

The Tri-sector Athlete

-Part of a Sustainable Leadership

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Businesses always have to adapt to the changing world around them. In today's increasingly complex, interdependent and dynamic global society, the most difficult challenges for existing companies are posed by factors outside the company. To solve these complex problems, companies need to adopt a tri-sector leadership approach. This report seeks to investigate benefits of tri-sector leadership, characteristics of tri-sector leaders (also referred to as "athletes") and how a company can work strategically to ensure the competence required to accomplish a tri-sector leadership.

The Tri-sector Athlete – Part of a Sustainable Leadership

1. Introduction

“The only thing that is constant is change”, claimed the Greek philosopher Herakleitos over 2000 years ago. In an increasingly interconnected world, this realization is becoming vital for businesses. The world around us is changing in a faster pace than ever before and the future success of today’s companies will depend on their ability to apprehend vital changes and trends and turn them to their advantage.

A company’s leadership team often has well-established processes and capabilities to manage what happens within the firm and its market. However, few of the decisive developments affecting businesses today originate within the companies themselves. Instead, the conditions in which a business operates are often formed by outside forces, such as government and the civil society. Environmental changes and diminishing natural resources are other examples of factors that have a clear impact on many businesses.

So how should companies deal with declining water supplies, mismatched labor markets or energy security? The complexity and width of these issues make them almost impossible for a single stakeholder – in this case a single company - to solve on its own. However, when such changes threaten a company’s value chain, a company must take action to solve the challenges it is facing.

1.1. Tri-sector leadership

In the wake of the financial crisis, calls for new types of leadership have echoed through the debate. This is especially apparent in the United States, where a the combination of a deep recession and a collapsed political leadership has lead to researchers, business leaders and politicians searching high and low for an answer to the problems. Concepts as “the solution economy”, “collaborative governance”¹, etc. have been put forward. As a response to the public’s mistrust in the business community, Dominic Barton, global managing director of McKinsey, has called for for a “long-term capitalism”.² Clearly, there is a general thirst for new leadership approaches.

It is in this context that debaters have raised the need for tri-sector leadership to fill the current void. Tri-sector leadership is a holistic leadership approach that calls for businesses to involve all three sectors –business, government and nonprofit- in their work. Tri-sector leadership allows businesses to take charge and be the driver in the solution process to complex problems.

¹ “The Solution Economy: How New Players Are Solving Old Problems“, <http://www.pbs.org/newshour/businessdesk/2013/09/the-solution-economy-how-new-p.html>, (Date accessed 09/30/13). “A Formula for Fixing the Hardest Problems” <http://blogs.hbr.org/2013/08/a-better-way-to-tackle-the-har/>, (Date accessed 09/30/13)

² McKinsey & Company, <http://www.mckinsey.com/features/capitalism>, (Date accessed 09/15/13).

1.2. Tri-sector Athletes

Joseph Nye, professor at Kennedy School of Government characterizes a tri-sector leader as an individual who successfully can “engage and collaborate across the private, public and social sectors”.³ A tri-sector leader has the skills to align incentives and understand the workings and aspirations of the different players.

This report aims to take a structured approach to tri-sector leadership. In a first part, I will present two case studies in which companies have used a tri-sector approach. In a second part, I will explore the short and long-term benefits of the tri-sector approach. I will then continue by describing common characteristics of tri-sector athletes. In a fourth part, I will list ways in which companies can work strategically to develop tri-sector leaders who can enable and facilitate cross-sector collaboration. Finally, I will take a more critical view on the possibilities and limitations of tri-sector leadership.

2. Case studies

I have selected two case studies in which the tri-sector leadership approach has been used. The examples show how two larger Nordic corporations, Scania and Novo Nordisk, have collaborated across sectors to solve issues that affect their business.

2.1. Scania in Södertälje

The Swedish automotive manufacturer Scania is one of Sweden’s biggest employers and had a turnover of almost 80 billion SEK in 2012⁴. Their trucks can be found on roads all over the world, from the Argentinian pampas to the Vietnamese countryside.

Scania was founded in 1891 in Södertälje, an industrial city about 30 km from Stockholm, where the company still maintains its head office, R&D facilities and main production plant.⁵ Scania’s success is highly dependent on its strength in innovation and its human capital. To stay ahead the international competition, Scania needs engineers, both in research and in its production line.

