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Shaping sustainable innovation based on cultural values

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Abstract

This chapter deals with cultural change capabilities and leadership within organizations aimed at achieving sustainable innovation. Leadership and organizational culture for innovation are becoming increasingly important in a constantly changing world. Shaping an innovative organizational culture is based on a deliberate choice of change strategies. This chapter outlines the case of the Global Alliance for Banking on Values (GABV) as an inspiration and as an illustration of working with sustainable innovative values in organizations.

1. Introduction

Innovation has become essential for the future of organizations and is based on their capacity to share values within the organization that have high impact on business strategies, cultural change and innovation. Cultural change and leadership for innovation are closely connected with value-based management, behavioral change and a vision of the future in which leaders walk the innovational path (Boonstra, 2013).

This chapter presents the case of the Global Alliance for Banking on Values (GABV, 2019a). The banking sector is one of the most internationalized services in the world, and there is a pressing social need to transform our financial institutions into more sustainable and value-driven businesses. The GABV is a network of leading bankers worldwide who are committed to advanced positive and innovative change in the banking sector (www.gabv.org). After exploring the relationships between sustainable innovation, organizational culture and leadership, a methodology for managing sustainable innovational values is introduced. This methodology can help organizations create values that support sustainable innovation. Sustainable innovation occurs best when members of the organization are passionate about their work because they share emotional as well as economic values, and when these values inform organization goals, mission, strategic objectives, processes and initiatives, and when the values are embedded in the organizational culture (Brillo, Dolan, and Kawamura, 2014).

The concepts of cultural change and leadership used in this chapter are based on multiple longitudinal case studies. Seventeen organizations who are successful in innovation have been studied over periods of five to ten years. The cases are based on factual and documentary studies and interviews with managers, employees and customers (Boonstra, 2013). The in-depth case study of the GABV is based on five years of research collaboration between the members of the GABV and a research team from Esade Business School. Strategic developments and innovation initiatives are explored and studied using a research and feedback process in close collaboration between GABV members and the researchers. This method can be considered as action research in which researchers and participants explore new horizons and learn from each other. It is based on the assumption that actors in organizations have useful detailed practical knowledge and experience. Researchers, for their part, have experience in conducting research and theoretical knowledge about innovation and organizational change processes. Together, these two groups can examine the nature and causes of problems, make sense of research results, learn about the dynamics of organizational change and make decisions about interventions (Eden & Huxham, 1996). Action research can be used as a way to improve organizational change and to stimulate learning processes within and between organizations. Interactive feedback sessions on the results of the research offer people in organizations an opportunity to understand the reasons underlying failures and stimulate interaction as well as a joint search for alternative action (Argyris, Putnam, Smith, 1985). Making sense of the reasons underlying failure together can help people in organizations learn how to handle future change processes more effectively (Boonstra 2004).

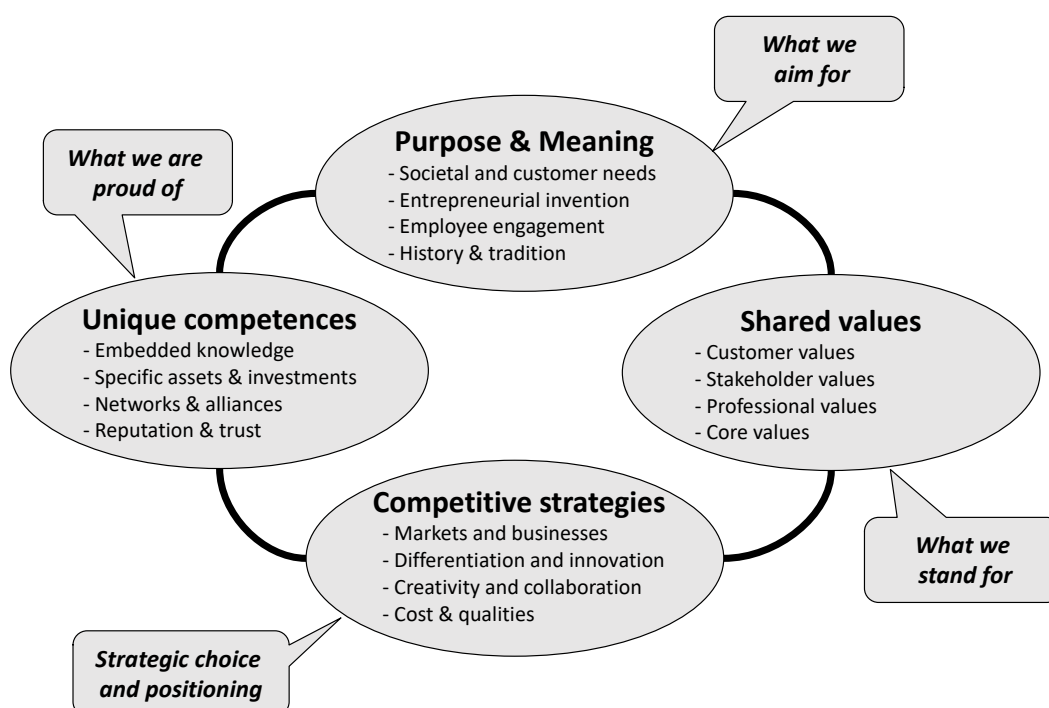
2. Organizational culture and business ideas for innovation

The competitive strength of businesses in the 21st century will depend mainly on using creativity to make innovations possible in collaboration with other businesses. Innovative enterprises are successful because they can create a balance between preserving their core values and stimulating renewal (Collins & Porras, 1996). There are two key elements to a vision: a clear identity and an image of the future. The identity is relatively stable, while the business strategy develops continuously subject to the changes in the demands of customers and the business environment. This value-driven perspective on a culture for innovation concerns the identity of an organization, its values and competencies, market position, customer value and social meaning (Van der Heijden, 2005). The business idea of an organization involves these four related points of view that together give shape to the creation of value for customers. Figure 1 presents a diagram of the business idea of an organization.

Working on the business idea centers on how organizations can retain their individual character, put their core values into action to realize renewal and make them stand out by creating value for their customers. The key question is how a business wants to position itself and distinguish itself by creating value for customers. Companies that are successful in strategic and organizational culture for innovation are clear about what they believe in and are aiming for. Not a crisis, but a clear business idea is at the root of a successful culture of innovation in organizations. It is therefore an essential condition of innovative culture in businesses. At least equally essential is a good

definition of the customer and a clear picture of the customer value that the business wants to deliver (Boonstra, 2013).

