

PROMOTING SUSTAINABLE PRACTICES: THE IMPORTANCE OF BUILDING LEADERSHIP CAPACITY

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ABSTRACT

This paper highlights the importance of building leadership capacity in organisations that are seeking to promote more sustainable resource management practices. It also provides a review of the literature on environmental leadership and provides practical guidance on strategies to build leadership capacity.

The paper's content is primarily derived from an international literature review conducted as part of research on emergent leaders who promote more sustainable forms of urban water management.

The target audience for this paper is leader-managers who are seeking to promote sustainable practices, have the power to implement leadership development initiatives in their organisations, and support the principle that 'leaders grow leaders'.

INTRODUCTION

Leadership is a phenomenon that has occupied the thoughts of humankind for at least the last 5,000 years (Bass, 1995). Over that time it has attracted the attention of notable historic figures such as Confucius, Plato and Machiavelli. Interest in the phenomenon has given rise to a massive body of literature (Northouse, 2004; Schermerhorn *et al.* 2000; Yukl, 2005), which contains writings from the 'academic tradition' (e.g. peer reviewed findings of empirical research) and the 'troubadour tradition' (e.g. biographies of famous leaders).

This body of literature represents a navigational challenge for leader-managers in sustainability-focused organisations. Considerable time is needed to find information on leadership and leadership development that has been tailored for environmental leaders, is evidence-based, and is derived from peer-reviewed literature.

This 'navigational challenge' may partly explain why there are often significant gaps between leadership-related theory and practice in organisations promoting sustainability. As one example, consider Transformational Leadership Theory (Bass, 1985) and its application to the Australian water industry. This theory is currently dominant in the leadership literature and has the most empirical support. There is strong evidence that: transformational leadership is positively

correlated with leadership effectiveness (Lowe *et al.*, 1996); and elements of transformational leadership can be taught (Dvir *et al.*, 2002). Leadership development programs that specifically aim to build transformational leadership capacity are, however, rare in Australian water agencies.

The target audience for this paper is middle and executive leader-managers in organisations that promote more sustainable practices. The paper aims to provide easy access to a condensed body of information on the leadership construct, the importance of leadership, what is known about environmental leaders and leadership, and some of the strategies that can be used to build leadership capacity within their organisations. It primarily draws from the literature, but also uses some of the author's research findings from studying leaders who promote sustainable urban water management practices in Australia.

The following background section introduces the concept of leadership, discusses modern trends in understanding leadership, briefly discusses who can be leaders in sustainability-focused organisations, and highlights the importance of leadership. The methodology section describes the research project that has generated the information and guidance in this paper. The next section describes some relevant leadership theories. This is followed by a section that summarises what known about environmental leaders. The subsequent section then focuses on relevant management implications by describing some leadership development strategies. The conclusion highlights three key messages for practitioners.

BACKGROUND

What is leadership?

Confusion surrounding the definition of leadership is a feature of the leadership literature (Barker, 1997; Lowe & Gardner, 2000). Grint (2000) provided a typology of four common perspectives of leadership. The first view defines leadership as the activities of a specific type of *person*, based on the personality traits and behaviours traditionally associated with leaders in a given culture. The second view defines leadership in terms of *results*, meaning that the designation of leadership follows demonstrated achievement. The third view defines

leadership in terms of a person's *position*, such as an executive position in an organisation. The final view is more contemporary (Doh, 2002) and sees leadership as a *process of influence*.

This paper supports the more contemporary view. Drawing from Rost (1993) and Kotter (1998), leadership is defined as a process of influence that occurs within the context of relationships between leaders and their collaborators, and involves establishing direction, aligning resources, generating motivation and providing inspiration to achieve mutual interests. This definition can accommodate leaders and collaborators swapping roles during the process, strong individual leadership, as well as distributed leadership (e.g. within a team, where some or all members contribute to the leadership process at some time).

Who can be leaders?

It follows from this paper's definition of leadership that anyone in a sustainability-focused organisation could potentially be a leader at some point in time if they are involved in a process of influence that involves encouraging sustainable practices. It is also possible for groups of people (including organisations) to be leaders. Thus, from this perspective, leadership can be seen as both an individual and group-based phenomenon.