However, in the last decade, the interest in technology has declined dramatically in Sweden. Since 2000, the number of registered engineering students has dropped by 22 per cent. Today, there are 15 per cent fewer graduates who receive a diploma in engineering compared to 2000.⁶ Paradoxically, while we use more advanced technology in our everyday life than ever before, fewer people want to take part in its development.

According to the Swedish government’s statistical agency (Statistiska Centralbyrån), the need for engineers is the greatest in construction, applied physics and electronics. In the coming decade, a large part of the current work

³ “Triple-strength leadership”, Nick Lovegrove, Matthew Thomas. Harvard Business Review, Boston, MA, USA. September issue 2013, pp 46-56.

⁴ Scania, <http://www.scania.com/investor-relations/company-overview/>, (Date accessed 09/05/13).

⁵ Scania, <http://www.scania.com/scania-group/scania-in-brief/index.aspx>, (Date accessed 09/05/13).

⁶ “Trenden pekar mot färre ingenjörer”, <http://www.teknikjobb.se/blogg/sv/trenden-pekar-mot-farre-ingenjorer/>, (Date accessed 09/05/13).

force will retire. The number of retirees is estimated to be twice as high as the number of engineering graduates with equivalent degrees.⁷

This is a major challenge for the Swedish industry, as the engineering companies together make up half of the country's export and together have a turnover of 800 billion SEK. When the impact of this alarming trend dawned upon Scania, the company started to craft a strategy to counter the negative development.

Since 2006, Scania works actively to promote a greater interest in technology among youth. By cooperating with the local municipality, Scania has developed a program that targets children of all ages, from pre-school up to high school. The goal of the program is to enthuse youths about the wonders of technology and hopefully get them to consider continuing their education within the field of engineering.

Every semester, Scania visits two local pre-schools on regular basis. Company employees bring tools and toys and engage with the children to stimulate their creativity. The children also have an opportunity to see and explore a full size truck. The activities stimulate their curiosity and by playing around with the tools, the method aims give the pre-schoolers an appreciation of the possibilities of technology.

When the children get older, they can participate in Scania's summer camps, where children are given the opportunity to build their own soap box cars. In order to promote integration in the Södertälje-area, half of the participants are children of Scania employees while the other half come from socially vulnerable neighborhoods. Once finished, these cars are donated to local schools.

Scania also operates its own high school together with the pharmaceutical company AstraZeneca, which also has a large part of their production in Södertälje. Scania also organizes an engineering summer school and a scientific research summer school for those who have not yet reached high school. They also provide among 80 students to "hang out" with an engineer for a day and sponsor Tom Tits Experiment, a science park aimed at children of all ages, also located in Södertälje.

Next on the agenda for the company is to educate high school Career Guidance Counselors in different ways of pursuing a career within an engineering company and what sort of competence and knowledge they are looking for.

These are long-term investments and the pay off remains unsure. The efforts made today will show results in about 20 years time, when the youngest children have finished university degrees. However, Scania emphasizes that working with schools and the local municipality also has short-term effects reflected in the attitudes among its employees. The project has a positive impact

⁷ "Efterfrågan på ingenjörer inom byggnadsteknik, teknisk fysik, elektronik och materialteknik" <http://www.ingenjorsvagen.se/arbetsmarknad/efterfr%C3%A5gan-p%C3%A5-ingenj%C3%B6rer-inom-byggnadsteknik-teknisk-fysik-elektronik-och-materialtek> (Date accessed 09/05/13).

on its attractiveness as an employer and has benefitted its brand in a positive way.⁸

2.2. Novo Nordisk in China

Novo Nordisk, a leading global healthcare company in diabetes care, also engages in tri-sector leadership. Through this, the Danish multinational has gained a leading position in the industry as well as the first place in Corporate Knights' annual ranking of the world's most sustainable companies in 2012.⁹ Novo Nordisk has a turnover above 10.5 billion USD and supplies 33 of the world's poorest countries with insulin.¹⁰

In the wake of China's tremendous economical growth, the Chinese society is also facing an accelerating increase of diabetes. Current estimations give that over 110 million Chinese are currently suffering from diabetes, putting them at risk for heart disease, kidney failure and stroke. Many more are in the risk zone of becoming diabetic.¹¹ Naturally, this will put an enormous strain on the nation's public health care system.

