



embedding sustainability in organizational culture

Framework and
Best Practices



Network for
Business Sustainability

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CBSR

Canadian Business for Social Responsibility

introduction

Many business leaders recognize that the true value of sustainability is realized only when sustainability is embedded into their organizations' cultures. The ability to identify opportunities and innovate new processes requires that every internal stakeholder understand sustainability and practice it. Corporate Social Responsibility (CSR) reports often describe sustainability as "part of our DNA" or "the way we do business"; however, business leaders lack a clear framework for systematically embedding sustainability into organizational culture.

The Network for Business Sustainability and Canadian Business for Social Responsibility produced such a framework following a one-day workshop of senior sustainability and HR executives. During an open dialogue facilitated by Dr. Tima Bansal of the Richard Ivey School of Business, participants exchanged their companies' methods of integrating sustainability into corporate culture. Major points of discussion included strategic planning, organizational structure, human resource management, sustainability reporting, and employee rewards and incentives.

The best practices that emerged from the workshop are presented here in a five-part framework. Sustainability and HR professionals are encouraged to map their own sustainability initiatives against this framework and to identify the specific practices that could help them further integrate sustainability into their own organizations' cultures.

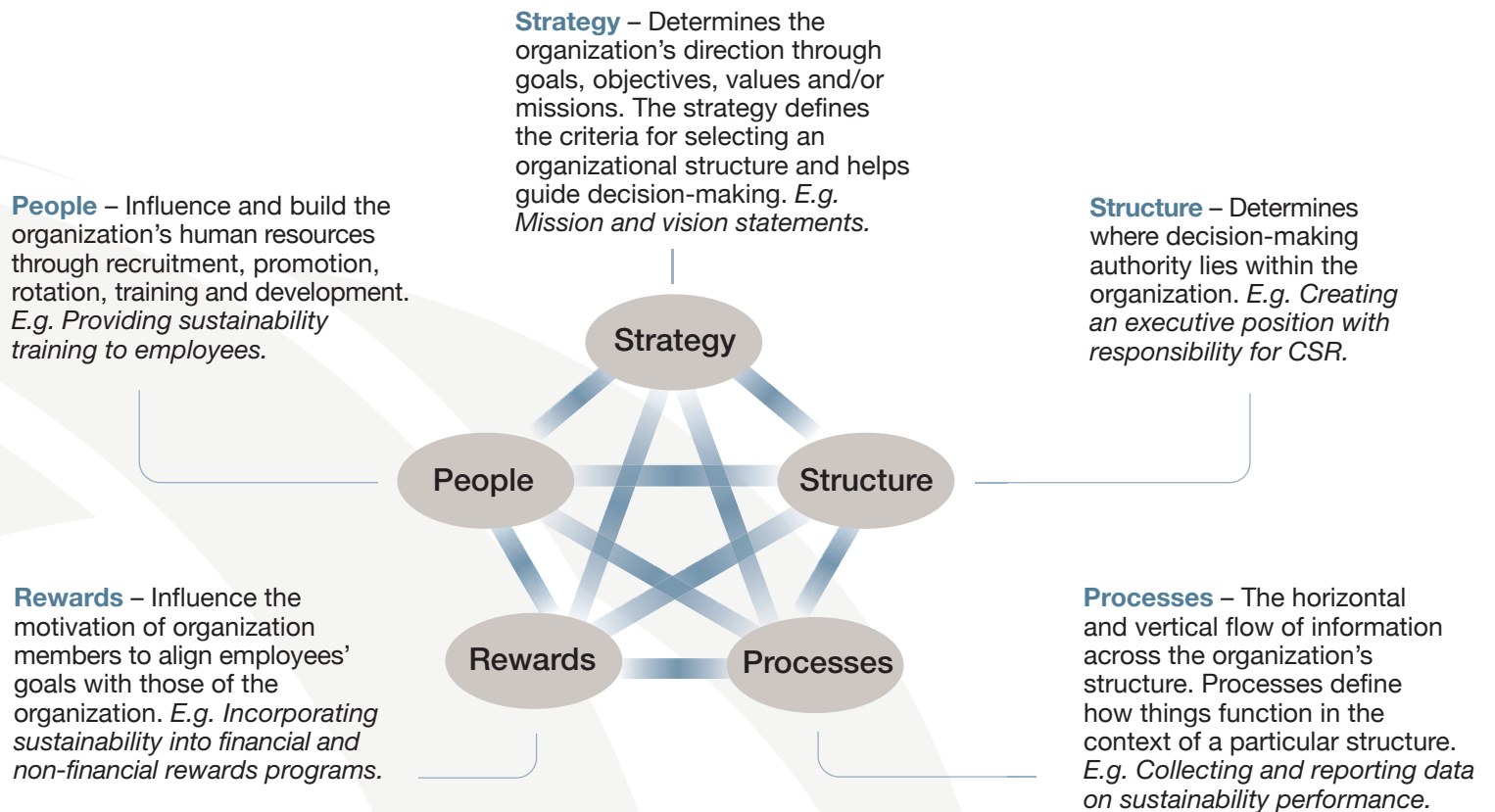
Senior sustainability and HR executives exchanged successful strategies for integrating sustainability into corporate culture.

