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The Next Practice of Sustainability Innovation for Business Leaders in the VUCA Era: A Community Enhancement Program

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ABSTRACT

Sustainability innovation has become critical for businesses to achieve sustainable competitive advantage in a world full of volatility, uncertainty, complexity, and ambiguity (VUCA). Thus, businesses need to develop strategic plans by looking beyond the best practices to the next practice of sustainability innovation and inspire human resources through coaching. The community enhancement program aims to inspire the participants to explore creative ways to integrate sustainable innovation strategies, such as cutting-edge green technologies, innovative green business models, and strong leadership, that can build resilience, drive long-term growth, and empower the role of leaders as coaches. By engaging in active discussions, participants can gain valuable insights into implementing effective and scalable sustainable innovation practices and leading with a coaching approach, that will ultimately contribute to a more resilient and sustainable future.

Keywords: Sustainability innovation, next practices, green technology, business models, leadership

INTRODUCTION

In today's rapidly changing environment, characterized by volatility, uncertainty, complexity, and ambiguity (VUCA), best practices for leadership and innovation are no longer sufficient. Business leaders must embrace the next practices of leadership skills and strategic innovation. The integration of coaching and mentoring skills and sustainability innovation must be embraced by businesses and organizations worldwide. By integrating these two concepts wisely, companies can build resilience, drive long-term growth, and contribute positively to the environment and society.

In a volatile and ever-changing environment, business leaders face challenges in navigating their organizations. Such challenges require leaders to enhance their leadership capability with mentoring and coaching skills (Ibarra & Scoular, 2019). Mentoring nurtures continuous learning and resilience by sharing experiences, while coaching enhances individual performance and creativity. Together, they promote cooperation, teamwork, open communication, and trust, creating a supportive environment. This approach drives long-term success, growth, and organizational agility (Bashir, 2023).

In addition to enhancing leadership skills, business leaders should also see beyond the future to secure their company's competitive advantage by seeing beyond the current practices of innovation and moving into sustainability innovations. Various aspects of sustainability innovation, including cutting-edge technologies, and sustainable business models (Geradts & Bocken, 2018). Going beyond the best practices to the next practices on how to successfully navigate the challenges of the VUCA world through agility and innovation is needed (McKinsey.com, 2022).

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To equip business leaders with the integration of the two pivotal concepts, this community enhancement program was designed and implemented. The target participants, who are mostly at the senior level in various organizations will be encouraged to share their thoughts and engage in discussions. It is hoped that the insights from the sharing session will provide valuable lessons on how business leaders can prepare their organizations to implement sustainable practices that are both effective and scalable. Finally, this community enhancement program on the next practices of sustainability innovation can inspire all attendees to start envisioning a future where sustainability is at the core of business strategies. The insights from the sharing session are also expected to inspire attendees, who are also business leaders to pave the way for a more sustainable and resilient world, equipped to handle the uncertainties and complexities of the VUCA era.

TARGET AUDIENCE AND PROBLEM ANALYSIS

The target audience of this program consists of corporate leaders in various industries in Indonesia, who are alumni of a notable business school in Southeast Asia. As senior-level executives in their respective organizations, these leaders face several challenges when conducting sustainability innovation for the future. One of the primary obstacles is the complexity and integration of sustainability innovations. Implementing these initiatives often involves complex changes across multiple business units and functions. This complexity can make it difficult to quantify the impact and manage the transformation effectively. Additionally, navigating the evolving landscape of environmental regulations and standards can be challenging. Another challenge faced by business leaders today is developing the leadership qualities that can inspire and move people toward implementing sustainable innovation to achieve sustainable competitive advantage in the era of VUCA. Therefore, the sharing session will address two important pillars of strategic changes in pursuing sustainability innovation in the era of VUCA. First is the need to explore future practices of sustainability innovation and the importance of equipping business leaders to adopt mentoring and coaching skills to move all elements in their organizations towards sustainability.

SOLUTION

Based on the problem identified in the previous chapter, and the profile of the target audience who are senior-level business leaders, this community enhancement program presented a solution to answer two major issues: Leadership skills and strategic business insights to survive in the VUCA era. The solution was presented in the form of an interactive discussion session over a casual dinner. The discussion session was preceded by the presentations of two speakers who shared their insights into leadership and sustainability innovation.

METHOD OF PROGRAM PLANNING AND IMPLEMENTATION

This community enhancement method was delivered by implementing the ADDIE model (Spatioti, et al., 2024).

Analysis of Needs. This stage involves collecting information about the pain points of business leaders, who are the target audience of this program, in leading their organizations in the VUCA era. The search for information leads to two critical issues: the need for coaching and mentoring leadership skills and the need to go beyond the current practices of sustainability innovation.

Design. This stage involves decisions to select the best delivery method to deliver the solutions to the target audience. Considering our target audience's background as business leaders and their

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busy schedules, the committee selected a casual but interactive discussion session over dinner in central Jakarta, a site easily accessible by the target audience.

Development of Content. The next stage is developing the content that covers the two critical issues identified as the problems faced by the target audience. The first content covers leadership issues, and the second one covers sustainability innovation issues.

Implementation of the program. The program was delivered in a two-hour casual interactive discussion session held on September 18, 2024, at a restaurant in South Jakarta. The session was preceded by brief presentations of two speakers, followed by interactive question and answer sessions.

