

FUTURE LEADERSHIP **DECODED:** How Do Businesses Need to Change in an Era of Scarcity?

Insights from a NIM Workshop Session
at the 53rd St. Gallen Symposium

Friday, May 3, 2024

Host: Dr. Fabian Buder



Dear Readers,

As environmental resources dwindle, the imperative for companies to make a positive contribution to sustainable development and to innovate grows.

The **Voices of the Leaders of Tomorrow Report 2024**, a collaboration between the **Nuremberg Institute for Market Decisions (NIM)** and the **St. Gallen Symposium**, surveyed 650 emerging leaders and 250 executives on ways to reorient business in an era of intensifying scarcities. The report was published in May at the **St. Gallen Symposium 2024**, an annual event that brings together established executives and young talents in St. Gallen, Switzerland, to discuss the challenges of our time and develop solutions.

In the course of the symposium, NIM hosted a **workshop session “FUTURE LEADERSHIP DECODED: How Do Businesses Need to Change in an Era of Scarcity?”**. The NIM workshop session aimed to harness diverse generational insights, identify differences and common ground to foster solutions. This interactive session sought not only to understand varying viewpoints but also to collaboratively outline actionable paths forward for truly sustainable business practices.

We were extremely happy to welcome **Claudia Suessmuth Dyckerhoff**, board Member of Hoffmann La-Roche, Clariant, Ramsay Healthcare, Prudential, and QuEST Global, and **Anushka Purohit**, CEO and co-founder of the start-up Breer, as discussants in our session to share their perspectives on how business can tackle natural resource scarcity and drive sustainable change. This presentation summarizes the key findings and lessons learned from our session.

We hope you enjoy the read!

Dr. Fabian Buder

Head of Future & Trends Research
Nuremberg Institute for Market Decisions

Felix Rüdiger

Head Content & Research
St. Gallen Symposium



About NIM and the St. Gallen Symposium

NUREMBERG INSTITUTE FOR MARKET DECISIONS

The Nuremberg Institute for Market Decisions (NIM) is a non-profit research institute at the interface of academia and practice. NIM examines how consumer decisions change due to new technology, societal trends, or the application of behavioral science and what the resulting micro- and macroeconomic impacts are for the market and for society as a whole. A better understanding of consumer decisions and their impacts helps society, businesses, politics, and consumers make better decisions with regard to “prosperity for all” in the sense of the social-ecological market system.

The Nuremberg Institute for Market Decisions is the founder of GfK.



ST. GALLEN SYMPOSIUM

The St. Gallen Symposium is one of the world’s leading initiatives for cross-generational dialogue on economic, political, and social issues and developments. For more than 50 years, established executives and visionaries and young talents have come together in St. Gallen, other locations around the world, and in online formats. Together, they address the challenges of our time and develop solutions. The Symposium is a student initiative. Under the strategic direction of the St. Gallen Foundation for International Studies, the International Students’ Committee – a team of around 30 University of St. Gallen (HSG) students – organizes numerous events of international significance to promote cross-generational dialogue.

During the Symposium in May, they are supported by 500 other HSG students.



1. Introduction

2. Workshop Part 1

A cross-generational conversation of leaders

Discussants: Claudia Suessmuth-Dyckerhoff & Anushka Purohit

Host: Dr. Fabian Buder

3. Workshop Part 2: Breakout Sessions

- Breakout Session 1: This idea must die!
- Breakout Session 2: Transform leadership!
- Breakout Session 3: Close the gap!

