# SUSTAINABLE DEVELOPMENT & LEADERSHIP SURVEY

## 2012

Implicit in the term 'sustainable development' is the growing acknowledgement that the existing economic model is not delivering the necessary economic, social or environmental benefits for the majority of people globally. This view is strengthened by the realisation that people, companies and economies do not operate in isolation: each affects the other, and all ultimately rely on a common pool of natural resources, which are under threat from the prevailing economic model.

In business, this interconnectedness is evident in today's global supply chains and the boundaryless virtual world of the Internet and social media.

In response, a new model for the 21st century corporation and associated requirements for business leadership is developing.

In order to address the challenges associated with creating businesses that deliver sustainable ecological, social and economic value, the Institute of Directors in Southern Africa (IoDSA) themed its annual conference in 2011 "Courageous Leadership Conversations". The conference created a forum at which business leaders could begin to understand the kind of questions they needed to ask, and the kind of changes that would be necessary to craft the new model that will lead to a sustainable future for all.

An output of that conference was a set of eight core principles (see below) that would help directors build ethical and sustainable companies that would be equipped to be successful in this new world order.

The IoDSA together with Envalution embarked on research with the intention to assess the status quo in relation to these 8 principles. The research set out to explore what it takes to be a courageous business leader in South Africa using these eight principles as a guide. The results give the viewpoint of a sample of the IoDSA's membership.

We hope that this high-level overview will prompt the beginning of a conversation in which all business leaders collaboratively map the way forward.

## Core Messages from the IoDSA
### "Courageous Leadership" Conference

Build a vision and live by it Understand what the new kind of leader is and consciously transform yourself Build relationships with government Build relationships with the unions Build skills Support small business & entrepreneurs Put ethics first Build out from pockets of excellence

## The results: in brief

Survey respondents indicated a high level of positive intent in relation to sustainable development: social and environmental issues are often being discussed at board level in many companies. The responses equally indicate considerable commitment to ethical principles and visionary behaviour.

Concrete actions that turn these intentions and principles into action were less in evidence, and/or deemed to be less important in delivering courageous leadership and sustainable outcomes. This may be because implementation is seen to be a lower-order function, and not a board responsibility.

A number of intriguing contradictions were nonetheless evident in the survey results. For example, "standing up for what is right" was reported as being both evident and important in board members, yet "being a lone voice" was cited as a prominent obstacle to enacting courageous leadership. This and other contradictions could indicate a lack of clarity about sustainability as an overriding system of beliefs and imperatives, and the type of leadership needed to deliver it.

Respondents indicated a low priority for the personal transformation of leaders. This may be because directors already consider themselves to be courageous, although not necessarily in the sense depicted by the IoDSA 2011 conference. It could further be indicative of a wide interpretation of the term 'courageous leadership'.

The two main obstacles to enacting courageous leadership were "maintaining the director's' image" and "being a lone voice". This reinforces the necessity of courage as an indispensable component of the type of leadership that leads to change.

There is a heavy reliance on traditional governance mechanisms to enable courageous leadership, including the use of codes of ethics and traditional ethics training. This reliance is troubling as there are numerous documented failures of these box-ticking mechanisms.

We believe that much can be done to support directors in their efforts towards courageous leadership at individual and collective levels, including improving self-awareness, and collaboration between business associations to address obstacles to sustainable development and courageous leadership that lie outside of any single company, including issues of regulation.

## About the research

IoDSA members were invited to respond to an online survey, designed to assess to what extent the eight principles for ethical and sustainable business leadership exist within IoDSA membership companies, and to identify obstacles and approaches for overcoming them. It also sought to determine which of the required leadership qualities are currently in evidence amongst South African directors.

Of the respondent base of 221 directors, 30% were non-executive and 70% executive. A full methodological framework underpinned the research.

The fact that such a substantial proportion of the respondents were executive directors means that the results portray a perspective based in the daily reality of lived business leadership in the country.

