

DevelopingLeaders

Quarterly

MAKING ORGANIZATIONS MORE HUMAN



Driving Sustainability

Catalyzing your leadership practice



Thinking imprinted.

The first step on any leadership development process is to create space and condition for reflection on your leadership practice.

Multiple studies have concluded that we absorb and digest information better when we read off the printed page. Reading is focused, uninterrupted and, with the chance to note down our own thoughts in the margins, print allows us to actively engage with the subject.

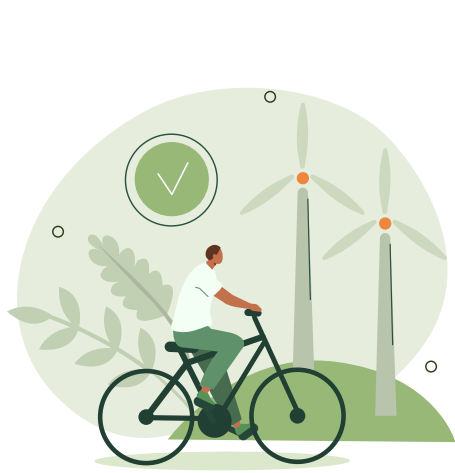
To embed the change, Developing Leaders Quarterly is best in print.

Developing Leaders Quarterly print edition is ideally formatted to slip into your pocket, bag or briefcase to read when you find you have a few minutes to spare before a business guest arrives, while commuting, at the airport...

SUBSCRIBE AT [DEVELOPINGLEADERSQUARTERLY.COM/SUBSCRIBE](https://developingleadersquarterly.com/subscribe)

Contents

Rebalancing Society Roland Deiser in conversation with Henry Mintzberg	6
Integrating ESG in an Organization's DNA <i>Andrea Barrack, Walid Hejazi, Susan McGeachie</i>	24
Leading for Sustainability <i>Rosina Watson</i>	46
Managing Complexity and Leading Change: Building the Circular Economy in Nigeria <i>Natalie Beinisch and Deborah Edward</i>	66
The Burden of Doing Sustainability <i>Melea Press</i>	82
Leading in an Inclusive Way for a Socially Sustainable Future <i>Sofia Appelgren</i>	100
Inner Development Goals: Inner Growth for Outer Change <i>Doreen Ankrah with Jamie Bristow and Daniel Hires</i>	114
How to Address Sustainability in the C-Suite <i>Rolf Pfeiffer</i>	136
Authentic Leadership Promotes Team Resilience: Navigating our Ever-Changing World - The Crucial Role of Resilience <i>Julian Roberts</i>	150
Energy Matters: Thriving in an Uncertain World <i>Andrew Dyckhoff</i>	166
Ancient Wisdom Modern Leadership: Synthetical Leadership <i>Marilyn Mehlmann</i>	176
Idea #834: Corporate Purpose Inspires Employee Sustainability Behaviours	208
Idea #666: CSR Benefits to Society from Private Companies are Greater than from Public Companies	214
Idea #650: Sustainability-driven Hybrid Companies Challenge Business Dogma	220
Book Review: Robot Souls by Eve Poole	227
Book Review: Talking Heads by Shane O'Mara	230



Natalie Beinisch and
Deborah Edward

Managing Complexity and Leading Change

Building the Circular Economy in Nigeria

The Circular Economy Innovation Partnership (CEIP) is an organization based in Lagos, Nigeria. Our company was founded in 2020 with the aspiration to build circular business and investment opportunity in the country.

2020 was a particularly tough year. In Nigeria, a country where unemployment rates reach over 30%, and where waste management infrastructure is creaking under the weight of a skyrocketing population, the economic impact of the Covid-19 pandemic crushed hopes of recovery from a 2016 recession. The concept of a circular economy is that goods are designed, manufactured, consumed, and disposed of with the goal of eliminating or minimizing waste. It promises both locally driven diversified economic growth and simultaneous environmental protection. At least conceptually, the Circular Economy offers a panacea to some of Nigeria's existential problems.

