

The Pause Scholarship Foundation



Attitudes to Sustainability Among Young Global Leaders

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Executive Summary

This study has been carried out on behalf of the Pause Scholarship Foundation to investigate young global leaders' attitudes towards corporate sustainability. It was conducted in 2016 during the international leadership program Global Village, organized by Iacocca Institute at Lehigh University. 52 out of 89 participants aged 18-39, from 43 different countries, responded to a survey about their view on sustainability in regards to employer attractiveness and recruitment. The study revolves four main research questions:

1. Does it matter if companies have sustainability incorporated in their business strategy?
2. Which area within corporate sustainability is most important?
3. Which are the most important factors when considering a potential employer?
4. Does experience in and knowledge about sustainability matter when being recruited for a managerial position?

The results show that corporate sustainability is considered important, particularly among women and those working in large companies and organizations. Employee well-being is regarded as the most important area. However, when seeking employment, sustainability has not become a determinant factor that can compete with criteria such as salary and opportunity for advancement. Knowledge about sustainability is perceived as a complement, but not a replacement for other prerequisites such as personal development and leadership skills, relevant skills, and relevant work experience. However, the majority believes that competence in the field of sustainability will become more important in the future.

As young global leaders find corporate sustainability important and universities include sustainability in the curriculum to a higher extent, companies can facilitate a value alignment by incorporating competence in sustainability as a merit for evaluating candidates. This might increase the willingness and need to acquire such competence among young global leaders, which will contribute to the work of securing the future of this world. Moreover, as previous education in sustainability seems to be a good indication of personal values, companies will have teams that will naturally steer towards long-term and sustainable decisions for the company and society as a whole.

1. Background

Sustainability has become increasingly important in today's society. Managers have to take responsible decisions and remain legitimate in the environment in which they exist, otherwise negative publicity can affect organizations' trustworthiness and endanger their long-term survival. Therefore, this study seeks to investigate how the leaders of tomorrow view sustainability. It was carried out on 89 participants from 43 countries at the leadership program Global Village, arranged by the Iacocca Institute at Lehigh University in Pennsylvania, USA. A survey was answered by 52 individuals, of which 54% were female, 44% male and 2% other. The average age was 24 years old. 42% of the respondents were from Europe, followed by 29% from Asia, 12% from South America, 10% from North America and 8% from Africa.

Research aim: Global mapping of young global leaders' view and attitude towards corporate sustainability, in regards to both employer attractiveness and recruitment.

Practical implication: Encourage companies to discuss and revise their work on corporate sustainability in order to meet the younger generation's demands and consequently to attract, recruit and retain talent.

Definitions: Sustainability is defined as being able to meet the needs of the present without compromising the ability of future generations to meet their own needs¹. More specifically, corporate sustainability involves how companies and organizations look beyond profits to also manage social and environmental risks, obligations and opportunities².

Limitations: This study was carried out on a small sample and cannot be fully generalized. Also, geographical regions and field or industry were not represented equally, making it hard to make comparisons and evidenced conclusions related to such considerations. Nonetheless, this study serves as an indication and fosters the global discussion on sustainability and recruitment.

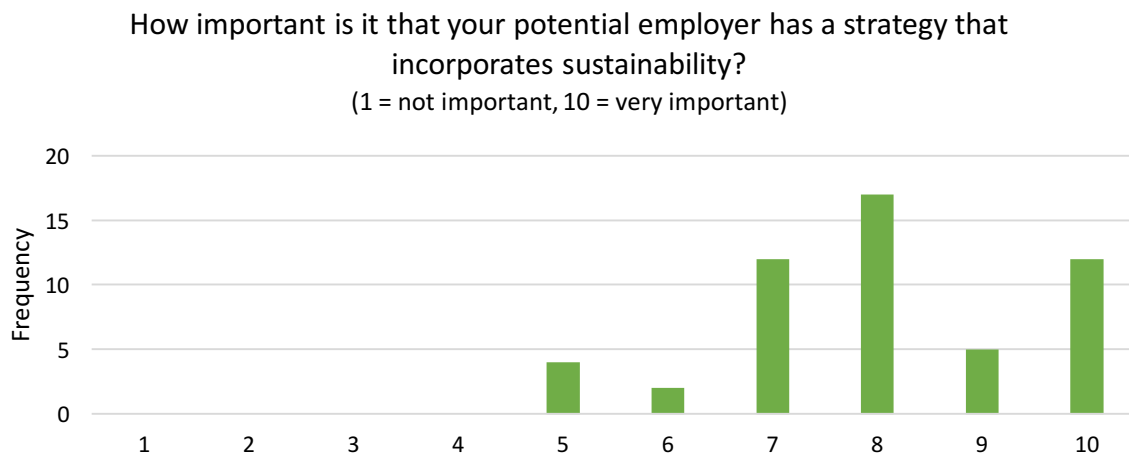
¹ UN Report of the World Commission on Environment and Development: Our Common Future, 1987

² Financial Times Lexicon

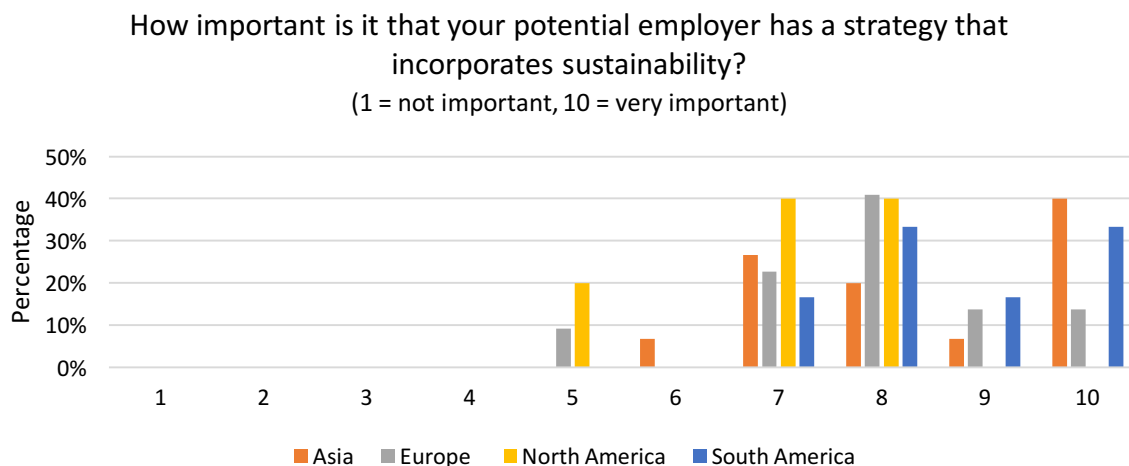
2. Breakdown of Survey Results

2.1 The Importance of Having a Strategy That Incorporates Sustainability

When answering the question “How important is it that your potential employer has a strategy that incorporates sustainability?” (1 = not important, 10 = very important), all respondents scored a 5 or more, which indicates that they all perceive this as important. The average score was 8.