After being present in China for several decades, Novo Nordisk intensified its engagements in 1994. The Chinese health care system had limited capabilities in providing diabetes care for its citizens due to lack in training and patient education. Contrary to traditional pharmaceutical business logic, where a company serves the wealthy part of the world's population and then donate varied quantities of medicine to developing countries in order to keep up appearances, Novo Nordisk invested in community programs in order to prevent diabetes. For a company that makes money from selling diabetes treatments, this approach could seem counterintuitive. However, Novo Nordisk's early engagement in China has resulted in a market share of 63 per cent of the national insulin market (2012) and sales of 1.13 billion USD.¹²

The strategic commitment to community projects has built trust and strengthened Novo Nordisk's relationship with government agencies. Through 2010, Novo Nordisk had partnered with Ministry of Health and the World Diabetes foundation in six projects, which have addressed some of the health related challenges China's growing population is facing. These public-private initiatives were largely focused on diabetes prevention, but also included developing diabetes guidelines, training and health system integration.¹³

The projects have facilitated over 220 000 physician training sessions. A

⁸ Telephone interview with Britta Wickberg, Scania, Head of Competence Development at Scania, 09/10/13. Also, more information here: "Scania börjar i förskolan", <http://www.nyteknik.se/nyheter/karriarartiklar/article3387446.ece>, (Date accessed 09/05/13).

⁹ "Novo Nordisk Tops International Sustainability Ranking", <http://designtoimprovelife.dk/novo-nordisk/>, (Date accessed 09/05/13).

¹⁰ Novo Nordisk, http://www.novonordisk.com/about_us/default.asp, (Date accessed 09/05/13).

¹¹ "Diabetes epidemic grows in China", http://www.nytimes.com/2013/09/10/health/diabetes-epidemic-grows-in-china.html?_r=0, (Date accessed 09/15/13).

¹² "Special Report –Novo Nordisk", <http://www.fiercepharma.com/special-reports/novo-nordisk-top-10-drugmakers-emerging-markets>, (Date accessed 10/10/13).

¹³ Novo Nordisk, <http://www.novonordisk.com/sustainability/How-we-manage/blueprints/Changing-diabetes-in-China.asp>, (Date accessed 09/05/13).

buss worked as a mobile exhibition space, open to doctors, nurses and individuals alike gave patients an opportunity to learn how to optimally use medicines. Those in the risk zone of developing diabetes received advice on lifestyle changes and diabetes prevention. Apart from these direct educational measures, a NovoCare telephone hotline was also established. Here, diabetics could communicate with and receive support from trained specialists. Furthermore, Novo Nordisk also have production and a biopharmaceutical R&D center in China.¹⁴

Through collaborating with the World Diabetes Foundation as well as local and national government agencies, Novo Nordisk has both gained a leading market position and strong financial results, while contributing to the development of the Chinese healthcare system.

3. Gains from the tri-sector leadership approach

The benefits of working with a tri-sector approach are manifold. The issues discussed in the case studies above -declining interest in technology/engineering and the fast growing diabetes epidemic in developing countries- are both examples of complex problems that have no clear or simple solutions. However, through partnering with players outside their own sector, Scania and Novo Nordisk have been able to take a holistic approach to these problems, resulting in both long- and short-term gains.

Working across sectors makes it possible to leverage each sector's strengths. The private sector's built-in mechanism for improvement -the search for profit and efficient allocation of resources – is its main strength compared to the public and social sectors. The public sector is marked by stability and reliability and allows it to be able to undertake long term projects, escaping the chase for positive quarterly results. The public sector is also successful in anchoring and creating legitimacy. Not-for-profits are often smaller organizations where the process can sometimes be more important than the result. They are freer to innovate and can be more agile than governmental organizations while escaping the pressure of quarterly results reporting. As each sector has its own distinct characteristics and drivers, cherry-picking among their strengths allows the joint forces of the three sectors to outperform a unilateral approach.

Not only is reaching across sectors a way to find sustainable solutions; it is also an opportunity to innovate and identify new opportunities. By bringing together different perspectives and experiences, new combinations of old concepts and ideas can generate creative ways of doing business that would never have occurred if a company limited itself to its own comfort zone of established practices. Like-mindedness never induced a revolution.