To illustrate, consider the process of promoting more sustainable forms of urban water management (e.g. water sensitive urban design; see Wong, 2006) in publicly-managed water agencies. The author's research in six Australian agencies has found that the process of influence typically involves three major phases and many leaders. Phase 1 is the *initiation phase*, where ideas for more sustainable projects and policies are generated and developed, often by emergent leaders known as 'project champions' (see Taylor, 2007) at a middle management level. Phase 2 is the *endorsement phase*, where executive leaders-managers (including politicians and 'executive champions'; see Taylor, 2007) provide support and resources for initiatives to proceed. The final phase is the *implementation phase*, where multi-disciplinary groups of leaders typically work together across organisational boundaries to implement the initiatives. In this context, the leadership process usually begins as an individual phenomenon then evolves into a group-based phenomenon. It also involves critical input from different types of leaders throughout the organisation, not just at executive levels.

Why focus on understanding and improving leadership?

This paper offers three reasons for leader-managers to actively build leadership capacity in their organisations. First, there are credible findings from the literature that the quality of leadership usually makes a significant difference to team and

organisational performance (e.g. Burke *et al.*, 2006; Hogan & Kaiser, 2005; Kaiser *et al.*, 2008; Ruvolo *et al.*, 2004) and therefore represents a valuable source of organisational improvement and/or competitive advantage (McCall, 1998; Parry & Sinha, 2005). Growing awareness of this is one of the reasons why interest in leadership and improved approaches to leadership development has been very strong over the last decade (see Day, 2000; Jackson, 2005; Ruvolo *et al.*, 2004).

Second, the context in which most sustainability-focused organisations currently operate places a premium on leadership. Leadership is highly sensitive to context (Bryman *et al.*, 1996; Pettigrew & Whipp, 1991). Where such contexts are characterised by crises, change and turbulence, the need for, and value of, leadership within organisations substantially increases (Conger, 1993).

Finally, many western organisations, including those that champion sustainable practices, are experiencing trends that result in a need for new leadership paradigms and forms of leadership development. Common trends include more decentralised decision-making processes, greater use of teams, increased use of partnerships, a greater need to work across organisational boundaries, and increasingly complex and unpredictable challenges (see Blanchard, 2004; Drath, 2003a; Drucker, 2003; Glanz, 2005; Hernez-Broome & Hughes, 2004). Conceptualising leadership as a process of influence that potentially involves many leaders and recognising the need to build leadership capacity throughout organisations are responses to these trends.

METHODOLOGY

The information presented in this paper has been generated from a PhD project at Monash University. This project investigated emergent leaders ('champions') who promote sustainable forms of urban water management in publicly-managed Australian water agencies, and used this knowledge to identify strategies to enhance this form of leadership.

This project had three stages. Stage 1 (2006-07) was an international literature review involving five bodies of literature. These were the sustainable urban water management (SUWM) champion, environmental leadership, 'champions of innovation', organisational leadership, and leadership development literatures.

Stage 2 (2007-08) was a multiple case study (Yin, 2003). This involved six Australian water management agencies. Within each agency the author undertook group and individual interviews, administered '360 degree questionnaires' (see Chappelow, 2004), and conducted document analysis. The resulting data was used to test the validity of a preliminary conceptual model of

leadership by SUWM project champions that was prepared as part of literature review (see Taylor, 2007).

Stage 3 (2008) involved a customised, three to six month, 'feedback intensive' leadership development program (see Guthrie & King, 2004), which was designed as a field experiment. This program used the findings from Stages 1 and 2 to help build the leadership abilities of emerging SUWM leaders.

This paper presents some of the findings from Stages 1 and 2 of this project. Specifically, the author uses findings from the multiple case study to illustrate key points flowing from relevant parts of the international literature review.

RELEVANT LEADERSHIP THEORIES

There are many leadership theories (see Horner, 1997; Northouse, 2004; Yukl, 1989), but none are universally accepted. This section includes a description of two theories that have relevance to environmental leaders. These theories have been helpful in understanding and explaining the behaviours of emergent environmental leaders in Australian urban water agencies.

Transformational leadership

Transformational leadership has featured strongly in studies of environmental leaders (see Danter *et al.*, 2000; Egri & Herman, 2000; Smith & Sarros, 2004). Transformational leaders are able to use transformational *and* transactional leadership styles to generate extra effort amongst colleagues and improved leadership outcomes (Bass, 1999; Bass *et al.*, 2003). The transformational style involves the leader moving their colleagues "beyond immediate self-interests through idealized influence (charisma), inspiration, intellectual stimulation, or individualized consideration" (Bass, 1999, p. 11). In contrast, the transactional style involves an "exchange relationship between leader and follower to meet their own self-interests" (Bass, 1999, p. 10).

