Sustainability Accelerator in Bhutan:
Practicing Community Empowerment & Local Leader Development

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For hundreds of years the peoples of Bhutan have prospered in their high Himalayan valleys and enjoyed a preponderance of peace as an independent mountain nation.[1] Despite being landlocked and relatively small, the Kingdom of Bhutan has garnered international attention for its distinctive philosophy of Gross National Happiness (GNH) and emphasis on caring for the collective welfare of all living things.[2] Many nations have subsequently adopted Bhutan's philosophy of holistic health and well-being, and Bhutan continues to be an exemplar of on-going, sustainable transformation.[3] From realizing over 20% growth in literacy rates in the last fifteen years,[4] to sustaining an average economic growth of 7.5% per year since 1980,[5] to becoming the world's first carbon negative country with forests covering over 72% of the land,[6] Bhutan quietly continues to lead with unique foresight and resilience.

In a world of continuous uncertainty and change, with the COVID pandemic, digital revolution, and social trends; people, organizations, and countries must continually transform to unlock opportunity and thrive.[7] Transformation requires not only attention to natural resources (mountains, forest, lakes, and minerals) in and on the ground, but also human resources above the ground.[8]

With this dual goal of nurturing both human resources and natural resources, Bhutan's tradition of leadership continued in 2020 when His Majesty, the Fifth King of Bhutan, urgently called upon Bhutanese civil servants to "prepare for the future" as a "self-reliant" nation.[9] His Majesty called on the civil service to become an innovation incubator in transformation of human development by diagnosing, experimenting, and improving human capital investments that would benefit Bhutan's people and country and be an exemplar to others.[10]

In response, the Royal Civil Service Commission of Bhutan launched a development accelerator called the "Nurturing Leadership Program" (NLP) which leveraged community-

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[1] Phuntsho, 2013
[2] Lepely, 2017; Seligman, 2019
[3] Sachs, 2012
[4] GNHC, 2019
[5] WB, 2022
[6] Banerjee & Bandopadhyay, 2016
[7] Ulrich, Schiemann & Sartain, 2015
[8] Ulrich & Allen, 2014
[9] Wangchuck, 2020
[10] Wangchuck, 2020

based participatory research methodologies and catalyzed action.[11] Civil Service leaders actively engaged with stakeholders to design and implement initiatives that are systematically changing the culture of civil service in Bhutan and accelerating execution of His Majesty's strategy. The NLP simultaneously addressed both the need to make systemic changes in the organization and the need for individual leaders to continuously develop capacity and improve their sustainability leadership skills.[12]

Rather than simply sending leaders to attend a training course, a cohort of 125 senior officials, including ministers and department heads, participated in a year-long train-the-trainer experience wherein they actively focused on systems thinking and participatory stakeholder engagement. The initial government leaders then trained 625 of their fellow civil servants to conduct over 6,800 face-to-face interviews and gather parallel stakeholder survey data. Executives then conducted 125 "North Star" workshops where they worked with teams to analyze the data and identify stakeholder-priority initiatives.

Co-created initiatives were then aligned with national priorities set forth in Bhutan's Twelfth Five-Year Plan[13] and projects became leadership laboratories where executives and their team members learned and implemented high-impact leadership tools while executing project objectives. Each leader learned performance coaching skills and built high-performing "five-star teams". Leaders were also given a practical leadership toolkit deployed via asynchronous micro learning modules, with tools supporting performance accountability, strategic sensing, decision making, trust, agile problem solving, collaboration, and change management. Leaders reported a 74% increase in their stakeholder engagement capability, a 90% improvement in their coaching skills, and increases of 94% in high-impact team building, 108% in collaboration, 98% in agile problem solving, 85% in performance accountability, and a 97% increase in change management capability.[14]

Project results ranged from better waste management practices to improved health outcomes to accelerated academic performance for secondary students. 98.6% of more than 3,000 stakeholders surveyed at the end of the initial effort agreed that projects positively impacted target SDG outcomes, and stakeholder satisfaction increased by an average of over 28%. Meanwhile, 96% of participants indicated that the approach was more effective than any other development effort they had participated in and several leaders expressed gratitude and said, "this program changed my life".[15]

