



# embedding sustainability in organizational culture

A How-to Guide for Executives



Network for  
Business Sustainability

Business. Thinking. Ahead.

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93% of CEOs see sustainability as important to their company's future success. Yet, most do not know how to embed sustainability into their company.

What are you doing to develop a culture of sustainability?

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Network for Business Sustainability  
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# Sustainability has become an increasingly important part of doing business.

A 2010 Accenture global survey of more than 700 CEOs found that 93 percent see sustainability as important to their company's future success.

However, many business leaders struggle to build sustainability into their day-to-day operations. And, sustainability programs are often dependent on a key leader. Executives and senior managers want to know how to 'sustain' sustainability over the long term. To make sustainability an everyday, enduring part of the organization, it needs to become embedded in organizational culture.

## **How is sustainability different from other culture change initiatives?**

Organizations launch change initiatives on a regular basis. In fact, many organizations are undergoing multiple change initiatives simultaneously. There is a wealth of research on implementing total quality management, building cultures of health and safety or building cultures of compliance. While the lessons learned from these kinds of culture change may prove useful, a shift towards a culture of sustainability presents some unique challenges.

Most organizational change initiatives are bounded and internal. In contrast, sustainability is part of a broader societal agenda that extends beyond the organization. External forces often provide the motivation for a sustainability change initiative. When the change is motivated internally, it may be driven by a desire to 'do the right thing', rather than an effort to improve competitiveness. Furthermore, key levers required for change may be beyond the control of the organization—the power may reside in the organization's supply chain or with its key stakeholders. This often means that organizations embarking on a sustainability journey must be willing to collaborate with other organizations. For these reasons, transitions to sustainability may require paradigm-breaking business models or approaches.

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## What is

### **BUSINESS SUSTAINABILITY**

Business sustainability means managing the 'triple bottom line' — including financial, social, and environmental risks, obligations and opportunities.

Sustainable businesses are resilient and create economic value, healthy ecosystems and strong communities. Sustainable businesses survive over the long term because they are intimately connected to healthy economic, social and environmental systems.

### **ORGANIZATIONAL CULTURE OF SUSTAINABILITY**

It is a culture in which organizational members hold shared assumptions and beliefs about the importance of balancing economic efficiency, social equity and environmental accountability.

Organizations with strong cultures of sustainability strive to support a healthy environment and improve the lives of others while operating successfully over the long term.

This report represents a framework for embedding sustainability in organizational culture. Designed for executives, senior HR managers and senior sustainability managers, it presents a portfolio of practices—both those practices that the research has shown to be effective and those that show potential but remain untested.

To produce this report, the Network for Business Sustainability commissioned a systematic review of the entire body of research on sustainability and organizational culture. Synthesizing data from 179 studies spanning 15 years of research, this review presents the most comprehensive and credible evidence to date on embedding sustainability in organizational culture.

## What can you do to build and support a culture of sustainability?

The sustainability movement exhibits strong parallels to the safety and ethical conduct movements of years past. Research in those fields indicates that organizations must implement a combination of diverse practices—otherwise known as a ‘portfolio approach’—to fully entrench the desired changes.

Consider the organization-wide safety practices that now represent standard operating procedures for many organizations in the developed world:

- Safety goals are often integrated directly into an organization’s strategic objectives.
- Responsibilities are embedded into current roles, or new roles are created, to address safety issues within the organization.
- Formal safety policies are written and enforced.
- Employees receive regular education and training related to workplace safety.