Transformational Leadership Theory (Bass, 1985) has been the dominant theory in the leadership literature since the late 1980s. Reasons for its popularity include: strong empirical evidence that this leadership style is associated with desired performance outcomes across a wide range of organisational contexts (DeGroot *et al.*, 2000; Dum Dum *et al.*, 2002; Lowe *et al.*, 1996); strong evidence that people can be trained to enhance some transformational leadership behaviours (Dvir *et al.*, 2002; Parry & Sinha, 2005); and its suitability for processes involving deep-seated cultural change within organisations (Avolio & Bass, 1995). This theory does, however, have its critics. For example, Gronn (1995) argued that it places too much emphasis on the role of individuals in the

process of leadership, and is appealing because it "fulfils the promise of the hero" (p. 14).

The practical value of this theory is derived from its conceptual simplicity, ease of measurement (see Avolio & Bass, 2004), strong empirical support, and proven techniques to improve the ability of leaders to use specific transformational leadership behaviours.

Distributed leadership

Distributed Leadership Theory (Gibb, 1954; Gronn, 2000) conceptualises leadership as a process of influence that occurs in groups and involves more than one leader. While 'focused' leadership theories (like Transformational Leadership Theory) emphasise the human capital of individual leaders, Distributed Leadership Theory highlights the importance of social capital, such as the connections between people and groups (Day *et al.*, 2004).

Attractive aspects of this theory include: its suitability for addressing complex and uncertain organisational challenges (Drath, 2003b; O'Conner & Quinn, 2004); its realism, given processes of leadership in modern organisations typically need to involve more than one leader (O'Conner & Quinn, 2004); reduced potential for leader elitism (Gronn, 2002 & 2004); demonstrated associations between distributed leadership and team performance (Carson *et al.*, 2007), especially where tasks are complex and require a high level of inter-dependence amongst team members (Hiller *et al.*, 2006); and preliminary empirical evidence that it can be more effective than focused leadership within teams if leaders coordinate their activities (Mehra *et al.*, 2006). Weaknesses include limited development and testing of the theory in a variety of contexts (Day *et al.*, 2004 & 2006; Mehra *et al.*, 2006), risk of organisational paralysis and reduced accountability (Drath, 2003a), as well as a lack of consistency with respect to measurement (see Carson *et al.*, 2007; Hiller *et al.*, 2006).

The practical value of this theory is derived from its compatibility with contemporary views of leadership that focus on *processes* of influence that typically involve many leaders. Leadership development activities embracing this theory focus on the individual and group-based behaviours that are needed to effectively run the whole process. For example, the importance of operational and strategic networking (see Ibarra & Hunter, 2007) would typically be emphasised. In addition, leaders would be trained in team-based leadership behaviours that are needed at different stages of the team's evolution and for different types of projects (see Barry, 1991). Development activities would also encourage executive leaders to create an organisational environment where distributed leadership can thrive (e.g. a culture that supports cooperation and adaptive management).

WHAT IS KNOWN ABOUT ENVIRONMENTAL LEADERS

Overview of this section

This section presents key research findings that are relevant to leaders who promote environmental sustainability. The following sub-headings reflect the main components of Yukl's (1989) "Integrating conceptual framework" for leadership effectiveness. These components all contribute to the effectiveness of environmental leaders.

Personal characteristics

Personality traits

Personality traits include personality characteristics (e.g. persistence) and personal values (e.g. commitment to environmental sustainability). These traits provide the potential for leadership emergence and effective leadership, but do not guarantee such outcomes (Kirkpatrick & Locke, 1991; Yukl, 1981). Personality characteristics potentially affect the types of behaviour a leader exhibits in a given situation, the types of power available to leaders, and the acquisition of skills needed for specific leadership behaviours (Hogan & Kaiser, 2005; Yukl, 1989). Personal values are thought to play a particularly significant role in the emergence of environmental leaders (Dunphy *et al.*, 2003; Egri & Frost, 1994).

Personality traits are thought to play a more important role in the process of leadership in environments where there are high levels of complexity, uncertainty and change, but few rules, procedures and well-defined roles (House *et al.*, 1996; Judge *et al.*, 2002). Contexts such as the sustainable urban water industry currently fit this description (see Geldof, 2005; Geldof & Stahre, 2005).