*Figure 1: Survey respondents*
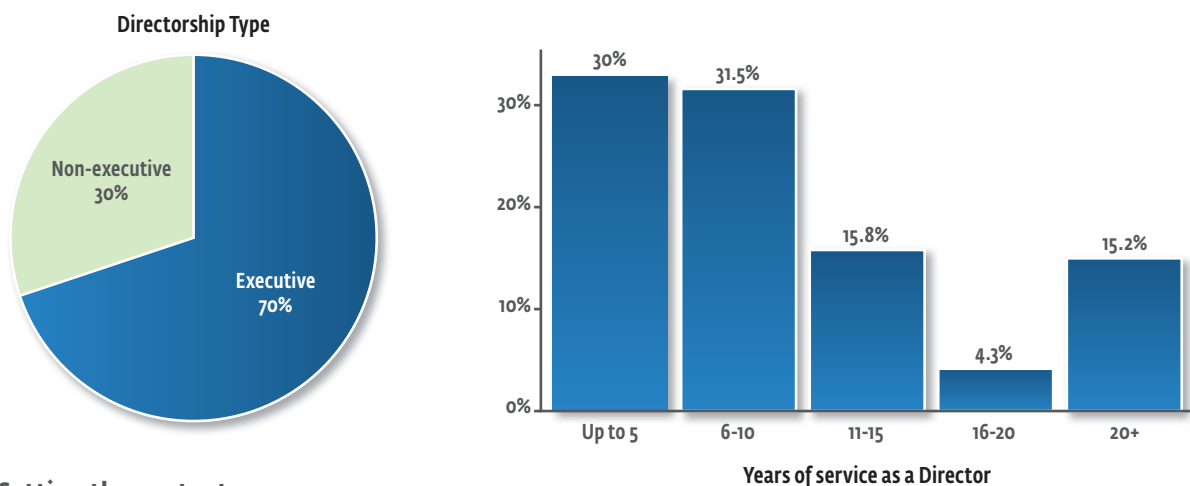


## Setting the context

Recent and ongoing global social, environmental and financial crises and governance-related scandals point to the need for ethical and sustainable businesses. And, as the link between business success and leadership effectiveness has been amply demonstrated over the years, it is clear that we are in desperate need of a new type of leader suited to the creation of such next-generation businesses.

The 2011 IoDSA business update conference, "Courageous Leadership Conversations", generated eight core principles that should guide directors in creating ethical and sustainable businesses in South Africa. These businesses would be able to deliver the wider social and environmental benefits now being demanded—and would equip South African business to be competitive globally. These principles are:

- **Build a vision—and live by it.** Understand who you are as a leader and what you stand for within a business that operates as part of society.
- **Understand what the new kind of leader is**—and consciously transform yourself. A new type of leader is needed with emotional intelligence, one who lives his or her vision, and can do so despite complex pressures.
- **Build relationships with government.** Develop pragmatic relationships built on trust, through contributing to debates and actively pursuing wrongdoers in every sector.
- **Build relationships with the unions.** Reach a better and more pragmatic accommodation even with militant labour.
- **Build skills.** Prioritise skills development within a business-risk framework, rather than relying on government programmes.
- **Support small business and entrepreneurs**. Focus particularly on procurement policies to support small, micro and medium-sized enterprises (SMMEs) as the "engines of job creation".
- **Put ethics first.** Leadership is the most powerful force influencing ethics, through formal reporting and, especially, through leading by example and ensuring that the leader's own action are consistent in line with the company's ethical standards.
- **Build out from pockets of excellence.** Leverage excellence for ongoing business success, and for the greater benefit of the broader society on which business ultimately depends.

## What is sustainable development?

The most broadly accepted definition of sustainable development is "development that meets the needs of the present without compromising the ability of future generations to meet their own needs".[1] The question is how to create a business and economic model that improves the wellbeing of humanity as a whole, that distributes the benefits derived from the use of common resources more widely and fairly, and that ensures the natural resources available to forthcoming generations are functionally intact.

One view is that it will be necessary to overthrow the current economic system; "green capitalism" as an alternative requires companies to adopt cleaner technologies and take into account the full social and environmental costs of their operations. As highlighted in the King III Code of Governance, board decision-making will have to bear in mind the interdependence of long-term social, environmental and economic relationships with strategy, risk and performance.

## The leadership crisis

Personal transformation will be required by all members of society to accommodate this emerging new reality. The need is particularly acute for business leaders.

Historic leadership paradigms generally promote a top-down leadership style, in which the leader is in charge and drives results. These paradigms typically focus on leadership skills and techniques, rather than on the leader as a person. Such leaders tend to follow the model of business that is focused exclusively on profit and shareholder value. As the business model changes to include a broader view of the company's place in society, the need to be accountable to a diverse group of stakeholders and take responsibility for common ecological capital, so the type of leadership needs to change. Without such a change, the company simply will not enjoy sustained success.

There is currently a notable lack of this type of leadership across all levels of society, not just in business.

At an organisational level, the leadership crisis is reportedly one of trust and of governance. The link between this leadership deficit, business failure and economic stability has been amply demonstrated, not least in recent global scandals. Similarly, the almost exclusive focus on financial performance as the only measure of business success has been shown to be short-sighted and unsuccessful in delivering long-term shareholder—and other stakeholder—value.

Another challenge for today's business leaders is the increasing pace of change globally. More information is available and decisions are expected faster. At the same time, decisions must prioritise between the needs of a wider circle of stakeholders. Leadership behaviours that were effective in more stable environments have proven to be less effective in this dynamic one.