4. Key Insights

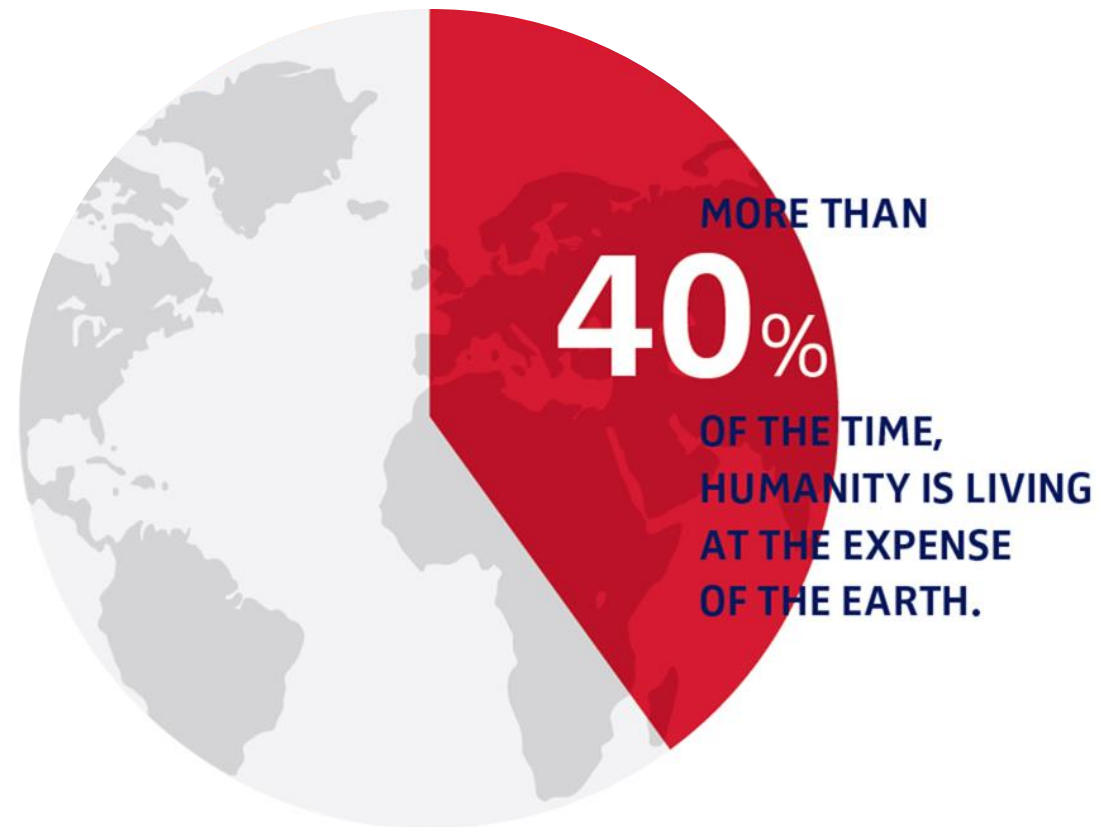
1

Introduction

CONFRONTING SCARCITY OF NATURAL RESOURCES

The challenge:
confronting
scarcity of natural
resources

Earth Overshoot Day 2023 was on August 2.



**CONFRONTING
SCARCITY**

Insights from the VOLOT 2024 report:
An urgent global
challenge requiring
immediate action

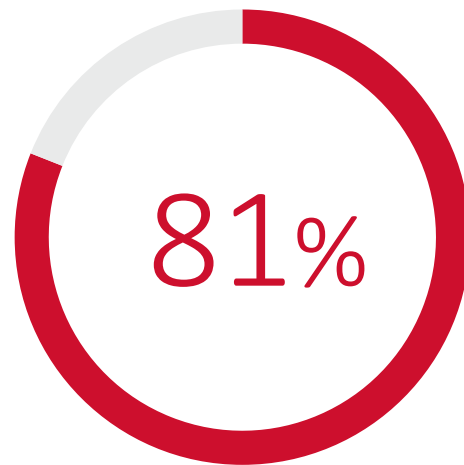
URGENCY.

The scarcity of natural resources
is among the **most urgent
challenges** humanity faces today.