Table 1 summarises important personality traits that have been highlighted in the environmental leadership literature. This body of literature stresses the importance of deep-seated personal values, in particular, ecocentric, openness to change and self-transcendence values¹. In addition, the degree of congruence between personal values and issues being managed is an important determinant to leader emergence.

Table 1 - Important personality traits highlighted in the environmental leadership literature

PERSONALITY TRAITS	SOURCES
<ul style="list-style-type: none"> ▪ Deep-seated personal values and commitment relating to environmental sustainability.* ▪ Congruence between the issue being promoted and personal values.* ▪ Ecocentric¹, openness to change and self-transcendence² personal values.* ▪ Personal resilience and persistence.* ▪ Realistic self-esteem. ▪ Self-direction and initiative. ▪ Tolerance for ambiguity. ▪ Flexibility and adaptability. ▪ Clear focus. ▪ Enthusiasm and motivation. ▪ A propensity to inspire others. ▪ Political awareness and sensitivity. ▪ Empathy. ▪ Sense of humour. ▪ A propensity to see the 'big picture'. ▪ Commitment to continuous learning. 	Bansal (2003), Dunphy (2001), Dunphy <i>et al.</i> (2003), Egri & Frost, (1994), Egri & Herman (2000), Flannery & May (1994), Frost & Egri (1991), Gladwin <i>et al.</i> (1995), Johnson (1998), Portugal & Yukl (1994) and Shrivastava (1994 & 1995).

Notes: * = Traits most strongly emphasised within the literature. 1. Placing ecological issues at the centre of one's organisational and management concerns (Harding, 1998). 2. A desire to move beyond one's current limitations.

The author's research on emergent environmental leaders ('champions') in the water industry has emphasised the importance of congruence between a leader's personal values, the sustainability issue, the personal values of key colleagues, and the values embedded within the organisation's culture. However, very few of the studied leaders had "deep green" (Harding, 1998) environmental values. One of these leaders provided an explanation for this finding, saying "I think if you are completely driven by the environment, then your ability to engage other people is probably going to be affected".

For this type of environmental leader, some personality traits were often strongly developed and distinguishing compared to leaders in control groups. Examples include the 'openness to experience' trait, self confidence, motivation and determination.

Demographics

Research findings relating to the demographics of transformational leaders are likely to be relevant given the previously mentioned association between the transformational leadership style and environmental leaders. One finding is that, on average, females tend to exhibit transformational leadership behaviours to a greater extent than their male counterparts (Bass, 1999; Bass & Avolio, 1994; Sarros *et al.*, 2001).

Another research finding is that specific types of childhood and adult life experiences are thought to be significant to the maturation of transformational leaders (Avolio & Gibbons, 1988; Bass, 1999;

¹ See the footnotes to Table 1 for definitions of 'ecocentric' and 'self-transcendence' values.

Gronn, 1995). These experiences include challenging leadership roles during childhood, as well as leadership development programs and opportunities for self reflection during adulthood.

For the type of environmental leaders studied by the author, the most notable demographic attributes included their diverse work experience, high level of professional mobility, extensive travel experience (particularly during the early adult years) and existence of influential mentors.

Behaviours

Table 2 summarises the key leadership behaviours that have been highlighted in the environmental leadership literature. The choice of such behaviours will depend heavily on contextual factors, such as the leader's available power, the nature of their influence target, as well as the organisation's strategic goals, norms and internal relationships (Andersson & Bateman, 2000; Dutton *et al.*, 2001; Hughes *et al.*, 1995).

Table 2 indicates that the behaviours frequently associated with environmental leaders include: transformational leadership behaviours; scanning behaviours to gather information and ideas; framing behaviours, such as highlighting an issue's urgency; selling behaviours, such as using rational persuasion; brokering information; managing conflict; clarifying roles and agreements between stakeholders; networking; helping to establish a new organisational culture; and running pilot projects.

Table 2 - Important behaviours highlighted in the environmental leadership literature

BEHAVIOURS	SOURCES
<ul style="list-style-type: none"> ▪ Using transformational leadership behaviours.* ▪ Scanning behaviours (e.g. networking to gather information).* ▪ Framing behaviours (e.g. highlighting the issue's urgency).* ▪ Selling behaviours / influence tactics (e.g. rational persuasion, coalition building, inspirational appeal, exchange and pressure tactics).* ▪ Brokering information.* ▪ Negotiating disputes and overcoming resistance.* ▪ Counselling.* ▪ Clarifying roles and establishing agreements between stakeholders.* ▪ Networking.* ▪ Working with executives to inculcate sustainability-related values in the organisation's culture.* ▪ Running pilot projects.* ▪ Choosing the right time to sell an issue. ▪ Selling issues up, down and across the organisation. ▪ Facilitating training to support change processes. 	<p>Andersson & Bateman (2000), Ashford <i>et al.</i> (1991), Bansal (2003), Bansal & Penner (2002), Doppelt (2003), Dunphy <i>et al.</i> (2003), Dutton <i>et al.</i> (2001), Egri (1995), and Sharma <i>et al.</i> (1999).</p>

Note: * = Behaviours most strongly emphasised within the literature.