Business leadership also has a key role to play in shifting society onto a more equitable and sustainable pathway. New business models are required to address the traditional "bottom line" of profitability and economic growth, and simultaneously take care of employee and social wellbeing, and environmental responsibility, underpinned by ethical leadership. Companies that integrate social and environmental policies have been shown to outperform their counterparts in the long-term. However, it will require immense courage from business leaders to balance the need to protect people and the natural environment on which both the company and society as a whole ultimately depend, with the short-term requirements to deliver profits. This challenge is the need to accommodate the new type of leadership with the old. On the one hand, there is a groundswell of opinion that leadership and decision-making must be rooted in the values and ethics of individuals who are responsible, accountable, fair, transparent and act based on values (a view espoused by King III). On the other hand, the dominant criterion for success remains financial, so business decisions also have to promote that goal.

This dichotomy has led to a situation in which only 14% of directors (of whom 8% are executives) felt that board decisions were consistent their personal values. This dissonance between personal and corporate value systems can have negative consequences for the company, and can lead to executive ill health.

1 World Commission on Environment and Development (1987). Our Common Future. Geneva: WCED.

## The new leadership paradigm

The new paradigm—sustainable development—co-exists with the old business focus on profits. In such situations, where the problem is not clearly defined and the solution is unknown, what is required is not changes in systems in procedures, but changes in leadership.

The key paradigm shift for leadership is fairly simply stated: leaders can no longer lead "from the front" by virtue of their role or title. Leadership is now much more dependent on the leader as a person: once the company's focus shifts beyond profit to include broader societal and environmental considerations, a requirement arises for the personal conduct of the leader to be consonant with his or her public pronouncements.

This type of leadership is referred to variously as courageous, authentic, heroic, spiritual, centred, transformational and values-driven leadership. Within each of these frameworks, leaders have a high degree of emotional intelligence, with some believing that it plays as much as a 90% role in creating effective leaders.

While all of these terms carry subtle nuances and differences, the foundational principles remain constant. Courageous leaders operate from a strong understanding of their true natures; they apply that understanding consistently in all areas of their lives using all forms of intelligence; they have a clear vision; and they facilitate, enable and inspire others to do the same. As the role of business changes from exclusively pursuing wealth creation to enabling and sustaining a broader social purpose, business leaders need to identify their own purpose, and make it possible for others to do the same. Leadership thus comes to be about the leader's personal qualities and their influence on others.

Understanding "who we are"—developing self-awareness—requires an ongoing process of intrapersonal learning. The understanding of leadership has thus moved from one of exclusively building leadership skills and tools (which remain nonetheless necessary) to the deeper foundation of who the person is.

Leadership therefore comes from within; "it is as much about who one is as what one does", in the words of Chris Lowney, former managing director of J.P. Morgan & Co. and author of "Heroic Leadership".

## Survey results

### Board decisions and sustainable development

This question explored the extent to which boards are "courageous" enough to make social and environmental considerations part of all their decision-making, rather than solely profit.

Respondents were asked to indicate to what extent board decisions typically reflect a range of considerations.