Looking at the different regions, the data does not foretell any particular pattern besides that the South Americans have scored between 7-10, while the rest have scored between 5-9 or 5-10. North Americans scored 5-8.



Those working for large private companies with more than 250 employees gave the highest score on average (8.83), while those working for small private companies with less than 50 employees scored 7.44 on average. Along with those working in large private companies, those being students/unemployed, occupied within education/academia and working in the public sector also ranked above the overall average score of 8. Those working in a family business, occupied with an apprenticeship, working in a non-profit organization and in a private sector company with less than 50 employees ranked below average.

How important is it that your potential employer has a strategy that incorporates sustainability?

(1 = not important, 10 = very important)

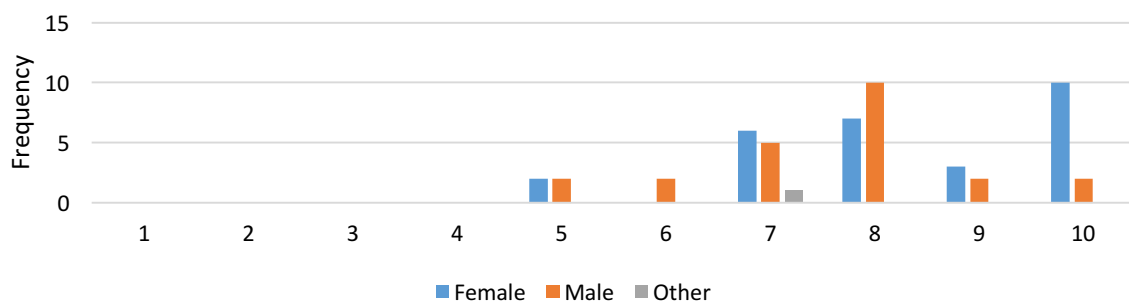
Frequency by field and industry

Score	Apprentice	Education/ academia	Family business	Finance	Student/ unempl.	Non- profit	Private sector <50 employees	Private sector >250 employees	Public sector	Entrepreneur
1										
2										
3										
4										
5	1		1		1	1				
6					1		1			
7			1		3		4		1	3
8		3		1	4		3	3	2	1
9		1			1		1	1		1
10		1	1		6			2	1	1
Count	1	5	3	1	16	1	9	6	4	6
Avg. score	5.0	8.6	7.3	8.0	8.3	5.0	7.4	8.8	8.3	8.0

Average score for female respondents was 8.4 and 7.2 for men. The median score was the same for both women and men (8), while women had the highest frequency of scoring a 10, done by 10 out of 12 respondents.

How important is it that your potential employer has a strategy that incorporates sustainability?

(1 = not important, 10 = very important)



The respondents who found it most important with a company strategy that incorporates sustainability (score 9 or 10) were from Europe, Asia and South America. 41% of those have taken a course in sustainability, which is higher than the total sample of which 33% have engaged in such a course.

Conclusion

Having a strategy that incorporates sustainability matters to all respondents when considering a potential employer, regardless of which region they come from. Particularly, the data foretells that women values this incorporation of sustainability to an even higher extent than men.

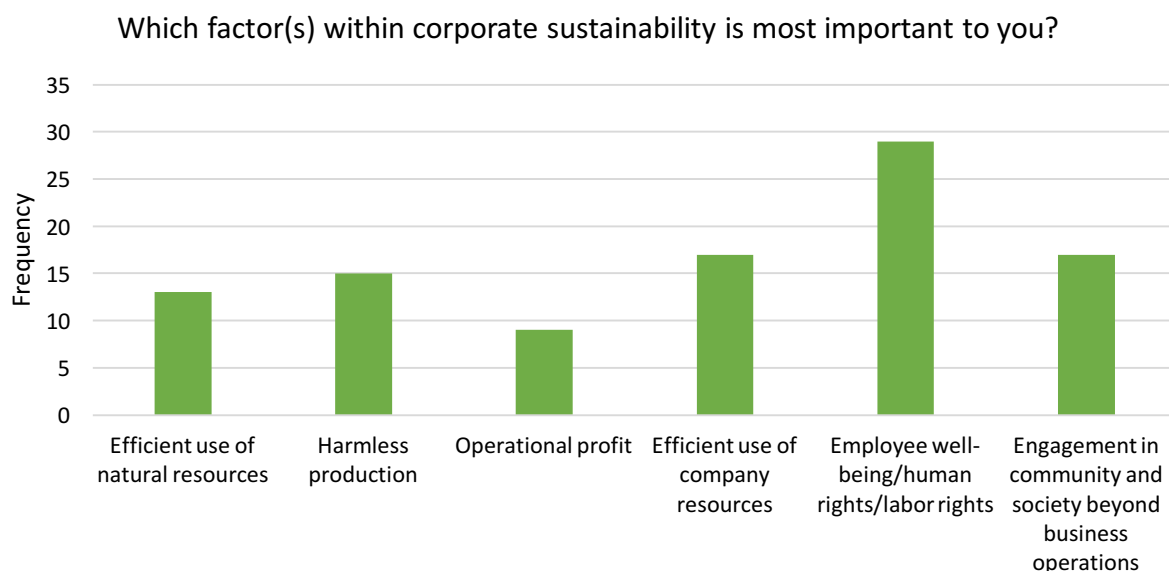
In terms of occupation, the respondents working for large private companies considered it particularly important compared to respondents with other occupations. Those working for small organizations did not consider a sustainable strategy as important, indicating that the size of the organization matters. This is interesting because one might think that employees in small organizations would have more power to influence or change the company strategy. On the other hand, both unplanned and planned actions can be argued to have greater impact on society when made by large companies, education/academia, and the public sector. Those respondents working in this type of setting might have insights on either the potential to do more or problems that arise when sustainability is not incorporated in such a company or organization.