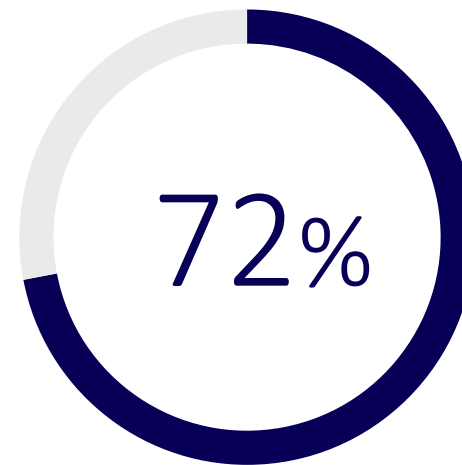


MARC RÜDISÜLI (25)

President of The Young Center of
Switzerland, Switzerland



Leaders
of Tomorrow



Senior
Executives

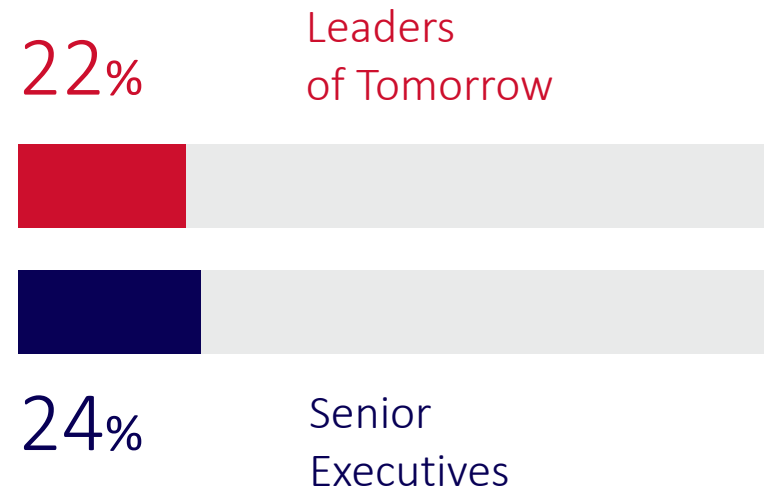
“A lot can be destroyed in
a short space of time, but
it takes time to regain a
healthy balance. We
need to act now. For the
young and future
generations.”

Percent responding with “strongly agree” or “agree.” Leaders of Tomorrow n = 650 | Senior Executives n = 250

Insights from the VOLOT 2024 report:
The obligation for
businesses to act

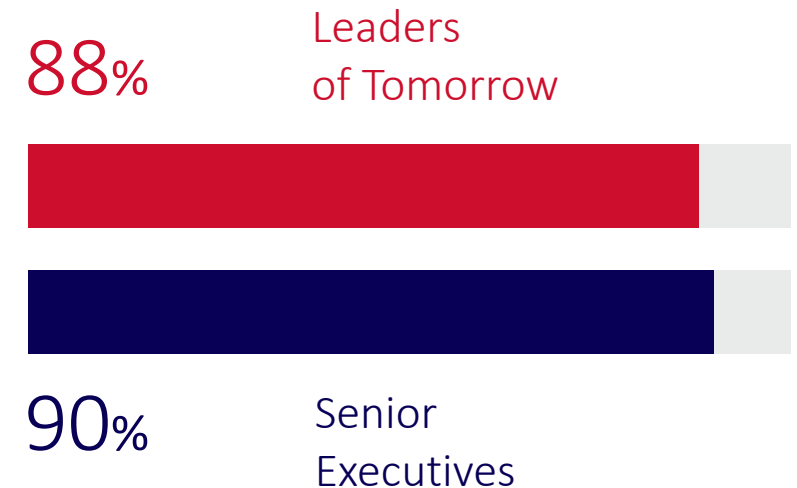
Businesses NOW address

challenges related to natural
resource scarcity



Businesses SHOULD address

challenges related to natural
resource scarcity



Percent responding with “very large extent” or “large extent”. Leaders of Tomorrow n=650 | Senior Executives n=250



Insights from the VOLOT 2024 report:
Leaders call on
businesses to
“turn their
priorities
upside down”

Reprioritizing corporate goals:
from shareholder to environmental value

88% Leaders of
Tomorrow

think that creating shareholder
value **currently** is more
important to companies than
environmental and social value



Senior Executives 83%

83% Leaders of
Tomorrow

think it **should be** the
other way around.



