



Amrop

Leaders For What's Next

No Purpose, No Future:

Sustainable Leadership - The Shift to the Future of Business



Contents

FOREWARD BY Gabriela Nguyen-Groza	3
THE PROMISE OF SUSTAINABLE LEADERSHIP	5
Moving from profit to impact	
NOTHING GOOD COMES EASY	6
How sustainable purpose falls short of its potential	
ON THE PATH TO SUSTAINABLE LEADERSHIP	7
The steps organizations take to realise their sustainable potential	
MIND THE GAP	8
Closing the purpose gap with Sustainable Leadership	
SUSTAINABLE LEADERSHIP: MORE THAN A BUZZWORD	10
An actionable philosophy that's impactful by design	
WALKING THE TALK	12
Balancing the three pillars of Sustainable Leadership	
BECOME THE LEADER	13
Sustainable Leadership Program	
INSIGHTS ON SUSTAINABLE LEADERSHIP	16
Guillaume Sarkozy	17
Anne Canel	18
Germán Nicolás Puiggarí	19
SUSTAINABLE PURPOSE — EVERY STEP OF THE WAY	20
Bringing Sustainable Leadership to life	
TAKING OUR OWN ADVICE	21
Amrop Luxembourg's Commitment to Sustainable Leadership	
WHY WORK WITH US	22

Foreward



There's never been a more difficult time to be a leader.

With a rise in global issues like climate change, a social justice movement coming to the forefront of the public consciousness, turbulent economic times, and rapid technological change shifting how we work, it's simply impossible to overstate just how complex, fast-changing, and unpredictable the world has become.

But there's something else we need to acknowledge, major crises come with opportunity and responsibility.

It's not surprising that companies who embrace 'purpose' beyond profits outperform those that don't. More than ever, we look to brands to inspire us, motivate us, and help us find solutions to our shared problems. What is surprising, however, is how often the promise of purpose fails to live up to its potential. This disconnect is borne out in the data, with 82% of employees agreeing that purpose is important, but only 42% saying their company's purpose is having a meaningful impact, according to McKinsey.

There's an urgent need for businesses to embrace their role within the social fabric — to accept responsibility for thinking beyond the bottom line and for effecting positive change in society. This need, combined with the purpose gap that we're seeing in the business world, brings us to the central topic of this white paper: Sustainable Leadership.

No single formula for successful leadership can solve all the problems of the world, but it is clear that Sustainable Leadership is having a moment. Gone are the days when profit-optimizing, domineering, and inflexible leaders were held up as examples of what leadership looks like. The challenging environment we face today necessitates a different type of leadership, one in which leaders are expected to not only drive profits but to inspire those around them to strive for a greater purpose.

At Amrop Luxembourg, we are in the business of finding leaders who do just that. Leaders who understand the importance of Diversity, Equity, and Inclusion (DEI) and ESG, who minimize their impact on the planet, who prioritize the well-being of their team, and who can see beyond the day-to-day trials of running a business and create lasting social impact. Leaders who do not make smart decisions (with a focus on the short-term profit), but **wise decisions (with a focus on long-term profit while taking into consideration the impact on the clients, employees, environment and society in general)**. In other words, we find and develop leaders who help you realize your company's purpose.

I hope this paper helps you understand the value of Sustainable Leadership and guides you in the direction of building a more sustainable organization.

Thanks for reading.

Gabriela Nguyen-Groza
Managing Partner, Amrop Luxembourg



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An aerial photograph of a vast agricultural field, likely a cornfield, showing distinct curved rows of furrows. A dark, winding river or canal cuts through the field. In the center, a white tower of a wind turbine is visible, extending upwards from the ground. The overall scene is bathed in a warm, golden light, suggesting late afternoon or early morning.

ESG NOW HEADS THE CORPORATE
AGENDA. COMPANIES ARE UNDER
PRESSURE TO DELIVER.