2.2 Most Important Areas Within Corporate Sustainability

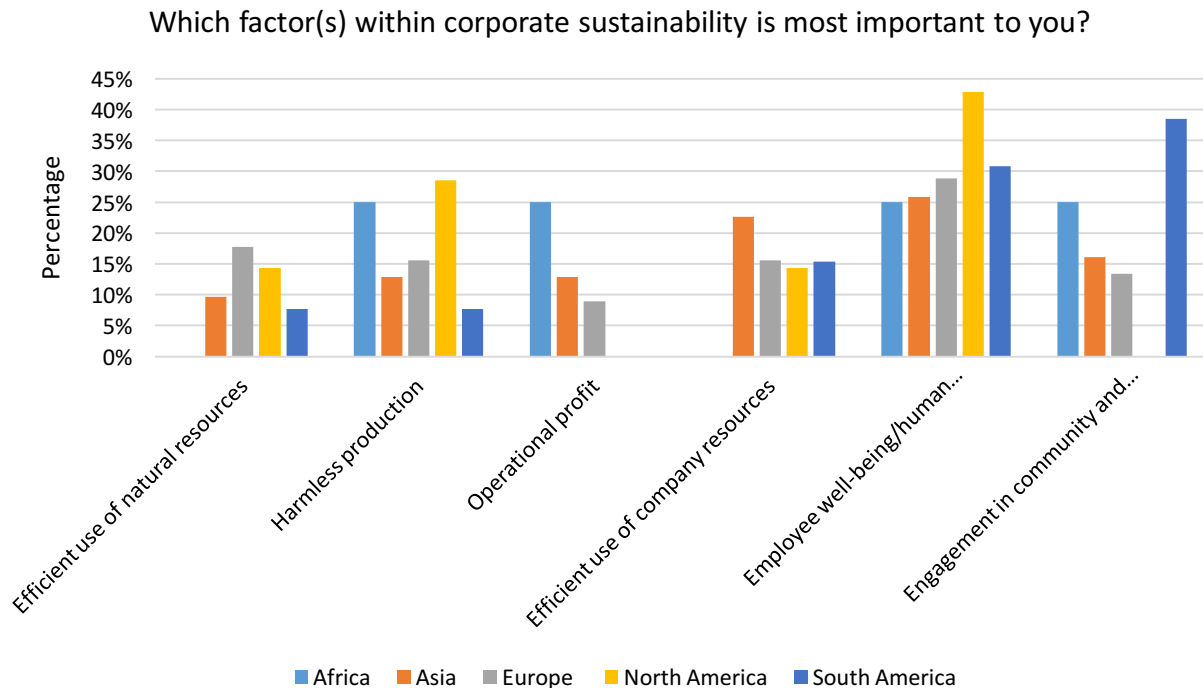
In terms of subareas of corporate sustainability, the respondents were enquired to answer the question: “Which factor(s) within corporate sustainability is most important to you?”. The following combination was most frequently selected:

- Efficient use of company resources
- Employee well-being/human rights/labor rights
- Engagement in community and society beyond business operations

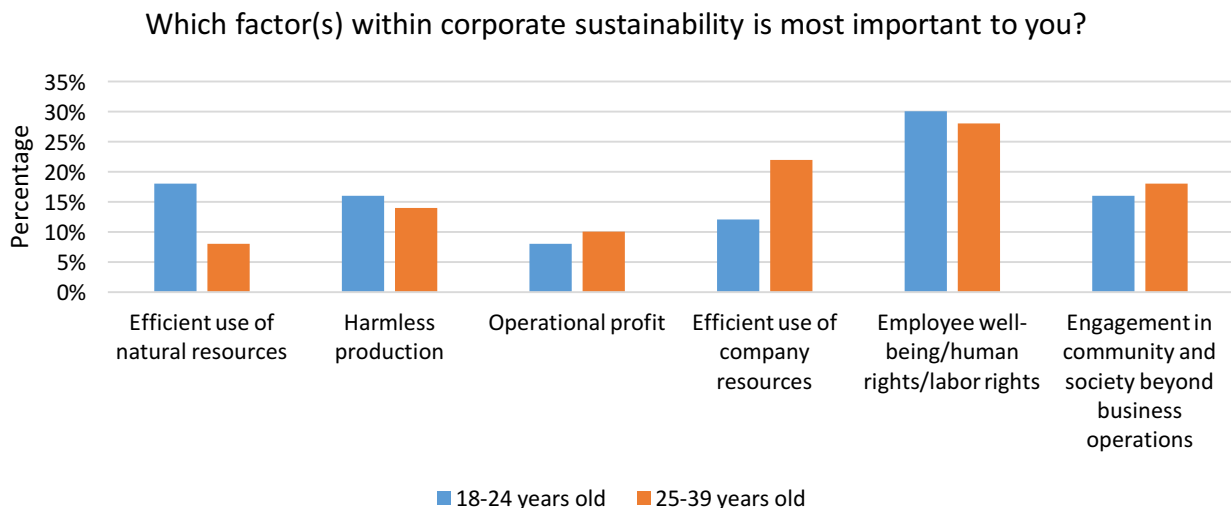
Moreover, the most frequent individual factor was “Employee well-being/human rights/labor rights”, occurring 56% of the time.



Dividing the respondents based on region, the data does not show any particular difference. Still, “Employee well-being/human rights/labor rights” is seen as the most important factor.