Figure 1. Business Idea for innovation (Boonstra, 2019)

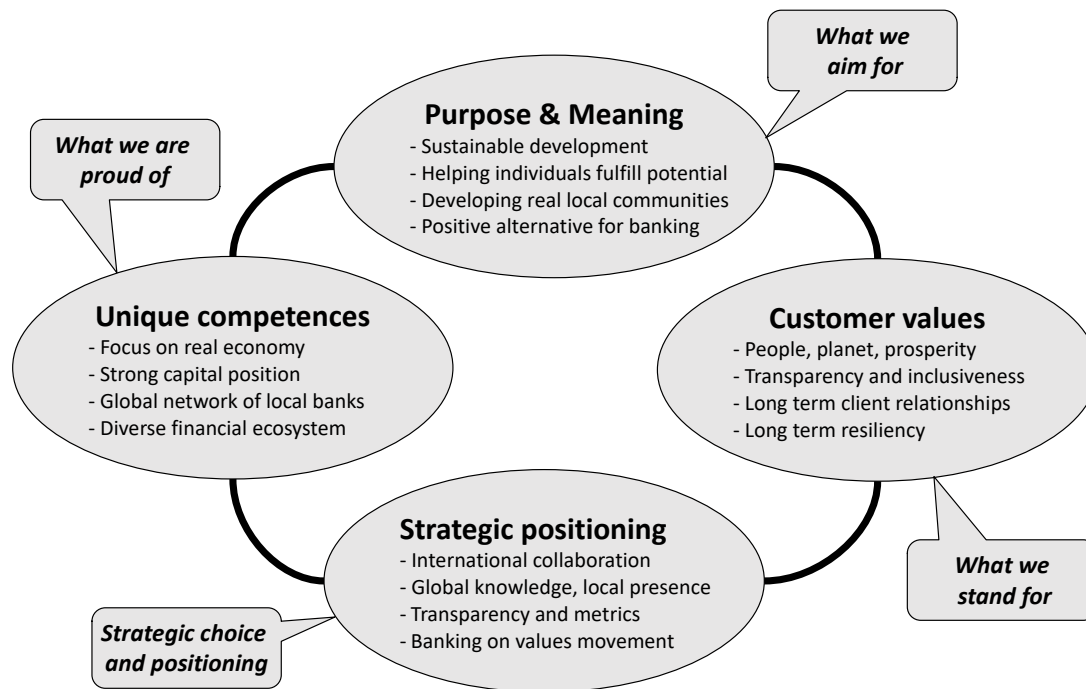


GABV: business idea and guiding principles

Founded in 2009, the GABV is a growing network with commercial banks, banking cooperatives, credit unions, microfinance institutions and community development banks from many parts of the world taking part. The collective goal of the alliance is to change the banking system so that it is more transparent, supports economic, social and environmental sustainability and is composed of a diverse range of banking institutions serving the real economy. The Global Alliance consists of 43 financial institutions and seven strategic partners operating in countries across Asia, Africa, Australia, Latin America, North America and Europe. Collectively the alliance serves more than 41 million customers, holds close to 127 billion USD of combined assets under management and is supported by more than 48,000 co-workers (GABV, 2019b).

The members of the GABV have one purpose in common: a shared mission to use finance to deliver sustainable economic, social and environmental development, with a focus on helping individuals fulfill their potential and build stronger communities. The alliance is committed to financing change in communities. Below we explore the business idea as a core concept in greater depth pay special attention to cultural values and guiding principles.

Figure 2. Business Idea GABV



Meaning

The members of the GABV are deeply involved with the people and the communities they serve and are accountable for the risks they both take and create for the people who use their products and services. This focus on inclusion puts basic banking products at the service of a greater number of people, rather than highly sophisticated products in the hands of a few. The members are very aware of the externalities produced by their banking activities through the projects and clients they finance. The GABV members want to ensure that banking is a healthy and productive system for society and develop a positive, viable alternative to the current banking system. The public is becoming increasingly aware of the interdependence of the real economy, social cohesion and our natural eco-system, something values-based bankers have long understood, and which lies at the heart of their business model. Knowing that people want to support positive change in society the GABV sees the opportunity to demonstrate a healthy transformation of the banking sector, a contribution to solving societal problems and a reference point for others along the way.

Uniqueness

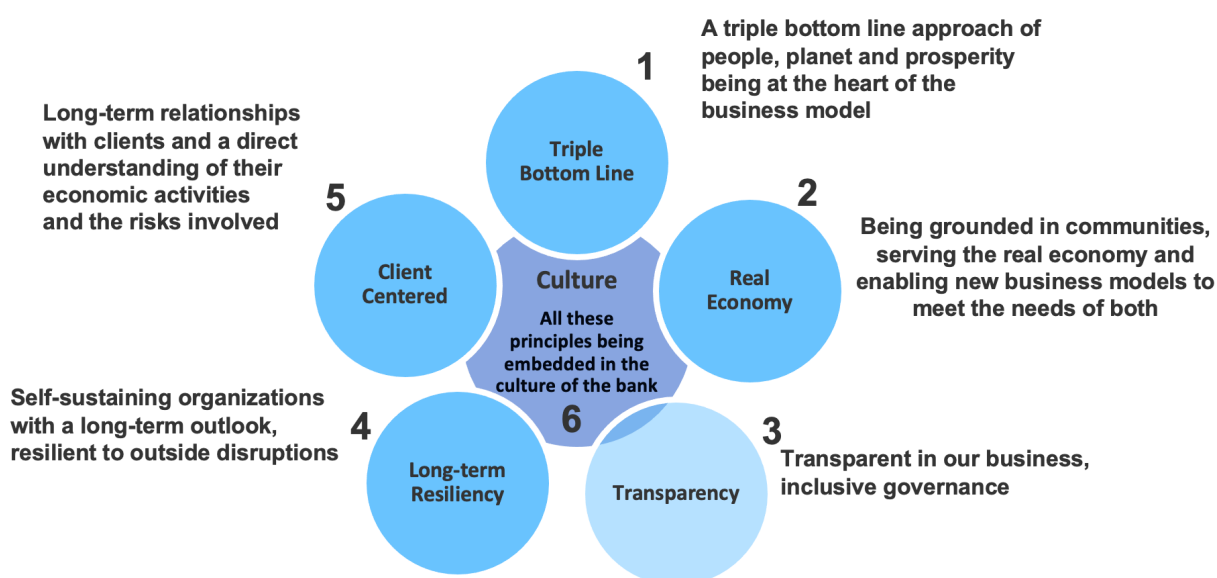
GABV members have a strong belief in the values-based banking model and recent research backs this up, showing that lending to the real economy delivers better financial returns compared with the largest banks in the world (Khan, Serafeim & Yoon, 2018). The GABV has achieved a strong capital position and steady financial returns through their focus on the real economy, with the values-based banking model providing a viable and much-needed alternative and adding strength to a diverse

financial ecosystem. Another unique quality of the GABV is its strong global network of banks, rooted in local economies and drawing on the strength of collaborative experiences worldwide.