YET A COMPANY IS NOT A DECISION
MAKER. BEHIND COMPANIES ARE
LEADERS, MAKING DECISIONS BY THE
HOUR.

THIS IS WHY CORPORATE ESG STARTS
WITH THE INDIVIDUAL LEADERS AND
THEIR PURPOSE.



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The Promise of Sustainable Purpose

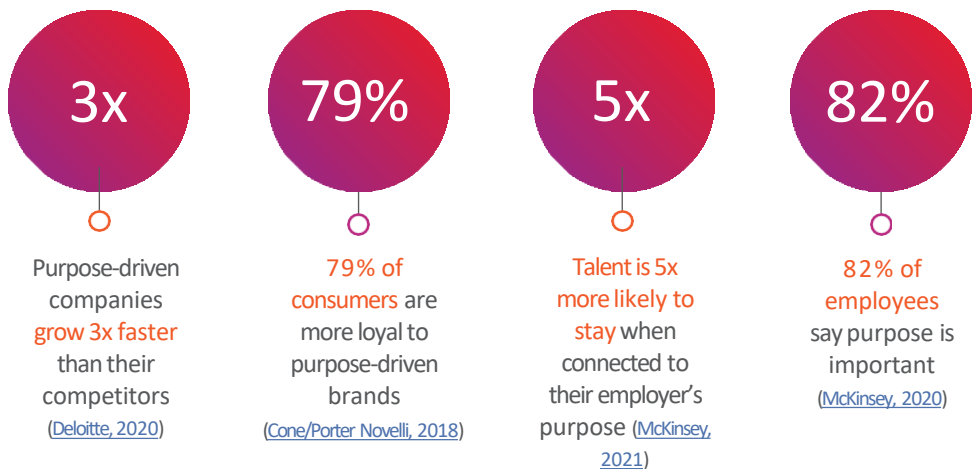
Making profit with impact

pur·pose
noun

1. the reason for which something is done or created or for which something exists.

Purpose matters. We know this intuitively. Just ask any sports team, musical ensemble, or community group; they'll speak to how any collective working towards a goal must share a vision. Ensuring that an organization is on the same page — that is, being truly aligned on a *raison d'être* — is an undisputed key ingredient to group success.

The same wisdom holds true when applied to the business world: **purpose moves the needle.**



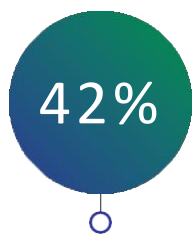
With that in mind, it should come as little surprise that corporations with a shared sense of purpose outperform those without a collective 'why' to rally behind. Sustainable Purpose, in a corporate setting, is much more than a feel-good attribute or a superficial selling point — it has an irrefutable impact on business, brand, and talent outcomes.

Companies that see beyond the bottom line and create lasting environmental and social impact grow faster than their competitors, inspire more loyalty in their consumers, and are more likely to attract and retain top talent.

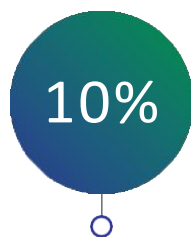
Nothing Good Comes Easy

How sustainable purpose falls short of its potential

Fostering and executing a shared sense of sustainable purpose is one of the single most impactful business outcomes to achieve — it's also one of the most difficult.



Just **42% of employees** think their company's purpose is having a positive impact
(McKinsey, 2020)



Only **10% of brands** back up their purpose with a meaningful plan
(Kantar, 2020)

There are many examples of corporations that have an impressive public-facing purpose, but that also have gaps in that purpose — exposing major challenges in culture. Granted, all organizations are at different stages of their purpose journey, and no vision is ever 100% complete or perfect, but having misaligned priorities or espousing a purpose that rings hollow can backfire.

"Reduction of 50% by 2030"

2030 is going to be a historic year if climate pledges are any guide. A large number of businesses and nations have committed to significantly reducing their emissions by the end of this decade, and many are yelling this commitment from the rooftops. But any "by 2030" pledge is beset by a serious question: How long ago is that? Businesses frequently announce plans to reduce their environmental impact by a specific date, but they never clarify if these reductions are compared to pre-industrial eras, the present, or something in between.