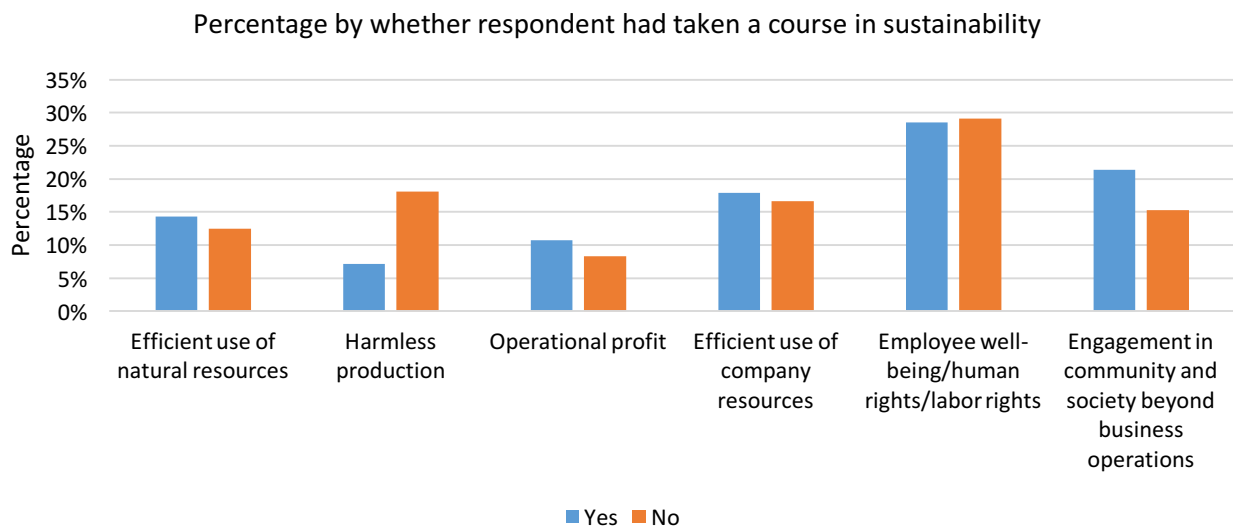


Dividing the respondents based on age, “Employee well-being/human rights/labor rights” is still considered the most important factor. This answer occurred somewhat more frequently among the younger age group (aged 18-24), but the largest difference could be seen in the factor “Efficient use of natural resources” (18% compared to 8%).



Reviewing whether respondents have taken a course in sustainability or similar subject as part of the education, the results foretell that “Employee well-being/human rights/labor rights” is once again considered the most important factor, along with “Engagement in community and society beyond business operations”. The biggest difference between respondents who had taken a course or not, can be seen in “Harmless production”, which occurred more frequently among those who had not taken a course in sustainability.

Which factor(s) within corporate sustainability is most important to you?



Conclusion

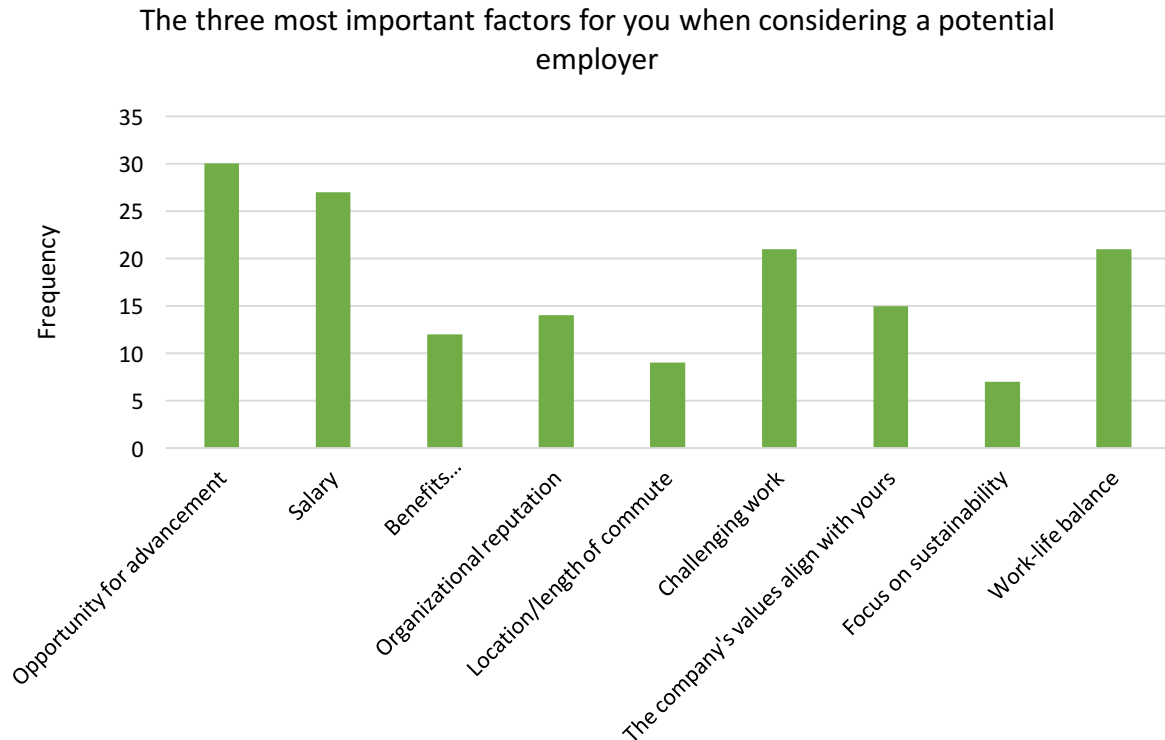
The most important aspect of corporate sustainability turned out to be “Employee well-being/human rights/labor rights” in combination with “Efficient use of company resources” and “Engagement in community and society beyond business operations”. “Employee well-being/human rights/labor rights” was most prominent among the younger age-group (aged 18-24). Moreover, the younger age group seems to value “Efficient use of natural resources” to a higher extent than the older group.

The most notable difference between respondents with and without previous education in sustainability was that “Harmless production” occurred more frequently among those without such an education. The reason is debatable, but might be that sustainability courses widen the students’ definition of corporate sustainability to recognize that it also includes the social aspect.

Reviewing how “Employee well-being/human rights/labor rights” is incorporated in the company’s strategy and business operation might become crucial in the future. Along with the fact that universities are increasingly incorporating sustainability in the education, it becomes even more important for companies to consider how this parameter is handled. Since the younger age group is the future labor force, an understanding and adaptation of their values and demands are important considerations for the future.

2.3 Sustainability and Employer Attractiveness

When the respondents were to consider the three most important factors when choosing a potential employer, “Opportunity for advancement” and “Salary” occurred as the most frequent factors, appearing 58% and 52% times respectively.



