

Responsible Leadership and Corporate Social Responsibility.

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Society is demanding that business and industry behave responsibly and contribute to develop a sustainable society. Business is expected to provide results that go beyond increasing share holder value. People want to make sure that companies adopt and implement ethical codes of conduct, avoid corruption practices, provide job security, support the needs and concerns of their employees and neighbours, and protect the natural environment. This means that business is expected to play a proactive role and contribute to build a sustainable society. Society expects that companies generate a variety of stakeholders benefits derived from their initiatives, products and services. Accordingly, a number of companies undertook this challenge and have started to transform their corporate philosophy and institutions and develop their business strategies incorporating the principles of sustainability. A key question on this process is to find out how can society and companies create the appropriate incentives to promote responsible leadership within the firm and develop tools to assess sustainability performance within the private sector. In order to answer this question it is important to explore at least three types of issues:

- **Issue 1. Incentives provided by society.** Is society generating clear incentives to promote sustainability in the private sector? For example, are capital markets rewarding companies that have decided to transform themselves into sustainable institutions? Are costumers expressing their preferences for products and services which are more sustainable?
- **Issue 2. Incentives provided by the firm.** Is the management of the company generating the appropriate internal incentives to promote sustainability within the firm? Do companies have systems in place to reward the efforts of their employees to promote sustainability initiatives?
- **Issue 3. Availability of tools to measure corporate sustainability performance.** Do society and firms have access to the right tools to measure sustainable performance? Which yardsticks are capital markets using to measure the progress made by the private sector in its efforts to meet society's sustainability demands? How can we measure the sustainable performance of managers and employees?

Dr. Szekely will provide an assessment of the progress made on implementing Corporate Social Responsibility and on the effectiveness of existing tools and methodologies to measure sustainability performance. He will also suggest which is the way to go to promote sustainability practices within the private sector.

Professor Francisco Szekely.

Dr. Francisco Szekely is Adjunct professor and Director of the Centre for Responsible Leadership and Sustainable Futures at the European School of Management and Technology, in Berlin (ESMT). Dr. Szekely is a specialist in the fields of environmental policy (both public and private), environmental management, technology assessment and conflict resolution. He has experience in both the public and private sectors. He holds a Ph.D. on Environmental Sciences and Economics and a M.S. on Technology and Human Affairs from Washington University. He also obtained an M.S. in Engineering at Tufts University, in Massachusetts, and a Mechanical Engineering degree at the National Autonomous University of Mexico, in Mexico City.

Francisco Székely just finished a three year assignment as Mexico's Deputy Minister of Environment under the administration of President Vicente Fox. His main responsibilities included the development and implementation of Mexico's National Strategy for Sustainable Development, the reform and development of national policies on energy, environment and water and the creation of Mexico's National Commission for Environmental Investment.

Dr. Székely has been Director and Professor of the International Academy of the Environment (IAE), based in Geneva, Switzerland and ALCAN Professor of Environmental Management at the International Institute for Management Development (IMD) in Lausanne, Switzerland, where he was teaching environmental management courses and became Director of the International Research Project "Managing the Industrial and Business Environment" (the MIBE project) (1990-1994).

He was also Former Assistant Director of the Energy and Environmental Policy Centre and Lecturer on Environment and Economic Development at Harvard University (1986-1989), and lecturer at the Department of Urban Studies and Planning at M.I.T. (1985-1988). Dr. Szekely has also been senior consultant at McKinsey and Co.

Dr. Szekely has published six books and many articles and papers in the fields of environmental management and environmental policies both in the public and private sector. He has contributed to develop the fields of business and environment and climate change adaptation.