Indeed, although the trek towards sustainable development is long and deliberate, Bhutan's approach provided civil service systems and leaders with a powerful boost. Bhutan continues its unique role as a human capability incubator by transforming talent, organization, and leadership into a shared and sustained brand: *Believe*.[16]

Why human capital matters in today's world

Each country has multiple resources that create the nation's future. Natural resources are minerals in the ground, global resources include country location, geographic resources

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[11] Israel et al., 1998, Minkler, 2005; Peréa et al., 2019; Rivkin et al., 2010; Wallerstein et al., 2017
[12] Rowley & Ulrich, 2012; Ulrich, 1993; Ulrich & Allen, 2014
[13] GNHC, 2019
[14] RCSC, 2022
[15] RCSC, 2022
[16] RCSC, 2022

include lakes, rivers, and land. These nonrenewable resources are often finite and need to be managed carefully to be sustained. Above the ground, a nation also has human resources that include the knowledge, skills, and attitudes of its citizens. These resources are renewable in that they can grow through wise investment and transformation. They are characterized by a service and knowledge economy.[17]

Any organization's success (government agency, education institution, business enterprise) requires strategic clarity (mission, vision, goals),[18] access to financial resources to invest,[19] and operational excellence through technology and systems.[20] To accomplish strategy, financial, and operational success requires people, organization, and leadership.[21] When an organization faces change, its people need to adapt to be successful.[22] Like a nation's citizens, an organization's employees can learn and grow.[23]

Leaders in government organizations or agencies (ministries, health care, education) can model how to care for people in a changing world.[24] When government organizations model transformation, the government will fulfill its stewardship to its citizens, agencies will better deliver on their goals, and firms will become more successful.

What human capability means

The management of people and organizations includes a host of initiatives that can be organized into four domains called human capability.

- Talent: Talent refers to people, employees, workforce, and individual competencies.[25]

- Organization: Organization refers to the team, culture, workplace, and organization capabilities.[26]

- Leadership: Leadership refers to the individual leaders who make set direction and make decisions and to the distribution of leadership throughout an organization.[27]

- Human Resources (HR): Human Resources refers to the HR departments, practices (hiring, paying, training, setting policy), and people.[28]

Transformation comes from targeted initiatives in each of the four domains (talent + organization + leadership + HR) focused on creating value for others.[29]

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[17] Ulrich & Allen, 2014; Yeung & Ulrich, 2019
[18] Parnell, 2010
[19] Beck & Demirgüç-Kunt, 2008
[20] Luz Tortorella et. al., 2022
[21] Ulrich, Kryscynski, Brockbank, & Ulrich, 2017
[22] Ulrich & Yeung, 2019
[23] Bezuijen, et al., 2010
[24] Bass, et al., 1987
[25] Ulrich, & Smallwood, 2012a
[26] Ulrich et al., 2017; Yeung & Ulrich, 2019
[27] Ulrich, & Smallwood, 2012b
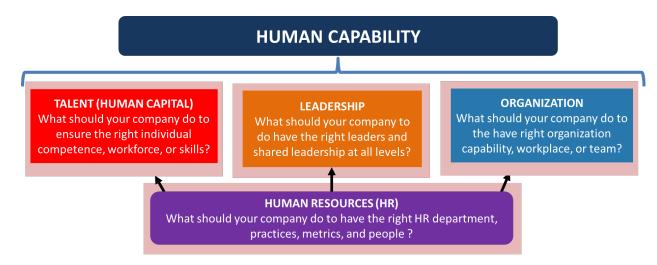[28] Ulrich et al., 2009; Ulrich & Allen, 2014
[29] Ulrich, 2020

Figure 1: Human Capability

Underlying "brand" or identity

A nation, organization, or individual has a "brand", or what they are known for that creates value for others who interact with them.[30] A nation's brand defines how citizens and guests think about the nation (e.g., Singapore's service, Japan's quality) (Fan, 2006), customers and investors perceive an organization's strength (e.g., Apple's innovation, Huawei's technological information),[31] or how an individual is known (learner, caregiver).[32]

Bhutan leaders have captured their emerging national brand as *Believe*.[33]

- Believe reflects meaning, purpose and what matters most.