***There are also global ramifications:
Nigeria claims one of the world's
top spots when it comes to
waste leakage into oceans***

Driven by economic necessity, Nigerians are inherently “circular”: the market for second-hand computers is particularly notable, with a highly organized private market that produces qualified refurbishment engineers and supports entrepreneurship. Likewise, materials such as scrap metal are recovered and recycled at very high rates through informal and formal networks.

However, amid exceptional examples of entrepreneurialism are some difficult realities. International trade of second-hand products has meant there are high volumes of unusable goods including e-waste and textiles entering the country from developed markets. This leads to very dire consequences if these materials are not treated properly. Dyes and chemicals are particularly harmful when leaked into the environment, exposing communities to very serious air and water pollution. There are also global ramifications: Nigeria claims one of the world's top spots when it comes to waste leakage into oceans.



Interestingly, “Circular Economy”, defined as a set of business practices, was introduced in Nigeria under a different pretext: developed countries were trying to address over-consumerism through technological innovation in the West and their interest to recycle and reuse unwanted products while promoting bilateral trade in developing economies/global south. While laudable, this approach to the Circular Economy is not entirely compatible with the needs and interests of Nigerian business and society.

It is important to distinguish what the Circular Economy is in general terms and what it means in terms of promoting Nigerian interests. Thus, when we think about Circular Economy in Nigeria, there are three important factors to consider. This includes:

1. Circular Economy as an idea that supports local economic development
2. The translation of ideas into organizational practice
3. Knowledge, talent and access to resources

Our work at CEIP has focused on developing programs around these themes in what we hope are constructive ways that contribute to a larger global agenda to promote the Circular Economy and a more local agenda to create meaningful economic and professional opportunity.

Circular Economy to Support Local Economic Development

Circular Economy is a tool to support local economic development because the business models it advocates such as sharing platforms, products-as-a-service and industry symbiosis are both more economically and environmentally efficient to manage at a local level. For example, it is harder to share manufacturing assets when businesses are not co-located. Because economic growth is so important in Nigeria, particularly in terms of creating value-added services locally, circular business models are very exciting.

It takes hard work and investment to determine how to minimize or extract value from waste in a way that is commercially viable.



Unfortunately, it is not that easy to build circular business models. It takes hard work and investment to determine how to minimize or extract value from waste in a way that is commercially viable. Furthermore, because the organizations that produce and commercialize waste are often different, coordination is very important to translate waste into revenue streams. This is why we developed LOOPLab, an open innovation program in partnership with the German Agency for International Cooperation (GIZ), the Netherlands Enterprise Agency (RVO), Lagos State Government and many private sector organizations including Coca-Cola, BASF, Nigerian Breweries and the Food and Beverage Recycling Alliance of Nigeria to support the development of local businesses and their linkages to larger organizations.

Our first program focused on packaging waste. Together with our partners, we identified two areas of opportunity for circular business development connected to recovery and recycling of packaging waste and conversion of waste into other types of consumer products. An example of a partnership that was nurtured through this program was between Nigerian Breweries and Eco-Circular Solutions. With a zero-waste policy, Nigerian Breweries sought to identify an off-taker for paper labels that were removed from bottles at its facilities as they were prepared for re-use. Eco-Circular Solutions, on the other hand, is a start-up focused on manufacturing ceiling tiles from recycled paper and cardboard. By matching the two companies and supporting them in the process, Eco-Circular Solutions was able to reduce its input costs of manufacturing by acquiring waste paper from one large scale industrial producer in order to produce ceiling tiles.

The LOOPLab program also includes a research fellowship. In working with companies to define open innovation challenges, a key learning was that many of their challenges were unrelated to the technology or business models but structural issues that undermined the commercial viability of circular models. For example, one company raised the issue of pricing for PET bottles, which was volatile and deterred entrepreneurs from entering the market. Our decision

to build the research component of LOOPLab was based on the view that we cannot be in a position to successfully build circular business models in Nigeria if these types of elephants in the room are ignored. We also believed that by engaging with universities on salient issues, we are able to support the development of locally relevant applied research. While we believe the Fellowship program was highly successful, alumni are now working directly with the entrepreneurs participating in the program, it underscores that commercially viable circular business models remain out of reach to organizations that do not have access to substantial investment, motivated consumers or strong regulatory incentives.

