



# The green accelerators: How purpose-driven leaders in chemicals are redefining leadership for the industry

The chemical industry is at a tipping point in the climate change and circular economy conversations, and it is time for all leaders to get on board.

The chemical industry today is taking a more proactive role in addressing sustainability risks and is decisively moving from being part of the problem to being a key driver of solutions through the development of sustainable products, practices, and leadership. Executives in Europe's chemical sector are shifting perceptions and realities of the industry through refining purpose, making bold commitments and big investments, and highlighting how strong leaders can transform an industry.

As the COVID-19 crisis and resulting economic damage have unfolded, many have wondered how high up sustainability would remain on corporate agendas. One clear conclusion we can draw from recently conducted interviews and what we have observed so far in chemical companies' actions is that industry leaders no longer see the long-standing dichotomy between running a successful business versus a sustainable one. And now, the way these companies assess, select, and develop their leaders for this new paradigm will have to follow suit. For their next generation of leaders, chemical companies should seek individuals who combine six key characteristics: they should be purposeful, inclusive, and agile, and, at the same time, commercial, decisive, and consistent.



## Paving different routes to a sustainable and profitable sector

As sustainability rises on consumer and regulatory agendas, other process-industry companies, especially those relying on the use of natural resources—extraction and transformation of oil-based products, minerals, and agricultural-based products—will have to accelerate change. Every decision, long-term investment, or short-term cost reduction will have to be screened through the lenses of one or more sustainable goals. Some more asset-intensive companies that have been more shielded from customer pressure might have been slower to adjust their business models and portfolios to sustainability goals, but the COVID-19 pandemic and its aftermath will likely accelerate the urgency to meet those goals. Such changes call for a generation of leaders who are able to weather the current crisis while keeping their eyes firmly on the horizon.

Afyren is part of an increasing number of young organizations founded with the goal of addressing climate change through innovations in recycling, bioengineering, or bio-sourced materials. The company has developed a fermentation technology that eliminates waste from food processing and has secured €60 million to move into the industrial development phase and explore multiple potential applications.

Carbios, a French green chemistry company that is developing enzymatic bioprocesses to reinvent the life cycle of plastics, is attempting to transform plastic and textile waste into a renewable raw material. It is just nine years old and already has 33 patent families in its portfolio, along with the potential of becoming a major player in the worldwide plastic and recycling markets. Ian Hudson, the Carbios chair, explains, “Our company has developed the first enzymatic technology to infinitely recycle and reuse PET<sup>3</sup>-based plastics and textiles, and the strength of our intellectual property aims to guarantee a strategic competitive advantage to our current and future industrial partners.”

More traditional chemical companies have faced the more complicated journey of transitioning their business model to focus on sustainable products and services. Those that have seen success share one common trait: leaders who abandoned the dichotomy between sustainability and commercial success early.

DSM, a nutrition, health, and sustainable-living company based in the Netherlands, is one of the best examples of a company that has thrived by placing sustainability at the heart of its business. DSM’s leaders have demonstrated an unwavering commitment to sustainability by revamping their portfolio and aligning business strategies to specific United Nations Sustainable Development Goals (SDGs). They followed this commitment with investments in developing sustainable materials, new farming methods, and high-performance solar energy solutions. “For DSM, sustainability became a core value, a clear responsibility, but also an important business driver. And I am proud that my successors, Geraldine Matchett and Dimitri de Vreeze, are continuing that journey,” says Feike Sijbesma, who recently stepped down after a 13-year tenure as CEO of DSM and who was the architect of its sustainable business model. “DSM is a company with a clear purpose, which includes contributing with its competencies to the SDGs—in particular, climate change and nutrition and hunger.” Sijbesma is clear that this approach wasn’t a corporate social responsibility but an approach at the heart of the company, providing social, environmental, and financial value creation simultaneously, for all stakeholders, customers, employees, shareholders, as well as society at large. DSM showed in the past 13 years solid financial returns—the share price grew threefold and outperformed the Euronext Amsterdam by a factor of four—and at the same time made significant contributions to the environmental and social preservation agenda.<sup>4</sup>

Givaudan, a Swiss manufacturer of flavors, fragrances, and cosmetic ingredients, has taken a comparable approach. Company leaders have often focused their culture and leadership practices on creating a sustainable business. “As a part of our DNA, sustainability has always been high on our agenda. We have a relatively low carbon footprint, and we have plans in place to continue to reduce the footprint, particularly at the sourcing level; we put a lot of emphasis on sustainable sourcing by making sure that we are less dependent on oil-based entrants,” says CEO Gilles Andrier. They have also linked their growth strategy with purpose, aiming to double their business by 2030 through creations that contribute to happier, healthier lives.