This approach lies closely to management guru Peter Drucker's old quote "Every single global issue and social issue of our day is a business opportunity in disguise".¹⁵ If companies can involve their innovation strength in these complex issues while drawing on the strengths of the other sectors, you can be both

¹⁴ *ibid.*

¹⁵ "Opportunity in disguise", <http://thedx.druckerinstitute.com/2011/01/opportunity-in-disguise/> (Date accessed 09/30/13).

profitable and do good. Working across sectors increase a business' understanding of society as whole and this can be used to generate new deals.

Bringing other players into the mix can also work as a governance check to see if the company is in tune with society. Movements such as Occupy Wall Street have revealed the declining trust in traditional business practices after the financial crisis. Banks are viewed with an increased skepticism, making it clear that the industry is out of touch with its clients. By cooperating with other sectors, in which trends can manifest themselves more clearly, a company can connect better to macro and micro trends in society. The tri-sector approach works as a "reality check" for the company and its practices.

In the long run, this can also ensure something as basic as a market to operate in. If the belief and trust from the public is non-existent, then customers may choose not to take part in a specific industries' products or services. In the case of the financial market, this would have dire repercussions on the entire global economy.

By another extension of this reasoning, companies can also mitigate risks. In the introductory section, I mentioned water, human capital and other inputs on which companies' success depend upon. Companies need to address these issues in a proactive matter in order to reduce risks. Seeing the complexity of these issues, this has to be done by collaborating across sectors. So the only way to mitigate these risks in a sustainable way is to adopt the tri-sector approach.

Scania's work to increase interest in engineering among today's youth is an investment made with a 20-year horizon. But already today, it has reaped rewards as increased goodwill from employees. Scania's tri-sector approach has had positive effects in their work to increase their attractiveness as an employer. Creating involvement and meaning among company employees is a key factor in attracting and retaining talent.

Lastly, if a company shows its serious commitment to innovative and sustainable solutions, this will have positive effects on the company's brand, generating public good will and hopefully more loyal clients and customers.

The goal of tri-sector leadership from a company perspective is to create public value that also benefits the company's bottom line. Companies cannot thrive in unsustainable societies. For all the reasons listed in the section above, a tri-sector leadership approach increases a company's competitiveness. The tri-sector leadership approach is not only necessary to mitigate risk and ensure the sustainability of a firm's business, but also has a positive impact on the company's brand.

4. Making it happen – Tri-sector Leaders

Albeit a growing awareness that across sector collaboration has to be achieved, many companies struggle when trying to establish these practices. Different norms, motivations, etc. hinder collaboration. This is where the tri-sector athletes come in. A tri-sector athlete is a leader who enable these collaborations by "interpreting" across sectors, and who can engage and work towards aligning the different sector's incentives.

In a study carried out by the InterSector Project, founded in 2012, over 100 tri-sector leaders were interviewed. Through these interviews they were

able to determine six common characteristics that make tri-sector athletes stand out from the crowd.¹⁶

1. Balancing Competing Motives

The researchers from the InterSector Project found that the main motivational driver for tri-sector athletes is to create “public value”, which could be seen as society’s equivalent of shareholder value. Public value is by no means at odds with shareholder value, but reaches far beyond the boardroom and into the everyday lives of people. Tri-sector athletes aim at creating public value, no matter in what sector they are working and manage to balance idealism and pragmatism.

Influence, social impact and being able to provide for their family are all drivers for tri-sector athletes, but they are pragmatic in their approach to realize these. The desire to wield influence is often connected to government, social impact to nonprofits and generating wealth to working in the private sectors. A tri-sector athlete is aware of the trade-offs made when choosing sector, but is able to balance these by switching across sectors.

2. Acquiring Transferable Skills

Some skills are valued highly across all sectors. Analytical skills, strategic planning and stakeholder management are some of these. Others include negotiation skills, (often acquired through working in government), allocating resources (business) and creative problem solutions (nonprofit).

As the tri-sector athlete moves across sectors, he or she gains valuable tools and skills that they are able to apply in new areas in sometime unexpected ways. This is facilitated if an individual can see similarities in what may at first appear to be disparate settings.