As we have extended our work in open innovation to fibres, e-waste and construction materials through our partnership with Innovate UK-KTN, our lessons are the same: there are some examples where circular business models are potentially viable, such as with eco-design of buildings, but it is more likely the case that a lot of ground-work and collaboration across different sectors is needed to identify and build meaningful local business opportunities. As this work is essential, we are doubling down on our efforts to build the ecosystem and develop the networks and relationships that are needed to transform latent opportunities into actual ones.

Ideas are like prom dates: elegant as the night begins, but increasingly more unkempt and unruly as the night goes on.

Translation of ideas into organizational practice

As we have underscored, Circular Economy approaches are alluring. Ultimately the concept of Circular Economy is that we can create value by reducing waste and respecting the environment. In a context where the impacts of climate change are more real than ever, it is hard not to be drawn in by this promise. Unfortunately, ideas are like prom dates: elegant as the night begins, but increasingly more unkempt and unruly as the night goes on.

In working with businesses in recycling sectors, we learned that consumer behaviour was a critical factor that affected the costs of collecting materials at their end of life. It is fairly common in Lagos for consumers to litter on the streets and practices such as source segregation are relatively unheard of. Sadly, it is vastly more costly to collect waste that has been spread across the environment and its worth is substantially lower. Thus, while in principle, waste can hold value in terms of its potential to be recycled or converted into new products, this value is much more inaccessible when waste is not disposed of or managed properly.

Working with the recycling community, we learned of the role that facility managers could play to change consumer behaviours, as they are responsible for the way that tenants and employees channel their waste. Surprisingly, although some companies have strong recycling programs in Nigeria, there are very few facility managers either at the industry or residential level that have designed and implemented recycling and resource management programs. This is because there is nothing really motivating them to do so as there is no stringent enforcement and set-up can be costly in terms of time and money. For some waste streams such as electronics, operating a recycling program can even incur costs.

Based on our understanding of the critical role played by facility managers, we developed the “True Leaders Programme” together with Lagos Business School. The idea behind the program is that “true leaders” sometimes have to make and execute decisions that are not easy, even if the long-term benefits of those are positive. Forty facility managers participated in the program, many of whom were at the beginning of setting out a recycling and circular economy strategy.

The program kicked off with a needs assessment, to help us understand the motivations and development needs of potential participants. Through this assessment we learned that many types of facilities, from residential

estates to industrial complexes, were indeed interested in setting up recycling programs. However, because a number of different organizations are responsible for managing different types of waste streams in Lagos, many were unsure of who to contact. Many organizations also indicated they had negative experiences with waste collectors, as they often did not show up when they were expected. Another challenge shared in this assessment was that it was difficult to convince tenants to separate their waste, making it harder to implement recycling schemes.

Based on this assessment, we developed a three-day curriculum that focused on change management and on improving linkages between the public and private organizations that oversee waste management. A post-program follow-up was also designed to track progress and continue to support facility managers to implement recycling programs.

While the *True Leaders Programme* is a small intervention, it is a demonstration of how important it is to identify and nurture interactions across a wide range of stakeholders to build the viability of even what seems a most straightforward business model. Given that many circular business models require even more changes on the part of producers and consumers, it is important not just for facility managers, but all types of “true leaders” to invest in external relationships in a deep and reflective way.

Knowledge, Talent and Access to Resources

Global changes in technology and organization mean that the jobs of tomorrow may be substantially different than those of today. Circular Economy business models are centred on technological and digital innovation and on changes in economic organization. In a scenario where universities and company-based talent management programs are well-equipped to respond to change, the question of how to equip the next generation with all the relevant skills and knowledge to navigate an increasingly complex and interdependent world is a tough nut to crack.

In Nigeria, universities and businesses are not well equipped: R&D spend is a fraction of that in developed economies and large swathes of academic talent have emigrated. While there are many progressive organizations in the country, the business environment is one often characterized by firefighting, where issues such as talent development and future-proofing are luxury areas to address. This is very bad for Nigeria, as the skills gap strangles productivity and competitiveness.

