progress towards a sustainable socio-economic model.

A scattered sustainability management landscape

Today, only few companies have a unified **sustainability strategy** and even fewer have followed-up with actions, according to a McKinsey survey². Sustainability concerns remain often a departmentalized concern within companies and are only seldom integrated to core business functions such as strategy and R&D development³. Generalising sustainability issues into corporate life may not only lead to better ESG performance but can also have a positive financial impact on these companies⁴.

Besides the limited implementation of sustainability strategies and measures, those existing tend to follow an incrementalist logic⁵. That is to say, measurements of sustainability progress (as laid down in non-financial reports) of a company only compares year-to-year data and does not align to broader goals or policy frameworks. Since ESG measures remain often restricted to sustainability

¹ http://www3.weforum.org/docs/WEF_Global_Risks_Report_2019.pdf

² <https://www.mckinsey.com/business-functions/sustainability/our-insights/sustainability-strategic-worth-mckinsey-global-survey-results>

³ <https://www.mckinsey.com/business-functions/sustainability/our-insights/sustainability-deepening-imprint>

⁴ *Ibid.*

⁵ https://www.bsl-lausanne.ch/wp-content/uploads/2015/04/Dyllick-Muff-Clarifying-Publ-Online.full_.pdf

departments⁶ and since the context and longevity of sustainability measures are often left aside, the **systemic logic of change** towards a more sustainable economic system may have been neglected.

In conjunction with the notion of ESG, Corporate Social Responsibility (CSR) has been guiding efforts to re-orient business operations and have also been reflected in the European Commission strategy on CRS for 2011-2014⁷. Taking into account the accelerating environmental challenges and the “nice to have” connotation of CSR, and considering the links between the sustainability dimensions, the idea of a **“triple bottom line”** (TBL) of companies emerged. By measuring and valuing various types of assets (economic, social, environmental), an improvement in the performance on all three sustainability dimensions is possible. **Developing management skills to deliver on that triple bottom line** may thus help to improve key sustainability performance measures.

The sustainable leadership project aims at understanding current experiences with sustainability management practices, both generic and specific, to explore the integration of the triple bottom line and management quality criteria into a model for sustainable leadership.

The need to accelerate the transition through management

As a Cedefop study recognised, “managers should be made aware of the need for transition to a green or low-carbon economy”⁸. In another study, the VET agency stipulates that professionals “must take responsibility for their work and show leadership”⁹. It further recognises the role of social dialogue in developing these skills: “Education and training systems will be better able rapidly to develop green skills requirements if there is improved social dialogue between those developing education systems and training standards and both employers and trade unions”¹⁰. Managers and professionals are indeed in a key position to act. Their **responsibility is two-sided: developing sustainable strategies and ensuring workers’ participation in shaping a fair transition**.

However, as the ILO report “Greening with Jobs” has demonstrated¹¹, skills for the green transition are seldom part of VET programmes. Often, trainings for the green transition are provided by employers. Trade unions are also increasingly active in this field, but in a yet limited scope. They could therefore become an important catalyst to bring these skills on the agenda of public VET programmes and provide them themselves. While trade union consultation has improved over the years on greening the economy, as an ETUI study has shown¹², the **involvement leaves still space for improvement**, particularly in some member states and for taking their positions into account. In the aforementioned study, 60% of trade union organisations reported to be ill-prepared to participate in discussions about decarbonisation strategies.