3 PET is a clear, strong, and lightweight plastic from the polyester family.

4 DSM, “DSM celebrates 30 years as a listed company,” press release, February 6, 2019, [dsm.com](https://www.dsm.com).

## The next leadership challenge: Doing great and doing good

Sustainability and purpose-driven transformations significantly affect leadership requirements at all levels of chemical companies' management structure: non-executive board members, executive teams, presidents, and senior vice presidents. Chemical companies will need leaders who can combine a long-term vision with the ability to deliver short-term profits and growth.

As more chemical companies seek to transition to sustainable practices, there is a new generation of leaders who will need to set consistent strategies and cope with unexpected events. They need to guide their teams with purpose and a great sense of conviction that delivering on sustainability is not mutually exclusive with delivering strong financial returns. They have to be able to work in large and complex organizations and at the same time be agile and able to pivot on short notice. They have to increasingly leverage diversity at all levels of their organizations and build inclusive cultures that make that diversity show results. Feike Sijbesma says, "I believe that, going forward, doing well and doing good will have to go hand in hand. It wasn't always the case, but it's proven that it can work, and in the future, it has to be a must."

Heidrick & Struggles' cross-sector research has identified key capabilities that differentiate leaders of what we call superaccelerating companies<sup>5</sup>—namely, the ability to mobilize, execute, and transform with agility (we refer to this as the META framework). In a nutshell, this means being able to adapt and pivot faster than competitors.

In this particular context, to create a sustainable company, whether by transforming the traditional businesses or creating a new business from scratch, our experience and understanding of the chemical leaders who are succeeding so far highlight six key characteristics: they should be purposeful, inclusive, and agile, and, at the same time, commercially minded, decisive, and consistent. These traits, and the qualities suggested for each skill set, are a combination of the Heidrick & Struggles' core META leadership model and recent additions observed through our work with chemical companies.



### Purposeful and commercial

Leaders have been most successful in transforming chemical companies when they are able to define a common purpose with clear objectives and decision criteria, make sure the whole leadership team and the whole company supports it and lives it, create and activate a purpose-led culture,<sup>6</sup> and inspire their teams and stakeholders. At the same time, leaders must be precise in execution, make sure approaches are financially sound, and ensure their company delivers on its promises to all stakeholders. Qualities associated with this skill set combination are optimism, realism, authenticity, courage, and transparency.

In the process of reframing their purpose, Givaudan interviewed around 500 customers, suppliers, employees, and partners to understand their perspectives on Givaudan's sustainable practices. Gilles Andrier says, "We spent nine months rethinking our new purpose with a bottom-up approach, connecting with 500 customers, suppliers, employees, and partners to be able to articulate our purpose and build something very strong, which would become our overarching compass. Not something additive just for our annual report, but an ethos that guides everything we do and how we do everything and that is aligned to our culture. Our purpose is our lighthouse: 'Creating for happier, healthier lives with love for nature. Let's imagine together.'" The leadership team is now aligning that vision to specific quantifiable objectives, which include becoming carbon neutral by 2050. "We don't take it lightly," Andrier says. "At Givaudan, we say what we do and do what we say, so it was paramount that we did it right. It is not greenwashing. It is sincere, and everything we say will be delivered upon."

"I believe that, going forward, doing well and doing good will have to go hand in hand. It wasn't always the case, but it's proven it can work, and in the future, it has to be a must."

**Feike Sijbesma**  
Former CEO, DSM

"We spent nine months rethinking our new purpose with a bottom-up approach, connecting with 500 customers, suppliers, employees, and partners to be able to articulate our purpose and build something very strong, which would become our overarching compass."

**Gilles Andrier**  
CEO, Givaudan

<sup>5</sup> For more on what makes an organization a superaccelerator, see Ruben Hillar, Colin Price, Sharon Teye, and David Turnbull, *Accelerating Performance*, Heidrick & Struggles, January 1, 2017, [heidrick.com](http://heidrick.com).

<sup>6</sup> This is consistent with other Heidrick & Struggles work on organizational purpose. See Alice Breeden, Rose Gailey, and Duncan Wardley, "Activating organizational purpose," Heidrick & Struggles, June 29, 2020, [heidrick.com](http://heidrick.com).