“The Embedding Sustainability workshop was one of the best sustainability events I’ve attended. In addition to presenting top-line business realities, it delivered the latest academic research. All information was presented in a realistic light.”

MICHELLE WHITE
DIRECTOR, SUSTAINABILITY
INDIGO BOOKS & MUSIC INC.

framework: the star model

The Star model¹, developed by [Professor Jay Galbraith](#), is a framework outlining the five elements (Strategy, Structure, Processes, People and Rewards) essential to changing the culture of an organization. Our discussion focuses on these elements and how they factor into your sustainability planning.



¹ Designing Dynamic Organizations, Jay R. Galbraith, Amy Kates and Diane Downey 2001
American Management Association United States ISBN 0814471196

best practices for embedding sustainability in organizational culture

STRATEGY

Strategy determines the organization's direction through goals, objectives, values and/or missions. The strategy defines the criteria for selecting an organizational structure and helps guide decision-making.

BEST PRACTICES	EXAMPLES
<ul style="list-style-type: none">• Establish an agreed-upon definition of sustainability that is relevant to your business and its success. Do not lock these discussions up in the C-Suite – garner feedback from internal and external stakeholders.	<ul style="list-style-type: none">• Involve experts. The Heart and Stroke Foundation of Ontario invited experts to speak about sustainability to ignite and enable employees.• Understand the many faces of CSR. Farm Credit Canada emphasizes the need to enhance employee understanding of CSR and how it encompasses dimensions beyond charitable giving and environmental efficiency.
<ul style="list-style-type: none">• Once defined, integrate sustainability into the corporate vision and link to your organization's mission, values, corporate beliefs and goals. Be sure these reflect what your organization cares about. Translate this vision to every individual's role in the organization – from the CEO to the mailroom – and allow them to use sustainability as the enabler of other goals. Associate every activity with a timeframe.	<ul style="list-style-type: none">• Get your whole team onboard. Farm Credit Canada's "Drive Away Hunger" campaign that collects food for food banks across the country involves every member of the organization. Even executives drive tractors to pickup donations.• Put CSR on the charts. LoyaltyOne lists embedding sustainability into business practices among its Top 12 priorities, alongside growing the company.

STRATEGY

BEST PRACTICES	EXAMPLES
<ul style="list-style-type: none">• Once defined, integrate sustainability into the corporate vision and link to your organization’s mission, values, corporate beliefs and goals. Be sure these reflect what your organization cares about. Translate this vision to every individual’s role in the organization – from the CEO to the mailroom – and allow them to use sustainability as the enabler of other goals. Associate every activity with a timeframe.	<ul style="list-style-type: none">• Walk the talk. Suncor Energy has included sustainability in its mission, vision and values statements as well as branding it as one of the organization’s pillars of corporate strategy. They are constantly asking themselves: Do we define sustainability well enough? Does everyone have the same understanding of sustainability?• Include it in scorecards. Indigo has embedded CSR strategy into its business plans, to the point where it is “baked into” their scorecard.• Shift your thinking about your business model. Interface’s Evergreen program has offered customers the opportunity to lease carpet rather than buy. In the end, people just want their floors covered – and buying carpet clearly isn’t the only answer.
<ul style="list-style-type: none">• Focus on developing your strengths. Understand that your organization has areas where it may lead, and others where it may lag.	<ul style="list-style-type: none">• Know your strengths. Alterna Savings developed a five-pillar CSR strategy. On two pillars (financial literacy and philanthropy) Alterna performs well because of the alignment with core competencies. On others, they are now looking at implementing “good” practices rather than “best” practices to ensure executive support.
<ul style="list-style-type: none">• Sell the strategy upward. Tie arguments to dollars. Understand and leverage the ‘grassroots’ aspect of sustainability, and let your employees drive change.	<ul style="list-style-type: none">• Make the invisible visible. University of Western Ontario students invited passers-by to throw coffee cups into a large container in a public place. The volume of waste stacked at the end of the day was a powerful reminder of the cumulative effect of unconscious actions.

STRATEGY

BEST PRACTICES	EXAMPLES
<ul style="list-style-type: none">• Sell the strategy upward. Tie arguments to dollars. Understand and leverage the 'grassroots' aspect of sustainability, and let your employees drive change.	<ul style="list-style-type: none">• Use visual reminders. SC Johnson had waste baskets removed from offices, and recycling bins placed down the hall. An individual's waste was reinforced by the physical act of discarding it.• Create additional benefits. LoyaltyOne has a successful transit program through which 50% of staff buy passes. To address the new challenge of getting employees to client meetings, they implemented a sustainable fleet of Smart cars branded 'MyGreenPlanet'. Employees came to see driving the cars as an employment perk.