In this spirit, the sustainable leadership project aims to provide managers and professionals, some of the key drivers for better social and environmental performance, with the necessary skills to deliver on some of the EU’s main priorities for a sustainable development of the economy. It does so in two

⁶ <https://www.csreurope.org/sites/default/files/uploads/State%20of%20the%20Profession%202018%20Report.pdf>

⁷ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52011DC0681>

⁸ http://www.cedefop.europa.eu/files/3069_en.pdf

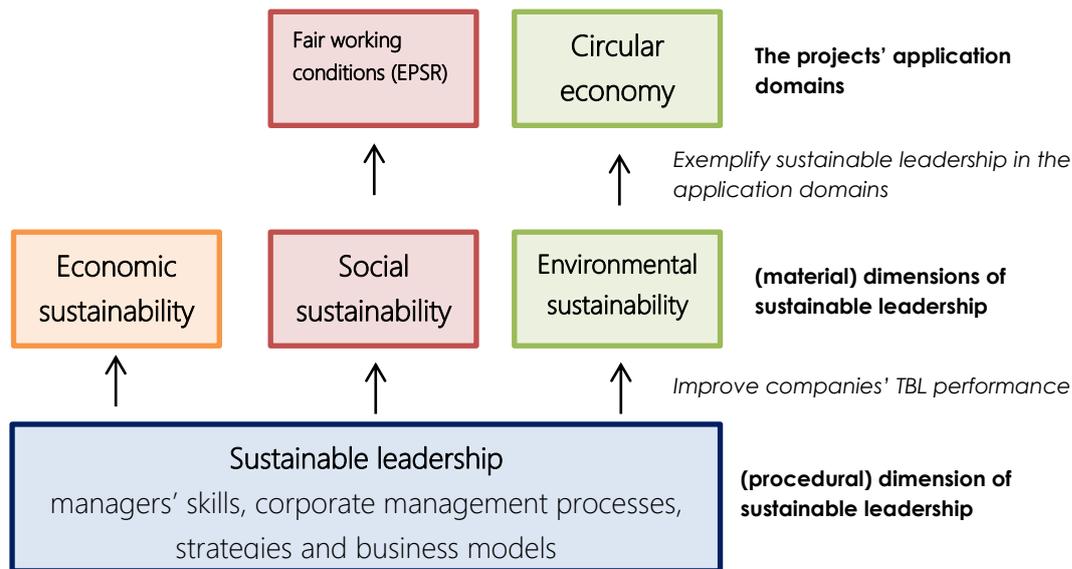
⁹ http://www.cedefop.europa.eu/files/5501_en.pdf

¹⁰ *Ibid.*

¹¹ https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_628654.pdf

¹² https://www.etuc.org/sites/default/files/publication/file/2018-09/Final%20FUPA%20Guide_EN.pdf

ways. First, by identifying generic sustainable leadership skills (procedural dimension). And second, by enhancing managers', professionals' and manager trade unions' capacities in the sustainability dimensions, exemplified within the domains of the circular economy and fair working conditions (chapter II of the European Pillar of Social Rights) as two application domains for sustainable leadership (material dimension). These social and environmental dimensions covering the application domains will be subsequently referred to by "fair and green economy."



The lacking knowledge within social dialogue

The sustainability transition will profoundly change labour markets, and consequently social dialogue structures both at sectoral and inter-sectoral level. From companies' management to manager representation in social dialogue structures at national and European level – enhancing the capacities in relation to sustainable development will prove increasingly pivotal. Since systemic thinking is required to shape the economic model of tomorrow, both competences at micro and macro levels are required.

Thus, enabling managerial trade unions to improve their knowledge and skills in the domain of sustainable leadership, the circular economy and fair working conditions could help them in better participating in social dialogue. It further increases the likelihood of formulating policy responses in that domain.

When it comes to developing sustainable leadership skills (procedural dimension), the project aims at capturing current approaches and methodologies, before creating a practical best practice database on sustainable leadership skills and their promotion and development on the project website. As mentioned, a closer look will be put on two material application domains for sustainable leadership: the circular economy and fair working conditions (chapter 2 of the European Pillar of social rights).