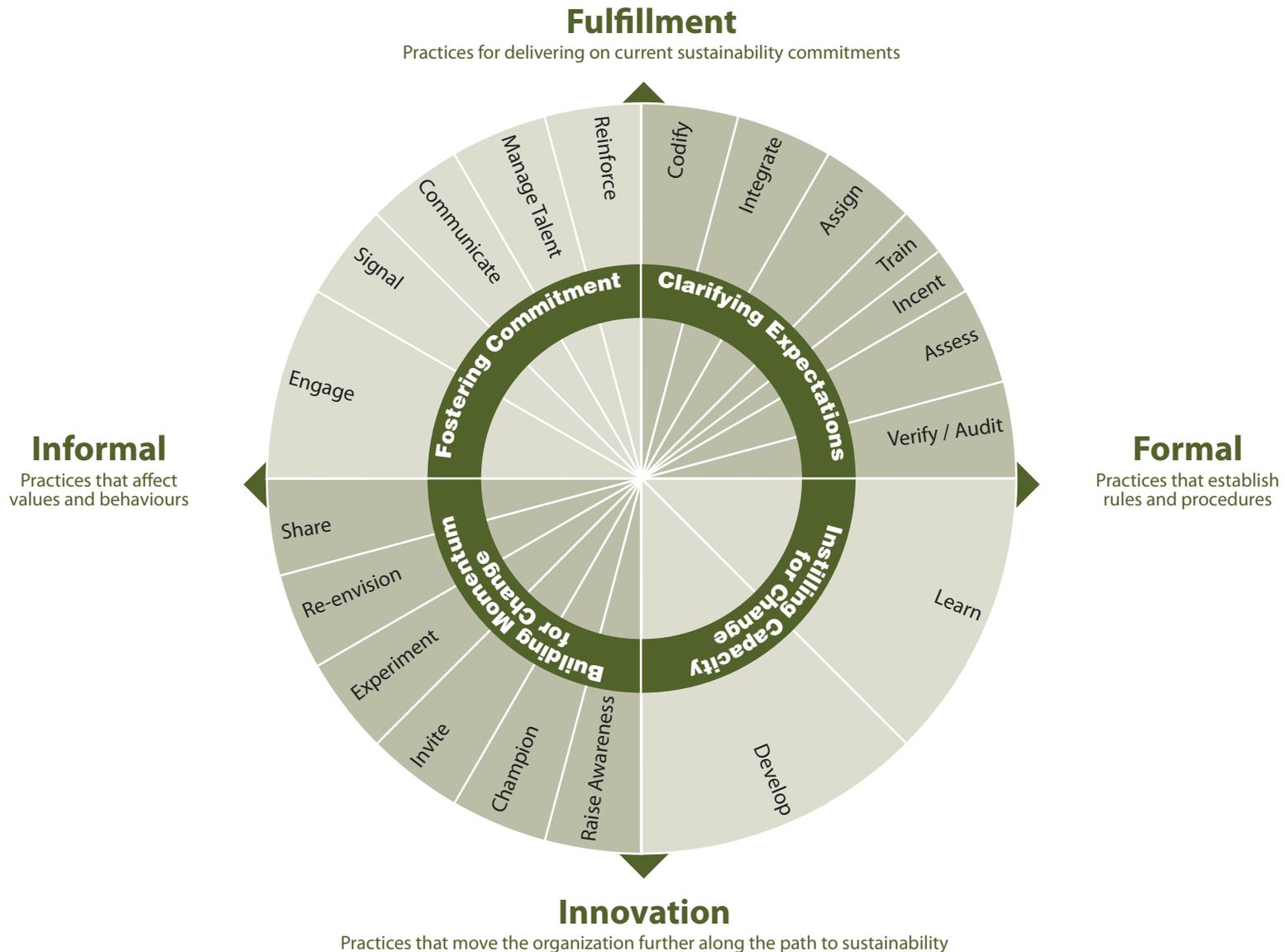
Suffice it to say, embedding safety in organizational DNA has required a combination of different practices, including

formal and informal, strategic and tactical, top-down and bottom-up. The same appears to be true of the sustainability movement.

The following framework will help you implement a portfolio approach to embedding sustainability in your organization’s culture. The framework groups the practices that help build and support sustainability in organizations into four different categories: fostering commitment; clarifying expectations; building momentum for change; and instilling capacity for change. Note that the portfolio approach to sustainability requires balance. In the same way people must consume food from each of the four food groups, organizations should employ a selection of practices from each of the framework’s four quadrants.

