

# ENHANCE SUSTAINABILITY EXECUTION ACROSS YOUR ORGANIZATION

MINNA TUUSA, BOYDEN



## *ABSTRACT*

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Sustainability has become a necessity for the modern world companies – from stock companies to small start-ups. Business plays critical role in sustainable development. The executives have already discovered the importance of integrating sustainability to strategy, leadership and brand. Now challenge being the execution of corporate responsibility strategy across the organization. Enhancing sustainability starts with good strategy, followed by measurable objectives, personally committing to the journey and spreading the awareness of sustainability.

## *A WORK IN PROGRESS*

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### *Sustainability in the business landscape*

Corporate social responsibility (CSR) is a concept that is playing an important part in the modern business world. Increasing awareness and concern about the environmental state of the globe and the well-being of people is changing the business landscape. Sustainability issues have come into discussion all over the business world. (Lacy et al., 2009) Climate change mitigation and increasing carbon dioxide emissions have become hot topics in the news and social media. Even though

sustainability has been involved in companies' strategies for years now, many companies are unable to both meet the global challenges and make profitable business, but at the same time companies believe that environmental issues are important to the future success of their business (Accenture, 2019). Distressing is that less than half (48%) of companies from the 2019 UN Global Compact Progress Report are implementing sustainability into operations (Accenture, 2019).

Stock companies with their short-term targets and fast-paced decision making are setting the scenario to markets, which is in contradiction to the nature of sustainability. The integration of CSR to the organization takes time, and the results cannot be

seen in the short term. (Dyllick & Hockerts, 2002) The challenge is recognized, but there is still a gap between strategy formulation and implementation (Engert & Baumgartner, 2016).

According to Accenture CEO Study on Sustainability (2019) “71% of CEOs believe that with increased commitment and action business can play a critical role in contributing to the Global Goals”. The majority of CEO’s believe that business execution is not measuring up to the size of the challenge and they feel that economic constraints and business pressures are stalling the corporate sustainability action (Accenture, 2019). Given structures, incentives and demands are not supporting the progress to more sustainable businesses. Consumers have plenty of information available to support their decision-making on consumption, and they are aware of global issues in a way they were not few years back.

Corporations are forced to alter their decisions under the environmental pressure from consumers, stakeholders and suppliers.

### *Is the pressure enough?*

Companies face economic constraints and pressure from opposite directions. In one hand, the pressure from competing strategies, cost-consciousness, political uncertainty and absence of market pull is stalling the sustainability efforts (Accenture, 2019). In the other hand there is the environmental regulation and the pressure from conscious consumers, customers, investors and suppliers.

The state of the globe gives us undefined time limit within implementation of the sustainability strategy. However turning the concept into concrete initiatives remains highly challenging (Hargett & Williams, 2009; Engert & Baumgartner, 2016).

Forerunner companies in corporate responsibility are making an effort, and for example re-examining their human resources strategies and reviewing the consistency of leadership patterns (Rok, 2009).

By making CSR actions embedded in the organization, the company can have wide effects. CSR can influence employees’ social exchange dynamics and social identification with the company and hence improve attitudes and behaviour in the workplace, which can even improve corporate performance (Gond et al., 2010). Other organizational advantage of including sustainability is improving employee recruitment and retention by making the company more attractive as an employer (Salzmann et al., 2005).

Environmental regulation pressure touches especially large corporations, and some of them have already tried to solve this by e.g. reducing their energy consumption or making their



*“Companies that have global footprints can drive the climate agenda so it becomes a global movement in countries that may not have the same will or capacity to make the investments.”*

— LARS FRUERGAARD JØRGENSEN,  
PRESIDENT AND CEO, NOVO NORDISK A/S  
(ACCENTURE, 2019)

operations more transparent. Most of the CEO's believe that with increased commitment and action, business can play a critical role in contributing to sustainable development and goals (Accenture, 2019). Companies have started to increase employees' awareness of sustainability, but the full implementation of the sustainability strategy is still in progress regarding employee inclusion and commitment (Lacy et al., 2009; Morsing & Oswald, 2009).