Such statements may seem spectacular without a reference year, but a 50% decline since 2018 is not the same as a 50% decline since 1995, after all.

Another concern is that collateral damage may result from a rush to fulfil an impressive-sounding deadline in a particular area. Let's say a maker of dishwashers promises that by 2030, their models will consume 50% less water. That is fantastic unless it implies that they will require more electricity to operate at a higher temperature, for instance. (Bloomberg, 2023)

Sustainable Purpose can be at odds with practice.

Granted, pursuing a corporate purpose is complex, and there is a range of factors and nuances the public isn't privy to, but gaps in purpose such as the above examples can cost brands credibility, risk employee buy-in, and ultimately become hollow promises that fail to result in meaningful social change.

Enter Sustainable Leadership: the proven way to close the purpose gap.

On the Path to Sustainable Purpose

The steps organizations take to realise their sustainable potential

In order to reap the benefits of a sustainable culture, organizations must grow beyond treating sustainability as an isolated tactic to be ticked off a list or a mere marketing message. Instead, sustainable purpose must be baked into the very DNA of an organization and brought to life through every decision made and action taken.

Achieving that level of commitment across an organization doesn't happen overnight. The different stages of sustainable purpose evolve over time and become increasingly more authentic and effective until sustainability feels less like a marketing tactic and instead becomes a deeply entrenched business-led movement.

It's important to remember there's no one-size-fits-all. The path to purpose — which begins with strong, purposeful leaders — will look different for every organization and will take different amounts of time. However, at some point (and in some fashion) companies on the purpose journey will pass through the following four stages. ([Kantar, 2020](#))



“IF A FOR-PROFIT ENTITY IS ONLY PROFIT SEEKING, THEN YOU’RE NOT GOING TO BE A LONG-TERM PROFITABLE COMPANY.”

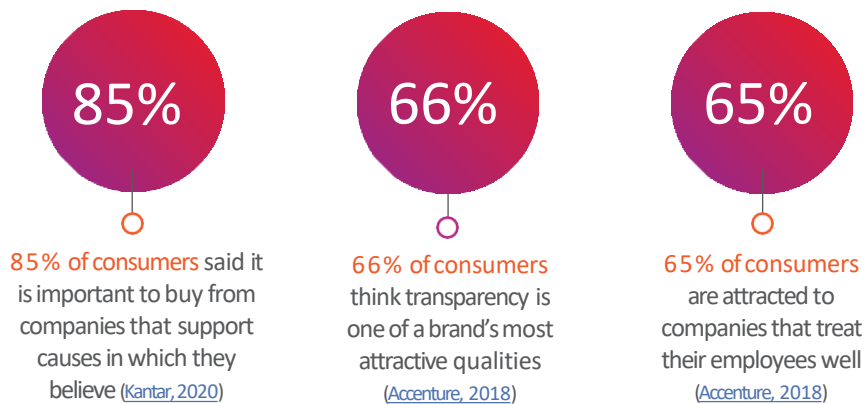
-SATYA NADELLA
CEO, MICROSOFT

Mind the Gap

Closing the purpose gap with Sustainable Leadership

Now more than ever, people are looking to brands to stand for something greater than products and profits. People want the brands they support to have a positive impact on the planet and the people on it — especially those most often left behind.

People want to be inspired by brands.




Patagonia is a prime example of a purpose-driven company. In the fall of 2022, the popular outdoor clothing retailer, led by their beloved 84-year-old founder Yvon Chouinard, committed all of its profits — a cool USD \$100 million annually — to preserving wilderness and fighting climate change. They even changed their mission statement to reflect their newfound purpose: “Patagonia is in business to save our home planet.”

It’s not realistic to expect every company to become the next Patagonia. So how do brands start heading in the direction of purpose? By starting at the top.