# A Portfolio Approach to Embedding Sustainability in Organizational Culture

This framework depicts the many ways that you can embed sustainability in your organization. Each of the four main quadrants is broken into categories of practices. On the following four pages, each category is further divided into individual practices. In the full academic report on Embedding Sustainability in Organizational Culture (available at [www.nbs.net/knowledge/culture](http://www.nbs.net/knowledge/culture)) each practice is described in more detail and accompanied by specific examples.



# Fostering Commitment

## Informal Practices for Delivering on Current Sustainability Commitments



Practices in this quadrant aim to build and reinforce the importance of sustainability for the organization and to support and encourage employees who are making efforts to embed sustainability. There are five categories of practices: engaging; signalling; communicating; managing talent; and reinforcing.

Engage	Signal	Communicate	Manage Talent	Reinforce
<ul style="list-style-type: none"> <li>✓ <b>support</b></li> <li>educate</li> <li>link</li> <li>challenge</li> <li>leverage</li> <li>capture quick wins</li> <li>recognize</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>model</b></li> <li>✓ <b>allocate resources</b></li> <li>commit</li> <li>self-regulate</li> <li>adhere to standards</li> <li>accommodate work-life balance</li> <li>invest in the community</li> </ul>	<ul style="list-style-type: none"> <li>tell stories</li> <li>customize</li> </ul>	<ul style="list-style-type: none"> <li>recruit</li> <li>allocate people</li> <li>promote</li> </ul>	<ul style="list-style-type: none"> <li>inform</li> <li>repeat</li> <li>follow up</li> </ul>

### ✓ SUPPORTED PRACTICES

These practices have been researched and, based on this research, appear effective. They are your 'go to' practices. When assembling a portfolio of activities, try to include at least a few practices from this category.

#### ✓ **support**

- Make it easier for employees to make sustainability decisions at work
- Provide support for employees to make sustainability decisions in their personal lives such as transit pass programs, ride sharing, and secure bicycle parking

#### ✓ **model**

- Demonstrate sustainability leadership by 'walking the walk' and 'talking the talk'
- Participate in ongoing discussions about the sustainability journey
- Prioritize sustainability in decision-making
- Show interest in the work of sustainability committees

### PRACTICES WITH POTENTIAL

The remaining practices have been suggested by researchers, consultants or your peers as researchers as having the potential to build or support a culture of sustainability. They have undergone little or no testing to evaluate their effectiveness. We suggest you consider trying these practices, but that you monitor and assess their effectiveness on a regular basis.

#### link

- Encourage employees to bring their personal sustainability behaviours into the workplace
- Encourage employees to carry the organizational sustainability message into their communities

#### tell stories

- Discuss case studies of successful sustainability initiatives in your organization
- Create stories about what the company could be like in the future
- Create simple stories and repeat them often and using different means
- Start every meeting with a quick sustainability story
- Use metaphors and symbols

For more practices, visit the full systematic review.

# Clarifying Expectations

## Formal Practices for Delivering on Current Sustainability Commitments



Practices in this quadrant involve establishing rules and procedures, with the goal of clarifying employee expectations regarding sustainability. These practices aim to integrate sustainability into the core of the organization's strategies and processes; equip and encourage employees via training and incentives; and measure, track, and report on the organization's progress. The seven categories of practices are: codifying; integrating; assigning responsibility; training; incenting; assessing; and verifying/auditing.

