

Leadership for Resilience and Sustainability

Recognising the Limitations and Misuse of Learning

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Long-term resilience and sustainability can depend upon trends and developments in operating contexts, collective responses to them, and how a company's people, capabilities and offerings perform relative to alternatives and substitutes. External factors can also impact the infrastructures and services upon which entities depend and stakeholders who may be negatively affected by the same or similar events, whether climate or trade related, economic, geopolitical or technological. Challenges and opportunities might be common and shared.

Remaining detached and pursuing selfish interests, may achieve short-term benefit at the expense of compromising our collective futures. While executives may monitor developments affecting their individual roles, directors and boards should take a broader corporate and more holistic, longer-term and strategic view. They need to be aware of external trends and developments, consider how a company and its stakeholders could be affected, and think about and discuss what they and others might do in response.

Resilience and Learning How to Cope

Multiple corporate activities and stakeholder interests are affected by global risks and existential threats. Assessing,

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monitoring and re-prioritising them represents a challenge, especially for directors who are overloaded and/or over-boarded. Resilience also requires coping with uncharted issues, such as consequences of disruptive US Presidential action. Many business leaders and boards often feel overwhelmed. Will experience and lessons from past events still be applicable as fundamental shifts occur?

How relevant is what we think we have learned and know to challenges, risks and threats

facing boards in a business environment in which there is uncertainty about what tomorrow might bring? Whether knowledge is helpful or harmful depends upon how relevant and current it is, how it is used and for what purpose, costs and benefits, and whether outcomes are desirable, inclusive, relevant, responsible and sustainable. The purpose of learning may be to remain competitive or gain advantage rather than to be more resilient and sustainable.

Learning can be about things or about how to do things. Given the speed at which situations, priorities and knowledge can change and become out of date, and the greater capability that can come through the experience of doing, the latter may become more important as challenges, global risks and existential threats multiply. Are adaptation, innovation, transition and transformation in particular situations and circumstances needed rather than 'learning'?

Coping with Crises

In crises, action may be needed while knowledge is still being accumulated. When a total organisation is affected, holistic and collective responses may be required, rather than knowledge from the perspective of individual disciplines.

Relevant learning can be inhibited by departmental, functional, business unit and corporate boundaries, while transformation to a more flexible network form of entity that organically evolves and adapts may enable it.

Knowledge can be accumulated without being disseminated, shared and applied. The willingness, commitment and resources to quickly assess, adopt and utilise it is sometimes lacking. Learning may alert some people to what others have and result in them feeling alienated, disgruntled and excluded. It can also increase exposure to misinformation, disinformation and enhance awareness of opportunities for antisocial and criminal activities.

Reviewing Assumptions about Learning

Rather than assume any learning is a 'good thing', a board should consider whether what has been

learned is still relevant and helpful or harmful, and whether innovation is needed and should be risk, threat and/or opportunity led, responsible, sustainable and inclusive, and its objectives should include greater resilience. Population growth, multiple threats and natural capital, budgetary and resource constraints, mean resilience increasingly requires innovation.

Few companies, communities and societies could cope with combinations of crisis events occurring together. Many boards are unsure of how best to prioritise existential threats and allocate resources to addressing them. Uncertainty and insecurity may be provoked and/or exploited to obtain bargaining leverage and replace the application of principles, rules and values with imposed pressure to conclude a deal. Should boards look beyond 'following the herd' and is collective learning across corporate networks

and value chains now required?

Prioritising Beneficial Innovation

Technological innovations are outpacing regulatory and governance efforts to influence them and address issues arising from their adoption, scaling and misuse. Securing relevant talent is more

important than general knowledge for many CEOs. Companies require the skills and capabilities needed to cope with challenges, global risks and existential threats they face, seize opportunities and enable innovation, greater resilience and entrepreneurial thinking.

Accelerated and targeted innovation can be a route to resilience, sustainability and survival. Are breakthroughs focused on problem areas, including reducing the resource and energy demands of other innovations, AI and data centres? Or will they be used for trivial purposes, become unsustainable and lead to our demise? Governments may call for innovation, but they usually rely upon enterprises and their boards to bring them about.

Ambiguity and insecurity create opportunities for disruptors to act and achieve impact to the detriment of many others. Given uncertainty over the effects of



Trump 2 tariff plays and reactions to them, how might boards and governments enhance resistance to demagoguery, narrow self-interests and attacks on the collective and common good, increase the resilience of people, organisations, communities and economies, and progress towards a better future?

Conscious Rejection or Avoidance of Learning

Evidence of negative externalities, global warming and climate change, and harm to the environment is overwhelming. Why is it often denied, rejected and/or ignored? Some people seem determined to avoid what is inconvenient, uncomfortable or challenging. They opt for denial or ignorance rather than understanding. Are they expedient rather than responsible, and just trying to keep in with power and potential patronage?

The election of Donald Trump, a climate change denier, as US President has led some boards to change policies. More people seem to be ignoring evidence, believing misinformation and propaganda, and seeking refuge in conspiracy theories, myths and sanitised virtual worlds. Is a more transactional era emerging in which hard power and the pursuit of self-interests determine outcomes, old allegiances count for little, lies abound and values are parked?

Falsehoods can be accepted because of confirmation bias and frequent repetition. Victims may be turned off, give up, or further share an alternative and mistaken form of reality. What is learned could be mistaken, misleading, harmful and intended to deceive or undermine. What is relevant for one function, unit, situation, location, or context might not be appropriate elsewhere. Relevance may also alter more rapidly than views can be reviewed and updated.

Malevolent and Responsible Learning

Some know-how represents a serious threat to the environment and life. Much effort of talented individuals is devoted to learning better ways to: evade, cheat or steal; circumvent laws, regulations and sanctions; overcome cyber and other defences; conceal negative externalities; pursue self and vested interests at the expense of a wider common good; and engage in a wide range of deceptive, exploitative and malevolent activities.

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Malicious learners take advantage of the vulnerabilities and weaknesses of others, and harm those considered competitors, opponents, or who think differently, belong to another group, or are disliked. They use techniques ranging from misinformation and disinformation to deniable elements of hybrid warfare. Malevolent organisations routinely misuse what they have learned. Conspiratorial networks, demagogues and authoritarian rulers re-write history. They learn how to deceive, misrepresent, and obtain, consolidate and retain power.

Authoritative scientific evidence is ignored by some business leaders. Principles and established positions may be quickly abandoned for short-term advantage when a change of regime occurs to keep in with a new font of power and influence. Empathetic, listening, resilient, responsible and problem-solving leaders are critical thinkers who retain a moral compass and confront realities and existential threats. They seek diverse and independent counsel, avoid bandwagons, fashions and fads, and exercise independent judgement. ■

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