3. Developing Contextual Intelligence

By working in different sectors the tri-sector leader develops an understanding of the differences between the sectors and why these differences exist. As discussed in the next section of the report, business, government and social spheres all have different cultures. Each sector has its own set of values, norms and drives. Being able to navigate through these differences and leverage the different strengths in each sector qualifies someone as a tri-sector athlete. The athlete takes on a role as an interpreter who can relay information and “translate” between sectors.

For example, time horizons differ between sectors. In government, where many processes are carried out with a long-term perspective, doing something “fast” may mean that you complete it within a year. In business, the norm of “fast” is rather a question of a couple of months. A tri-sector leader is aware of the diverging interpretations and can work around them. However, to be a successful “interpreter” one must also be aware of and use the parallels between sectors to create a mutual understanding.

¹⁶ “Triple-strength leadership”, Nick Lovegrove, Matthew Thomas. Harvard Business Review, Boston, MA, USA. September issue 2013, pp 46-56.

A tri-sector leader can also - through his or her contextual intelligence- appreciate and understand what each sector can bring to the table when addressing a certain issue. This will make the initial stage of collaboration easier.

4. Forging an Intellectual Thread

A tri-sector athlete often specializes within one area and can then form a holistic understanding of the issue by exploring the sector-specific views and approach to the issue at hand. This implies a deeper understanding of the issue's underlying principles, and so the tri-sector athlete can potentially overcome some of the constraints that a single sector leader would run into when addressing a cross-sector issue.

It is the individual's drive and thirst for knowledge that allow them to pursue an intellectual thread, which also creates a foundation for credibility among peers and collaborators alike. A tri-sector athlete needs to have established trust and respect in relation to the collaborators in order to leverage the different sectors' strengths and build lasting partnerships.

5. Building Integrated Networks

Networks are crucial when working across sectors, not only in establishing new collaborative partnerships, but also career-wise. As each sector suffers from recruitment myopia and largely only recruit candidates from their respective sector, aspiring tri-sector athletes will have an advantage if they have networks stretching across sectors.

In the study by the InterSector Project, a majority of the interviewees had been recruited to their present positions through contacts with a friend, colleague or mentor. One interviewee talks of a "structured serendipity". A tri-sector leader can herself recruit across sectors to create tri-sector teams within the company, thereby expanding the span of the network even further.

The tri-sector networks also become increasingly important when working in day-to-day operations and maybe even more so when the company encounters a problem or suffers from a crisis.

6. Maintaining a Prepared Mind

The authors of the study exemplify this characteristic with a quote from the French scientist Pasteur: "In the fields of observation, chance favors only the prepared mind". Few of the current tri-sector leaders had set out to become one. Instead they had ended up gathering experience and becoming tri-sector athletes by chance.

The ability to see opportunities and grab them is closely connected to the same sort of flexibility and pragmatism needed when balancing competing motives. It also means that the tri-sector athlete has to be prepared to take unconventional routes and to deal with the disapprobation from peers that sometimes follow these decisions. Joining a corporation after working in NGOs or government, where the aversion towards the private sector often can be quite strong, can provoke strong reactions and distrust.

In practice, being able to grab the opportunities that come along could also have economical consequences. Switching from the private sector may be associated with a decrease in income. To be able to make the transition, one must be financially prepared to handle a decrease in income. The significance of

this problem does not have to be as important in a Swedish context as the salary gap is not as wide as in the US. Also, the welfare system in Sweden covers a lot of the expenses that have to be paid by the private citizen in the US. This indicates that a tri-sector career should be relatively easier to realize in Sweden.

In conclusion, a tri-sector athlete has a broad repertoire of skills. However, just because a person has worked within the different sectors does not mean that he or she is a tri-sector athlete. Similarly, a tri-sector leader does not necessarily have to have direct experience in all sectors. As mentioned above, a tri-sector athlete needs to have a sense of mission and a will to create public good. By staying true to that sense of mission, a tri-sector athlete can develop a strong, holistic expertise regarding a certain issue.