*Figure 2: Board decision-making*
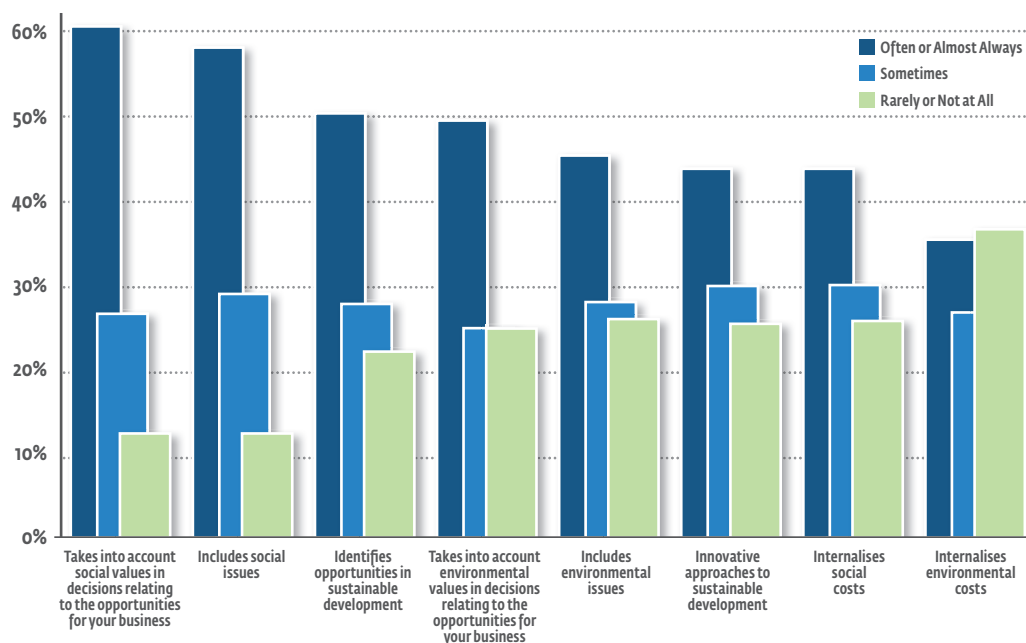


- Nearly two-thirds of respondents say that board decisions often or almost always take into account social values; environmental considerations in general feature slightly less prominently. Consequently, social costs are perceived to be internalised (i.e. brought to account) more often than environmental costs—although both aspects are more often talked about than practically internalised.
- Three-quarters of respondents indicated that boards see business opportunities at least "sometimes" in sustainable development, with innovative approaches to sustainable development similarly featuring in board decisions "sometimes".
- At least a quarter—and up to approximately one-third—of respondents indicated that board decisions rarely or never take in account environmental or social considerations. Although this is a minority, it is a significant one.

Conclusions
- The high relative consideration of social compared to environmental issues in board decisions could be indicative of the strong drivers of social development within the South African business and political landscape.
- The relative positioning of the responses could indicate that there is a gap between boards' good intentions as regards social and environmental considerations and their actions. Paying the full costs of the social and environmental impacts of the business is a recognised minimum requirement for green business. The relatively low proportion of these costs being internalised could indicate this gap.
- It would be useful to understand what factors are inhibiting the integration of sustainability into business operations, as well the drivers that govern the "sometimes" responses.

**The eight core principles**
Figure 3 presents the results of two questions that examined the extent to which the eight core principles emanating from the IoDSA's 2011 conference are (i) evident in board colleagues as characteristics, and (ii) perceived as important in delivering "courageous leadership".

**Figure 3: Relative importance and evidence of the eight principles/ characteristics**
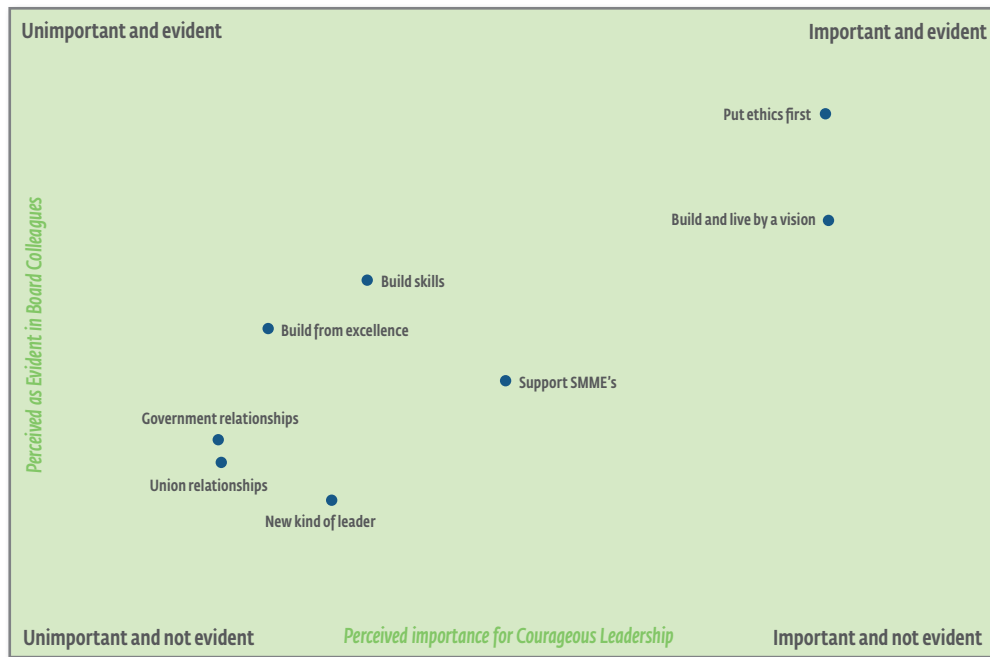


- "Put ethics first" is both the most important and most evident characteristic of courageous leadership.
- Building and living by a vision is seen to be equally important, but relatively less evident.
- Support for SMMEs is less important than the first two, but more important than building skills, although the latter is seemingly more evident.
- Building government and union relationships is perceived to be of least importance, and is relatively absent in colleagues.
- The need to understand what the new kind of leader is and consciously transform oneself is perceived to be of relatively low importance, and the least in evidence in board colleagues.