STRUCTURE

Structure determines where where decision-making and authority lie within the organization.

BEST PRACTICES	EXAMPLES
<ul style="list-style-type: none">• Make senior executives responsible. Establish a CSR executive who reports directly to the Board of Directors or CEO. Have this person work with a cross-functional CSR subcommittee that meets frequently. Empower employees to solve problems.	<ul style="list-style-type: none">• Break down silos. Farm Credit Canada has an executive responsible for CSR, but leaders from across the organization 'own' the performance metrics.• Recruit sustainability champions. Establish in various roles sustainability champions across the organization. Champions can be made through one-to-one conversations.
<ul style="list-style-type: none">• Establish accountability. Ensure ownership of sustainability goals by encouraging people to set their own targets and report regularly.	<ul style="list-style-type: none">• Colour your goals. Canada Post has its leaders in each unit agree to sustainability objectives and form the corporate dashboard for each unit. At each meeting, staff review the dashboards. They choose the colour to appear on their dashboard – green, yellow and red – with red sending a clear message that action is required.• Institutionalize CSR in roles. Embed the component pieces of CSR into the roles of employees rather than relying on the individual people to be responsible for CSR.
<ul style="list-style-type: none">• Don't go it alone. Use partners and collaborators to leverage your capabilities or achieve greater outcomes.	<ul style="list-style-type: none">• Find partners to help. Bullfrog Power has benefited from collaborating with NGOs and ENGOS.• Involve others who care. The Heart and Stroke Foundation of Ontario uses a Community Activation strategy to mobilize other organizations to help achieve their community health objectives.

PEOPLE

People includes influencing and building the organization's human resources through recruitment, promotion, rotation, training and development.

BEST PRACTICES	EXAMPLES
<ul style="list-style-type: none">• Know your audience. When you communicate goals, consider how they sound to different audiences inside organization.	<ul style="list-style-type: none">• Use positive framing. Instead of “sustainability” or “responsibility”, Industry Canada uses the term “responsible competitiveness”.• Understand that motivation matters. When Intact Financial Corporation communicated CSR objectives to its executives, they discovered that some members were interested in the business case for CSR and so were more interested because it was “the right thing to do.”
<ul style="list-style-type: none">• Develop teachers and associates and leverage grassroots energy. As people tend to support what they help create, leverage grassroots energy already in your organization. Identify champions across the organization rather than establishing a broad, unwieldy bureaucracy.	<ul style="list-style-type: none">• Generate ideas. Pembina’s consulting service engages every single employee on sustainability and gets their ideas on the table. This exercise builds in an internal training component as a side benefit.• Encourage employees to step up. Loyalty One fosters a Volunteer Committee composed of employees who drive grassroots activities.
<ul style="list-style-type: none">• Engage employees. Ensure basic concerns like pay, work-life balance, working environment, etc. are addressed and then broaden to other issues. Ensure your managers are effective. Hire, promote and reward for fit in your organization.	<ul style="list-style-type: none">• Understand your dependence on one another. One of Suncor Energy’s main risks to its sustainability mission is failing to perform in the field. The only way to perform consistently is to have every employee aligned, resulting in better decision-making.• Learn from differences. A healthy debate over sustainability goals is not a bad thing within an organization. Anonymous online feedback mechanisms are used by multiple organizations to allow employees to voice their concerns.

REWARDS

Rewards influence the motivation of organization members to align employees' goals with those of the organization.

BEST PRACTICES	EXAMPLES
<ul style="list-style-type: none">• Create small incentives that magnify to big changes. Incentives do not always need to be monetary – sometimes the ear of senior management is enough.	<ul style="list-style-type: none">• Support new projects. The Heart and Stroke Foundation of Ontario's Community Activation Fund hands out small grants to allow people to build something sustainable. The prizes have been enabling and motivating, and recipients derive not only monetary benefits but legitimacy from the prize.• Celebrate ideas. Cameco hosted an internal trade show during Environmental Leadership Week featuring workshops on sustainability. The top three ideas from these workshops were chosen and honoured by the Environmental Leadership Team and industry experts.
<ul style="list-style-type: none">• Link compensation to CSR performance. Once something is built into the bonus structure, it's amazing how fast it gets incorporated into everyday business. Where possible, incent long-term thinking at all levels.	<ul style="list-style-type: none">• Offer incentives. Initially, GlaxoSmithKline set targets for energy consumption. General consensus at the site level was: "we're lean, we can't do it". But once a 5% reduction was mandated and linked to bonuses, the site assigned technical resources to the goal and reached their target. In 2009, the organization reduced energy consumption by 11%.
<ul style="list-style-type: none">• Celebrate successes. Set regular opportunities to reflect on priorities.	<ul style="list-style-type: none">• Recognize achievement. Fairmont has a long-standing Environmental Hotel of the Year competition. While prizes (in the form of donations to charitable organizations) are awarded, it's really about the recognition – a company announcement by the CEO to launch the initiative and participation is very high. The evaluation criteria each year change to align with Fairmont's current strategic sustainability priorities.