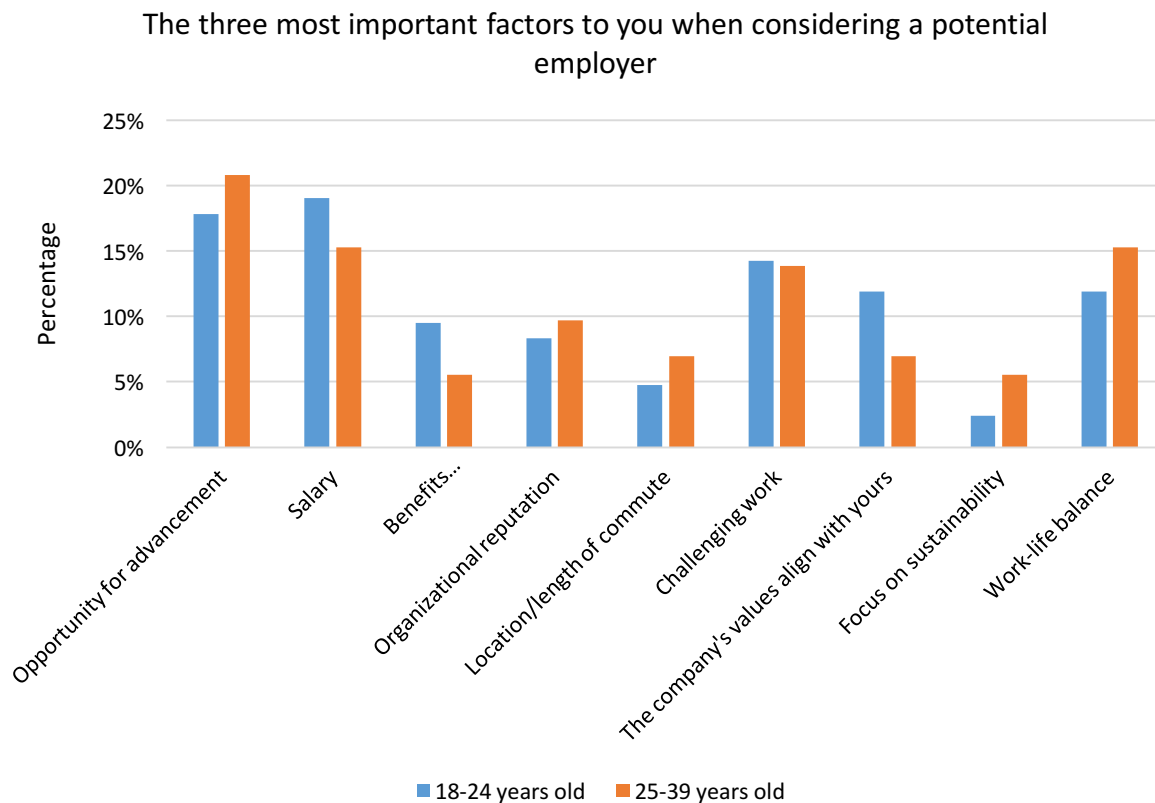
Looking at the results based on region, it shows that “Work-life balance” and “Benefits” occurred at a higher relative frequency among North Americans than among the other regions. Among the Europeans, “Challenging work” appeared with a higher relative frequency than “Salary”.

The three most important factors for you when considering a potential employer

Percentage within each geographical region
(the two most important factors in each region is highlighted)

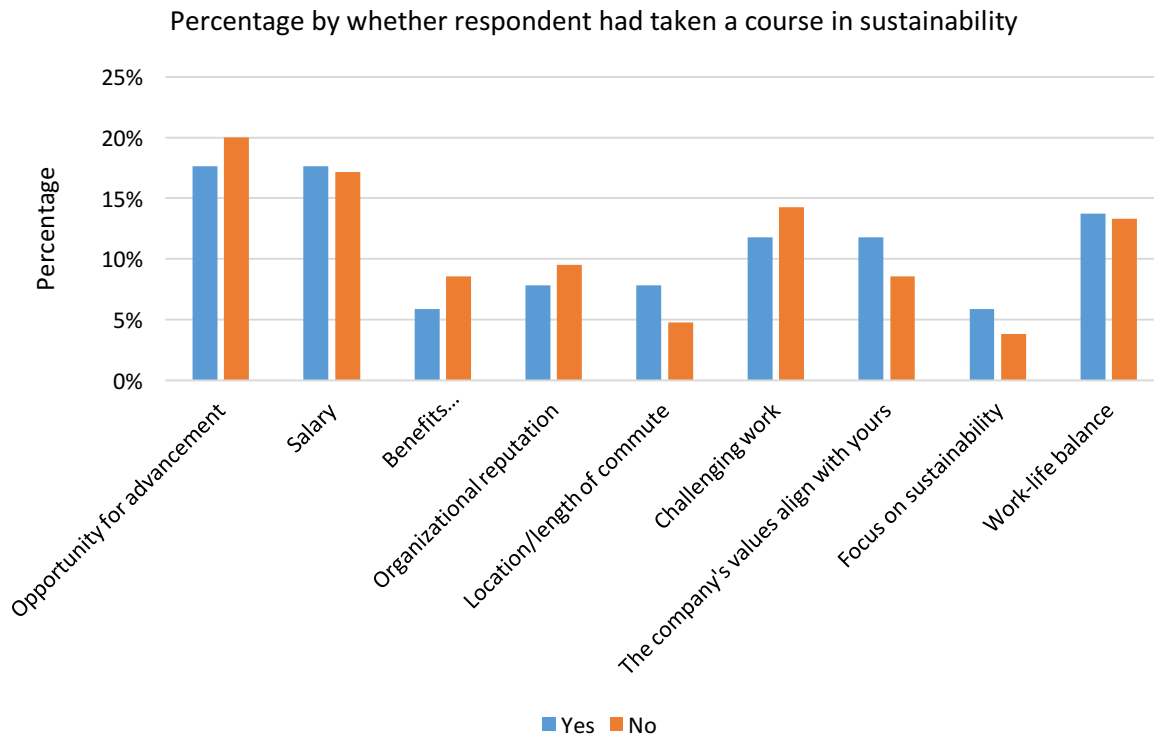
Region	Opportunity for advancement	Salary	Benefits: vacation, healthcare, pension	Organizational reputation	Location, length of commute	Challenging work	Company values align with yours	Focus on sustainability	Work-life balance
Africa	25%	25%	0%	8%	0%	17%	8%	0%	17%
Asia	18%	20%	7%	11%	9%	7%	11%	7%	11%
Europe	20%	14%	6%	8%	6%	20%	11%	3%	14%
North America	13%	20%	20%	13%	7%	0%	7%	0%	20%
South America	22%	17%	11%	6%	0%	17%	6%	11%	11%

Further reviewing the results based on age, it shows that “Salary”, “Benefits (vacation/healthcare/retirement/etc.)” and “The company’s values align with yours” appears more frequently among the younger age group (aged 18-24) compared to the older group.