Conclusions
- It is good that the two most important characteristics ("put ethics first" and "build a vision and live by it") are also the most evident in board colleagues. A more pessimistic interpretation might be that these are potentially no more than in-principle statements whose presence or absence cannot easily be ascertained, potentially an example of lip service rather than deep commitment.
- The relative positions of building skills and supporting small business could be a consequence of compliance with charters and other forms of legislation.
- Building government and union relationships could be deemed relatively less important because they already exist and less evident because are considered to be a functional responsibility. Such an approach would not however be consistent with King III, which recommends a stakeholder-inclusive model at board level. This finding needs further investigation.
- The relatively low importance of leader transformation is worrying. It could be because directors already consider themselves to be courageous, or that they see themselves as successful—but in terms of the old, profit-focused paradigm. Equally feasibly, this finding could indicate a lack of recognition of the need to change, and/or willingness to do so. It could also be indicative of a wide interpretation of the definition of 'new leader' and hence requires considerable engagement to generate consensus on what is needed.
- It could be argued that these findings mirror those presented earlier, and signal a gap between intent and action.

**Evidence and importance of the factors making up the eight core principles**
In this question, the brief descriptors of each principle were used to "deconstruct" each principle into more concrete concepts or factors. In addition, a literature survey was used to include other factors/ concepts that support the eight core principles. Several of the factors/ concepts pertain to more than one core principle. The green dots in Figure 4 indicate where the

construct is both important and evident, while the red dots indicate where the issue is important but relatively less evident. The black dots indicate all other constructs.

*Figure 4: Evidence and importance of eight core principles*
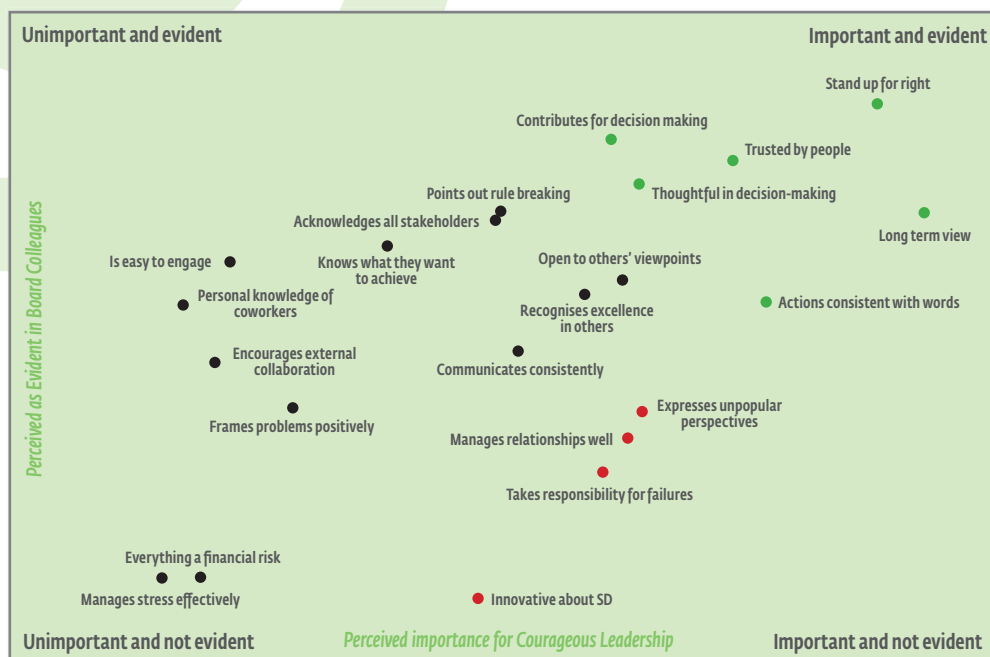


- Six factors were found to be both relatively important and evident: (i) standing up for what is right (ii) long-term view (iii) trusted by people (iv) actions consistent with words (v) thoughtful in decision-making and (vi) contributes to decision making.
- Four factors were important but less evident: (i) expresses unpopular perspectives (ii) manages relationships well (iii) takes responsibility for failures and (iv) innovative about sustainable development.
- It is refreshing that 'everything viewed as a financial risk' was deemed to be not particularly evident in Board colleagues. This is potentially indicative of a shift in mind-set.
- There were several interesting apparent contradictions:
  - The apparent importance and evidence of "standing up for what is right" (a principle) could be belied by the relative positioning of supporting concrete actions, such as "expresses unpopular perspectives".
  - "Being trusted by people" is seen as both relatively important and relatively evident. In apparent contradiction however, being "easy to engage" is one of the lowest ranked elements in terms of importance, although still relatively evident.
  - Being innovative about sustainable development, while relatively important, is the least evident attribute among board members.
  - The relative low importance of encouraging external collaboration may be indicative of (i) excessive workloads and/or severely overstrained business resources, (ii) being out of touch with the needs of other stakeholders, (iii) a lack of acceptance of the stakeholder inclusive model described in King III, or at worst (iv)an ivory tower mentality.
  - Knowing what directors want to achieve ranked fairly low on the importance scale, yet building and living by a vision and taking the long term view is seen as very important. Perhaps this is indicative that people do not link their personal vision as a leader to building an organisational vision, or that they do not perceive the importance of their personal behaviour in leading the behaviour of others.