It’s easy to look at Patagonia and think: “Let’s do something like that!” But what brands should be thinking is: “Let’s find someone like that.” The key to building another Patagonia isn’t finding a sustainable purpose, it’s finding an inspirational leader like Yvon.



To establish a foundation of purpose, organizations must first attract sustainable leaders.

An aerial photograph of a two-lane asphalt road winding through a dense, lush green forest. A white car is driving away from the viewer in the center of the road. The road has a yellow dashed center line and white solid edge lines. The surrounding forest is thick with various shades of green trees.

“THOSE WHO ARE ABLE TO
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BUT BECAUSE
THEY WERE INSPIRED.”

-SIMON SINEK

LEADERSHIP EXPERT AND BEST-SELLING AUTHOR



Amrop

Sustainable Leadership: More than a Buzzword

An actionable philosophy that's impactful by design

Sustainable Leadership is more than just the latest jargon to make its way into the business world. It's an actionable philosophy that helps companies realize the 'triple bottom line' of what's good for people, the planet, and profits.

The three pillars of sustainable purpose

Within the Amrop network — which includes 68 offices across 55 countries — we've studied Sustainable Leadership extensively and developed a model for identifying and assessing Sustainable Leaders.





Sustainable Leadership consists of three pillars. These three pillars — all essential for the success of C-suite executives and Board members — must be interwoven in order for Sustainable Leadership to reach its full potential.



Walking the Talk

Balancing the three pillars of Sustainable Purpose

Sustainable Leaders must **possess all three pillars** of purpose.

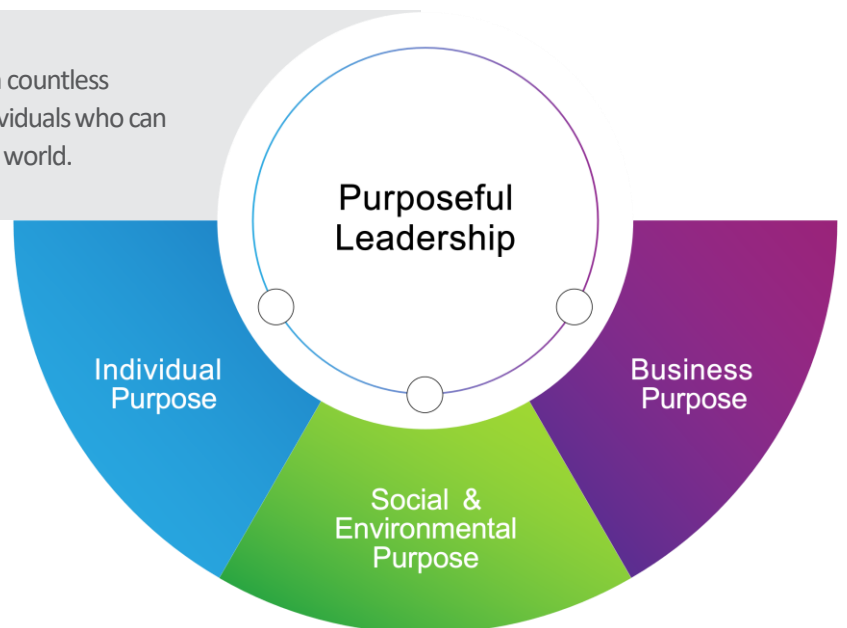
-  If a leader possesses only strong individual purpose, they may be a well-liked and high-character executive, but they run the risk of failing to drive business results or societal impact.
-  If a leader possesses only social and environmental purpose, there's a strong likelihood they will overlook or deprioritize other important business priorities.
-  If a leader possesses only business purpose, they may not live up to the evolving mandate of what's expected from a modern, forward-looking executive.
-  The sign of a bona fide Sustainable Leader is someone who can walk the talk; someone who can balance the three pillars of sustainable purpose with enough commitment and authenticity such that others are inspired to follow suit.