Values and guiding principles

The organizational glue of the GABV as an innovative alliance lies in their basic values and guiding principles such as transparency, long-term resilience, investment in the real economy and long-term client relationships. In the alliance, local banks are collaborating globally on the basis of shared principles and values. Corporate culture and management transparency are so important for the GABV that they have become core elements in the six principles they use to evaluate and promote values-based banking. Figure 3 provides a schematic presentation of the GABV's cultural values and principles (GABV, 2019c).

Figure 3. GABV cultural values and principles.



Principle 1. Triple bottom-line approach.

Values-based banks integrate this approach by focusing simultaneously on people, planet and prosperity. Products and services are designed and developed to meet the needs of people and safeguard the environment. Generating reasonable profit is recognized as an essential requirement of values-based banking but is not a stand-alone objective. Significantly, values-based banks embrace a pro-active approach to triple-bottom-line business – they do not just avoid doing harm but actively use finance to do good.

Principle 2. The real economy

Values-based banks serve the communities in which they work, serve the real economy and enable new business models to meet the needs of both. They meet the financial needs of these geographic and sector-based communities by financing enterprises and individuals in productive and sustainable economies.

Principle 3. Transparent and inclusive governance

Values-based banks maintain a high degree of transparency and inclusiveness in governance and reporting. In this context, inclusiveness means an active relationship with a bank's extended stakeholder community and not only its shareholders or management.

Principle 4. Long-term, self-sustaining and resilient

Values-based banks adopt a long-term perspective to make sure they can maintain their operations and be resilient in the face of external disruptions. At the same time, they recognize that no bank, or its clients, is entirely immune to such disruptions.

Principle 5. Long-term relationships with clients

Values-based banks establish strong relationships with their clients and are directly involved in understanding and analyzing their economic activities and assisting them in becoming more values-based themselves. Proper risk analysis is used in product development so that indirect risk management tools are neither adopted as a substitute for fundamental analysis nor traded for their own sake.

Principle 6. Principles embedded in culture

At the center of values are the cultural values because the other business values depend on the culture of the banking organization and the way of working on the daily financial services offered to customers. Values-based banks seek to embed these principles in the culture of their institutions so that they are routinely used in decision making at all levels.

Positioning

The GABV is a growing movement that influences the way people are doing business and earning a living. In Latin America GABV members are located in Bolivia, Ecuador, Peru, El Salvador and Paraguay. The GABV is holding conversations with a couple of financial institutions in Brazil that may become members in the near future.

In our global world international collaboration in alliances is developing very fast. These alliances challenge existing business models through innovative power rooted in local knowledge and worldwide expertise. As a global alliance, the GABV operates both within and outside the banking system. This inspires the GABV to consider all stakeholders as bankers, including their customers. Whether you are a values-based bank or banking cooperative, a banking professional or organization interested in creating more social, economic and environmental impact, a policy maker or regulator interested in bringing progressive change to the sector or a member of the banking public, the GABV considers you as part of the growing global banking on values movement.

The member banks seek to embed the six principles in the culture of their institutions so that they are routinely used in decision-making at all levels. Recognizing that the process of embedding these values requires deliberate effort, these banks develop human resources policies that reflect their values-based approach and develop stakeholder-oriented practices to encourage sustainable business models. These banks also have specific evaluation systems and reporting frameworks to demonstrate their financial and non-financial impact.

Based on this business idea the GABV can be seen as an innovative financial movement with a strong culture rooted in basic values and guiding principles.

3. Cultural change for sustainable innovation

Cultural change for innovation in organizations is not a goal in itself but is crucial for the strategy and future of the business. This means that there is a continual dialogue with all parties involved about achieving cultural change for innovation. The best way to achieve successful change is by giving meaning and value to the company, and what the company wants to signify for customers and for society. Successful leadership in organizational change for innovation is a function of people's conviction and vision of the future and not a formal position in the company: everyone can play a role in successful change. Innovation champions bring people together with an inspirational vision and move their organization forward to meet the future. Changes in organizations are most often approached as a planned or programmed effort but in the case of cultural change for innovation this planned approach is not fruitful. Innovation is like a journey through an unknown territory (Boonstra, 2019)

There is no single best way of changing organizations; it involves making conscious decisions each time about how to set up the concept of play by choosing and combining change strategies. Change starts with standing still. This not only means finding out the reason for the change but also thinking through a suitable change approach how to effect the desired transformations.

Theories about organizational change have described a number of strategies for change. In Figure 4 these theories are used to describe six approaches to strategic and cultural change in situations of uncertainty.

Figure 4. Approaches to cultural change in organizations (Boonstra, 2019)

Power Strategy	Planned Strategy	Negotiating Strategy	Motivation Strategy	Learning Strategy	Interactive Strategy
Forcing	Pushing	Exchanging	Developing	Learning	Discovering
Steered from the top Goal oriented Position power Input controllers Linear process Pressure Tell & Sell	Initiated at the top Solution oriented Expert power Input consultants Linear process Persuasion Convincing	Multiple actors Results oriented Position power Different coalitions Iterative process Negotiation Compromising	Transformative Problem oriented Seductive power Employee input Iterative process Participation Guiding	Active & reflective Transition oriented Informal power Learner input Circular process Action learning Coaching	Interactive Future oriented Visioning power Collaboration Cyclical process Mutual learning Dialoguing

In power strategies, top managers create urgency using threats from the business environment to galvanize people into action. The idea behind this is that people are cautious and only want to change under external pressure. With this approach conflicts and resistance to change are unavoidable and have to be overcome by force. Top managers determine goals and delegate implementation to middle managers. Controllers monitor whether goals are reached and top managers intervene if that is not the case. Desired behavior is rewarded and behavior that is not appropriate to the new values and standards is penalized.