Lastly, sorting the data based on previous education in sustainability, the results foretell that previous education increases the frequency of “The company’s values align with yours” and “Focus on sustainability”.

The three most important factors to you when considering a potential employer



Further reviewing the 7 out of 52 respondents who picked “Focus on sustainability” as an important factor when considering a potential employer, 6 out of 7 believes that “Experience in/knowledge about sustainability” is an important factor when recruiting someone for a managerial position. 5 out of those 7 respondents had actively acquired “Experience knowledge in sustainability” to increase their employability.

Conclusion

A company’s focus on sustainability is seldom among the three most important factors when considering a potential employer. “Opportunity for advancement” and “Salary” are parameters that are mostly valued in the choice of an employer, and one might consider these as hygiene factors that individuals firstly consider to secure a solid living and working standard. However, sustainability is still chosen by some of the respondents, indicating that it is a factor that companies must consider to be attractive. The respondents who are looking for employers with a sustainability focus also seem to think that their own experience/knowledge within sustainability is attractive for managerial recruitment.

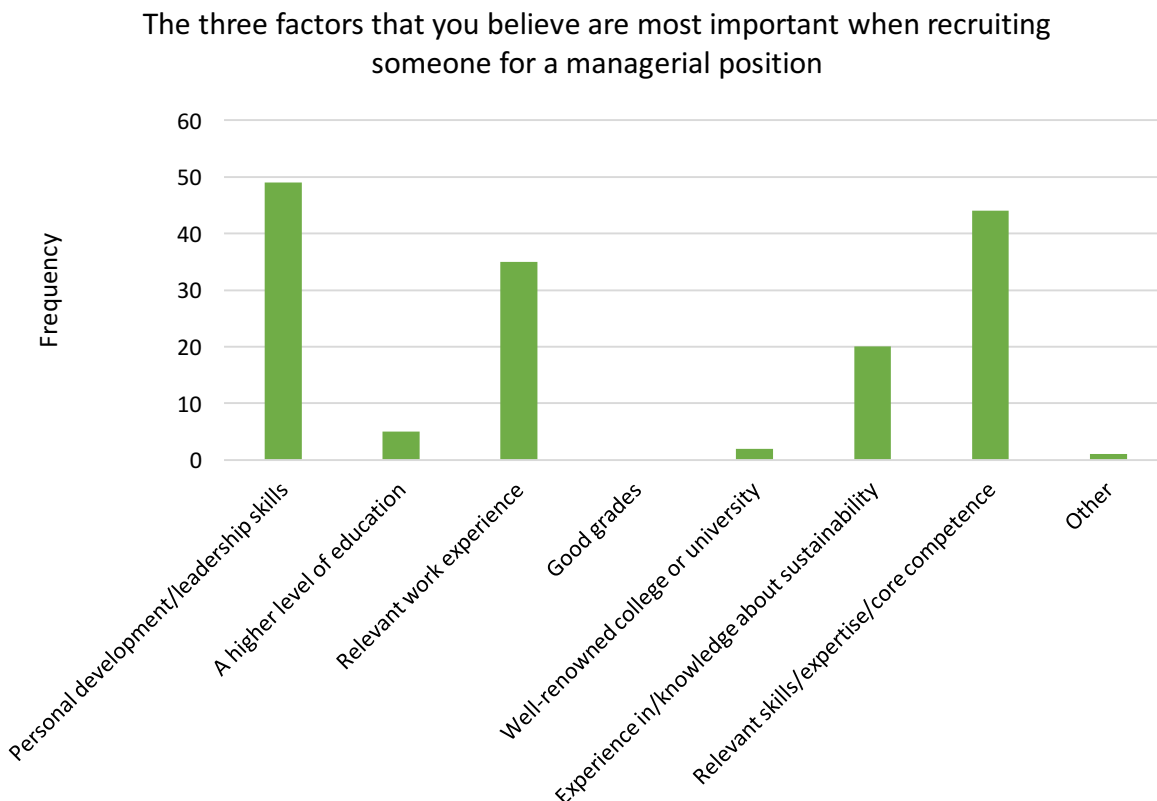
The most notable regional differences were that North Americans tended to choose “Work-life balance” and “Benefits” relatively more frequently, and that Europeans chose “Challenging work” relatively more frequently than other regions. These might be due to different social security systems, in which employers play a bigger role in North America. These results could also indicate that the social environment in Europe is more supportive, thus leading to less focus on tangible rewards and more focus on self-fulfillment.

According to this data, the younger respondents (18-24) tend to value salary, benefits such as vacation, healthcare, retirement etc. and that a company's values are aligned with the personal values, to a higher extent than the older age group. As the younger group tend to find "Employee well-being/human rights/labor rights" particularly important in terms of sustainability, this would imply that companies should make sure that expectations within this area are met.