After interviewing thousands of leaders from countless industries, we've learned how to identify individuals who can change organizations, and in turn, change the world.

“WE'RE LEARNING THAT THE PROFIT MOTIVE, POTENT THOUGH IT IS, CAN BE AN INSUFFICIENT IMPETUS FOR BOTH INDIVIDUALS AND ORGANIZATIONS. AN EQUALLY POWERFUL SOURCE OF ENERGY, ONE WE'VE OFTEN NEGLECTED OR DISMISSED AS UNREALISTIC, IS WHAT WE MIGHT CALL THE 'PURPOSE MOTIVE.'”

DANIEL PINK

NEW YORK TIMES BEST-SELLING AUTHOR





Become the Leader

Sustainable Leadership Competencies

It's one thing to understand what Sustainable Leadership is; it's another to understand how it plays out in the real world. To help ground Sustainable Leadership in reality, Amrop has identified five core competencies to look for in Sustainable Leaders.

Sustainable Leadership Competencies

- 1. Courage:** Tell the truth and push through adversity. Stand up for what is right.
- 2. Openness to learning & collaboration:** A learner's mindset. Preach diversity, equity and inclusion. Act locally and think globally.
- 3. Accountability:** Owning one's choices. Admitting mistakes. Applying lessons learned.
- 4. Vision:** Goal-oriented, ambitious storyteller. Seeing the big picture.
- 5. Empathy:** Caring, understanding and supporting others. Amplifying under-represented voices.

Sustainable Leadership Program

Certified Leadership Program

Authorised by the Government of the Grand Duchy of Luxembourg

N° 10123000/1

Unlock powerful learning interactions and insights while sharing experiences and best practices with senior leaders. Take part in meaningful conversations and develop honest human relationships through guided joint reflection and brainstorming. The program brings together Board and C-suite professionals and sets them to work on content from renowned management thinkers. Participants acquire deep learnings that would not be available otherwise, sharing them with their professional environment and creating breakthroughs for the whole organization. They have the possibility to experience, be coached and apply the change to Sustainable Leadership during the program.

Format



90-minute virtual peer coaching sessions- one per month for 5 months.



Groups of 4 to 5 participants, with a similar level of responsibility.



Guided discussions on leadership topics, to improve themselves and their organisations.

Why it works



Learn from peers, share experiences and brainstorm.



Create connections and grow your professional network.



Draw from a greater variety of perspectives, and make decisions with greater confidence.

Content

- 1 Building Purpose in Life and Work**
Explore your own personal purpose and how you can create a more purpose-driven organisation.
- 2 One Planet Business**
Learn to play the important role of inspiring others to create innovations that foster sustainability.
- 3 Leading with Humility**
Create a culture of “speaking out” about what is going on in the face of multi-faceted problems.
- 4 Co-Development: Accelerating Goal Achievement**
Explore an approach inspired by social learning and co-creativity to resolve complex problems.
- 5 A Leader’s Health Action Plan**
Promote a healthy lifestyle by incorporating simple health tools into your busy workday.



Let us introduce you

Profiling 3 Sustainable Leaders in Luxembourg

Our Senior Advisors walk the talk, embodying the Sustainable Leadership competencies which are critical to drive meaningful, long-term organizational change.



Guillaume Sarkozy

Amrop Luxembourg Senior Advisor
Venture Capital Investor

Leadership is about taking ideas forward in a concrete way. I firmly believe in the domino theory. If you have two to four good leaders and you put them to work together, the synergy will gradually spread among others. However, this is not sufficient to develop purposeful leadership, as the whole company must work together.

In our post-COVID societies, we face a crisis of adhesion and a lack of commitment. The way a company as a collective project operates should be adapted to each person's objectives. The necessary commitment will emerge in the balance of collective and individual interests.