Senior Executives 68%



JESSICA FARDA (26)

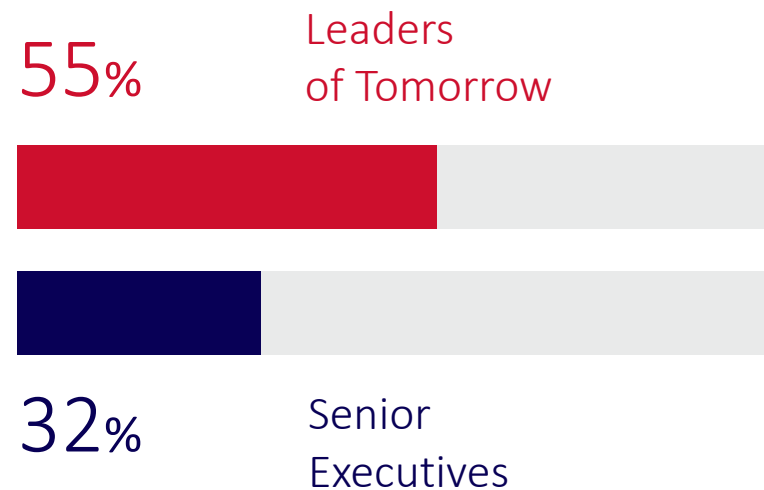
Co-Founder and CEO, Switzerland

“From my own journey, I’ve
learned that true sustainability
requires rethinking how we
design, produce, and dispose
of products. It requires
innovation, persistence, and
a willingness to invest in the
long-term health of our
planet.”

Insights from the VOLOT 2024 report:
Managers should
take personal
responsibility

Clashing opinions on the role and responsibilities of managers

Managers should **take personal responsibility** for the environmental impact of their companies, even with their personal assets.



Percent agreeing with the statement. Leaders of Tomorrow n=650 | Senior Executives n=250

Authentic engagement for sustainability or mere lip service?

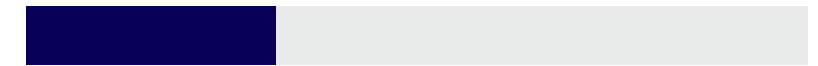
92% Senior Executives



state “**Promoting the conservation of natural resources is paramount**, even if doing so may slow down economic growth in the short term.”

But just

32% Senior Executives



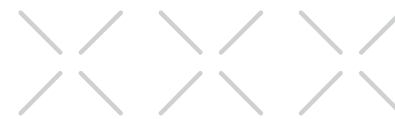
agree that “**Managers' bonuses should depend more on the achievement of sustainability targets** than on financial targets.”



1 **CONSENSUS ON URGENCY**
Cross-generational consensus on the urgency of the scarcity of natural resources and the need for businesses to act.

2 **DIVERGENCE ON EXECUTION**
Disagreements over the right strategies underscore potential barriers to collaboration and taking action.

3 **CLOSING THE GAP**
What needs to change so that companies can address challenges posed by the depletion of natural resources?



2

Workshop Part 1:

A cross-generational conversation of leaders

Discussants: Dr. Claudia Suessmuth Dyckerhoff & Anushka Purohit

Host: Dr. Fabian Buder

Dr. Claudia Süßmuth Dyckerhoff

Experienced leader at McKinsey and member of the board of directors of multiple international companies (Hoffmann La-Roche, Clariant, Ramsay Healthcare, Prudential, QuEST Global)



Anushka Purohit

CEO and Co-Founder of Breer, a food upcycling startup, and activist for women's empowerment

Understanding the gaps and resistance

Why is there a gap in achieving sustainability targets?