Conclusions
- At best, these findings may indicate a lack of understanding regarding sustainable development or issues relating to personal leadership on the part of board members.
- A less attractive conclusion is that they may suggest denial or self-deception by board members—a cause for grave concern as this has been found to be a primary cause of leadership failure. This is speculative, but tends to be supported by the perceived gap between intent and action shown in the previous results.
- However, for an holistic interpretation, the obstacles impeding courageous leadership discussed in the following section need to be taken into consideration.

**Obstacles to courageous leadership**
Table 1 presents the perceived obstacles to courageous leadership.

*Table 1: Obstacles to courageous leadership*

| Core Message for Courageous Leadership[1] | Obstacles to Courageous Leadership |
|---|---|
| Put ethics first | - Maintaining director's image<br>- Being a "lone voice"<br>- Poor company values |
| Build a vision and live by it | - Maintaining director's image<br>- Board colleagues peer-pressure<br>- Poor company values |
| Support small business and entrepreneurs | - Regulatory requirements<br>- Poor reporting to the Board on problems |
| Build skills | - Focus on short-term financial issues<br>- Executive performance criteria |
| Understand what the new kind of leader is and consciously transform yourself | - Maintaining director's image<br>- Pressure from shareholders<br>- Being a "lone voice" |
| Build out from pockets of excellence | - Executive performance criteria |
| Build relationships with the unions | - Perceptions of being weak<br>- Decisions exclusively legally framed<br>- Goes against the culture of the organisation |
| Build relationships with government | - Regulatory requirements<br>- Decisions exclusively legally framed<br>- These issues are not seen as relevant to business |

- "Maintaining the director's image" is seen as an obstacle to three of the eight core messages. "Being a lone voice" is an obstacle to two of the core characteristics.
- Poor company values and corporate culture are obstacles to "putting ethics first", "building a vision" and "building relationships with unions".
- Two obstacles – "threat to board position" and "vulnerability to manipulation" did not feature prominently in the responses. This could be indicative that board members' do not feel that their positions as directors are in anyway under threat.

**Conclusions**
- Directors' perceptions of self rank as the most common obstacle to delivering courageous leadership. This finding could tie in with the finding that the need to transform oneself was seen as relatively unimportant.
- The perceived disempowerment of directors by the company's poor values and corporate culture does not correlate with the fact that it is the directors who set the corporate culture and determine its values. Similarly, directors also determine the culture of reporting, which is reported as an obstacle. This might suggest that board members do not recognise their role in creating the corporation's culture and values. These findings are of particular concern given that 70% of the respondents are executive directors.
- Relationships with government and unions appear to be inhibited by different factors. Perceptions of being weak – again a personal issue – inhibits building relationships with unions. That government relations are perceived by some as not being relevant to business is a particularly interesting obstacle that requires further investigation.

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1 Ranked in order of perceived importance of the core message, according to the survey results.

**Mechanisms to support courageous leadership**

Table 2 presents the ranking of mechanisms in terms of their perceived effectiveness in helping directors become courageous leaders.

*Table 2: Mechanisms that support courageous leadership*

| # | Enabler |
|---|---------|
| 1 | Internal Codes of Conduct/Ethics |
| 2 | Disclosure of wrongdoing at all levels |
| 3 | Transforming the company culture |
| 4 | Ethics training for the Board as a group |
| 5 | Advising share owners on ethics |
| 6 | Personal coaching for Board members |
| 7 | Advising share owners on social and environmental value |
| 8 | Improving individual understanding of social issues |
| 9 | Informing customers/clients on ethics |
| 10 | Improving individual understanding of environmental issues |
| 11 | Informing customers/clients on social and environmental value |
| 12 | Programmes to build individual self-awareness |
| 13 | Training on group dynamics |
| 14 | Changing internal reporting requirements |
| 15 | Educating analysts on social and environmental value |
| 16 | Educating analysts on ethics |
| 17 | Sector-level Agreements |

Conclusions

- It is a great cause for concern that Internal Codes of Conduct or Ethics ranked as the number one enabler of courageous leadership. Many recent failed companies had strong Codes of Conduct, which board members actively overrode. The failure of these codes to promote ethical behaviour is well supported in the literature.
- Similarly, "ethics training for the board" ranks fourth despite the fact that it has been found to be ineffective in producing ethical behaviour.
- The importance of disclosing wrong-doing is somewhat contradicted by the finding that "pointing our rule-breaking" is of relatively low importance and "taking personal responsibility for failures" is less evident in previous sections
- All mechanisms that relate to individual responsibility and accountability for courageous leadership are ranked lower than those involving group or collective responsibility. This could be related back to the need for personal transformation for the new generation of leaders.