Today companies, especially large ones, are buried under objectives, and processes. In the implementation of strategy, one must consider the incentives, the needs, and the skills of each level of a company. For this, we need to raise awareness across society and introduce new tools into the company. Today our chance is digital technology that enables us to implement new strategies. Managers who arrive in companies must work on values. These values are not just words, but they must be disseminated. Ethics, loyalty, and transparency are the essential characteristics of leaders to smooth running of the company.

Sustainable leadership hinges on the understanding of what people expect today – a balance between the collective goal and individual aims. To achieve this balance, organizations need to implement new strategies, and raise awareness. These values are not just words, they must be disseminated. Sustainable leadership demands leaders who not only talk the talk but walk the walk.

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- GUILLAUME SARKOZY -



Anne Canel

Amrop Luxembourg Senior Advisor
Independent Board Member

Sustainable leadership is the lifeblood of our century. Nowadays, you can give packages and a ten-year plan, but young people would tell you that they want to believe in what they are doing. This means believing in their boss. It means giving people a culture of honesty. It is about giving people an open mind and providing training that is not purely technical, but with objectives that are in line with the person's own goals.

A leader is not always the boss or the company owner, but someone who takes people along and leads them. Companies today are fighting for the criterion of a long-term record of sustainability by having a story to tell and having a project to attract people. So, if you do not tell the truth during the recruitment process, you will be caught. I think purposeful leadership is creating a mix of standards: from having ESG regulations, attracting young talents, motivating them, keeping senior talents etc. Growth needs to become sustainable.

Greenwashing is coming to an end because of the regulations, and we are heading straight for something much more realistic in the sustainability process. Not out of obligation, but also because young companies think differently and have a diversity of thought. There are companies that have not yet turned the corner, but this will be the next step in leading with purpose.

Young managers have the courage, open-mindedness, and desire to lead with sustainable purpose. They function more easily as a group and are less individualistic when it comes to leadership. So, they are already well-equipped, but we need to continue training them. Today, most companies are perhaps lacking a little openness to young purpose-driven profiles. This should not be the case anymore. Giving professional chances young people can create atypical, complementary and multigenerational diversity.

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- ANNE CANEL -



Germán Nicolás Puiggarí

Amrop Luxembourg's Senior Advisor
Leadership Development Professional

What we know through research is that customers tend to look for brands and products that represent their personal values. Employees in the same way are looking for companies that represent their values. This big trend is affecting the workforce and the business itself. Companies need to find leaders who can understand this and who are serving a bigger purpose rather than just making money for themselves and for the company.

Making money is not enough. In an intensely competitive world customers and talent will tend to choose companies with a deeper sense of purpose. In a short period of time, this is not going to be an option. To have a CEO who understands sustainable leadership is a must, or you will fail as a company. The key question when looking for purposeful CEOs is assessing their personal values. What is driving them? What is important to them? How can you ensure their personal purpose fits the company's purpose? How do you know there is a synchronicity between what the company is telling the external world and what this leader is telling internally in the company?

Companies are not only groups of people working together but communities of human beings. It is important that the context you create around those people be infused with the values and the cultural trends that you want to be reflected on your brand and in the value proposition to your customers. It is paramount to create a cultural ecosystem that reinforces this.

First, you need to be explicit about your values and make sure that everybody understands them in the same way. Also, you need to make sure that people in their daily interactions are embodying those values. Finally, you need to make sure that you are putting in place the reinforcement mechanism that is helping people to behave in line with those values. The reinforcement mechanisms are typically HR and people-related processes: performance management, talent acquisition, etc. But also, some other symbolic elements and artefacts like the layout of the offices, and the way people are speaking in the company have a deep impact on the perceptions of the people working in the company. People are not only bringing their knowledge and expertise to work but also their personal values and the way of being and understanding life.

In an intensely competitive world customers and talent will tend to choose companies with a deeper sense of purpose. In a short period of time, this is not going to be an option. To have a CEO who understands sustainable leadership is a must, or you will fail as a company.