Dr. Claudia Süssmuth Dyckerhoff

- › Different standards among suppliers, particularly in global operations.
- › Challenges in carbon footprint management and regulatory compliance are observable across sectors; especially, complexity of managing Scope 2 and Scope 3 emissions.
- › Difficulties in defining and identifying sustainable assets.
- › Differences between listed and unlisted companies.

Anushka Purohit

- › Existing business models and KPI structures not fully aligned with sustainable goals.
- › Senior leaders facing challenges in integrating sustainability into personal performance metrics.
- › Difficulties in navigating the transition in asset management to incorporate sustainability.
- › There is no “one fits all” solution:
 - › Each region requires specific solutions.
 - › For smaller businesses, sustainable decisions might be more difficult due to dependencies.



Call for leadership and innovation



“In reality, it takes a lot of change management to follow through on the sustainable supply chain – and that takes a lot of effort.”

Dr. Claudia Süssmuth Dyckerhoff, Senior Executive, Switzerland

Role of sustainable actions in current business world:

- Increasing demands for transparency and sustainability from stakeholders – and especially customers – shape corporate strategies.
- How companies respond to these demands significantly influences their market standing and consumer trust.

Role of Grassroots Movements:

- Companies should leverage grassroots movements as ambassadors to foster sustainable practices.
- Importance of moving beyond mere compliance (“ticking boxes”) to creating meaningful, impactful sustainability initiatives.

Creating Impact – “Go beyond the obvious!”

- Huge necessity to equalize standards.
- Encourage companies to not only meet the minimum standards but to aim for leadership in sustainability.
- Need for substantial expertise, innovative strategies, and active engagement in sustainability to drive change and create a lasting impact.
- Leaders should create their own active impact.

Creating environmental and financial impact



“There is a common misconception that social enterprises don’t need to make money. If you want to make an impact, you have to make money. It is more than just creating impact but also about sustaining impact.”

Anushka Purohit, Leader of Tomorrow, (24), Hong Kong

Important role of social enterprises in achieving a sustainable impact, which includes both financial and non-financial results:

- Social Return on Investment (SROI) assesses the social, environmental, and financial benefits relative to the resources invested.
- Example: Upcycling discarded bread into new products (e.g., local craft beer) creates multiple benefits: reduced costs by “recycling” bread as a raw material and reduced carbon emissions throughout the supply chain by reducing waste and reusing materials.

Bridging the gap between “traditional” and “sustainable” business practices:

- Different ways of working show when it comes to cooperation between generations.
- Resistance from senior executives might derive from historical perspective and development that companies went through.

No copy-paste option:

- It is about defining clear-cut guidelines.
- In the end, it comes down to the people and creating dialogue.
- There is no reason why the KPIs should not change in the course of the dialogue.

What is the way forward?

Learnings from the intergenerational conversation



Calling for sustainable strategies

1. **Increase transparency** in supply chain management to promote sustainable practices.
2. **Adapt KPIs** to make sustainability measurable and relevant for performance evaluations at all levels.
3. **Promote a culture of innovation** by supporting grassroots movements and sustainable startups.
4. **Commit to continuous improvement** in sustainability performance.
5. **Active participation** of all stakeholders in sustainable initiatives.

3

Workshop Part 2:

Breakout Sessions

Session facilitators

1

This idea must die!

What are leaders' mental models and assumptions that hold companies back from truly sustainable transformation?



Fabian Buder

Head of Future & Trends
Research, Nuremberg
Institute for Market Decisions

2

Transform leadership!

In what ways do current leadership and decision practices conflict with the needs of sustainable management?



Florian Gasser

Deputy Executive Director
MiMM & Research Associate
at University of St. Gallen

3

Close the gap!

What are the key barriers and obstacles within corporate structures that make it difficult to move from a focus on shareholder value to a focus on social-environmental sustainability?



Alina Schoch

Bachelor Business
Administration at the
University of St. Gallen,
ISC Alumna

3.1

Breakout session 1 This idea must die!