2.4 Sustainability and Recruitment

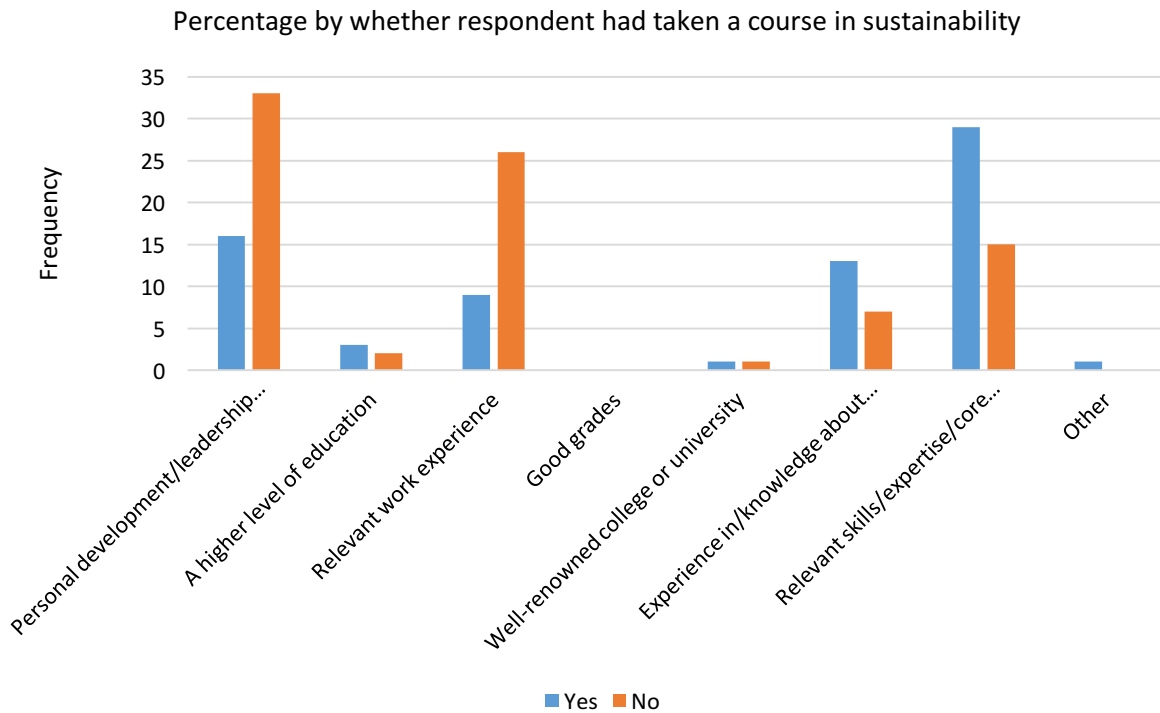
The final research question relates sustainability to recruitment, why the respondents were to consider the three most important factors when recruiting someone for a managerial position. The following three parameters occurred most frequently:

- "Personal development/leadership skills"
- "Relevant skills/expertise/core competence"
- "Relevant work experience"



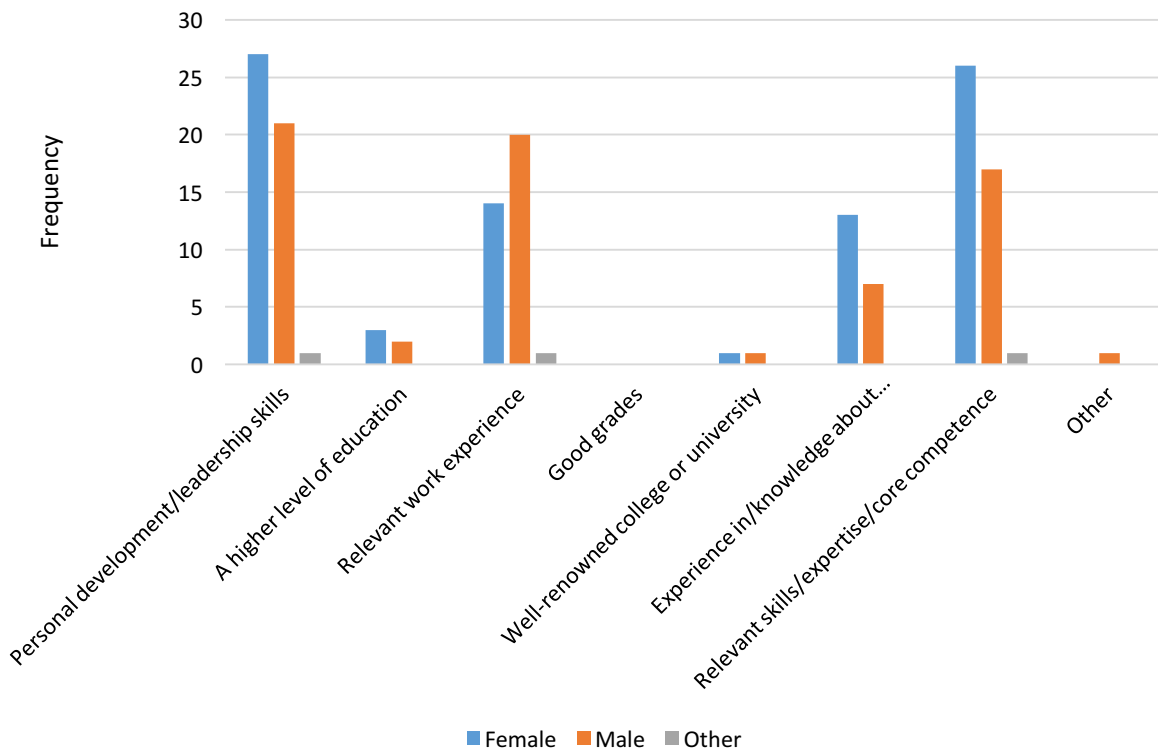
Sorting the data based on whether the person have taken a course in sustainability or not, "Relevant skills/expertise/core competence" and "Experience in/knowledge about sustainability" became even more important.

The three factors that you believe are most important when recruiting someone for a managerial position



Women perceived “Personal development/leadership skills”, “Relevant skills/expertise/core competence” and “Experience in/knowledge about sustainability” more important than men, while men perceived “Relevant work experience” more important than women.

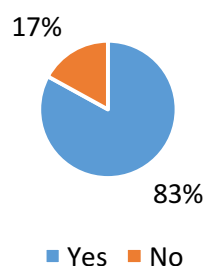
The three factors that you believe are most important when recruiting someone for a managerial position



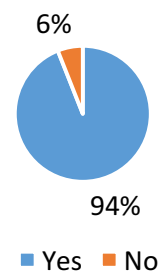
Among those respondents who selected “Experience in/knowledge about sustainability” as an important factor, 62% had actively acquired this kind of experience and knowledge, which is higher than sample average of 42%.