In rational and planned strategies, the assumption is that people will always choose the most logical solution; the problem is to convince people what the best solution is. After the business environment has been analyzed, management develops a business strategy together with experts; they formulate objectives and implement changes. Experts and advisors have an important role in the problem analysis and formulation of the desired situation. In a planned approach, managers sometimes use large-scale cultural programs whose aim is to change the behavior of people in the organization.

Negotiating strategies are appropriate when parties with different interests and wishes need each other in order to realize their objectives. In this strategy people focus mainly on their own interests but take others into account if there is a need to collaborate. The idea is that personal interest may motivate people to change. This strategy aims at making force fields visible, articulating one's own advantage and trading interests to achieve a solution.

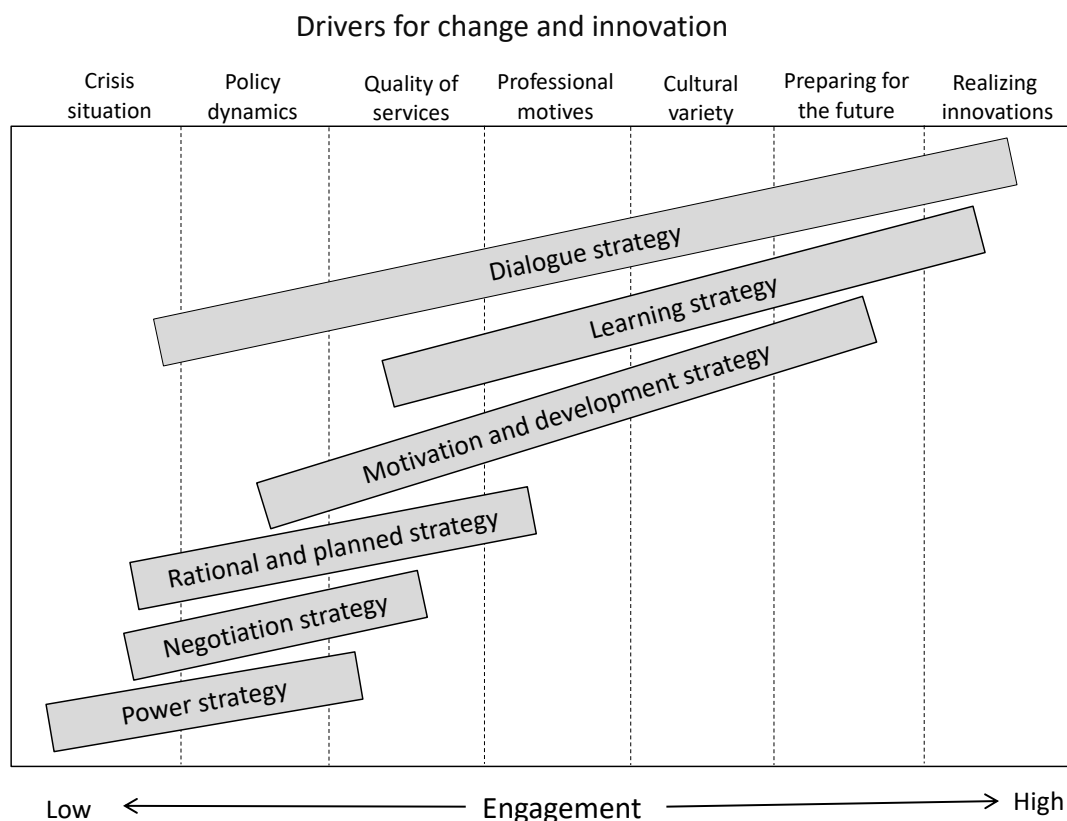
The idea behind motivating and development strategies is that people have the capacity to change as long as there is a good director who can get the best out of them. Creating a safe environment and offering clear structures reduces uncertainty and builds a foundation for change. The problem-solving capacities of the people involved are appealed to in the change process; the change is usually initiated and supported by top management. In this change strategy, people who are directly involved work together in the organization to realize the desired change.

The idea behind the learning strategy is that people act on the basis of assumptions, emotions, feelings and almost unconscious patterns. Making people aware of these assumptions and patterns and making it possible to discuss feelings creates space for learning processes in which people can change their behavior. The underlying idea is that learning is about overcoming limiting beliefs and the creation of new images of reality. Organizations that work successfully on strategic and cultural change almost always focus on opening up basic assumptions and patterns that may obstruct change for discussion.

In a dialogue strategy, people exchange perspectives on organizing, changing and innovating; they experiment and initiate innovations that go beyond their own organization. The belief behind this strategy is that reality is not objective but anchored in people's hearts and minds. If this view of reality is linked with a future ideal, energy is created and people are motivated to act. This strategy involves multiple examination and interpretation of problems and stimulating interactions to produce various possible solutions. Meanings and basic assumptions are brought out into the open and alternative joint actions initiated which lead to the discovery of new destinies.

One of the most complicated tasks for people who are engaged in organizational change is choosing and combining change strategies that enable sustainable innovation to take place. The first step in choosing and combining change strategies is to consider the dynamics of the business environment and define the business idea behind the change process. The second step is to consider the importance of the engagement of internal players: in crisis situations and under pressure from the transactional environment there is little room to maneuver. Time is limited and the compliance of employees is needed to make progress. In this situation a power and planned strategy might be suitable for stabilizing the situation and realizing changes that contribute to organizational survival. Where there is a need for quality improvement a rational and planned change strategy is useful for improving quality systems, while a motivation and development strategy is useful in getting people involved in the change process. A change approach based on motivation, learning and development allows space for innovative experiments but needs time to share experiences and learn from them. Organizations that proactively want to be prepared for the future or focus on innovations take a long-term perspective and the engagement of internal players is usually easy. In this situation learning and dialogue strategies are a good combination. Figure 5 shows these views on choosing change strategies for innovation.

Figure 5. Choosing and combining change strategies



GABV: Innovation based on dialogue, learning and development

The change strategy of the GABV is very clear in the conscious choice of dialogue, learning and development as an overarching combination of change strategies to make the global alliance grow and build a worldwide community that offers a positive alternative to current banking principles. A long-term perspective is dominant in the business concept and in the change process itself. The change is a step-by-step process based on small initiatives, experiments, reflection and learning; room to experiment is huge. The commitment of leaders and professionals is high because of the challenging business idea and their shared ambition to contribute to a better world.