For the type of environmental leaders studied by the author, a number of behaviours were highly relevant and often distinguishing compared to leaders in control groups. These included some behaviours relating to transformational leadership (e.g. articulating an inspiring vision, questioning the status quo, and expressing enthusiasm and confidence) and distributed leadership (e.g. gathering political and managerial support).

Power

Power is the potential to influence others (Hughes *et al.*, 1995). Effective leaders tend to use personal power more often than position power (Hughes *et al.*, 1995; Yukl, 1989), even where they have access to high levels of position power.

The environmental leadership literature emphasises the importance of networking as a core leadership skill and an effective way to build personal power (Dunphy *et al.*, 2003; Frost & Egri, 1991; Portugal & Yukl, 1994). The social networks of these leaders appear to play a critical role in gathering information, accessing diverse skills and expertise, building coalitions of support, building contextual knowledge to help formulate influence tactics, and helping the leader to create a shared understanding among collaborators of the need for change and a vision of the future (Dunphy *et al.*, 2003; Portugal & Yukl, 1994).

All of the environmental leaders studied by the author showed a preference for using personal rather than position power. In addition, high levels of personal power were common and often distinguishing compared to leaders in control groups. The most effective leaders also had moderate to high levels of both personal and position power.

Context

Leadership is strongly affected by context (Bryman *et al.*, 1996; Pettigrew & Whipp, 1991). This relationship has, however, been understudied (Lowe & Gardner, 2000; Yukl, 1999).

The transformational leadership literature gives an indication of potentially favourable circumstances for environmental leaders. This literature suggests transformational leaders are likely to emerge and be effective where: conditions are characterised by crises, rapid change and ambiguity; organisational task systems are dominated by 'boundary spanning units' (e.g. policy and strategic planning units); there is congruence between the prevailing social values and the organisation's goals; organisational structures are 'organic' (e.g. network, simple or adhocracy structures); and the organisational culture has an 'adaptive orientation' (i.e. characterised by innovation and support) (Bass, 1990; Burns, 1978; Egri & Herman, 2000; Pawar & Eastman, 1997; Shamir & Howell, 1999).

The author's research found that contextual factors strongly influenced the emergence and effectiveness of environmental leaders (champions) in water agencies. Important *internal* factors in these agencies included the nature of the organisational culture, the presence of complimentary programs to build a supportive organisational culture and leadership capacity, the nature of the organisational task system, support from colleagues, the organisational size, the nature of core tasks, resources and the supporting policy framework. Important *external* factors included the existence of environmental crises (with associated political and community concern), the pace and extent of change, the value and state of natural assets (e.g. local waterways), the history of environmental degradation concerning these assets, and the nature of the relationship between the community and these assets.

MANAGEMENT IMPLICATIONS

This section describes several strategies to build environmental leadership capacity within sustainability-focused organisations. Such strategies are based on the premise that leadership can be taught and learnt (Doh, 2002; Zimmerman-Oster & Burkhardt, 1999), although some people have greater potential for leadership than others due to their innate personality traits (Doh, 2002; Yukl, 1981).

Attract and recruit potential leaders

Leadership-related attraction and recruitment strategies aim to identify people with the greatest leadership potential (e.g. those with the previously mentioned personality traits). In general, informal strategies to attract potential leaders are preferable to formal recruitment strategies (Strelecky, 2004). An example of an attraction strategy is using senior leaders (especially those with transformational leadership abilities) to publicly demonstrate that leadership excellence is part of the organisation's culture.

Another strategy is to ensure standard recruitment processes in the organisation routinely look for leadership potential, as well as job-specific competencies. In order to encourage 'distributed leadership', leaders are needed throughout the organisation, not just at executive levels.

For critical positions in the organisation that require exemplary leadership, the use of psychometric instruments within assessment centres is recommended. Leadership researchers strongly promote such an approach to identify the presence and absence of specific personality characteristics and behaviours during recruitment of potential leaders (see Hogan & Kaiser, 2005).