## Inclusive and decisive

When pursuing such large transformations, leaders will benefit from being able to build and nurture inclusive cultures where all employees feel they can share their perspectives and contribute to the best of their abilities to the broader organizational purpose. A diverse workforce is essential to making the best of an inclusive culture, as an increasing body of research shows how bringing a broad range of diverse employees into the fold helps innovation and business performance. For European chemical companies, the focus starts with gender, nationality, and racial diversity. A recent Heidrick & Struggles study shows that even some of the largest chemicals companies represent a wide maturity spectrum when it comes to diversity and inclusion, but there are encouraging signs that show that the sector leaders are looking for innovative ways of embedding D&I into their business and culture.<sup>7</sup>

At the same time, leaders should build a robust decision-making process that allows them to make the best of those diverse perspectives in the right way for their business—and, ultimately, to be able to make the tough calls. Our experience tells us that an inclusive environment is very powerful when designed well, but if not framed right, it can also become a hurdle in itself if people feel they have to sacrifice opposing views for the sake of harmony. Being both inclusive and decisive requires humility and stewardship, openness to diverse people and ideas, and high emotional intelligence.

In our experience, this is an important balancing act, because the very core of leadership rests in building trust with the people in the organization, and today more than ever, those people expect to have a voice in the purpose and strategy of their company. One of the most important qualities of an inclusive leader is to be one who, while leading primarily through influence rather than authority, knows when and how to make effective use of positional power.<sup>8</sup> A strong leader must have the ability to listen to different viewpoints around the table, reflect, and ultimately make the decisions that align with the company's purpose and long-term strategy. Because many European cultures have a bias toward consensus building, the ability to be decisive is even more important.



## Agile and consistent/reliable

Chemical leaders should be consistent and resilient in strategy execution, be learning all the time, and be able to permanently adapt to evolving environments by building partnerships and broad networks, developing market-driven innovations, and experimenting with new ideas—all while keeping on a continuous path for growth. Nicolas Sordet says that “chemical companies need more agile and flexible leaders who can do things differently than the industry has done for a century.”

Ian Hudson adds that “leaders should be involved in sustainable initiatives beyond [their] own scope—attending conferences and building a network with their peers, non-governmental organizations, and government agencies to be able to mobilize and operate as required. They should be genuinely interested in sustainability. Without becoming experts, they should be able to have a deep conversation on sustainability topics that align with their own focus or interests.” Curiosity, perseverance, and social agility are foundational prerequisites for this skill set mix.

The COVID-19 pandemic has proved that agility is essential to navigating complex crises that require complex decisions, and that in (and for) these situations in particular, companies should reinforce leadership abilities in four areas: adaptability, learning, resilience, and foresight.<sup>9</sup> But, in many circumstances, agility is effective only when it is demonstrated and built on a consistent foundation that has created significant trust between leaders and organizations. For instance, Ineos, a United Kingdom-based global manufacturer of petrochemicals, specialty chemicals, and oil products, built four new plants in Europe and the United States in April and May to manufacture and distribute about a million units of sanitizer monthly, for free, to hospitals that had shortages. Building a new factory in this short amount of time is an incredible feat, one that could be achieved only with an already well-oiled machine that responds quickly to its leaders.

**“Leaders should be involved in sustainable initiatives beyond [their] own scope—attending conferences and building a network with their peers, non-governmental organizations, and government agencies to be able to mobilize and operate as required.”**

**Ian Hudson**  
Chairman, Carbios

<sup>7</sup> Louis Besland and Mark Livingston, *Reversing the Formula for Diversity and Inclusion in the Chemicals Industry: Moving to a Leader-Led, Business-Driven Approach*, Heidrick & Struggles, July 16, 2019, [heidrick.com](https://heidrick.com).

<sup>8</sup> Karen Rosa West and Megan Herbst, “What inclusive leaders do—and don’t do,” Heidrick & Struggles, April 27, 2020, [heidrick.com](https://heidrick.com).

<sup>9</sup> Steven Krupp and Alex Libson, “Navigating paradox with agility,” Heidrick & Struggles, June 4, 2020, [heidrick.com](https://heidrick.com).

## Reaching the new generation of leaders

It is a tall order for one individual to master this complex set of skills and capabilities, and it is of course not easy to find individuals who seamlessly combine these six traits, especially for companies that tend to focus on hiring from within the industry, as many chemical companies do. However, it is clear that soft skills are becoming more important than industry experience in providing leaders with a competitive, winning edge. This opens up the search for talent to other sectors and, through that, to a more diverse pool of candidates and goes a long way in overcoming the sector's hesitation in transcending its own boundaries in the search for talent.<sup>10</sup>

As is true in the search for any senior executive, it will be important for companies to consider both how potential leaders operate individually and what their individual strengths and weaknesses are, as well as how they operate within their teams to build inclusion, engage with purpose, and deliver the consistency that builds trust. Boards should approach the C-suite's composition by factoring in what skill sets and leadership styles would complement those of the CEO. All this starts with the board's openness and alignment with the company's purpose.