Change in the GABV is a continuous process where bankers worldwide learn from each other's experiences and inspire each other. The change process is based on a challenging ambition to create a movement for values-based banking worldwide. Dialogue, learning and development are the change strategies used to grow as a global movement. The banks in the alliance create impact by interaction with entrepreneurs, sustainable businesses, micro-finance institutions, customers and non-governmental organizations. Within the alliance, professionals share ideas using communities of practice, learning cycles and regional chapters to share local experiments, development of new ideas and exchange of best practices.

At its heart, the GABV is a Chief Executive Officer network providing a unique space for collaboration for leaders who are committed to values-based banking. It also provides learning and development opportunities for senior executives, experts and banking professionals at member banks through their communities of practice. The GABV takes a leading role in the debate about how to build a sustainable financial future by managing joint projects among members, experts and partners to help deliver it and by advocating change.

The GABV supports banks in the alliance with respect to their local cultural embeddedness. The alliance initiated SFRE, a venture capital fund that offers venture capital for values-based banks globally. It invests in local experiments and developing new ideas and supports learning from useful experiences and best practices. The GABV has created communities of practice to develop knowledge and create mutual support. These communities of practice play an important role in the life and development of the GABV. They have opened the Alliance to member banks' subject matter experts and professionals, beyond CEO level.

GABV members meet annually in person to collaborate at regional levels. They reinforce relationships and advance shared agendas to support the growth of the GABV and values-based banking in their geographic areas. The GABV regional chapters act as round tables to provide knowledge and exchange perspective on issues to the larger CEO group, programs and communities of practice. Board members responsible for the region provide leadership of each chapter. These chapters are an additional infrastructure for dialogue, learning and developing.

Table 1: GABV Communities of Practice

<p><u>Governing Board Forum</u> to develop powerful insights into the unique approach to governance and leadership required to make values-based banks positive, proactive and profitable agents of social, economic and environmental change.</p> <p><u>Human Development</u> to connect HR experts from each bank, build foundational relationships, and facilitate in-depth sharing and open discussion about best practices in values-based banks.</p> <p><u>Impact Metrics</u> to play a key role in developing the GABV Scorecard, which has incredible value as a measuring and differentiating tool in assessing the qualitative and quantitative impact of values-based banking.</p> <p><u>Marketing & Communications</u> to collaborate on the worlds' first #BankingOnValues Day, an internationally coordinated initiative that is helping to build visibility and appetite for the values-based banking movement globally.</p> <p><u>Risk & Control</u> to work together and exchange knowledge to establish a common view on how to apply risk and control functions within a values-based banking environment by focusing on those characteristics that make this environment so special and closely connected to the six value principles.</p>
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The GABV uses impact stories to give meaning to their business idea and support the exchange of good practices. Exploring real-life examples of the communities, organizations and initiatives have a positive impact on the life of people (GABV, 2019d). Behind every bank in the Alliance there are organizations, entrepreneurs and investors using money to create positive economic, social and environmental impact that affect the life of millions of people. These stories share a profoundly different perspective on how banking can and should work. This approach towards GABV storytelling was first launched at an exhibition during the 2013 GABV Annual Meeting in Berlin. The exhibition was accompanied by a book, *Change Makers – The Stories Behind the Values-based Banks Transforming the World*. During the Annual Meeting 2017 in Kathmandu a deeper approach to storytelling was launched with the publication of the Stories of Systemic Change. The stories can be found at the GABV website.

The GABV is systemically analyzing data that compares the viability of values-based banking. In collaboration with independent financial institutions, comparisons are made between values-based banks and traditional banks and financial institutions. The data builds a business case that demonstrates that organizations can make good money by putting money to good uses (GABV, 2019e).

4. Leadership for sustainable innovation

Different leadership styles are distinguished in leadership theory (Yukl, 2009). These different styles are summarized in Figure 6 in relation to leaders in organizational culture for innovation. Successful organizational culture for innovation in existing companies mainly involves a combination of transformational and participative leadership; when starting their enterprises, the founders form the company culture. Entrepreneurs and innovation champions are usually charismatic with a high need for achievement that is associated with transactional leadership.

Figure 6. Perspectives on leadership (Boonstra, 2013)

Entrepreneurial	Autocratic	Transactional	Charismatic	Participative	Transforming
Initiating Communicating Engaging Appealing Cultivating Inspiring Demanding	Goal setting Commanding Intimidating Re-acting Realizing Punishing Positioning	Goal setting Informing Managing Performing Stabilizing Rewarding Controlling	Impressing Speaking Building Achieving Modeling Monitoring Expecting	Guiding Listening Evaluating Consulting Delegating Developing Encouraging	Sensing Sensemaking Vitalizing Envisioning Supporting Appreciating Empowering

Transforming leadership — Transformational leaders have a deep understanding of the fundamental values of our society and of people's social and emotional needs; they are conscious of developments in the environment. Transformational leaders are curious, explorative and have broad interests; they have a positive attitude to learning and know themselves and their strong and weak points. They are able to see connections between environmental developments, understand incidental disruption to a work system that can arise and the dynamics of fundamental change. They are aware of the values and standards of a social system and recognize when those rules have to be modified. They listen to others and have the ability to trust others and build trust. They are inspiring and they know how they solve conflicts and realize cultural changes (Kim & Mauborgne, 2005).

Participative leadership — Participative leaders know what is important, inside and outside the organization. They have social awareness and are self-aware. Through sensitivity to what is happening in the environment, they see new possibilities. They know what is happening in the organization and what people allow themselves to be controlled by. This enables them to connect with the emotions and ambitions of others so they can direct people's energy in the organization to the future. They know who they are, and they know their own motives. They are approachable, ask others what they think, organize honest feedback and are not afraid to make emotions discussable. These leaders also know themselves and their strong and weak points and know when to consult others to correct their blind spots.

Innovative organizations invest in a leadership style that is based on transformational, charismatic and participative leadership qualities. They guide young talents to become new leaders by leadership programs, encouragement of new initiatives, trust in delegation, teamwork and collegial support.

Charismatic leadership — Meaningful leaders deliberately pay attention to specific cases and events; in crisis situations, they step forward to identify the situation and tackle it. They are explicit about what they believe is important, what they attach value to, and what they definitely do not want. They are initiators in cultural change and name events, share interpretations and invite others to share their vision. In this way they create space for dialogue and give it meaning. Through these interactions they form the culture of organizations together with others; they also tell inspiring stories.

