

Your community and responsible leadership

We talk to Tunde Banjoko

What could responsible leadership bring to your organisation?

“Separate reports by McKinsey and the Cranfield School of Management have found that broadening the bottom line to include, at least, people and places, results in demonstrable benefits. These can include enhanced reputation; better anticipation and management of risk; improved employee motivation, satisfaction and loyalty; increased operation efficiency and new business opportunities.

Changing the DNA of an organisation, so that everyone in the company understands that responsible leadership is intrinsic to what it's about, is also difficult. Different people value different things and this can cause problems when you bring disparate people together behind one ideology. The new company philosophy may be very different to the one held when these people joined the business, or it may bring benefits to the business way after they have left the organisation.

This cultural shift can take place both by changing the mindsets of the people you already employ and also through recruiting people who share the company's new values. Introducing a philosophy that's about long-term sustainability also has to be considered alongside things like incentive structures which can reward short-term profitability. Organisations have to compete globally for talent but, as we've seen spectacularly in the financial sector, unabated short-termism isn't good for the long-term health of business.”

We asked Tunde Banjoko OBE, CEO of LEAP (Local Employment Access Projects), to tell us more about the concepts and aims behind the idea of 'responsible leadership' in business. He talks about the benefits of thinking about your wider community and outlines how your organisation could benefit from adopting this more philosophical approach to business strategy.

“I've been in the charity sector for almost two decades and one of the pivotal moments was when I went on a study tour to the US in 1997 to see how their private sector got involved in social, environmental and community issues. We'd chosen the US because it had a much bigger culture of getting the private sector involved in social enterprise than we did in the UK. The visit to Los Angeles, Atlanta, Philadelphia and New York taught me about the 360 degree impact that business has and those were lessons that I never forgot.

In the past five years or so I've been a contributor on responsible leadership programmes here at home. The good news is that most businesses at least doff their caps towards corporate social responsibility (CSR) – as it's generally understood – and know why their business needs to do it. But there's definitely more work to be done when it comes to everyone embracing responsible leadership.”

So what is responsible leadership?

“Possibly, the first thing to do is make sure that we understand the difference between the two terms. A business can have an excellent CSR function that's generously and heavily involved in its chosen priorities and still not necessarily be practising responsible leadership. The latter is much bigger than just CSR and can influence an organisation's behaviour in relation to its people, its clients, its suppliers, the wider community and the environment.

Whereas CSR can be carried out by a dedicated department, responsible leadership needs to be embedded in everything you do and the short and long-term impact of actions considered across your organisation.

Responsible leadership isn't easy and the first challenge is deciding whether it's worth the effort. There's often scepticism about the real value of looking beyond making a profit, particularly in the current economic environment. Research has found, though, that responsible leadership is not something to fear or something that gets in the way of the bottom line.”

How would the implementation work?

“Of course, there’s no standard template for implementing responsible leadership – each business does so in a way that fits its own characteristics and circumstances. That said, I would expect certain processes to be present in any approach. The starting point could be a responsible leadership audit. You may already be doing some of the right things in certain areas, but you’ll need to develop a specific working definition of what responsible leadership means for your business. You’ll also need to identify and engage your organisation’s main stakeholders so you can understand their interests and concerns. In turn, this can reveal both potential problems and opportunities for your business.

Though it can start from anywhere within a healthy organisation, the drive for responsible leadership will require fully engaged sponsorship from the top. The owners/chairman/CEO and senior executives all have to be prepared to be identified with, and be champions for, the adoption of the approach so they inspire others with their passion for it. You’re left in no doubt when you hear Ian Powell (Chairman, PwC) talk about ‘doing the right thing’ or Douglas Flint (Chairman, HSBC) talk about a responsible financial services sector that they are talking from the heart. Your management team needs to clearly articulate the vision, be positive about the reasons for change and paint the picture of what the business will look like afterwards.

This sponsorship can’t be rhetorical alone. Equally important is that you create the environment, and make the organisational changes, that will make the shift to responsible leadership a success.”



We’re all in this together

“Responsible leadership can’t just be top-down – it’s inherently about empowering employees. They’ll be the ones who put it into practise as they go about their normal working day. The key to success is effective dialogue during the planning and implementation stages. Without this the change may not stick or may derail after a promising start.

The spotlight is on businesses like never before, which is testament to the sheer number of people they employ, their strength and their reach. The way in which the Government has heralded a move out of the economic doldrums has certainly added to this focus. There are varying views on the over-used mantra that ‘we’re all in this together’, but as more businesses adopt a responsible leadership approach it shows that they, at least, understand that we really do have to face these issues together.”

You can find out more about LEAP’s work at <http://leap.org.uk>

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