First, as regards the circular economy, the Plan for the Circular Economy of the EU states: "the transition to a more circular economy, where the value of products, materials and resources is maintained in the economy for as long as possible, and the generation of waste minimized, is an

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essential contribution to the EU's efforts to develop a sustainable, low carbon, resource efficient and competitive economy." For that, long-term, quality and systemic thinking required to make value chains circular. Despite that, only few member states have implemented green skill strategies. An EU-approach would therefore be desirable and one of the discussion points in the project.

And second, the European Pillar of Social Rights contains a series of principles applicable to working conditions. Rather than an absence of infringement on labour rights, sustainable leadership incorporates quality working conditions as one of its *raison d'être*. As central guarantors of quality at work, managers are in key responsibility to ensure that workplaces are designed in a way that protects and promotes workers' and managers' health, job satisfaction, safety, participation and work-life balance. The project contributes to raising awareness among managers on these principles, integrating them to the core of management and business models. It will also make these rights more operational and incite a reflection on their concrete meaning in the workplace.

To sum up, the project delivers directly and indirectly on three priorities of the European Commission and European social dialogue:

- managers' and professionals' skills: leadership skills, critical skills, transversal skills, sustainability skills, systems thinking
- Circular economy (social dialogue programme): green skill strategies, sustainable and circular business models, social dialogue aspects
- Fair working conditions (EPSR): job quality, work-life balance, social dialogue and worker involvement, health and safety

2. Project objectives

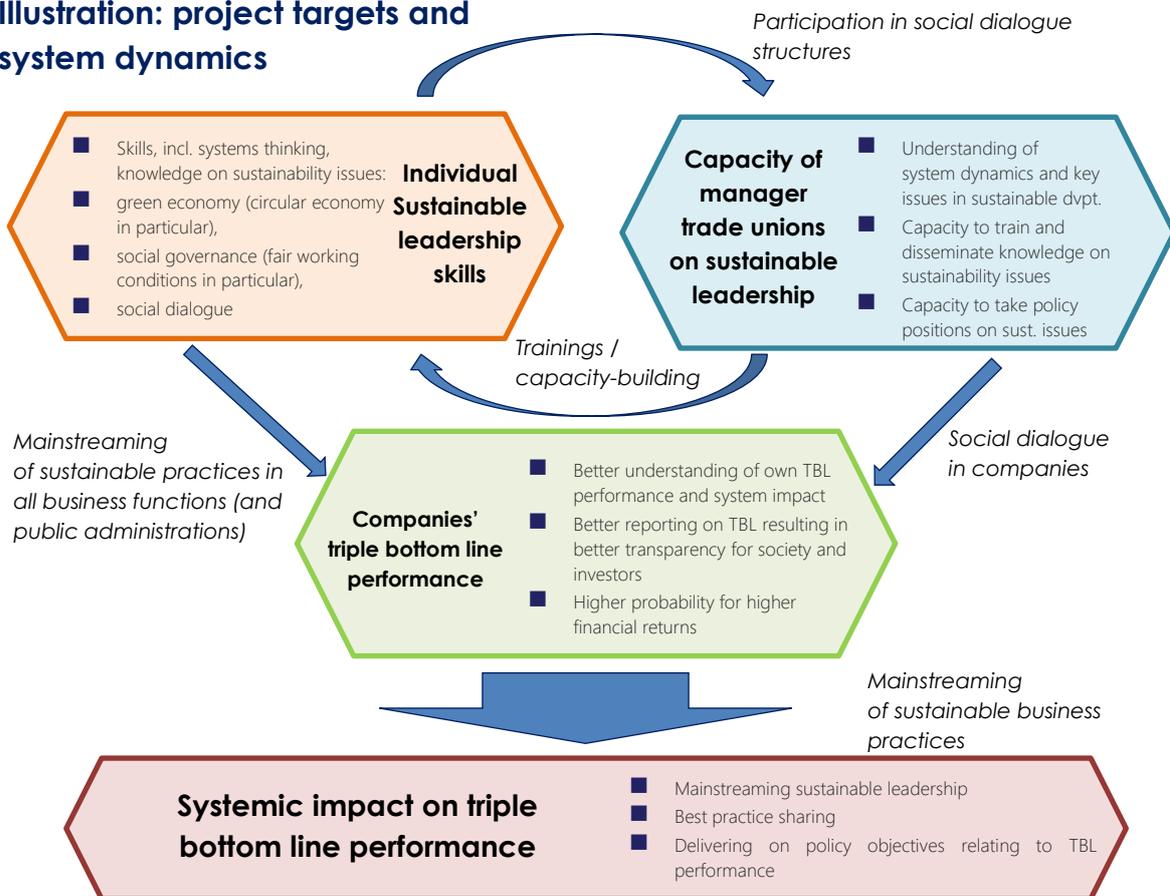
As laid down in the project rationale and problem analysis, it is necessary to the prerogatives of the managerial profession and enhance capacities of manager trade unions in dealing with sustainability issues to contribute to leveraging change in business models in Europe and to improve European companies' triple bottom line performance.