Codify	Integrate	Assign	Train	Incent	Assess	Verify/Audit
<ul style="list-style-type: none"> <li>✓ create policies</li> <li>set goals</li> <li>operationalize</li> </ul>	<ul style="list-style-type: none"> <li>✓ into product design and life cycle</li> <li>into mission, vision and values</li> <li>into strategy and business plans</li> <li>into business processes and systems</li> <li>into existing roles</li> </ul>	<ul style="list-style-type: none"> <li>✓ assign responsibility to senior leaders</li> <li>✓ create roles</li> </ul>	<ul style="list-style-type: none"> <li>✓ train</li> </ul>	<ul style="list-style-type: none"> <li>incent</li> </ul>	<ul style="list-style-type: none"> <li>inventory</li> <li>develop metrics</li> <li>monitor / track</li> <li>report</li> </ul>	<ul style="list-style-type: none"> <li>audit</li> <li>verify</li> </ul>

### ✓ SUPPORTED PRACTICES

These practices have been researched and, based on this research, appear effective. They are your 'go to' practices. When assembling a portfolio of activities, try to include at least a few practices from this category.

#### ✓ create policies

- Develop environmental policies; health & safety policies; ethics policies; climate change policies
- Implement Sustainability Codes of Conduct
- Create supplier sustainability performance policies or procurement policies

#### ✓ assign responsibility to senior leaders

- Assign responsibility for sustainability to board members and/or a board subcommittee
- Assign responsibility for sustainability to the CEO
- Assign responsibility for sustainability to roles within the senior leadership (create a VP Sustainability, for instance)

### PRACTICES WITH POTENTIAL

The remaining practices have been suggested by researchers, consultants or your peers as researchers as having the potential to build or support a culture of sustainability. They have undergone little or no testing to evaluate their effectiveness. We suggest you consider trying these practices, but that you monitor and assess their effectiveness on a regular basis.

#### incent

- Include sustainability metrics in employees' performance appraisals and assessments
- Link compensation to sustainability performance
- Redesign promotions, raises, bonuses and benefits to reward sustainable performance
- Be clear how people will be measured and ensure that the targets are within that person's control

#### report

- Implement a corporate environmental reporting system
- Publish internal and external environmental, sustainability or CSR reports
- Report on sustainability progress, addressing previously set goals
- Report on future plans and commitments

For more practices, visit the full systematic review.

# Building Momentum for Change

## Informal Practices for Innovation



Practices in this quadrant aim to support a culture of sustainable innovation by developing new ideas needed to bring your organization closer to its long term sustainability goals. These practices inspire and reassure employees so that they can experiment, try new things, and build on each other's ideas. The categories in this quadrant are: awareness raising; championing; inviting; experimenting; re-envisioning; and sharing.

Raise Awareness	Champion	Invite	Experiment	Re-envision	Share
✓ <b>frame</b>  trigger	✓ <b>champion</b>	ask  listen  seek external help	✓ <b>experiment</b>	define sustainability  back-cast	share knowledge internally  share knowledge externally  collaborate with others

### ✓ SUPPORTED PRACTICES

These practices have been researched and, based on this research, appear effective. They are your 'go to' practices. When assembling a portfolio of activities, try to include at least a few practices from this category.

#### ✓ **frame sustainability**

- as a financial opportunity, or try to put it in quantitative terms
- in everyday business language; avoid emotional language
- as urgent
- as innovation or about being cutting edge
- as being about quality
- in terms of maintaining a license to operate
- as good publicity / contributing to reputation
- as 'the right thing to do'
- in terms of its benefits for employees

#### ✓ **experiment**

- Encourage research and experimentation that is aligned with the company's sustainability values
- Provide autonomy to workers and managers to develop new solutions to sustainability challenges
- Allow self-started projects to germinate
- Allow employees some flexibility in implementation

### PRACTICES WITH POTENTIAL

The remaining practices have been suggested by researchers, consultants or your peers as researchers as having the potential to build or support a culture of sustainability. They have undergone little or no testing to evaluate their effectiveness. We suggest you consider trying these practices, but that you monitor and assess their effectiveness on a regular basis.

#### seek external help

- Bring in industry experts to provide training or assistance with sustainability issues
- Get guest speakers to talk about environmental and social issues
- Consult with your suppliers or your customers for ideas

#### back-cast

- Imagine a desired future in which your organization is 'sustainable'
- Work backwards from the future vision to determine the necessary steps to get there
- Set distinct milestones to help construct the path to the future

For more practices, visit the full systematic review.