Our work to build the Circular Oasis community, a group of students and young professionals that have an interest to develop their careers on Circular Economy themes, is an example of the type of effort that can be made to lower costs of talent search and development for organizations working in the circular economy space.



The origins of the Circular Oasis community are from the LOOPLab program, as students participating in it requested to continue to build as a group. The group is evolving into a self-governing organization that is structured to develop both soft skills such as communications, leadership, empathy and trust and hard skills such as logistics, lifecycle analysis and material composition analysis that are needed to grow circular businesses and organizations. Through the Circular Oasis community, we have placed young talent in our partner organizations, lowering their search and onboarding costs.

The question of how to equip the next generation with all the relevant skills and knowledge to navigate an increasingly complex and interdependent world is a tough nut to crack.

Furthermore, by developing materials such as management case studies that are centred on local businesses, we also work with local universities to create teaching resources that are both high quality and address relevant business issues faced by Nigerian managers and founders.

While we are in the early stages of building a young and vibrant talent pipeline, we are

unshakeable in our belief that Nigeria's youths and young enterprises deserve substantial investment in their professional development and that this will pay off not only in terms of producing technical skills but also supporting the development of a collaborative and open mindset that is essential to creating meaningful business opportunity in Nigeria and internationally.

Leading Sustainable Change in Complex Environments: Learning from the Circular Economy in Nigeria

Based on our work at CEIP, we draw three lessons:

1. An important aspect of complexity is that motivations of different organizations to cooperate are not the same. Circular Economy in developed economy contexts is a reaction to consumerism, while in developing economies motivations are to optimize investment in economic growth. Regardless of the issue, different motivations should be recognized in any environment to allow diverse organizations to explicitly define their own agendas, while achieving collective goals.
2. Leaders continue to make increasingly difficult choices as they deal with unprecedented levels of uncertainty and ambiguity. They must continually navigate contradictory pressures to deliver shareholder and public value. In this environment, intentional and genuine reflection by leaders about the meaning of value and the investments that are needed in external relationships is exceptionally important.
3. Investment in talent should not overlook the latent potential of young professionals in developing markets. As the cost of acquiring and retaining talent is increasing, leaders must be creative in their efforts to build learning and development opportunities for individuals inside and outside of their organizations. With advances in learning technology, the time is ripe to take advantage.

The Circular Economy is an idealized vision of functional interdependence between diverse organizations.

The Circular Economy is an idealized vision of functional interdependence between diverse organizations. Implementation of Circular Economy concepts however reveal that there are competing interests between organizations that must coordinate, contradictions about value creation and entrenched behaviours on the part of consumers and businesses that constrain change. While the Circular Economy is a niche area, it is nonetheless representative of the complexity faced by leaders in contemporary organizations. Through our own efforts to build Circular Economy business opportunities and those of others, we can and should learn how to navigate complexity more reflectively.

Natalie Beinisch is Executive Director of Circular Economy Innovation Partnership. Her previous work has centered on sustainable finance and leadership development. She earned her B.A. from McGill University and her PhD from the London School of Economics.

Deborah Edward is Communication Manager of Circular Economy Innovation Partnership. A graduate of Linguistics, UNIBEN, she is actively involved in the development of programs that promote capacity development and access to jobs for youth, business communications strategy and social impact.



FEATURED OFFER



Unlimited Digital Access

\$3 for 3 months

~~\$6/Month~~ | Save 83%
then \$6.00/month

SELECT



Unlimited Digital Access

\$55 / year

~~\$72/Year~~ | Save 24%

SELECT

DELIVERED TO YOUR DOOR



Unlimited Digital Access + Print

\$95 / year

Get 4 beautiful collectible booklets for your library for only \$40 more.

SELECT

We also offer organizational subscriptions for those looking to support their colleagues with a regular quarterly print and/or digital delivery of leadership thinking.

Organizational subscriptions are discounted from the above rates, please contact editor@dl-q.com to discuss.

IDEAS FOR LEADERS
CHANGING THE WAY WE THINK

CffO CENTER
FOR THE FUTURE
OF ORGANIZATION

www.dl-q.com