To that end, the project aims to first get a better understanding on sustainable leadership issues in companies and social dialogue. After having recapitulated the current state of affairs, the project will raise awareness on these results and various tools and practices. The overarching goal, to which the project intends to contribute, is to mainstream sustainable leadership practices for better triple bottom line performance for a fair and green economy.

The specific objectives are laid down in the SWIM application form.

The following illustration highlights the logic behind the project, acting upon all three levels of analysis that the trainings will focus on.

Illustration: project targets and system dynamics



3. WORK PLAN

3.1. Deliverables

- 3 Steering Committee meetings (one videoconference)
- 1 study and report on sustainable leadership practices in the EU
- 3 transnational seminars on sustainable leadership
- 1 dissemination conference
- 1 project website to share best practices

3.2. Project phases

Phase 1: preparatory phase

The preparatory phase will be dedicated to gain a broader understanding of the state of affairs on sustainable leadership in the EU and to prepare the implementation of the training seminars.

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To better understand the current state of play, a study will investigate different approaches to sustainable leadership in order to develop a theoretical framework for the project, conduct a survey on sustainable leadership skills and practices (including social dialogue) in the EU and analyse the link between sustainability skills and triple bottom line performance. The study shall:

- establish a theoretical framework for sustainable leadership by considering current approaches, including: CSR, ESG, TBL, transformative and ethical leadership
- establish a theoretical framework for sustainable leadership skills and practices
- assess the prevalence of sustainable leadership skills and practices in EU countries by a survey
- measure the link between sustainability skills and practices and triple bottom line performance of companies by a survey
- summarise the findings of the study in a research report

Following the evaluation of the survey results presented in the form of a study report, the Steering Committee shall meet to overview the project activities and methodology, based on the study outcomes. The Steering Committee is composed by:

- 2 representatives of CEC European Managers
- 2 representatives of affiliated and associated entities
- 2 external experts (advice function)

The Steering Committee will be responsible for:

- ensuring the overall coherence of the project methodology and deliverables
- ensuring the design and implementation of the project activities: pedagogical approach, agenda, expert contributions, selection of participants etc.
- identify the criteria for the selection of domain experts (during the trainings)
- monitoring the project activities and adjusting the activities based on feedback

Phase 2: sustainable leadership - from skills to systems

The second phase of the project is dedicated to providing trainings for managers and hearing from their experience about sustainable leadership. The results of the seminars will be shared in form of best practices on the project website in phase 3. The overall structure and traits of training seminars will be discussed and decided upon by the Steering Committee members in phase 1. Depending on the feedback of the first seminar, an optional Steering Committee videoconference can be convened by the CEC secretariat. Interpretation for the training seminars will be ensured in two languages (English and language of the host country).