More recently, we have seen boards scrutinizing candidates' track records around diversity and inclusion, looking at not only their own previous teams but also the way they have implemented policies and integrated D&I metrics into business performance. Across sectors, CEOs told us that experience with environmental, social, and governance (ESG) investing has become a relatively new addition to their job profile as well.<sup>11</sup>

On the other side of the coin, as this new type of leader is in short supply, companies have to ensure that they have the ability to attract and retain such talent. They have to be very clear on what their organizational purpose is and how sustainability factors into their strategy and vision and aligns with their organizational culture and structures. Leaders who want to have a sustainable impact on their community will thrive only in a business that is built to support that purpose as well as to be profitable.

Boards should approach the C-suite's composition by factoring in what skill sets and leadership styles would complement those of the CEO.

Leaders such as Andrier, Hudson, Sijbesma, Sordet, and others offer a road map for how to build a company that can do great while doing good. These leaders demonstrate that when you commit to positive environmental practices, and back up those commitments with measurable goals and timelines, it is possible to create a sustainable chemical company that can generate long-term profits. That is not an easy journey to undertake in an industry known for fiscal responsibility and reliable profit growth, and it takes extraordinary leadership skills to even suggest this kind of long-term change, let alone win the support of stakeholders and shareholders. It is unrelenting commitment from purposeful leaders and boards willing to make long-term investments in sometimes untested innovations that ultimately can lead to a cleaner and more sustainable world.



<sup>10</sup> Louis Besland and Mark Livingston, *Reversing the Formula for Diversity and Inclusion in the Chemicals Industry: Moving to a Leader-Led, Business-Driven Approach*, Heidrick & Struggles, July 16, 2019, [heidrick.com](https://heidrick.com).

<sup>11</sup> *Route to the Top 2019*, Heidrick & Struggles, January 9, 2020, [heidrick.com](https://heidrick.com).

---

## About the author

### **Louis Besland**

is a partner in Heidrick & Struggles' London and Paris offices and a member of the Industrial Practice. He leads the chemicals and oil and gas sectors for Europe.

[lbesland@heidrick.com](mailto:lbesland@heidrick.com)

---

## Acknowledgments

The author wishes to thank the following executives for sharing their insights. Their views are personal and do not necessarily represent the views of the companies they are affiliated with.

**Gilles Andrier**  
CEO  
Givaudan

**Ian Hudson**  
Chairman  
Carbios

**Feike Sijbesma**  
Former CEO  
DSM

**Nicolas Sordet**  
CEO  
Afyren

# Industrial Practice

**Heidrick & Struggles' Industrial Practice helps industrial companies identify and recruit the leaders they need to succeed in this diverse sector.**

Today, leading industrial companies increasingly recognize that the quality of their leadership will make the real competitive difference in a world of globalization, rapidly emerging markets, offshoring, outsourcing, and far-flung supply chains. These companies need innovative global leaders who possess the strategic, operating, and financial skills required to win in this complex environment. They need commercially-focused leaders who can develop distinctive value-added solutions. And, above all, they need leaders who have the ability to make both an immediate impact and a long-term contribution.

Our Industrial Practice experts combine unparalleled search resources with a deeply consultative approach, developing the ideal candidate profile based on each client's unique competitive challenges, business objectives, and leadership culture. We have deep vertical experience in every industry sector and specialty area and serve every region across the globe, including emerging markets such as China, Eastern Europe, India, the Middle East, and Russia.

## Leaders of Heidrick & Struggles' Industrial Practice

Global

Bo Herbst  
Global Practice Managing Partner  
bherbst@heidrick.com

Asia Pacific and Middle East

David Hui  
Regional Managing Partner  
dhui@heidrick.com

Europe and Africa

Jamie Page  
Regional Managing Partner  
jpage@heidrick.com

## Sector Leaders

Energy, Infrastructure  
& Sustainability

Stafford Bagot  
Global Managing Partner  
sbagot@heidrick.com

Manufacturing

Jonathan Graham  
Global Managing Partner  
jgraham@heidrick.com

Natural Resources

Mark Livingston  
Global Managing Partner  
mlivingston@heidrick.com

WE HELP OUR CLIENTS CHANGE THE WORLD,  
ONE LEADERSHIP TEAM AT A TIME®

Copyright © 2020 Heidrick & Struggles International, Inc. All rights reserved. Reproduction without permission is prohibited. Trademarks and logos are copyrights of their respective owners.