# Instilling Capacity for Change

## Formal Practices for Innovation



Practices in this quadrant aim to create structures or supports that will form a foundation for future changes in the organization. They represent rules and procedures that lead to innovation. The categories in the quadrant are learning and developing.

Learn	Develop
scan	develop new business processes and systems
benchmark	develop new products and services
pilot	
learn from failure	
reflect	

### ✓ SUPPORTED PRACTICES

These practices have been researched and, based on this research, appear effective. They are your 'go to' practices. When assembling a portfolio of activities, try to include at least a few practices from this category.

None of the practices in this quadrant have been the focus of academic research.

### PRACTICES WITH POTENTIAL

The remaining practices have been suggested by researchers, consultants or your peers as researchers as having the potential to build or support a culture of sustainability. They have undergone little or no testing to evaluate their effectiveness. We suggest you consider trying these practices, but that you monitor and assess their effectiveness on a regular basis.

#### scan

- Attend industry and environmental conferences
- Join a sustainability group in which members share information and best practices
- Observe your competitors' sustainability activity
- Develop diverse internal and external knowledge and networks
- Research stakeholder needs and values
- Scan for changes in legislation and upcoming regulatory requirements

#### develop new products and services

- Develop new products and services with minimal negative impacts on the natural environment
- Develop new products and services that meet unmet sustainability needs

#### pilot

- Adopt initiatives that originated at the grass-roots level as formal pilot projects
- Welcome suggestions and follow through by allocating resources to piloting the best ideas
- Set internal targets for finding and executing pilot projects

#### benchmark

- Select sustainability metrics used by others to facilitate benchmarking
- Decide which information you will make public so your performance can be compared with that of other companies
- Consider benchmarking internally between divisions, business units or locations

For more practices, visit the full systematic review.

# Case Studies from Leading Organizations



“It’s the kind of thing that we’re asked about in public meetings and we feel good to respond actively as opposed to saying ‘climate change is the government’s responsibility.’”

**Tembec**, a forest products company, realized benefits for its employees through external engagement and partnership activities. This has helped to embed sustainability in a company founded on strong social values.

While many firms are reluctant to share proprietary data—especially on issues facing regulatory uncertainty—Tembec has embraced transparency and collaboration. It has partnered with the World Wildlife Fund and Natural Resources Canada to share data and evaluate the impact of various types of forestry practices on carbon management. The results are publicly shared so that other companies, environmental groups, government agencies and researchers can observe and learn from the initiative.

“Our people are very pleased to be involved in something that is quite different from their core responsibilities and yet integral to the future of our business,” explained Chris McDonell, Tembec’s Manager of Environmental and Aboriginal Relations. “It’s the kind of thing that we’re asked about in public meetings and we feel good to respond actively as opposed to saying ‘climate change is the government’s responsibility.’ We learn about emerging issues that were not part of our education, which increases our professional credibility. In this economic climate, there isn’t a lot of space to learn and innovate but we make it work.”



**PRACTICES:** develop metrics, monitor/track, report, share knowledge externally, collaborate with others, benchmark, reflect

# Case Studies from Leading Organizations

## Teck

“... our CEO made sustainability leadership one of his top five goals for the year, which was our call to action. But, first we needed to define where we wanted to go.”

**Teck**, a mining company, has created a cross-functional working group to develop its sustainability vision, strategy and action plan. This has resulted in an active, company-wide engagement in sustainability.