Entrepreneurial leadership — Entrepreneurs want to start something new, something they believe in. They have huge drive, powerful motivation and a strong need for achievement. They ask others to share their dream and their vision of the future. These qualities make them charismatic. Entrepreneurs look for people who fit in with their dream and are willing to participate and support the initiative. They are founders of the business and create an organizational culture based on their values and drivers and they are usually inspiring and demanding. They are able to develop disruptive innovations that may threaten existing businesses.

GABV: Leadership and innovation

Leadership in the GABV is charismatic, participative and transformational. Building the alliance as a global movement requires an appealing future perspective. Charismatic leadership creates such a perspective, attracts new banks into the alliance and builds common ground to develop it. This future perspective creates new possibilities for collaborating with knowledge institutes and offers the alliance a visible position in international interest groups like the World Economic Forum. Participative leadership is needed to engage the local banks in the alliance and invite them to share experiences and develop new business concepts. The GABV has an executive director and a support staff that is mainly focused on building the alliance by inviting members to engage in innovative business concepts and communities of practice to share these concepts.

Being a manager or professional in a GABV bank is a somewhat difficult task since it is not concerned primarily with making money but about being reasonably profitable in a people-centered organization in which long term orientation and respect are key values. This means that recruiting and promoting the right executives who combine experience and technical knowledge with the right values and change capabilities is one of the toughest challenges in the GABV network. The Communities of Practice and Chapters support leaders and professionals in exchanging ideas, learning from each other and taking a leading role in values-based banking.

The alliance offers a leadership academy and online courses for values-based banking. The GABV Leadership Academy is designed to help values-based bankers strengthen their leadership skills and capacity to help their respective banks address the challenges of our time. Over a period of 8 months, participants in the Academy convene for three in-person modules and participate in coaching sessions and projects between the modules. The curriculum of the GABV Leadership Academy includes: Introduction to values-based banking, Purpose and mission of the GABV; Values-based Banking Models, Social Entrepreneurship, Client relationships in values-based banking, Digitalization, FinTech & values, The Role of Art for Social Change, The Role of Money in Society and Introduction to core concepts as well as tools on leadership.

The learning design it can be seen that the learning process has several layers: developing and advancing one's own leadership capacity in the context of values-based banking, learning about and exploring a wide variety of values-based banking models, supporting financial and non-financial innovations, developing personal and cultural skills, practicing innovation techniques and initiating individual change projects and exploring societal challenges and innovative solutions to address them.

5. Managing sustainable innovational values

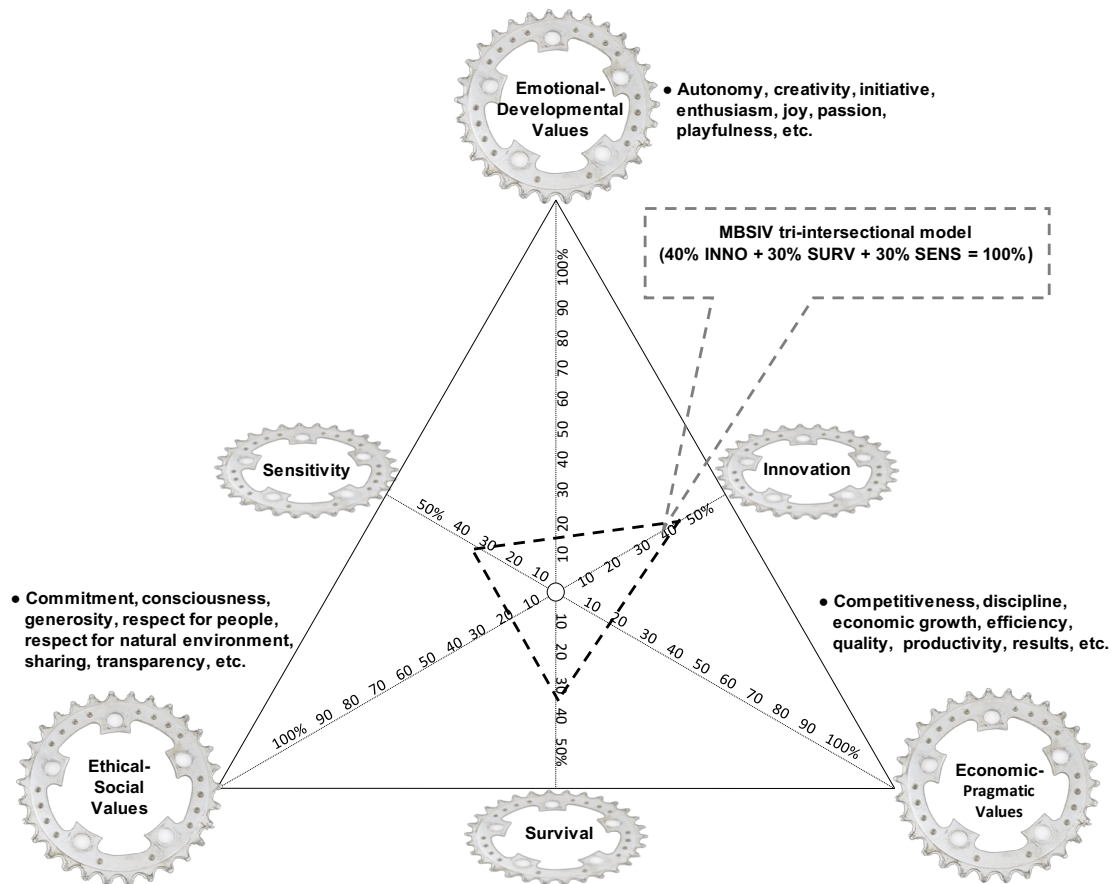
The methodology of managing by sustainable innovational values (MSIV, Brillo, Dolan, and Kawamura, 2014) is an extension and elaboration of both the Management by Values (Dolan, Garcia, and Richley, 2006) and the coaching by values concepts (Dolan, 2011). The MSIV model has been fundamental in addressing complexity within organizations in the 21st century and strengthening organizations' capabilities for developing a culture for innovation.