PROCESSES

Processes are the horizontal and vertical flow of information across the organization's structure. Processes define *how* things function in the context of a particular structure.

BEST PRACTICES	EXAMPLES
<ul style="list-style-type: none">• Ask yourself big – and tough – questions now. Start talking about what you want your organization to be in 10-20 years, and what role sustainability plays. Think beyond your product to what value you're providing for customers. Do it today - nobody gets to be a leader by waiting, and you can always adjust.	
<ul style="list-style-type: none">• Publish targets to the outside world. Committing publicly is a powerful motivator.	<ul style="list-style-type: none">• Tell them you'll do it. Canada Post publicly committed to reduce its carbon footprint by 20% by 2020.
<ul style="list-style-type: none">• Communicate authentically to all parties. Internally communicate the findings to employees; external communications with stakeholders (suppliers, customers, etc.). Also understand how sustainability speaks to the heart as well as the mind.	<ul style="list-style-type: none">• Open the lines of communication. Farm Credit Canada established an online Vision Panel which allowed customers and non-customers to comment on what they do/do not like about the organization's efforts.• Bring all parties together. As part of InterfaceFLOR Canada's strategy, they convene interdisciplinary and cross functional teams to collaborate and communicate on sustainability.

PROCESSES

BEST PRACTICES	EXAMPLES
<ul style="list-style-type: none">• Build on what already exists. There are many frameworks, best practices and even internal business processes that can be leveraged to drive sustainability objectives within your organization.	<ul style="list-style-type: none">• Start with something familiar. When discussing metrics, reporting, measurements, peer comparisons and benchmarking, GTAA suggests taking ISO or GRI's reporting framework as a starting point to build a customized mechanism to measure sustainability since industry-specific metrics don't exist. Use what you know and don't wait for perfection or you will never even start!• Identify and leverage existing business processes. When Suncor Energy realized that IT processes were a driver for organizational behaviour they tied sustainability to their IT processes.
<ul style="list-style-type: none">• Understand how competition can motivate innovation and problem-solving.	<ul style="list-style-type: none">• Create a safe place for bold ideas. This is where innovation enters the picture. After low-hanging fruit were picked and incentives were in place, The Pembina Institute moved to establish processes and structures for innovation in the company. The organization set itself up for accessing new ideas and implementing the best ones.

Developing Your Action plan

- **Learn from others.** Use the practices and examples in this report for benchmarking, suggestions, or inspiration.
- **Find your fit.** Identify your strengths and weaknesses across the five areas and prioritize your objectives and activities.
- **Understand the challenges.** Competing resource demands, the need to gain support at the executive level, and the tension between growth (of sales, revenues, etc) and sustainability may all represent hurdles within your organization.
- **Engage and collaborate to innovate.** Leverage the “grassroots” energy of the movement. Take advantage of opportunities for innovation and collaboration to meet your sustainability objectives.
- **Act now rather than later.** Don’t expect perfection the first time. Sometimes, “good” practices are good enough. Overcome any inertia and take the first steps – you will learn along the way.
- **Stay informed.** Get the latest knowledge on culture and other areas of business sustainability by subscribing to the Network for Business Sustainability’s newsletter: info@nbs.net and CCSR’s newsletter at cbsr.ca/newsttter-signup.

Acknowledgements

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Embedding Sustainability in Corporate Culture, including the link between employee engagement and Corporate Social Responsibility, is one of four CBSR research topics for 2010. To access CBSR research visit cbsr.ca/resources.

Embedding Sustainability in Corporate Culture is one of seven [Knowledge Priorities for 2010](#) identified by the Networks' council of sustainability executives from leading Canadian organizations.

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About the Network



The Network enables business sustainability by fostering collaboration between industry and academia. It reaches 500 researchers and more than 1,000 managers interested in sustainable development, social responsibility and green management. Its objectives are to build community, exchange knowledge and spur innovation. Visit www.nbs.net.

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About Canadian Business for Social Responsibility



Founded in 1995, Canadian Business for Social Responsibility (CBSR) is a business-led non-profit learning organization and consultancy that mobilizes Canadian companies to make powerful business decisions that improve performance and contribute to a better world. A globally recognized source of CSR in Canada, we offer practical CSR [tools and research](#) and [learning events](#), programs and solutions to advance company practice.

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