There are both early and late bloomers among athletes. Famous examples of “late bloomers” are Bill Gates, who after leaving Microsoft dedicated himself to his own nonprofit Bill and Melinda Gates Foundation, and Mike Bloomberg, New York’s billionaire mayor who built a Bloomberg L.P. before entering politics. Examples of “early bloomers” in Sweden include ex-McKinsey consultant and former director-general of SOS Barnbyar, Anna Ryott, currently CEO of the government owned Swedfund, and Alice Bah Kuhnke, who has served as the head of several non-profits, worked for a number of private companies and now serves as director-general of the Swedish National Board of Youth Affairs (Ungdomsstyrelsen).

Some of the characteristics listed above are personal traits and can be difficult to develop through training. Having a prepared mind, a strong sense of mission and a pragmatic approach on how to generate public good are examples of this. However, individuals can actually be trained in the other four areas. An employer can play an active role in supporting these athletes in developing integrated networks and contextual intelligence. How companies can implement this will be explored in more detail in the next section.

5. How to create tri-sector leaders

Tri-sector athletes will not just emerge out of the blue. They will have to be developed, trained and nurtured. I have identified three means by which companies can work strategically to ensure that they have the right competence in order to establish tri-sector partnerships: Recruitment, on the job training and proactively influencing business education.

Recruitment

To recruit tri-sector athletes is the most direct approach to secure tri-sector competence. By breaking the recruiting bias and enlarging the recruitment pool, companies can quickly acquire expertise and experience from other sectors. Also, by screening candidates for personal characteristics such as pragmatism, sense of mission and flexibility, companies can ensure that all of their employees are potential tri-sector athletes although they lack formal experience from different sectors.

However, although this approach is easy in theory, there are practical difficulties when carried out in practice. Several barriers still remain when trying to recruit across sectors. The cultural differences between sectors, which tri-sector leadership aims to overcome, constitute a major challenge. This manifests

itself through suspicion and disbelief towards those who work in other sectors. There are strong prejudices towards each sector. Corporations are often perceived as cold, number crunching machines that only care about maximizing profit. Government is perceived as slow and inflexible while nonprofits are seen as inefficient and “dopey”. These prejudices prevent both companies from recruiting and individuals from moving across sectors.

When recruiting to the private sector from the nonprofit and governmental agencies, business will have to show that the sense of meaning and purpose that the individuals enjoy in these sectors can be present also in the private sector. The general conception that either you work for a corporation or you work for a good cause and the two cannot be combined is very strong. In order to convince individuals to join private companies, they will have to be shown that the impact while working for a business can be just as important as in the social and governmental spheres.

Prejudices will have to be overcome by both employers and potential athletes in order to break the recruitment bias. One of doing this may be to actively train employees in tri-sector leadership in order to promote a better understanding of each sector.

Internal Training

If recruiting fails, it is also possible to develop some of the more practical characteristics through on the job training. Possible programs include “exchanges” through job placements. This has been carried out by UPS, in which a senior manager took up a position in the Department of Homeland Security to set up its distribution system. This was part of the “Loaned Executive Program”, in which subject-matter experts are given the opportunity to work at the department for a limited period.¹⁷ The job placement also benefitted UPS, who gained valuable insight into how UPS can relate their business model to national security.

Companies can also encourage tri-sector networks by organizing events around strategic issues with participants from all three sectors. This can also be a way to exchange experiences and views on these issues. A budding tri-sector athlete may be encouraged to find a mentor in a nonprofit organization. Leadership programs for employees can favorably be carried out with leaders from other sectors. Through this forum, the company management can gain insights regarding both common and unique challenges in different sectors while building an appreciation for the workings of other organizations.

In the US, the government funded program Presidential Innovation Fellows teams up innovative talents from the private sector, nonprofits and academia with innovators in government to “collaborate during focused 6-13 month ‘tours of duty’ to develop solutions that can save lives, save taxpayer money, and fuel job creation.”¹⁸ Similar programs could be developed within large companies to address different challenges business areas or functions are facing.

¹⁷ “Triple-strength leadership”, Nick Lovegrove, Matthew Thomas. Harvard Business Review, Boston, MA, USA. September issue 2013, pp 46-56.

¹⁸ White House, <http://www.whitehouse.gov/innovationfellows>, (Date accessed 09/15/13).