Managing cultural values and innovation

MSIV is a tri-intersectional model and asymmetrical cultural inquiry tool that may be used as the foundation for developing organizational culture (Brillo, Dolan, Kawamura, and Fernandez, 2015). MSIV suggests that a firm's central values, goals and strategic objectives are circumscribed within the triangle that is formed by the following three complementary yet orthogonal axes: Economic-Pragmatic, Ethical-Social and Emotional-Developmental. Economic-Pragmatic values are a set of values related to the criteria of competitiveness, discipline, economic growth and efficiency, among others. These values guide the planning, quality assurance, and accounting activities in organizations; they are necessary for maintaining and unifying various organizational subsystems. Ethical-Social values represent the way people behave in groups guided by ethical values shared by members of that group. These values come from conventions or beliefs about how people should behave in public, at work and in their relationships; they are associated with values such as commitment, awareness, generosity and respect for people. These values are manifested in actions more than words. Emotional-Developmental values are essential for creating new opportunities for action. These values are related to intrinsic motivation which moves people to believe in a cause. Autonomy, creativity, enthusiasm, joy, passion and playfulness are some examples of these values. Without them, people would be unable to make organizational commitments or be creative. Therefore, when designing an organizational culture for innovation, it is essential that people are able to do what they do differently and best in their jobs (Brillo, Dolan, and Kawamura, 2014).

Figure 7 shows the MSIV model, extracting the values from the GABV's principles and describing an alignment of the three axes: economic-pragmatic values—competitiveness, economic growth and economic success—, ethical-social values—respect for people, respect for the environment—, emotional-developmental values—creative energy, enthusiasm and passion— at their intersection points, which allows the GABV's leaders to focus on innovation linkage —intersection between the emotional-development axis and the economic-pragmatic axis— while keeping the sensitivity and survival linkages, increasing sensitivity and making the organization socially and environmental responsible.

Figure 7. GABV's Managing sustainable innovational values

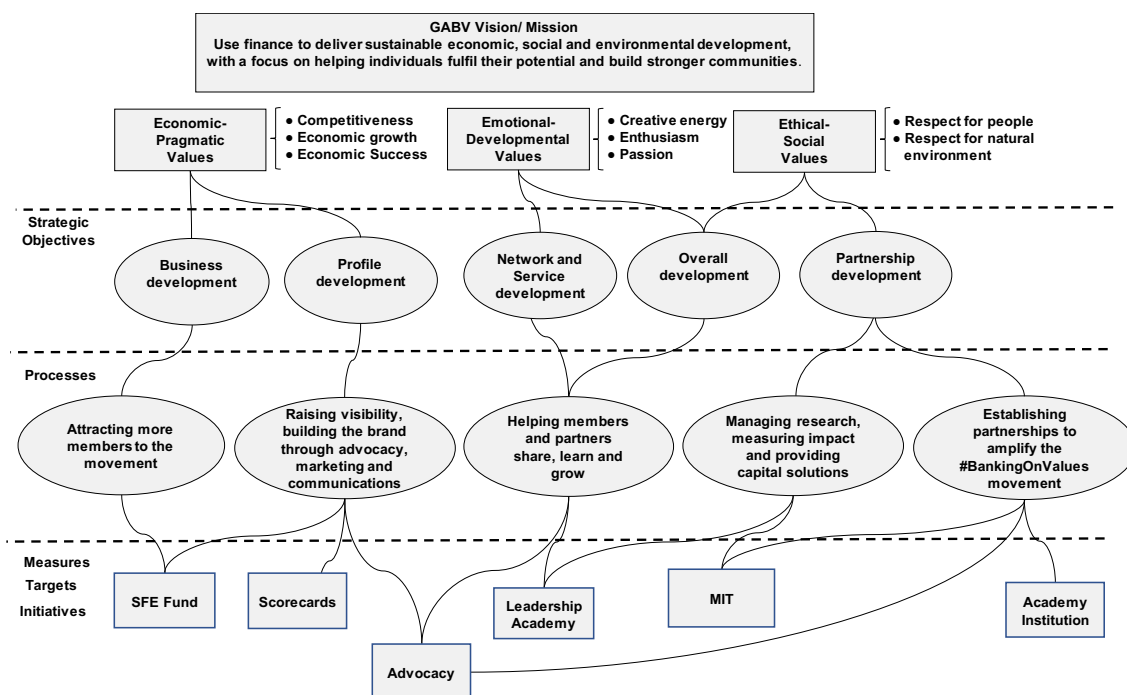


Values-based Strategy Map

The use of a strategy map, customized to an organization's particular strategy, describe how intangible assets drive performance enhancements to the organization's internal processes that have maximum leverage for delivering value to customers, shareholders and communities. It provides a framework to illustrate how strategy links intangible assets to value-creating processes. The architecture of the cause and effect relationship linking the Financial Perspective—the outcomes of the strategy in traditional financial terms—, Customer Perspective—value proposition for the targeted customers, Internal Process Perspective—the small number of critical processes that are expected to have greatest impact on the strategy—, and the Learning and Growth Perspective—human, information, and organization capital required to support the value-creating internal processes—, define the chain of logic by which intangible assets will be transformed to tangible values, generating sustainable innovation (Brillo, Dolan, and Kawamura, 2014).

The Values-based Strategy Map provides a visual representation of how companies' vision, mission, and values can be integrated. It is argued that sustainable innovation occurs best when organizational members share a high degree of Economic-Pragmatic/Emotional-Development/Ethical values and when these values are employed within the firm's strategic objectives, change initiatives and results and when these objectives, initiatives and results are effectively communicated and embedded within the organizational culture. The architectural relationships customized to an organization's particular strategy, linking the Values Perspective (the company's core economic, emotional and social values), the Strategic Perspective (value proposition for the targeted vision and mission), Change Perspective (the critical processes that are expected to have greatest impact on the strategy), and Results (human, information and organizational capital required to support the value-creating processes). The Value-based Strategy Map generates better communication and an effective culture for innovation. The Values-Based Strategy Map in the GABV presented in Figure 8 shows an architecture of relationships linking strategic objectives, change process and targets.

Figure 8. GABV's Values-based strategy map



Strategic objective: Business Development

Business Development: to increase membership and membership categories, while remaining credible, diverse and regionally representative. The GABV will also monitor and support members in expanding the quality and quantity of the economic, social, and environmental impact.