FACILITATOR: DR. FABIAN BUDER (NIM)

Breakout session 1: This idea must die!

What this session is about

In today's world, sustainability is a strategic necessity, demanding a reevaluation of entrenched corporate mindsets that often hinder the adoption of innovative and sustainable practices. This session focuses on identifying and challenging these outdated mental models to promote business resilience and environmental stewardship, exploring ways to overcome barriers to sustainability progress.

What are leaders' mental models and assumptions that hold companies back from truly sustainable transformation?



Breakout session 1: Impressions



This idea must die:

1. An individual's age, gender or background are important criteria for recruitment, selection of individuals for positions, and decision-making processes.

2. Companies can wait until government regulations tell them what to do and define rules for sustainable businesses.

3. Growth at any price.

The cause and consequences:

Caused by biased thinking and stereotypes, this toxic assumption may lead to overly uniform teams and a lack of an authentic and productive workforce.

Caused by the wish to avoid unnecessary cost, this toxic assumption may lead to inactivity, and therefore, companies lose time for action.

Caused by an outdated model of economic thinking and greed, the growth-oriented model of economic activity leads to the climate crisis and scarcity of resources.

This idea must die:

4. Individual employees have no influence on their company's sustainability.

5. Companies need to solve problems on their own.

6. Sustainable transformation will drive companies out of the market due to higher costs.

The cause and consequences:

Companies that do not manage to empower their employees and make their ideas and voices heard risk losing support and bottom-up innovations. Employees just wait for directions instead of being proactive.

Due to competitive behavior, companies may fail to cooperate with each other, leading to a lack of innovation towards sustainable transformation.

Due to risking higher costs, companies neglect to invest in sustainability.

3.2

Breakout session 2 Transform leadership!

FACILITATOR: FLORIAN GASSER (HSG)

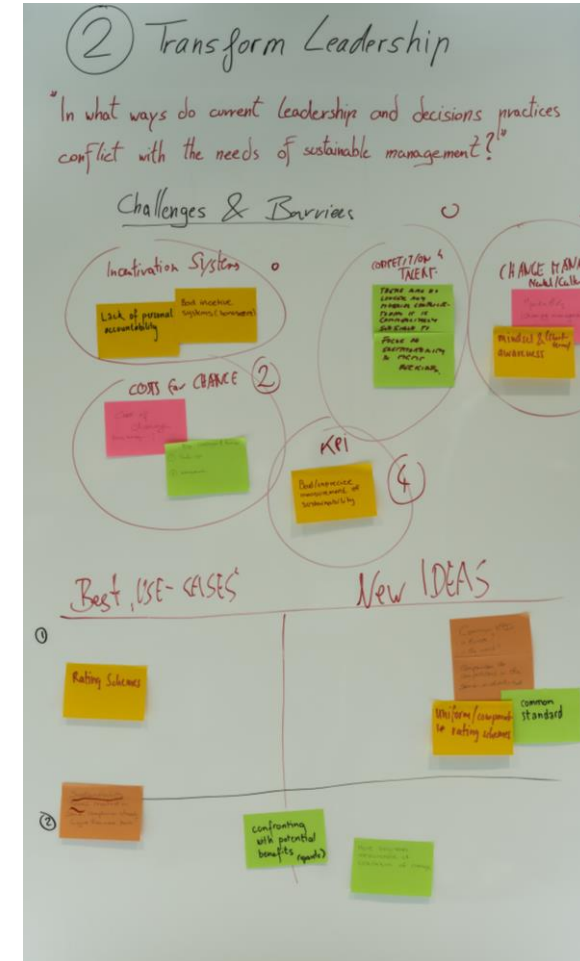
What this session is about

Traditional leadership practices often prioritize short-term financial results over long-term sustainability goals, creating a conflict with the need for practices that promote environmental stewardship, social responsibility, and economic viability for future generations. As sustainability becomes essential for corporate success and survival, it's crucial to reevaluate and potentially transform existing leadership and decision-making frameworks.