Finally, recruitment processes should look for congruence between the leader's personal values, values within the organisational culture, the

personal values of team members, and the environmental issue requiring leadership.

Supervise to develop leaders

Supervisors can play an important role in providing opportunities for leaders to emerge and develop. For example, the provision of a finely balanced mix of freedom and support by supervisors was an important factor in the emergence and effectiveness of the environmental leaders I studied by the author.

Strategies include providing opportunities for leaders to emerge through volunteering for extra-role activities and challenging job assignments. In addition, supervisors can help to establish and use 'feedback-intensive leadership development programs' (see Guthrie & King, 2004) to enhance the skills of nascent leaders. Supervisors can also create opportunities for leaders to learn about and undertake advanced forms of social networking (see Ibarra & Hunter, 2007), as well as establish mentor-mentee relationships.

Select promising leaders for development

Once leadership development initiatives such as tailored programs are in operation, an emphasis should be placed on selecting staff who are most likely to fulfil their leadership potential. Such staff would typically have a strong commitment to learning and personal development, a desire to lead, a high need for achievement, persuasive and inspirational communication skills, strategic thinking ability, pragmatism, a high general mental ability, confidence and be self-motivated (Avolio, 2007; Doh, 2002) in addition to the previously mentioned personality traits of environmental leaders.

Use ongoing leadership development activities

There is a wide range of activities that can be used to develop leaders and group-based leadership processes. Current best practice is an ongoing, carefully planned, multi-faceted leadership development program which is aligned with organisational strategies, grounded in theory and local research, and integrated with the organisation's human resource management processes (see McCauley & Van Velsor, 2004). Typically, the program begins with leaders attending a three to six month feedback-intensive course with a 360 degree feedback component. At the end of this phase, leaders have prepared ongoing, personalised leadership development plans that incorporate elements of assessment, challenge and support. Such plans typically include further development activities, such as specific behavioural modifications, mentoring, networking and job assignments.

Create an enabling context

As leadership is strongly affected by context, astute executive leaders can change aspects of their

organisations to encourage leaders to be attracted to the organisation, emerge, be more effective and stay. For example, executive leaders can play a critical role in creating organisational cultures that nurture leadership at all levels. The author's research found that the two most effective environmental leaders worked in water agencies with organisational culture and leadership development programs that were driven by executives. In addition, the most effective leader worked within an unusually strong culture characterised by a commitment to continuous learning, innovation, adaptive management, responsible risk-taking, and sustainability.

Another strategy is to be aware of environments within the organisation where transformational environmental leaders are likely to emerge or be attracted to (e.g. 'boundary spanning units' experiencing rapid change), so that the development of these leaders can be accelerated. Senior leader-managers can also use knowledge of individual leadership development plans to match developing leaders with organisational environments that will assist their development. For example, a leader-manager could use a job assignment (with the elements of assessment, challenge and support) as a strategy to help a nascent leader build new skills, knowledge and networks while achieving organisational goals.

CONCLUSIONS

The target audience for this paper is middle and executive leader-managers in sustainability-focused organisations who: are seeking to promote change and more sustainable practices; have the power to implement leadership development initiatives within their organisations; and support the widely-held principle of leadership development that 'leaders grow leaders' (Hurt & Homan, 2005). This paper concludes by communicating three key messages to this audience. First, it is important to invest in building leadership capacity throughout sustainability-focused organisations, particularly where such organisations operate in contexts characterised by change, turbulence and crises. This is because the quality of an organisation's leadership affects its performance, leadership capacity can be actively built, and in turbulent environments the value of leadership to an organisation increases, as does the need for distributed leadership.

Second, leadership paradigms are changing in response to the way organisations are evolving. In particular, this paper highlights how environmental leadership can be viewed as a *process of influence* potentially involving many leaders. From this perspective, leadership development strategies should seek to develop leadership capacity *throughout* the organisation, from the chief executive officer to the new recruit.

Finally, this paper presents some key research findings and relevant theory from the 'environmental leadership' and 'leadership development' literatures. This knowledge base is intended to help leader-managers to improve their understanding of environmental leaders, environmental leadership and practical strategies that can be employed to build leadership capacity in their organisations. These strategies involve attracting, recruiting, supervising and developing the leadership abilities of environmental leaders, as well as creating a supportive environment for leaders to emerge and be effective throughout the organisation.

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