“We had begun hearing from our employees and sustainability report review panel. They wanted a clearer vision and strategy for sustainability,” explained Carmen Turner, Leader, Sustainability at Teck. “Then our CEO made sustainability leadership one of his top five goals for the year, which was our call to action. But, first we needed to define where we wanted to go. People representing all parts of the organization need to have a say in such decisions.” So, Teck invited Göran Carstedt, former president of Volvo and IKEA, to galvanize employees. “He asked us what kind of company we want to be. After that presentation, I had such good feedback—people wanted to be part of creating a sustainable future.” Teck also conducted in-depth interviews with employees across Canada to gain even more input on how to develop a clear vision and strategy and gain buy-in.

Teck’s sustainability group then populated a cross-functional working group. “Participants were invited by our CEO. This set the tone for engagement, and they’ve embraced the task. They meet on weekends and work late. They run with it because we invited them to engage in something that has meaning and purpose—something they want to be a part of.”

Turner recalled an anecdote that summed up how working groups were helping push their thinking on sustainability. “We were discussing our efforts to create a culture of sustainability, much like we’ve created a culture of safety. It was noted that one difference between how we view safety and climate change is that with safety it’s unacceptable to have a fatality, but with climate change we talk only about how to reduce emissions incrementally. Why is it acceptable to have any emissions? The issue was about defining success, and it was a totally different mind frame that resonated with everyone. Setting stretch goals initiates long-term thinking and creates room for innovation and creativity to find new solutions.”



**PRACTICES:** seek external help, ask, listen, define sustainability, back-cast, frame, champion, educate, integrate into existing roles

# Case Studies from Leading Organizations

## CANADIAN PACIFIC

“... individual employees to feel they can participate and make a difference and see a connection much broader than one job and one task—to a greater community and a greater benefit.”

**Canadian Pacific (CP)**, a logistics and shipping company, implemented a campaign to reduce the use of bottled water and educate employees about broader sustainability issues.

Grete Bridgewater, Director, Environmental Management Systems at CP, recalls: “We launched with presentations and walk-about—you could see discarded water bottles all over. The need to reduce our use was clear.” CP used many tactics to get employees engaged. “We provided information about the consequences of waste from bottles through our newsletter and our intranet. Employees saw pictures of mountains of water bottles and associated dollar amounts. We featured interviews on our intranet with employees saying ‘now I understand and I’m glad to be supporting the environment’. But not everyone in the company has a desk and a computer, so other messaging and presentations come in handy.”

Bridgewater and her team made a conscious effort to link actions at work and actions at home. “We drew lessons from ‘think globally, act locally’. You need to make a personal commitment. [We got] individual employees to feel they can participate and make a difference and see a connection much broader than one job and one task—to a greater community and a greater benefit.” Encouragement and rewards were also employed. “We gave feedback about reduced consumption and encouraged [employees] to see that it’s doable. We translated that into so many fewer emissions, less waste to landfills, etc. We have a conference once a year with regional awards. Employees get recognized by coming to Calgary in front of senior management for a day.” Senior managers also demonstrated their commitment to the initiative by making the switch to tap water at their meetings.

Bridgewater concluded: “We can modify our behaviour—our employees reduced [bottled water consumption] by 30%!”



**PRACTICES:** educate, link, recognize, model, tell stories, customize, repeat, monitor/track, report, share knowledge internally, ask

# Case Studies from Leading Organizations



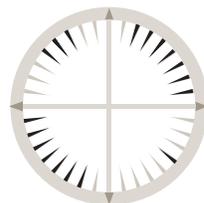
“... By deploying different technology, Suncor can improve our operations *and* reduce our environmental footprint”

**Suncor**, an integrated energy company, wanted to ensure they were consistently meeting their environmental commitments at various facilities. Given that Suncor merged with Petro-Canada in August 2009, adopting one company-wide approach was critical for defining the culture of the “new” Suncor.

The first step in the process was a strong management commitment to Operational Excellence, comprised of four elements: personal & process safety; reliability; people development; and sustainability & environmental excellence. Operational Excellence became a key strategic priority, and now all employees have goals associated with each element. In addition to this overarching internal approach, Suncor also publicly declared four environmental performance goals to focus its sustainability efforts.