Stakeholder relations address also sustainability issues. Investors analyse companies' sustainability performance. In order to maintain or win the reputation for being an

environmentally and socially responsible company, there is a need to fulfil the demands from consumers, investors, clients, employees, media and other stakeholders. (Lacy et al., 2009)

### *Deep in the culture or glued on top?*

We are failing to include the employees in enhancing sustainability execution across the organization (Lacy et al., 2009). We cannot implement the strategy wholly without committed workforce. CSR is often glued on top of the company strategy and reporting, and has little to do with the actual organization culture.

Culture and values of the organization should include sustainability as a foundation. The leadership values reflect to the employee engagement and commitment to the given strategy. According to Rok (2009)

“effective CSR should be understood more as a process, through which individuals' moral values and concerns are articulated”.

Implementation is challenging in large corporations, but also the importance of it increases while the effectiveness raises. The challenge is that enhancing CSR strategy can easily be left at a superficial stage, since



implementing is so complex. (Rok, 2009; Lacy et al., 2009)

Objectives and incentives should support the strategy and hence influence attitudes of the organization. Sufficient internal communication, personal motivation, education and monitoring objectives gives corporations tools in implementing sustainability. (Engert & Baumgartner, 2016; Accenture, 2019). It is not enough to have great slogans, well designed CSR reports and strategies but to be able to have measurable objectives and to monitor the progress. Workforce engagement and the culture of the organization needs to be in line with the strategy.

## **CASE** *Partly enhanced sustainability*

**COMPANY:**  
LABOR-  
INTENSIVE  
SERVICE  
COMPANY

### *ISSUE*

While having a wide range of CSR actions and initiatives, the company still does not include sustainability in its core values.

What was also found missing is an intention to get the employees committed to the sustainability – to enhance sustainability in values and culture.

### *SOLUTION*

As the company is now aware of the issue, they are working to get sustainability to the core values. They have also started to consider how to develop the CSR implementation further.

# KEY DRIVERS

## 1 *Build awareness*

Spread awareness of corporate responsibility and sustainability in the organization. By getting informed of the strategy, initiatives and importance of the subject, the staff has the possibility to have the deeper understanding and hence alter their values accordingly. Internal communication and managements personal commitment is high on the spot in building the recognition and driving enhancement.

The company should make the employees across organization know where they stand on sustainability, while making it clear the company brand is in line with it. It is critical to make sure that employer brand and brand towards the customers and consumers is consistent with the CSR strategy. Make sure that internal and external communication is in line, and that workforce – the best marketeers of the company – are aware of the strategy.

## 2 *Commitment*

How to make the workforce engaged? At first, the leaders should themselves

have personal motivation for sustainability. As the leaders are genuine in their concerns, they have the most effective driving force for the responsible business (Accenture, 2019). The next step is to concern the HR department, as human resources is in the heart of the employee practices. Taylor et al. (2012) encapsulates it followingly:

firstly “HRM policies and practices help direct employee mind-sets and actions toward achieving the sustainability goals of the firm”

and secondly, “sustainability principles can be embodied in HRM systems that engender the



## CASE **B** *Keep brand and sustainability close*

**COMPANY:**  
LABOR-  
INTENSIVE  
SERVICE  
COMPANY

### ISSUE

Sustainability is separate from the brand and marketing. The visibility of the CSR work is low for the people outside the organization.

### SOLUTION

With the help of a skilled brand and sustainability expert, the company could improve the visibility and communications of sustainability towards the customers, media and future employees.

long-term physical, social, and economic well being of a firm’s workforce”.

Company’s every day practices are crucial enhancing the culture of sustainability. Responsible leadership means the management personally carries out the sustainable practices.