**The meaning of values-based business**

King III identifies four values that must underpin a business in creating value that goes beyond mere economic value. These four values are: responsibility, accountability, fairness and transparency. The research attempted to elicit whether there is a common understanding of the link between specific values and specific business outcomes.

*Figure 5: Possible relationships between values and business outcomes*
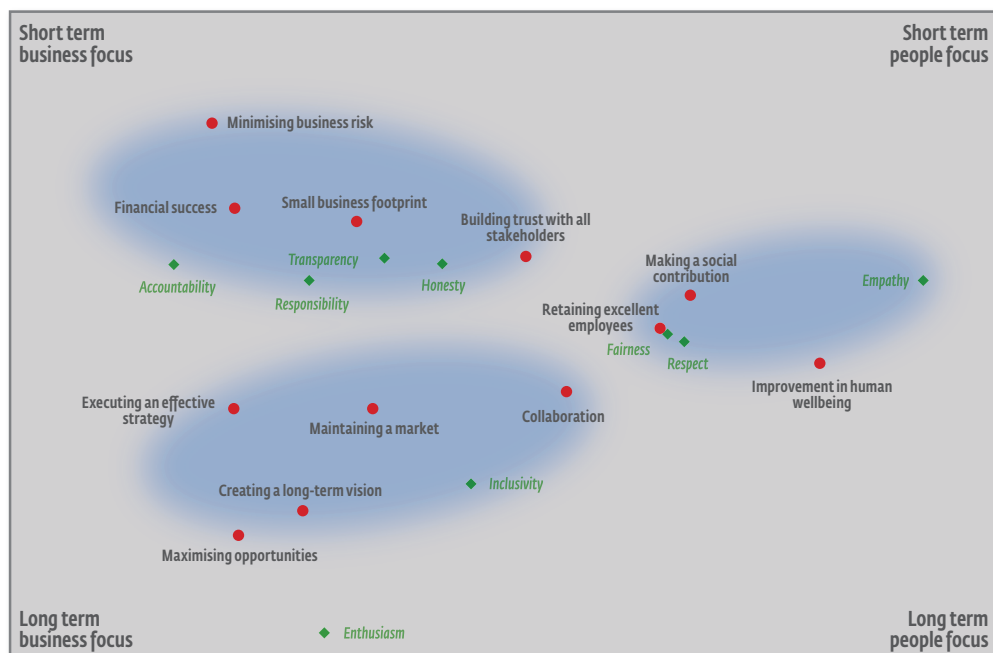
Respondents were asked to link which values (from a list) they thought were relevant in delivering on an array of pre-determined business outcomes. The business outcomes are presented as blue dots, values by red diamonds. The proximity of the values to the business outcomes is indicative of the strength of the possible association between them; the blue shading is an interpretation of groups of values that correspond to the various business outcomes.

Conclusions
• Contemporary governance and business performance outcomes such as "financial success", "minimising business risk" and "small business footprint" are fairly logically associated with the contemporary governance values of "accountability", "responsibility" and "transparency". These business outcomes are relatively short-term, which is consistent with the current focus on share owner value delivery.
• The value of "inclusivity" may be associated with "executing an effective strategy", "maintaining a market", "maximising opportunities" and "creating a long-term vision". The apparent deficit of other associated values (at board level) may be indicative that these outcomes are perceived as traditional management functions rather than board leadership functions.
• Empathy is very strongly associated with issues relating to people.
• Enthusiasm is very strongly associated with long-term issues.
• That "inclusivity" is not more closely associated with "building trust with all stakeholders" seems somewhat anomalous in light of contemporary approaches to sustainable business, as well as the stakeholder inclusive model espoused in King III. This warrants further interrogation.
• "Improvement in human wellbeing", "retaining excellent employees" and "making a social contribution" are logically associated with the values of "empathy", "fairness" and "respect".
• More research is needed to validate these relationships.