83% believe that the requirements for a managerial position have changed in regards to experience/knowledge in the field of sustainability, and 94% believe that it will become even more important in the future.

Do you think that the requirements for a managerial position have changed in regards to experience/knowledge in the field of sustainability?



Do you think that experience/knowledge in the field of sustainability will become more important for a managerial position in the future?



Conclusion

The results indicate that sustainability competence might be viewed as a complement but not a replacement for other “traditional” competences when recruiting someone for a managerial position. “Personal development/leadership skills” and “Relevant skills/expertise/core competence” and “Relevant work experience” are considered most important. Women considered sustainability competence to be more important than men.

Sustainability competence is perceived as more important for those who have taken a course in sustainability. A majority of the respondents who regarded “Experience in and knowledge about sustainability” as important indicated that they have actively acquired this in order to become more qualified for a managerial position. This result is reasonable and implies that either the persons who have taken such a course have valued this before the course, or that the course transfers knowledge and insights that affects the perception of sustainability and turns it into an even more important consideration.

A majority of the respondents believes that the sustainability requirement has changed and almost all think that it will become even more important in the future. This further implies that companies need to take this into consideration when developing their recruitment strategies and talent management activities.

3. Concluding Remarks

In order for the sustainability parameters to become more important when considering an employer, it must be rooted in the core values and company strategy, and also be reflected in recruitment processes. When sustainability becomes an obvious value, experience and knowledge that employers are actively looking for, it might begin to compete with traditional criteria such as salary and opportunity for advancement. These young global leaders regard sustainability as important, but there are no formal requirements and no real incentives to invest in this area to become more attractive as a candidate.

Moreover, as young global leaders are becoming more educated and more aware of sustainability issues, they might demand more corporate sustainability from future employers to a higher extent than today. In this regard, corporate sustainability might become an even more important pillar in employer branding, both in recruiting and retaining talents. Especially as the results indicate that younger respondents value this to a higher extent than the older respondents. Therefore, human resources, internal structures and recruiters should improve in offering opportunities and support related to sustainability.

Areas in which companies could invest in are employee well-being and labor rights, since this was considered most important by the respondents and particularly by the younger individuals. Compared to environmental issues, the more intangible elements of employee well-being and labor rights might be harder to depict and demonstrate externally. Nevertheless, it is worth investing in, as it would most likely increase the level of employee retention.

Appendix

Countries represented (number of respondents)

Africa (8%)

1. Algeria: 1
2. Cameroon: 1
3. Namibia: 1
4. Nigeria: 1

Asia (29%)

5. Armenia: 1
6. Azerbaijan: 1
7. China: 2
8. Georgia: 1
9. India: 1
10. Indonesia: 1
11. Israel: 2
12. Kyrgyzstan: 1
13. Malaysia: 1
14. Oman: 1
15. Palestine: 1
16. United Arab Emirates: 1
17. Uzbekistan: 1

Europe (42%)

18. Croatia: 1
19. Czech Republic: 1
20. France: 2
21. Germany: 3
22. Italy: 4
23. Moldova: 1
24. Russia: 2
25. Ukraine: 1
26. United Kingdom: 2
27. Spain: 5

North America (10%)

28. Antigua and Barbuda: 1
29. Mexico: 1
30. United States: 3

South America (12%)

31. Colombia: 1
32. Peru: 5

Field or industry

Student/unemployed: 16 (31%)
Private sector <50 employees: 9 (17%)
Private sector >250 employees: 6 (12%)
Self-employed entrepreneur: 6 (12%)
Education/academia: 5 (10%)
Public sector: 4 (8%)
Family business: 3 (6%)
Other: 2 (4%)
Non-profit: 1 (2%)

Highest level of education obtained

Bachelor's level: 31 (71%)
Master's level: 12 (23%)
MBA: 2 (4%)
PhD: 1 (2%)

Survey questions

1. Age
2. Gender
 - a. Female
 - b. Male
 - c. Other
3. Nationality
4. Highest level of education obtained (or current level of studies)
 - a. Bachelor's level
 - b. Master's level
 - c. PhD
 - d. MBA
 - e. Other
5. Career and field of industry
 - a. N/A (student or unemployed)
 - b. Non-profit
 - c. Family business
 - d. Education/academia
 - e. Self-employed (entrepreneur)
 - f. Public sector
 - g. Private sector (<50 employees)
 - h. Private sector (<250 employees)
 - i. Private sector (>250 employees)
 - j. Other
6. Which factor(s) within corporate sustainability is most important to you?
 - a. Efficient use of natural resources
 - b. Harmless production
 - c. Operational profit
 - d. Efficient use of company resources
 - e. Employee well-being/human rights/labor rights
 - f. Engagement in community beyond business operations
 - g. Other
7. Have you taken courses in sustainability (or similar subjects) as a part of your education?
 - a. Yes
 - b. No
8. How important is it that your potential employer has a strategy that incorporates sustainability? (1=not important, 10=very important)

9. Choose the three most important factors for you when considering a potential employer
- a. Opportunity for advancement
 - b. Salary
 - c. Benefits (vacation/healthcare/retirement/etc.)
 - d. Organizational reputation
 - e. Location/length of commute
 - f. Challenging work
 - g. The company's values align with yours
 - h. Focus on sustainability
 - i. Work-life balance
 - j. Other
10. Choose the three most important factors that you believe are most important when recruiting someone for a managerial position
- a. Personal development/leadership skills
 - b. A higher level of education
 - c. Relevant work experience
 - d. Good grades
 - e. Well-renowned college or university
 - f. Experience in/knowledge about sustainability
 - g. Relevant skills/expertise/core competence
 - h. Other
11. Choose the factors that you are actively acquiring/have actively acquired in order to become qualified for a managerial position in the future
- a. Personal development/leadership skills
 - b. A higher level of education
 - c. Relevant work experience
 - d. Good grades
 - e. Well-renowned college or university
 - f. Experience in/knowledge about sustainability
 - g. Relevant skills/expertise/core competence
 - h. Other
12. Do you think that the requirements for a managerial position have changed in regards to experience/knowledge in the field of sustainability?
- a. Yes
 - b. No
13. Do you think that experience/knowledge in the field of sustainability will become more important for a managerial position in the future?
- a. Yes
 - b. No