In what ways do current leadership and decision practices conflict with the needs of sustainable management?



Breakout session 2: Impressions



Clustering and prioritizing the current BIGGEST CHALLENGES (I)

1. KPIs

> Measuring Sustainability:

Discussing the importance of establishing clear KPIs to track and measure sustainability effectively, ensuring accountability and continuous improvement.

2. Cost of Change

> Financial Aspect and Cost of Change:

Addressing the financial challenges and necessary investments for transitioning to sustainable practices.

> Time Input and Output:

Discussing the relationship between time investment and sustainable output, stressing efficient and impactful use of resources.

3. Change Management

> Mentality:

Underscoring the need for effective change management strategies to successfully implement sustainable practices.

> Mindset & Awareness:

Emphasizing the need for a leadership mindset that values long-term sustainability over short-term gains.

Clustering and prioritizing the current BIGGEST CHALLENGES (II)

4. Incentivization System

➤ **Accountability in Leadership:**

Noting a general lack of personal accountability in leadership, while recognizing that many leaders are progressively adopting sustainability.

➤ **Incentive Systems:**

Critiquing traditional incentive structures that fail to promote sustainable outcomes, suggesting a reevaluation of reward systems.

5. Competition & Talent

➤ **Commercial and Client Perspective:**

Arguing that sustainability is commercially sensible, necessary to attract talent and meet client expectations.

➤ **Reprioritization of Company Focus:**

Advocating for companies to halt certain actions and refocus on sustainability, indicating a strategic shift towards environmental stewardship.

Way forward: potential SOLUTIONS AND STRATEGIES to transform leadership

Collected best practices and developed new ideas regarding ...

Change Management

- › **Empower Sustainability Teams:** Increase authority, including cost management responsibilities.
- › **Standardize Rating Schemes:** Establish a common understanding of costs in sustainability rating systems.
- › **Standardization of KPIs:** Advocate for common, comparable standards for KPIs across similar industries in Europe.

Costs

- › **Identifying Benefits:** Address challenges in recognizing the tangible benefits of sustainability initiatives.
- › **Long-Term Cost of Return:** Emphasize the need for more long-term measurements of return on investment.

3.3

Breakout session 3 Close the gap!

FACILITATOR: ALINA SCHOCH (SGS)

What this session is about

Corporations play a central role in global resource consumption and environmental impact. The traditional corporate focus on shareholder value has driven many business decisions without adequate consideration of environmental degradation and social inequality. However, as public awareness and stakeholder expectations of corporate responsibility increase, companies are being forced to rethink their operational and strategic foundations to integrate sustainability. This session seeks to uncover the structural impediments to such a transition and to understand how companies can refocus their objectives to promote a sustainable future.

What are the key barriers and obstacles within corporate structures that make it difficult to emphasize social and environmental values?



Breakout session 3: Impressions



Clustering and prioritizing current KEY BARRIERS (I)

1. KPIs and Cost-Profit

➤ **Lack of Clarity and Definition in KPIs:**

Difficulty in defining specific, measurable KPIs for sustainability due to data inaccessibility, conflicting metrics, and the complexity of sustainable metrics.

➤ **Rigid Asset Structures:**

Existing asset structures, especially in regions like China which favor platform over asset thinking, are inflexible and slow to adapt to sustainability requirements.

➤ **Budget Constraints:**

Financial restrictions inhibit allocations to sustainability, preventing investment in necessary transformations and innovations.

Clustering and prioritizing current KEY BARRIERS (II)

2. Mission and Vision: Core Business & Change and Culture

> Superficial Integration of Sustainability:

Sustainability often remains a peripheral agenda item rather than being integrated into the core mission and vision of the company.

> Cultural and KPI Misalignment:

Existing KPIs, such as overly simplistic metrics like “Women in Leadership”, do not align with broader cultural shifts towards sustainability and are seen as insufficient by ESG standards.