An estimated 22 persons shall participate to each seminar. As concerns the target group of the seminar, four quotas are established to ensure a diversity of project participants that is conducive to the project objectives (see SWIM form). The two-day training seminars on sustainable leadership will be conducted three times: once in Freiburg (June 2020), once in Aarhus (October 2020) and once in Ljubljana (February 2021). The draft programme for each seminar remains the same with room for adjustment to adapt to the regional specificities and needs.

These seminars aim at providing the participants with:

- understanding the different frameworks and concepts in the domain of sustainable leadership, ESG, CSR and TBL with a particular attention to cultural differences
- understanding the interconnections and multi-dimensionality of sustainable leadership dimensions operating at individual, organisational and systemic level
- personal skills and knowledge to apply the sustainable leadership framework to specific application domains (i.e. the circular economy and fair working conditions)
- identifying and promoting strategies to mainstream sustainable leadership in the world of work, manager education, VET and through social dialogue

Draft training seminar programme

Part 1 (Day 1): the individual: identifying and promoting critical sustainable leadership skills

- Presentation of the seminar programme
- Sustainability, leadership and skills: key concepts
- Sustainable leadership skills: leadership skills, critical thinking, systemic thinking, emotional skills etc.
- Presentation and discussion of the study results
- Personality types, job roles and myself: understanding own roles and motivations
- Systems' thinking: how to bridge the gap between the different levels
- Leadership skills in evolution: emerging trends in neurosciences, management education and sustainability management
- The managerial profession in transition: identification of strategic sustainable leadership skills and assessment methods
- Developing sustainable leadership skills: methodologies, tools and best practices
- Sustainable leadership skills for the circular economy
- The contribution of sustainable leadership skills to fair working conditions
- Discussion on how to mainstream sustainable leadership skills

Part 2 (Day 1+2): The organisational level - purpose of management and organisations: how does the company's role in society need to evolve to address current sustainability challenges?

- From Corporate Social Responsibility to the Triple Bottom Line: understanding management and business models
- The Triple Bottom Line in practice: how do companies deliver on (material) sustainability today?
- Introducing sustainable management systems, processes and benchmarks
- Case studies from companies who have managed change to integrate the circular economy and deliver on fair working conditions – what can management learn from these examples?
- General strategy vs. governance by sustainability experts – reconciling strategy and impact?
- Manager trade unions: a catalyst for change? The role of social dialogue in the sustainability transition
- Discussion on how to mainstream sustainable organisational development

Part 3 (Day 2): The system level – transforming the economy: policies and sustainability reporting frameworks

- The Circular economy and fair working conditions: from principle to practice – the role of policies, laws and standards in management changes
- Sustainable leadership in policies: the role of education, VET, green skill strategies and overarching policies for sustainability
- Sustainability reporting: a leverage for systemic change? Presentation of various standards and discussion
- Discussion on how to mainstreaming systems thinking
- From skill to system: making sense of our role in the fair and green transition
- Evaluation of seminar and follow-up
- On-site visit of targeted sustainability projects (urban development site, cultural project, sustainable tourism project) based on the specificity of the training city/venue
- Feedback form on the seminar

Phase 3: evaluation, dissemination and follow-up

After the conduction of the three seminars, the Steering Committee will meet to evaluate the seminar outcomes and feedback. It will use the conclusions to prepare the conference and the best practice collection for the project website. The Steering Committee will use the project results to encourage workers' organisations to reproduce the pilot seminars. However, specific feedback evaluation sessions will be organized at the end of each training seminar to ensure a preliminary assessment of the feedback received by participants and, if necessary, a timelier adjustment of the methods. Such activities will be performed by the CEC staff; a possible involvement of the Steering Committee will depend on the specific individual case.

Final conference

A final conference will be organised in Brussels to present the project outcomes. The event shall be attended by around 80 participants with different stakeholder views: MEPs, Commission representatives, trade unions, academics in the field of sustainability, sustainability managers and managers responsible for business strategy and civil society active in the domain of sustainable development.

