



**Prioritizing People-Oriented
Transformation Capabilities:**
Key Questions for Organizations on
Becoming a Sustainability Leader

What makes an organization a sustainability leader? Organizations are ever more aware that their current and future market position is determined by the maturity of their sustainability engagement.

Our experience and research show that current sustainability leaders are achieving market advantages by focusing on employee-centric capabilities. The top four capabilities are *improvement mindset*, *talent attraction*, *culture*, and *leadership team*. But a one-size-fits-all approach is not effective in this case. Instead, organizations need to prioritize these capabilities based on the extent to which sustainability is integrated into their organization (read more [here](#)). Identifying their current level of integration is crucial to understanding which capabilities they need to prioritize.

Partial integration of sustainability requires the alignment and connection of different sustainability efforts throughout the organization. The key is to operationalize people-enablers in the organization. The two most important transformation capabilities are *talent attraction* and *a strong leadership team*.

Partial Integration

Full Integration



The capabilities for becoming a sustainability leader are prioritized by the extent to which sustainability transformation has been integrated.

90%

... of Gen Zs and millennials want a sustainable employer

Position sustainability as your magnet for talent: The vast majority of Gen Zs and millennials (90%) try to reduce their own environmental impact and expect the same from their employer. Two in five say that they rejected a job because it did not align with their values.¹

How can you attract and retain high-performing talent through sustainability engagement?

78%

... of committee members highlight leadership engagement

Unify different sustainability understandings into one strategic story: Seventy-eight percent of surveyed board committee members highlight the importance of leaders working from the same page of an organizational sustainability strategy as a key factor in gaining a head start and not just keeping up.²

How can you align leaders to stand for a shared and clear sustainability strategy and narrative?

1. <https://www2.deloitte.com/content/dam/Deloitte/at/Documents/human-capital/at-gen-z-millennial-survey-2022.pdf>

2. <https://www.deloitte.com/an/en/our-thinking/insights/topics/leadership/audit-committee-climate-change.html>

By developing the key capabilities for partial integration, organizations lay the foundation to transition into full integration. A full integration requires focus on capabilities that enable the organization to practice sustainability from its very core. The challenge lies in aligning and anchoring the organization's purpose and values into its daily activities. This enables employees to drive ideas and initiatives that help develop the needed transformation capabilities. To get there, the main capabilities to focus on are *culture* and *improvement mindset*.

29%

... of participants
identify culture as
the main barrier

Understand your sustainability transformation as a culture change. Twenty-nine percent of the participants in the Deloitte 2023 Global Human Capital Trends survey have identified corporate culture as the main barrier to sustainable development. An understanding of culture can turn it from threat into opportunity.³

How can you identify barriers and prioritize organizational strengths for a culture receptive to sustainability?

24%

... more effectiveness
through mindset
training

Train your employees for change and resilience. The center for Integrated Research at Deloitte trained managers on the improvement mindset for an entire year. The results show managerial effectiveness improved from 52% to 76% percent after the training.⁴

How can you stimulate and train the improvement mindset of your employees for the sustainability transformation?

Understand your organization to develop the right capabilities

Transforming towards sustainability has become non-negotiable. To be successful, organizations must shift their focus towards becoming a sustainability leader as a central part of business strategy. The key to transitioning from basic sustainability engagement to market leadership is people.

Sustainability leaders stand out by focusing on the people-centric capabilities *improvement mindset*, *talent attraction*, *culture*, and *leadership team*. But a one-size-fits-all approach does not work – your organization's level of sustainability integration will give rise to different key questions and challenges.

We are here to support you along the way. Our experience in sustainability transformation equips us to define your execution mode and help develop and enable people-centric capabilities with a tailored approach. Contact us to gain a reliable and competent partner on your journey to becoming a sustainability leader. And explore additional resources from our [Human Capital Thought Leadership](#) for ideas on building a people-centric organization.

3. <https://www.deloitte.com/global/en/our-thinking/insights/topics/talent/human-capital-trends/2023/integrating-esg-and-sustainability-measures.html>

4. <https://action.deloitte.com/insight/1478/growth-mindset-training-can-raise-manager-effectiveness>

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