- GERMÁN NICOLÁS PUIGGARÍ -

Sustainable Purpose - Every step of the way

Bringing Sustainable Leadership to Life

The Sustainable Leadership approach is a proven method for envisioning, actioning, and realizing positive outcomes for people, the planet, and profits. For each stakeholder along the way, Amrop has identified clear actions to help bring Sustainable Leadership to life within their organization.

Stakeholder Group	Actions	Key Questions to Ask
Candidates for CEO / C-Suite /Board of Directors	<ul style="list-style-type: none"> • Prioritize telling the story of your own leadership development. • Articulate how you challenge leadership norms, how you're driven by your own sense of purpose, and how you've used it to create value for people, the planet, and the business. 	<ul style="list-style-type: none"> • How would you describe your purpose? • What values define you? • How would you describe your role? • What are you doing to create an environment in which others can thrive and flourish? • Who are you serving? • How are you striving to be authentic, approachable, and vulnerable?
Executive Search Firms	<ul style="list-style-type: none"> • Identify experienced and innovative leaders who exemplify the Sustainable Leadership competencies of integrity, openness to learning, capacity to collaborate, accountability, vision, courage, and compassion. 	<ul style="list-style-type: none"> • Is the commitment to sustainable purpose and responsibility for impacts on people and the planet codified within the job description? • How much do you know about the individual purpose of each of your candidates? • What training, coaching or other measures have been taken to develop sustainable leadership?
Nominating and Hiring Committees /Hiring Managers	<ul style="list-style-type: none"> • Emphasize the need for organizational change and improvement. • Demonstrate how a sustainable leader is expected to make an impact through individual purpose, business purpose, and societal/environmental purpose. 	<ul style="list-style-type: none"> • In terms of role design and compensation, how can intrinsic (e.g., job content) and extrinsic (eg, financial) motivators be optimally balanced? • To what extent do performance measures and KPIs need to be extended beyond shareholder value and short-term profits? • How do ESG criteria fit into these? • To what extent are penalties and/or rewards used to motivate sustainable leadership?



Taking our own advice

Amrop Luxembourg's Commitment to Sustainable Purpose

At Amrop, we are firm believers in practicing what we preach. We have a responsibility as a trusted advisor and executive search firm to accelerate Luxembourg's shift to Sustainable Leadership - and we're committed to acting on it.

Here's how we are committed to becoming a more purpose-driven organization:

<p>We are committed to the principles of DE&I. In Amrop Luxembourg every team member has a very different profile and nationality and the age spectrum is from 30 to 72.</p>	<p>We spot our clients' leadership needs and we create development programs to help them prepare their leaders for the future in a purposeful and sustainable way.</p>	<p>We are a proud partner of Tree-Nation. In an effort to leave our children a better planet, we plant trees for each assignment we undertake.</p>

[Our Team](#)

[Leadership Development Programs](#)

[Our Sustainability Pledge](#)

Click on the hyperlinks for more information on each commitment.

Why work with us

At Amrop Luxembourg, we strongly believe that leadership is a purposeful choice, not a job title.

Today, leaders are expected to not only drive profits but to inspire those around them to strive for a greater purpose. We are in the business of finding and developing professionals who do just that. We help our clients shape sustainable success through inspiring leaders.

Locally owned and managed, we work without borders. Europe is our market. The world is our office.



Executive Search

We identify and attract Leaders for What's Next by designing executive talent acquisition and succession strategies.