One aspect of Operational Excellence involves improved integration of compliance into existing business processes and roles, and the development of new business processes and systems to identify and track compliance across the organization. Suncor sent a strong signal that compliance was important by placing senior managers with strong operational compliance records in key positions. These managers took a hands on approach by ‘walking the walk’. Training tools were developed and an effort is presently underway to ensure compliance training takes place across the organization. Finally, compliance targets were embedded into performance evaluations at all levels of the organization.

“Our investment in technology is a good example of operational excellence within Suncor’s culture. By deploying different technology, Suncor can improve our operations *and* reduce our environmental footprint”, said Peter MacConnachie, Sr Sustainability Issues Management Specialist. “A recent example is the development of our new tailings technology, TRO, which will allow us to reduce tailings reclamation time by decades.”



**PRACTICES:** commit, model, allocate resources, set goals, integrate into business processes and systems, integrate into existing roles, create new roles, train, incent, monitor/track, develop new business processes

## **About the Research**

This research was inspired by the NBS Leadership Council, which gathers annually to identify the Priorities for Business Sustainability. The research team, led by Dr. Stephanie Bertels at Simon Fraser University, reviewed 13,756 academic and practitioner articles, narrowing them down to 179 relevant sources. These sources included 96 relevant materials on embedding sustainability (82 academic articles and 14 practitioner articles and books). Also included were 83 sources examining other types of organizational culture, such as safety and innovation. Using this set of sources, the researchers conducted extensive, detailed analysis and synthesis of the materials to extract the various practices that may support embedding sustainability.

## **This review of previous research and practice reveals the following issues:**

- Embedding sustainability in organizational culture is still an emerging field of research. There has been a very limited amount of research that addresses the issue of embedding sustainability into organizational culture. This is an area where practice often leads theory.
- The research that has been conducted on embedding sustainability continues to be dominated by exploratory, case-based research with an emphasis on success stories.
- There is a lack of clear definitions (what academics call construct clarity) in this field—terms are used somewhat interchangeably and are often not defined.

We encourage you to visit the full systematic review ([www.nbs.net/knowledge/culture](http://www.nbs.net/knowledge/culture)) for a detailed discussion of practices, case studies, and implications for research and practice.

## **Baseline/Gap Analysis or New Program Implementation**

Use the Portfolio Assessment Tool to conduct a baseline assessment and gap analysis for the organization as a whole. Or, use the framework to plan what practices you will use to support the implementation of a particular program.

### **STEP 1**

When conducting a baseline/gap analysis, place a check mark next to the practices that you already employ. If you are planning a new program, place a check mark beside those that you plan to employ.