- Believe captures the aspiration of what can be tomorrow and the actions today to fold the future into the present.

- Believe is rooted in ideas and images that envision future opportunity.

- Believe replaces doubt and helplessness with confidence and hopefulness.

- Believe turns emotional divisiveness and into unity and well-being.

- Believe matters to many stakeholders:

  o Individuals (human capital) who believe include each citizen, employee, and visitor to Bhutan.

  o Organizations (human capability) with believe include government ministries, education systems, and business enterprises.

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[30] Maurya & Mishra, 2012
[31] Zhang, 2015
[32] Harris & Rae, 2011
[33] UNWTO, 2022

o   Leaders (at all levels) who believe become meaning makers who make a difference.

When government transformation embodies the emerging brand of "believe", three outcomes follow:

1. Efficacy: I (we) can achieve my (our) goals to make a difference in the world.

2. Optimism: I (we) can continue to do so in the future.

3. Imagination: I (we) can interpret the past and imagine and pursue a wide variety of future.

These three outcomes are the sustainable hope that "believe" will create from your Bhutan's government transformation.

Bhutan's transformation to *Believe*

In transforming Bhutan's government service to align with the believe brand, each ministry and department has engaged in transformation projects and leaders of each initiative have learned and leveraged leadership tools that they can now continue to use to sustain the believe brand. By leveraging these tools, civil service systems will transform as leaders gain a common language that aligns with accountability, empowerment, and an intense focus on identifying and exceeding stakeholder expectations. The NLP leadership toolkit includes the following tools:

- Teams (Five-Star Teams): Build and empower high-performing teams with Results, Roles, Rules, Relationships and Renewal.

- Performance Accountability (E/F Loops): Establish accountability by aligning expectations through goals, metrics, and incentives, then give regular feedback to ensure continuous improvement.

- Strategic Sensing (THEMES): Constantly evaluate trends, organize information, and project the future.

- Stakeholder Experience (3D-SX): Define stakeholder needs, then delight stakeholders you serve.

- Build Trust (3 Trust Rs): Be real, reliable, relatable, and avoid personal agendas.

- Decisions (Decision Driver): Select a decision-owner "D" then surround them with support.

- Agile Problem-Solving (5 L's): Solve problems with five skills: love it, look, leverage, leap, and link.

- Performance Collaboration (Maestro Matrix): Identify and best practice "maestros" and invite them to teach everyone else.

- Monitor Change (Change Dashboard): Mange change with a dashboard and use the tools to stay on track.

- Sustain Momentum (Spin Sessions): Meet with direct reports in weekly "spin session" to empower and encourage them to develop themselves and delight stakeholders.

By using these management tools, Bhutan leaders are now more able to realize the "Believe" national brand by helping individuals realize their potential, organizations achieve their goals, and leaders make a difference.

Importance and challenge of sustainability

Transformative sustainability is not an isolated event, management practice, or program.[34] Transformation needs to and can be sustained when ideas have lasting impact. Just like Bhutan's physical resources can be sustained through thoughtful attention, human capability transformation can be sustained through practicing some key principles. These principles embody what leaders can do to sustain transformation.[35]

- Alignment. Ensure that transformation initiatives link to the emerging Bhutan brand of "believe".

- Simplicity. Keep focused on small and simple successes that can be prioritized, accomplished, and have impact.
- Time: Spend time as the most critical leadership resource to put attention and energy on the transformation.

- Accountability. Hold self and others accountable to make sure that transformation aspirations happen.

- Meliorate. Learn from what works and what does not work to progress on transformation.

- Emotion. Feel the passion and energy of making change happen.

Bhutan has been the innovator in focusing nationally on the well-being of all living things within its borders (including human happiness and environmental sustainability).[36]

Now, to respond to external challenges, Bhutan can continue as the human capability incubator by transforming talent + organization + leadership + HR into a shared and sustained brand of believe. Bhutan government leaders can continue to be universally respected for their commitment to creating a better future.

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[34] Kuhlman & Farrington, 2010
[35] Ulrich & Smallwood, 2013
[36] Banerjee & Bandopadhyay, 2016; Kinga, 2019; Lepeley, 2017; Rose, 2017; Thinley et. al., 2017

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