Evaluation. Since this program was designed as a casual discussion session, an evaluation of the effectiveness of the program was conducted by observing the active participation of the audience in the Question-and-Answer Session, and the enthusiasm level of the participants during the discussion session. The Question-and-Answer session went interactively with participants either asking questions or sharing their experiences overcoming leadership challenges and strategic decision-making challenges.

OUTCOME: KEY INSIGHTS

The key insights from the presentations and discussions are summarized as follows.

Developing coaching and mentoring skills for business leaders: The first speaker engaged attendees to discuss the need for leaders to develop coaching and mentoring skills. In the era of VUCA (Volatility, Uncertainty, Complexity, and Ambiguity), business leaders face unprecedented challenges that require mentoring and coaching skills to navigate this turbulent environment effectively. Mentoring allows leaders to share their experiences and insights with others, fostering a culture of continuous learning and development. This knowledge exchange helps build organizational resilience, enabling teams to adapt quickly to changing circumstances. Conversely, coaching concentrates on maximizing a person's potential and improving their performance to meet obstacles in the future. With coaching skills, leaders can encourage employees to develop their full potential. In addition, coaching and mentoring skills can help foster cooperation and teamwork, which are essential in the present and future volatile environment. Leaders may create an environment where people feel encouraged to take initiatives beyond the current best practices. Equipped with coaching and mentoring skills, leaders can encourage open communication and trust. This cooperative strategy fosters long-term success and growth to enhance organizational agility.

Seeing beyond the current practices of sustainability innovation. The second speaker inspired attendees to adopt sustainability innovation and to see beyond the current practices of sustainability innovation with some key principles. First is the importance for businesses to look beyond current practices of sustainability innovation and embrace a forward-thinking approach. This can be implemented by first embracing disruptive innovation (DI), which was developed by Christensen. (Christensen et al., 2018). Smaller companies with fewer resources would be able to disrupt the market and challenge market dominance. It is possible to conquer the market from market leaders commonly trapped with quality innovations for their most demanding customers, since they can provide solutions that appeal to a wider customer base, appealing to their needs. With disruptive innovation, disruptive innovators introduce affordable and accessible solutions that best meet the needs of most users, who are typically underserved. Over time, these innovations improved and

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captured a larger share of the market, eventually overtaking the incumbent leaders by providing less complex, cost-efficient, and more convenient products and services. (Christensen et al., 2018).

Figure 1 explains sustaining vs disruptive innovations. The green line which represents sustaining innovations displays a steady performance increase to incrementally enhance the products and services. The growth line is the disruptive innovations that begin from a lower starting point, and initially target noncustomers but over time will surpass the sustaining innovations. (Christensen et al., 2018).

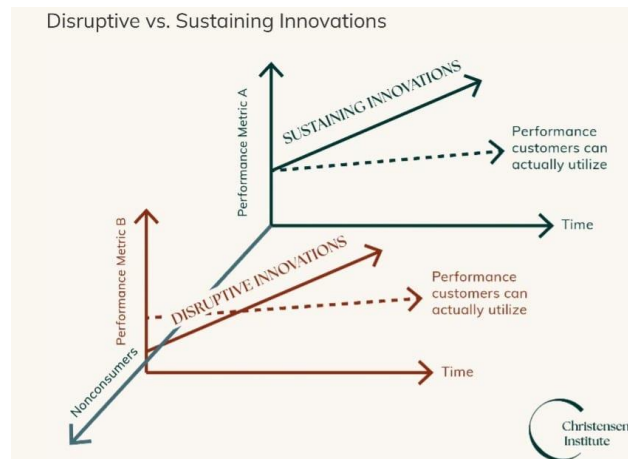


Figure 1. Disruptive vs. Sustaining Innovations

Source: Christensen et al., (2018)

Lastly, leaders should develop and embrace the next innovation. The ability for the next practice is introduced by Raharso (2022), which necessitates entirely new approaches since best practices will be good for managing the previous problems at best, not the current problems. Leaders should embrace the next practice by looking beyond incremental innovation and spark radical rethinking, leading to breakthroughs that will define the future. For example, having to deal with covid-19 pandemic, humans developed their ability to significantly disrupt the usual practices with the flourishing of e-commerce as the result of innovation accelerated.

Thus, advocating the next practices necessitates sustainability innovation which requires entirely new approaches to sustainability. With best practice methods, the needed dramatic results might not be achieved. Next practice drives beyond incremental innovation and fosters a spirit of radical rethinking, leading to breakthroughs that will define the future. It is the next practice by nature. The all-solid-state battery (ASSB) innovation is an example of the next practice. It addresses obstacles to the extensive use of electric automobiles which promote innovation, speed up commercialization, and achieve a sustainable energy future, academia, industry, and government must continue to work together (Shah et al., 2024).

CONCLUSION AND RECOMMENDATIONS

In facing the challenges of the VUCA era, business leaders must coach and mentor their key talents to innovate sustainably to secure a sustainable competitive edge. Strategic plans should extend beyond the current best practices to embrace emerging sustainability innovations, inspiring human resources to see beyond the here and now. This community enhancement program

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encouraged participants to explore and integrate green technologies, innovative business models, and strong leadership. The engaging discussions fostered valuable insights for implementing scalable sustainable practices and leading with a mentoring and coaching approach, which was expected to ultimately drive long-term growth, resilience, and a sustainable future.

It is recommended that similar interactive discussion sessions in the future be organized to provide business leaders with insights into an enhancement of leadership skills and strategic decision-making capabilities to extend beyond the here-and-now best practices. This is done to navigate the business environment in the VUCA era.

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