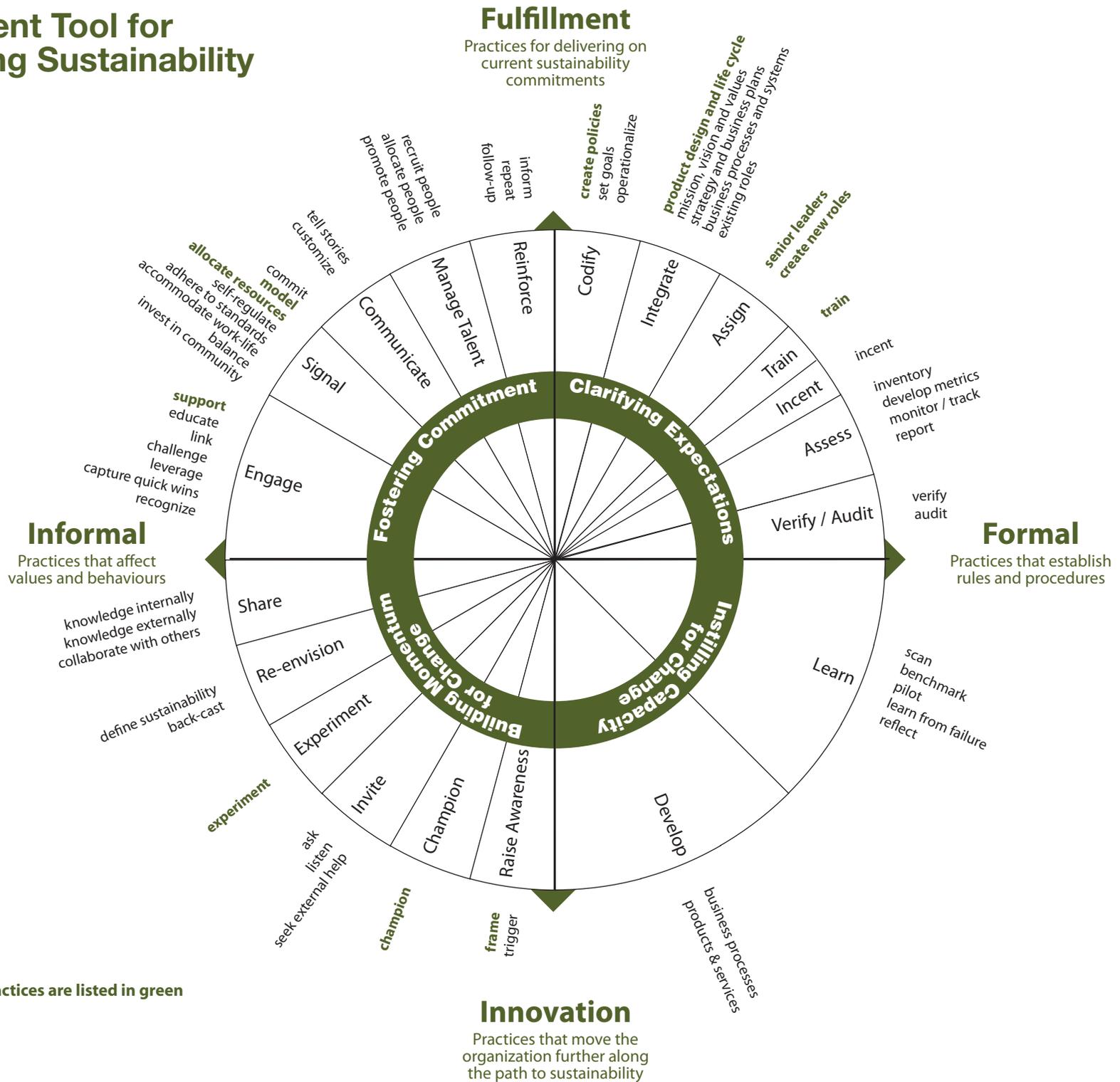
### **STEP 2**

Take a look at the distribution. Do you make use of a sub-set of practices from each quadrant? Are you making use of the supported practices? Do you expend too much energy in one quadrant at the expense of others?

### **STEP 3**

Circle additional practices that you might want to consider, emphasizing those that have been demonstrated to be effective. See the full systematic review for more details making use of the framework.

# Assessment Tool for Embedding Sustainability



Supported practices are listed in green

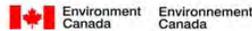
## About the Network

A Canadian non-profit established in 2005, the Network for Business Sustainability produces authoritative resources on important sustainability issues — with the goal of changing management practice. We unite thousands of researchers and professionals worldwide who believe in research-based practice and practice-based research.

The Network is funded by the Social Sciences and Humanities Research Council of Canada, the Richard Ivey School of Business (at The University of Western Ontario), the Université du Québec à Montréal, and our Leadership Council.

## NBS Leadership Council

The Network's Leadership Council is a group of Canadian sustainability leaders from diverse sectors. At an annual meeting, these leaders identify their top priorities in business sustainability—the issues on which their organizations need authoritative answers and reliable insights. Their sustainability priorities prompt each of the Network's research projects.



## NBS Knowledge Centre

For additional resources visit the Network's Knowledge Centre at [nbs.net/knowledge](http://nbs.net/knowledge)



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