The culture of sustainability should be concerned in the organization’s ways of working. An engaged workforce provides a central element, change agents, in the transformation towards getting measurable results from sustainability strategy (Galpin & Whittington, 2012; Rok, 2009).

Resistance for change prevents the successful implementation of sustainability strategy. (Johannsdottir et al., 2015) According to Klettner et al. (2014) there are doubts about the companies' commitment to the sustainability and about the practical implications of the actions relating sustainability. The first step towards getting measurable results is to build responsible culture by leading with purpose and commitment (Accenture, 2019).

## 3 Measurable objectives

Ensure that the company's management remuneration is linked to independent measures of the company's performance on sustainability (Accenture, 2019), and make sure that all other CSR objectives are adequate and measurable. Without measurable goals and motivation to reach them,

the enhancement cannot be performed.

Companies should be able to assess their performance throughout the whole process of implementing the strategy. (Engert & Baumgartner, 2016) First, you should understand sustainability challenges and extend to best practices and innovation in your industry (Accenture, 2019). Then ensure that there is appropriate management systems and guidelines regarding CSR.



Targets set for sustainability in business could be e.g. reducing the use of plastic bags in cleaning-business or changing business trips to online meetings. Also, it is always good to remember the end-users of the product or service and consider sustainability factors from their view. Tie efforts to performance of the workforce and to their objectives. It is challenging to measure of how well employees have embraced the sustainability values and organization culture, but it all starts with having adequate objectives.

## CASE **C** *Sustainability objectives*

**COMPANY:**  
A LARGE  
COMPANY IN  
CLEANING  
INDUSTRY, A  
HOTEL BUSINESS

### *EXAMPLES OF CSR OBJECTIVES*

Waste sorting, encouraging hotel customers to recycle, environmentally friendly cleaning materials, reducing plastics, environmental education to employees.

### *MEASURABLE OBJECTIVES*

ISO14001 environmental management standard, environmental audits, following consumption of eco-labelled and other detergents.

### *WHAT'S MISSING*

How the environmental education has affected the attitudes and commitment of employees regarding sustainability, how the culture has developed towards sustainability.

## THE WAY FORWARD

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Business leaders must guide organization towards stable and sustainable world – and that happens by enhancing sustainability execution across the organization. By embedding the culture to the leadership and practices, the workforce is more united to the common goal.

Remember to build awareness across your organization and to make sure your employer brand and brand for customers are in line with the sustainability strategy. Ensure your management is personally committed to lead on the agenda. And finally – establish adequate and measurable objectives and incentives for sustainability.

*“Sustainability needs more than a few green initiatives. We need a social and corporate culture adjustment to ensure sustainability is embedded in our corporate and social DNA. How we do business today most certainly impacts IF we will be in business tomorrow.”*

— MOHAMMED MOHOMEDY,  
ACTING GROUP CHIEF EXECUTIVE,  
TRANSNET SOC LTD

(ACCENTURE, 2019)



# KEY DRIVERS FOR ENHANCEMENT

## 1 BUILD AWARENESS

*Let the organization know your strategy and objectives for sustainability*

*Get the brand, marketing and CSR working together*

## 2 COMMITMENT

*Make sure the leaders are personally committed for sustainability*

*Embed sustainability to practices throughout the organization*

## 3 MEASURABLE OBJECTIVES

*Ensure you have adequate and measurable objectives for sustainability*

*Assess the performance throughout the implementation process*



*"Lead by example – walk the talk"*

(ACCENTURE, 2019)

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## WRITER

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Minna Tuusa works as a Senior Research Consultant in Boyden Finland. She holds Master of Social Sciences from the University of Helsinki, where she majored in Global Sustainability.

For more information: [linkedin.com/in/minnatuusa/](https://www.linkedin.com/in/minnatuusa/)  
Contact: +358 40 188 2244 / [minna.tuusa@boyden.com](mailto:minna.tuusa@boyden.com)

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