Finally, tri-sector competence can be developed by directly engaging with other sectors and launching public-private partnerships. This entails more risks and could be seen as a “trial and error”-approach to developing tri-sector athlete skills by forcing employees to cooperate and through this gain a better understanding of the different sectors and their characteristics.

Reforming Education

The majority of companies’ graduate recruits come directly from business school, in which courses strongly emphasize the private sector perspective. Few considerations are taken regarding other sectors’ workings and structures. The narrow range of today’s business education will be a disservice to the business sector in the long run. Therefore it is important for employers to communicate the importance for business schools to widen their focus and encourage knowledge that will facilitate cross-sector collaboration in the future.

When studying management one can bring in a wider scope of organizations and issues rather than just focusing on the private sector. Business schools need to encourage the development of tri-sector intelligence and teaching transferrable skills that can be applied across sectors and organizations.

Another way to promote development of tri-sector intelligence is to establish cross-sectorial platforms where students from different programs and disciplines can meet and discuss common concerns. The earlier these platforms are formed, the better. By contrasting the business sector against the other sectors, one gains a deeper understanding of what sets the business sphere apart.

Singapore School of Management is paving the way with their new master’s degree in Tri-Sector Collaboration. Modules include “Global Trends”, “How the three sectors think” and “The Role of Public Policy in Private Sector Development”. The goal of the postgraduate program is to train “leaders able to flourish in a complex, tri-sector world” and “enable students to master a toolkit of innovative skills for tackling global challenges together”.¹⁹

In short, there are many ways of developing tri-sector competence. By doing so, companies can create and grab new opportunities which otherwise would have passed them by. Although the potential impact of tri-sector athletes is significant, it is also important to critically examine the concept.

6. A critical view on tri-sector leadership

In modern management literature –and in society over all- we stress the importance of leaders. Companies, parties and countries put their hopes in individuals to bring about change. The rotation of CEOs has increased and equity holders show less patience towards trailing results.²⁰ Leadership is glorified and the likes of Steve Jobs and Barack Obama are next to worshipped. But how much can a single leader influence?

¹⁹ Singapore School of Management, <http://www.smu.edu.sg/programmes/postgraduate/master-tri-sector-collaboration>, (Date accessed 09/30/13).

²⁰ <http://usatoday30.usatoday.com/money/companies/management/story/2012-05-14/ceo-firings/54964476/1>, (Date accessed 09/30/13).

This report has emphasized the importance of the individual- the tri-sector athlete. However, leadership, management and organization development are inseparable.²¹ One of the reasons why Novo Nordisk has been successful is that the company values are spread through the entire organization and not just in the C-suites.

Although you have strong and talented tri-sector athletes you need an organizational culture which also supports the tri-sector approach. You cannot dissociate leadership and organization. If the rest of the organization is not open to strategic changes and reaching beyond the comfort zone of its own domain then there will be no real change. The tri-sector athletes will play an important role as they enable these collaborations and create space for creating sustainable solutions, but the companies have to be ready for them.

On a different note, looking beyond the western world to countries such as Singapore and China, the state has played an active role in supporting private enterprises, forming some sort of hybrid state-capitalism. Leaders in these countries have more experience in cooperating across sectors and are therefore better prepared for forming strategic tri-sector alliances to solve today's challenges. However, the close links between government and private companies can also be problematic. Corruption and what some refer to as "institutional confusion" are possible drawbacks of too close ties between the private and public sector.

7. Conclusion

By adopting a tri-sector leadership approach managers will have to broaden their view and adopt a more holistic viewpoint to stay competitive. Changing perspective will be a challenging and time consuming process, but vital for the survival of the company. Benefits can be seen in both the long and the short-term: an increased competitiveness as well as gains in public trust and stronger brand.

By acquiring tri-sector competence, companies can enable collaboration across sectors by overcoming the cultural differences between businesses, NGOs and government. The success in bringing about these tri-sector athletes and developing an organization that supports this strategy will determine the success of the cross-sector partnerships and the long-term success of the company. Recruiting, training and nurturing leaders with relevant skill sets through programs and education become a crucial part of any strategy designed to counter threats to the company's value chain. However, placing too much emphasis on individual leaders may be counteractive if the rest of the organization is not open for adopting a tri-sector mindset.

²¹ Bolden, Gosling, Hawkins & Taylor (2011) p. 100.

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