Change process and target: to attract more members to the movement

Full Members: Expand to 60-75 members by 2020 with sufficient representation from different continents, serving 70-100 million customers and including mission-aligned banking-related holding companies (considered on a case-by-case basis). Develop a new category for banks in transition to a values-based approach, based on compliance with the Principles of Sustainable Banking and Scorecard ratings.

Strategic objective: Profile Development

Profile Development: establish the GABV as 'the' benchmark for values-based banking through a clearly defined position (based on content developed on the basis of the banking model of member banks and their impact); key relationships, strategic partnerships and public profile opportunities.

Change process and target: to raise visibility through advocacy and communication

Advocacy: to provide an alternative point of view to the current banking system and its role in society; to advocate change in the banking system; to influence change in policy and regulation; to become a well-known, highly regarded and vibrant network of banks and influencing policymakers and regulators to develop a healthier banking system through trusted relationships with leading global actors e.g. World Bank and Asian Development Bank; to design Communities of Practice as key forums for sharing innovation and expertise within the Alliance to advance values-based banking.

Communication to develop a new category for banks in transition to a values-based approach, based on compliance with the principles of sustainable banking and scorecard ratings; to build the values-based banking movement, internally within the Alliance and its co-workers and externally with GABV partners and interested members of the public by a media strategy for web, social media, events and publications; exchange their corporate identity and support co-branding with members and partners. Develop a media relations strategy and the next phase in the life of the GABV marketing and communications and the communities of practice.

Strategic Objective: Partnership development

Partnership development: help the GABV build relationships and collaboration with more external stakeholders in a more structured way. This in turn will build initiatives and innovations and amplify the #BankingOnValues movement and the global GABV brand. In 2016 a new category of membership was introduced to support this commitment formally.

Change processes and target: partnerships and the #BankingOnValues movement

Support Partners: academic institutions or Independent research agencies who provide an alternative point of view to those of the current banking system; networks in different fields whose core values are similar to those of the GABV; development

banks and other multilateral institutions; consulting organizations and private companies whose core values are similar to those of the Alliance; offer better help to banks transitioning to the values-based approach; amplify the experience and impact of GABV members through other networks and alliances, not necessarily exclusively in the banking field; identify and approach other values-based banks or transitioning banks in different parts of the world.

Strategic Objective: Network and Service Development

Network and Service Development focuses on building the capacity of the GABV as a movement and as a network organization, positioning the Alliance to transition from start-up to growth phase, and readying the GABV for a renewed focus on member/business development

Change processes and targets: to help members and strengthen networking

Helping members: help the Alliance improve the operational day-to-day management of activities through administrative, infrastructure and process support; enhance the operational management of the Secretariat and Board of Directors; focus on process mapping and procedural improvements; implement an office management system, develop solutions, build processes, and implement improvements related to service providers, pipeline and query management, team management, Executive Director support, financial management and administration; implement IT and infrastructure solutions to ensure efficient and cost-effective operations; support the development of peer-to-peer exchange and use the forums to engage academic institutions for research purposes and in support of advocacy efforts; develop additional GABV Regional Chapters where local issues and positions can be addressed.

Networking: provide support for GABV members to connect, collaborate and create more impact; inspire GABV co-workers: remind them that they are part of something greater, something that can change the world, and how their passion and professionalism is fundamental; become better values-based bankers by networking, sharing and learning from each other and reflecting on work in an international context; advance the field of values-based banking by educating GABV members about the movement, the innovations and the potential; integrate performance plans for GABV co-workers involved in participating and supporting values-based banking activities; inter-member secondments and fellowships; GABV-member secondments; graduate classes of the GABV Leadership Academy; co-design the first open source online international training program and offer it every year as a Massive Open Online Course (MOOC).

Strategic Objective: Overall Development

Overall Development: focus on engagement through impact measurement and the development of a business case for values-based banking through research and proof points; the Scorecard; the creation of a knowledge-sharing platform to support Communities of Practices, hubs and the growth of the values-based banking movement.

Change processes and targets: measuring impact and providing capital solutions

Overall development: conduct annual research updates including new members, issues and data; launch a reasonably independent Scorecard for assessing banks in terms of values-based banking and as a self-assessment tool for Executive Boards; publish annual results of Scorecards by all GABV members, SFRE Fund investees and other banks; periodically publish or cooperate in the publication of research papers or GABV position papers with a values-based focus; create a knowledge-sharing platform for GABV Member Banks, Partner Banks and Supporting Partners.

Results

Over the years the Alliance has evolved from an incubator of ideals, concepts, initiatives, connections and partnerships into a generator of sector and system positions, collaborations, operational alliances and policy influencers. For example: the SFRE Fund, initiated by the GABV, is already a spin-off; advocacy is growing from a local and regional perspective to national and international action; the Scorecard has the potential to become an industry standard; the leadership academy has evolved from a values ambassador community of practice to an independent professionally accredited values-based banking leadership development program; the Massachusetts Institute of Technology massive open online courses, developed with input from the GABV, will change how banking professionals, policy makers and the interested public view the potential for a different kind of banking system.

Conclusion

The example of the GABV shows that the alliance is at the forefront of a quiet revolution in banking based on an innovative business idea and innovative practices founded on a change strategy of engaging people, open dialogue and a cycle of experimentation, reflecting, exchanging and learning. Innovation based on sustainable values helps the GABV to develop as a movement dedicated to advanced positive change in the banking sector. Innovation and development are based on a challenging ambition to create a movement for values-based banking worldwide. The innovation activities used by the GABV are in accordance with the change strategy of dialogue, learning and development. Every employee of the GABV and member banks is a member of the GABV community. They are invited to present new ideas and take initiatives for innovation as long as these are in accordance with the guiding principles. The example of the GABV may support other organizations in aligning sustainable innovation with cultural values, leadership practices and change strategies.

Working on a clear business idea for sustainable innovation is concerned with how organizations can retain their individual character, put their core qualities into action to realize renewal or innovation, and differentiating themselves by creating value for their customers. The key question is how a business wants to position itself and distinguish itself by creating value for customers. The example of the GABV shows that cultural changes for innovation are not just a matter for top managers and directors; the initiative can be taken from any role and any position. Innovative leaders actively

involve other members of the organization and external interested parties in the articulation of a meaningful, attractive and feasible vision of the future.

The methodology of 'Managing by Sustainable Innovational Values' may support organizations in aligning sustainable innovation with cultural values and strategic initiatives through dialogue with internal and external stakeholders. It helped the GABV to align their strategic ambitions with change processes initiated by members within the alliance.

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