The objectives of the conference are to:

- present the conclusions of the seminars
- raise awareness on the role managers play in sustainability performance
- raise awareness on the role trade unions play in accompanying the transition to a fair and green economy
- share best practices on sustainable leadership promotion strategies at skill-level, business level and systemic level
- discuss the role of social dialogue for mainstreaming sustainable leadership
- discuss the development of strategies to mainstream sustainable leadership

Project website

Finally, the Steering Committee and the CEC Secretariat will contribute to the design and content of the project website. The website shall present the results of the survey, the outcomes of the seminars and provide a knowledge database of best practices in the domain of sustainable leadership. The Steering Committee will ensure that the project website will be disseminated among key stakeholders.

4. Tasks and partners

Tasks to be subcontracted

The Secretariat of CEC European Managers will make use of external experts to conduct the survey and to ensure high quality standards in the programme design, training seminars and pertinence of the project. CEC European Managers has limited skills in conducting trainings by itself and will therefore use external trainers, as well as domain experts during the seminars. Member organisations of CEC have capacities to organise trainings but lack the European perspective and approach. Furthermore, an external service provider will be selected to put in place the project website.

Therefore, experts will be chosen on the basis of following criteria in coordination with the Steering Committee:

- In-depth knowledge on sustainable leadership issues (CSR, ESG, TBL) from a technical, scientific and political perspective;
- In-depth knowledge on management methods, leadership skills and related topics
- Proven track record in conducting European-level trainings
- Skills In developing and applying different training methods

The external expert will be in charge of the following tasks:

- Advise the project Steering Committee with scientific and expert information on sustainable leadership issues
- Contribute to the development of the project methodology and content of the seminars
- Carrying out the three seminars by moderating, animating and facilitating the discussions
- Analysing the seminar outcomes and presenting them at the conference
- Recapitulate project outcomes, compile best practices in sustainable leadership and present them on the project website
- Advice CEC European Managers on strategies to follow-up on policies for sustainable leadership

Partners

United Leaders' Association (affiliated)

ULA is the leading confederation for managers in Germany. It disposes of a large variety of sectoral and topic-specific members. Through its academy, the "Führungskräfteinstitut", it provides trainings for managers on leadership issues. ULA has been particularly active on questions relating to gender equality and diversity, which will prove useful to integrate these dimensions to the training design.

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Furthermore, ULA has a great knowledge of the German co-determination system, which will inform the discussion on the role of social dialogue to mainstream sustainable leadership.

Ledernes Hovedorganisation, LH (affiliated)

Ledernes Hovedorganisation is a trade union for Managers and Executives in Denmark, active in both the private and public sectors. recognized as a social partner by the Danish government. LH has a solid collective bargaining expertise and experience in conducting trainings for managers, among others on social dialogue related topics. LH will be an important partner to ensure that strategies to mainstream sustainable leadership through social dialogue have a solid basis, based on the long-standing value of the "Scandinavian" model of social dialogue and cooperation among social partners. Furthermore, managers affiliated to LH have a long experience in sustainability reporting.

Management Association of Slovenia (affiliated)

MAS is a leading manager organisation in Slovenia advocating for better management and leadership practices through its recognised dialogue with government bodies and information campaigns. It offers targeted services to its affiliates, including leadership and management related services and research. MAS has conducted past projects, including on gender balance in higher management.

Eurocadres (associated)

Eurocadres represents managers and professionals at EU-level, just as CEC European Managers. Through its network across the EU, it can contribute to achieving a good geographical balance and mixed profile of participating managers and professionals. CEC and Eurocadres can count on a solid, long-standing history of cooperation, have participated in common projects in the past and can build on shared experience and trust.

European Confederation of Independent Trade Unions (associated)

CESI is a confederation of national and European trade union organisations. Through its stronger profile in the public sector, CESI will be able to provide greater access to public service managers and professionals, enriching the perspectives during the trainings. CESI has a proven track record in conducting European projects.