## Overall conclusions
**The results of the survey suggest that:**
• Directors are first and foremost human beings, subjected to the same aspirations, fears, insecurities, good intentions and at times failure to deliver on those good intentions as others. Very real and human characteristics, such as personal insecurities and potentially, a sense of individual powerlessness in the face of seemingly insurmountable global problems as well as local obstacles, either organisational or externally imposed, could explain apparent contradictions.
• Directors largely understand what is required to deliver courageous leadership for sustainable development, and have admirable intentions in this regard. These intentions include the need to put ethics first, and stand up for what is right.
• Despite this common understanding, an inference could be drawn from the survey as a whole that actions that support the desired courageous leadership and sustainable development outcomes seem to be relatively less evident than intent for the same.
• The identified need for a new type of leader is perceived to be least evident in board colleagues, and of low importance in delivering on courageous leadership.
• Sustainable development issues are being raised at Board level, through considerations of social value and environmental issues.
• There appears to be strong reliance on existing leadership and ethics frameworks to deliver sustainable value. There is little acknowledgement of the importance of personal transformation in delivering courageous leadership. Codes of Ethics, despite widely publicised failures to deliver ethical behaviour, are deemed to be the most enabling courageous leadership mechanism.
• Maintaining the director's image and being a lone voice are the greatest obstacles to two of the most crucial factors in creating responsible and sustainable businesses, namely putting ethics first, and building a vision and living by it. That high levels of emotional intelligence, self-awareness and the ability to engage people at a personal level deliver simultaneously on aspects of sustainable development and certain business imperatives is supported in the literature; these behaviours are nonetheless relatively less evident.
• There could be a degree of denial and/or self-deception evident in directors (a prominent cause of leadership failure), related to a gap between what they think they are doing and what they are actually doing. That this may be the case is strengthened through cross-linked correlations in the survey, and the prevalence of apparent inconsistencies between statements relating to intent and those relating to action. This could point to an unfortunate sense of individual disempowerment among our business leaders.
• It might be inferred from the responses that board members either do not see a direct link between their personal perspectives, values and behaviour, and that of the company or board—or do not feel able to create such a direct link. Conceivably, these results could also point to (as yet unexplored) barriers that prevent directors' behaviour from influencing the creation of a strongly ethical and sustainable business culture.
• External factors in the South African business environment are seen to impede a number of principles required for courageous leadership.
• At the broadest overview level, the results of the survey could be seen to suggest "business (and leadership) as usual", despite the outcomes of the 2011 Courageous Leadership Conversations conference. This could be because directors may perceive that the factors included in the survey are already being tackled, and therefore constitute "business as usual".
• The findings of the survey would also suggest that senior business leaders feel embattled, indeed overwhelmed, in the prevailing South African socio-economic and political climate.
• It is possible to summarise the characteristics required of the new breed of business leaders. Today's business leader must be:
  – **Professionally and personally ethical.** Business leaders themselves need to be personally ethical in order to provide the ethical, values-based leadership that is now required for business success, or risk being hypocritical. Leaders must thus know what their values are and embody them! In addition, the rise of social media means that the gap

between personal and professional lives has all but disappeared—all public figures are under scrutiny as never before.

 – **Able to deal with complexity and uncertainty—at speed.** The pace of global change is accelerating: greater amounts of information are more readily available and decisions are expected faster. At the same time, decisions must prioritise the needs of a wider circle of stakeholders. Leadership behaviours that were effective in more stable environments have become less effective in today's highly dynamic business world.

 – **Able to balance shareholders and stakeholders**. The new style leader has to be able to persuade shareholders that their short-term financial interests must be aligned with their long-term financial interests, which in turn depend on taking into account the interests of the wider group of stakeholders, including future generations, and the environment. This requires a different set of skills from those required to generate increasing quarterly profits.

## Action points

**Understand the dynamics of courageous leadership.** Being a courageous leader is an individual choice. Individuals are however located in a context, in this case the structures of the organisation and the current social and economic system, including complex issues of social unrest, corruption and bribery, which undermine progress towards sustainable wellbeing for South Africa.

The survey, supported by academic, business and popular literature, found that personal issues play a strong role in influencing people's perceived ability to implement courageous leadership towards sustainable outcomes. Directors should be encouraged to develop their understanding of their personal values, address issues of self-conception and focus on cultivating high levels of emotional intelligence.

**Help boards understand their broader role within the organisation.** The board's role in creating the necessary culture that enables sustainable development in business would appear at best tenuous, at worst unclear. Boards should be encouraged to improve their understanding of their organisations' culture, their role in creating this culture both individually and collectively, and the mechanisms by which culture is influenced.

**Find ways to address external factors.** The external factors that impede courageous leadership could probably be addressed through collaborative business associations. Because of the broad spread of the effect of these external factors, boards should engage with their appropriate business associations—and each other—to determine the highest priority issues and the most effective means of addressing them.

**Enhance the survey results.** Enhancing the value of the survey through expanding it to a wider group of South African directors, or indeed, through international exposure, could contribute significantly to understanding courageous leadership in a very practical way.

**Consider possible future research.** Leadership is an intra-organisational trait. However, organisations have broad impacts beyond their own boundaries, as is evident in sustainable development considerations. Thus, "drawing connections among intra-organizational leadership, corporate responsibility, and principles of business ethics is an interesting direction for further research".[2] A collaborative approach to such research would be most beneficial.

Finally, it would be valuable to explore further some of the key findings through in-depth interviews with some IoDSA members.

3 Krasikova, D.V., Green, S.G. and LeBreton, J.M., "Destructive Leadership : A Theoretical Review, Integration, and Future Research Agenda", Journal of Management, published online 25 January 2013, accessed on 8 February 2013 from http://jom.sagepub.com/content/early/2013/01/23/0149206312471388.