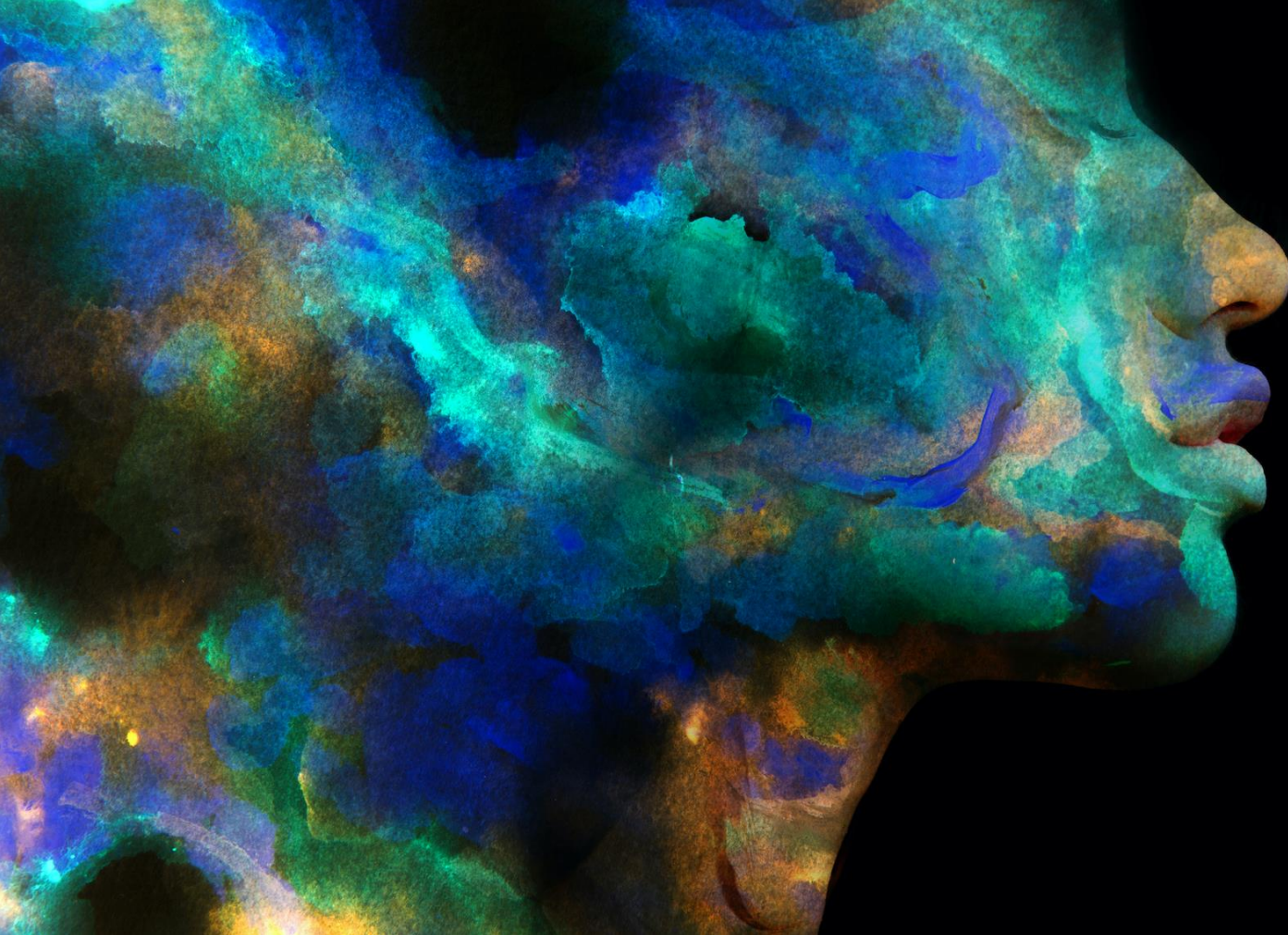
Board Services

We help compose diverse boards that are agile, forward-thinking, and change-ready.



Leadership Advisory

We provide tailored-made assessments, leadership development programs and organizational design consulting that form the backbone of retention, succession and transition planning.



About Amrop

The Amrop Partnership is a premium leadership and executive search consultancy with 68 offices in 55 countries and a global team of more than 550 professionals.

We help our clients find and develop Leaders For What's Next.

Shaping sustainable success is our mission, craft and passion.

www.amrop.lu