ESG PANEL DISCUSSION
How can we contribute to making ESG integration sustainable?
Results from a recent Action Research Study
IAC Medical Aid Schemes
Investment Conference
22 August 2012

Context

- Large amount of literature available on ESG integration
- Missing aspects
- Lack of mainstream systematic application in South Africa
- What about behavioural dynamics, management practices & contextual issues surrounding ESG integration?
- Cannot be left to an 'ESG Champion'
- This is a strategic management issue ⇒ sustainability
- Organisational change requires behavioural change
Action Research Methodology

- Observations ✓ Conversations ✓ Meetings ✓ Critical incidents ✓ Literature reviews
  Blogs ✓ Podcasts ✓ ESG Workshops ✓ Lectures ✓ On-line Surveys ✓ Interviews ✓
- Study an investment team during ESG integration exercise
- To understand behaviours ⇒ gather knowledge ⇒ share experiences ⇒ collaborate
- What happened?

Research Results

"Limits To Growth" Systems Archetype

- TriAlpha
Behavioural dynamics, management practices, contextual issues

'Limits To Growth' Systems Archetype transposed

Planning for the limits through structural interventions

- Social process develops interpersonal competence
- Builds human networks of trust & commitment (social capital)
- Enhances collective capacity
- Allows leaders to adapt to change & cognitive dissonance (detractors)
- Not effective when political power struggles are evident

- A back-to-basics approach
- Organisations have varied & immobile tangible & intangible resources
- Resources can be configured to yield a dynamic capability which delivers sustainable competitive advantage (returns)
- Resources must be valuable, rare, inimitable, non-substitutable & exploitable
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Reference List