> Generational Resistance:

Older generation leaders find ESG goals too abstract (“fluffy”) and are skeptical of the financial returns from sustainable products, leading to a lack of urgency, commitment, and trust.



*“The key barrier in decision-making and leadership is the **lack of inclusive intergenerational dialogue** at the senior management level. Don’t just invite other generations into the room; include them in the decision-making process.”*

Aiman Bentohami (28), Leader of Tomorrow

Clustering and prioritizing current KEY BARRIERS (III)

3. People and Organizational Dynamics

➤ **Traditional KPI Focus:**

The prevailing full-time work culture and traditional promotion structures based on employment percentage do not support flexible, sustainability-focused advancements.

➤ **Inflexible Work Culture:**

Corporate hierarchy problems arise when top leadership, like CEOs, do not prioritize sustainable KPIs, leading to inadequate attention and resources directed towards sustainability.

➤ **Reactive Approaches to Sustainability:**

Organizations tend to shift towards sustainable practices only in reaction to emergencies, such as loss of electricity prompting a move to sustainable energy sources, rather than through proactive planning.

The way forward: potential SOLUTIONS and STRATEGIES to overcome barriers

- **Sustainability as a Necessity**
Communicate that failing to adopt sustainable practices will lead to obsolescence.
- **Clear Communication Pathways**
Develop and communicate clear pathways for sustainability initiatives to ensure transparency.
- **Establishing Visible Best Practices**
Define and showcase visible best practices to persuade and inform stakeholders about the tangible benefits of sustainability.
- **Customer and Public Influence**
Leverage customer and public demand as a critical driver of sustainability; recognize their power to initiate change.
- **Increase KPI Weightings**
Enhance the influence of KPIs in strategic decision-making to drive sustainability initiatives.
- **Align KPIs with Shareholder Interests**
Link KPIs directly to long-term shareholder benefits.
- **Emphasize Individual KPIs**
Focus on specific, individual KPIs to target precise sustainability goals effectively.
- **Standardization of Assets**
Implement standard procedures for asset write-offs to streamline sustainability transitions.

4

Wrapping up

CLOSING STATEMENTS & KEY LEARNINGS

Summarizing necessary steps – what needs to be done

Set the Right Sustainability Goals and Define Impactful KPIs

- Establish clear and defined sustainability KPIs to improve measurement and effectiveness.

Challenge Toxic Assumptions

- Critically examine harmful corporate assumptions, such as prioritizing growth at any cost.
- Oppose delays in sustainability actions until governmental regulations are imposed.
- Recognize the impact of individual and small-scale initiatives with the message “Our voice counts!”

Insights on Company Challenges

- Highlight the dual challenges of managing costs and attracting talent.
- Emphasize the importance of effective change management.
- Stress the critical role of KPIs in driving sustainability.

General Advocacy for Sustainability

- Advocate for a long-term perspective on sustainability goals.
- Push for greater empowerment of sustainability teams to demonstrate the benefits of sustainable practices.

Intergenerational conclusion

*“I love the energy in the room, that gives me hope – people want to embark on the topic. **People are on the mission, and the question is how to get there.***

We can share examples – there are so many ways to change something. I am very optimistic that we can do something, and that people are engaged.”



Dr. Claudia Süßmuth Dyckerhoff

Member of the Board of Directors, Hoffmann-La Roche, Clariant, Ramsay Health Care, QuEST Global, and Prudential plc

“There is so much food for thought – it is not a one solution fits all.

At the end of the day, it comes down to the people. If we continue the dialogue, there is no reason to not actually improve the structures.”



Anushka Purohit

CEO & Co-Founder,
Breer

Want to learn more?

Contact



Dr. Fabian Buder

Head of Future & Trends Research,
Nuremberg Institute for Market Decisions
fabian.buder@nim.org



Felix Rüdiger

Head Content & Research
St. Gallen Symposium
felix.ruediger@symposium.org

VOICES OF THE LEADERS OF TOMORROW

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