Corporate Sustainability: Interpretation, Implementation and the employee

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I Abstract

Sustainability indicates one of the core topics among society as well as in current business life. On this account it seems highly important to elaborate further on this crucial issue. This research focuses in particular on the implications of the implementation of Corporate Sustainability on the organizational as well as the private values of the employee. To analyse this issue, both theoretical secondary literature and empirical data from expert interviews was used. The research indicated three core findings. 1.) A unified and globally accepted definition and interpretation of Corporate Sustainability seems to be missing. This led to the understanding that organizations use various different methods and tools during the implementation of Corporate Sustainability. 2.) On the basis of the first finding as well as the theoretical background and empirical input, a framework was drawn which may guide organizations during the implementation of Corporate Sustainability. 3.) On the basis of this framework and the interpretations of scholars and experts it emerged, that the key issue during the implementation of Corporate Sustainability seems to be the corporate culture and values. Therefore, it emerges, that the employee has to take a central or key role within such an attempt, as the organizational culture is defined as the sum of the individual values of the employees. In principle, as found, indicates Corporate Sustainability a rather extensive change process, which has its roots and implications on the employee and their values.
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<tr>
<td>BCE</td>
<td>before the Common Era</td>
</tr>
<tr>
<td>CSR</td>
<td>Corporate Social Responsibility</td>
</tr>
<tr>
<td>CSu</td>
<td>Corporate Sustainability</td>
</tr>
<tr>
<td>IISD</td>
<td>International Institute for Sustainable Development</td>
</tr>
<tr>
<td>IUCN</td>
<td>International Union for Conservation of Nature</td>
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<tr>
<td>KPI</td>
<td>Key Performance Indicator</td>
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<tr>
<td>LLC</td>
<td>Limited Liability Company</td>
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<tr>
<td>NGO</td>
<td>Non-Governmental Organization</td>
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<tr>
<td>PLC</td>
<td>Public Limited Company</td>
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<td>PLC</td>
<td>Product Life Cycle</td>
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<td>PR</td>
<td>Public Relations</td>
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<td>SME</td>
<td>Small and Medium sized Enterprises</td>
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<td>UNEP</td>
<td>United Nations Environment Programme</td>
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<td>VC</td>
<td>Value Congruence</td>
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<td>WCED</td>
<td>World Commission on Environment and Development</td>
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1 Introduction

Does a fish know that it is swimming in water? Does it know that it needs water to breath, reproduce, feed, live and exist?

These were the questions that struck the author when approaching this research. The questions further emerged to – does the fish only recognize the abundance and importance of water, once it is out of it?

So, one might ask, why is it important to ask these questions about Sustainability? The answer lies in the comparison to humankind and the treatment of the environment. The fish just as a much as a human being is part of a greater ecosystem, which existed in harmony for hundreds of thousands of years. Are we as human beings aware of the fact that we need the planetary ecosystems to survive? The author would argue that we are aware of this fact.

So, the question emerges why are we unable to live within this ecosystem instead of trying to regulate and dominate it? How far different are we from a fish? Do we realize only after our foundation of life is gone, that we should have reacted earlier? Or are we smarter than the fish and able to change?

1.1. Background

Population growth, rising demand in energy, Temperature increase alongside with the decrease of fresh water and fossil fuel supplies (PwC, 2011) seems to be the striking issues for the modern society. It seems to be the responsibility of the individual, to challenge these issues and take action.

It is in the author’s interest to reflect on this issue of Sustainability. As Sustainability does not only consider environmental incentives, in regards to the other dimensions of Sustainability, it appears to be crucial to understand the theory behind the concept and to focus, in terms of organizational Sustainability, on the very core of every company - the employee.
For the author, the idea for this thesis emerged during a lecture on Sustainability, hosting experts on the topic. It was discussed that Sustainability is not simply a reduction of CO2 emissions, and that it has a much wider focus on various other areas. It is therefore, of special interest of the author to analyse the extent to which employees contribute to Corporate Sustainability and the implications of such incentives on the employee as well as the organization.

1.2. Research question and anticipated outcome

With the understanding that Sustainability seems to be a pressing issue for society as a whole and organizations in particular, one can assume the following, which shall in particular reflect the importance of the individual, the employee, at the process towards organizational Sustainability.

Within an organization, values are established to create a common environment in order to achieve a common goal. Nonetheless, an organizational value may only be realized if every single employee identifies with this value. Therefore, Corporate Sustainability may only be realized if the very core of an organization, the employee, embodies it.

In order to elaborate on this statement the following research questions are going to be discussed and analysed:

1. What does Sustainability mean for an organization and the author?
2. In what ways can Sustainability become an organizational value?
3. What are the implications for the employee, during the implementation of Sustainability as an organizational value?
4. Is the value of Sustainability separable into the private and company life, of an employee?

The expected outcome of the thesis shall firstly, be an interpretation of the concept Sustainability and in particular what it means for the author as well as for organizations, (maybe) in contrast to a literature perspective. It shall reflect the various dimensions as well as key drivers for organization to implement a sustainable culture.
This in particular is important to set the scene, to identify why Sustainability seems to be such an important and evolving issue within modern organizations.

Furthermore, it shall identify methods of introducing Corporate Sustainability within an organization and define necessary steps in order to guarantee a successful change. Within this part of the research, data will be drawn primarily from the field of change management and will incorporate basic theories about this matter such as De Wit and Meyer (2010) or Weick and Quinn (1999). Furthermore, it is intended to outline a framework on the basis of the author’s personal interpretation of theoretical methods of change management and concepts of introducing Corporate Sustainability.

In context this is crucial for further elaboration of the involvement of the employee and therefore, goes alongside the proposed theories of implementing Sustainability within organizations.

Moreover, an attempt is undertaken within this thesis to indicate the implications of the process of turning sustainable on the employees. It shall identify areas where the employee actively lives this value and define if it is possible to separate, in this respect, private and organizational life. Within the context of this thesis it seems as if this aspect is widely untouched by existing research and therefore, seems to be of the utmost importance to elaborate on.
2 Methdoology

2.1.1. The author's presence within the work

Before approaching the methods used to elaborate on this very thesis, it seems essential to briefly talk about the role of the author within this topic and thesis. Harwood (2005) elaborated on the importance and the validity of the usage of personal pronouns within research papers. Such usage does not only indicate a demonstration of the author's presence within the work, but also indicates promotional aspects (Harwood, 2005).

As this research project will not indicate any promotional aspects and hence, no personal pronouns, it seems all the more essential to elaborate on the presence of the author within this work. Daudi (1986) elaborated on this phenomenon of the presence of the author within research. He stated that objectivity seems to be tremendously hard to achieve. He validates this by stating, that even if objectivity is the main aim, the researcher starts the research with a personal understanding and interpretation of a topic (Daudi, 1986).

Therefore, it seems important to note, that this thesis will include personal interpretations and presumptions of the author, as this seems necessary in regards to the topic being elaborated, namely Corporate Sustainability.

2.1.2. Systems view and analytical view

Within this thesis, both the analytical view and the systems view are applied. Both methods are related to the illustration of facts. Where the systems view focuses on subjective interpretations, the analytical view focuses on objective facts (Arbnor & Bjerke, 1997).

The analytical view in particular is used for the first section of the thesis, where the focus lies on the determination, description and explanation as well as illustration of the concept Sustainability and Corporate Sustainability, respectively. For that section the analytical view seems to be suitable, as elaborated by Arbnor and Bjerke (1997) it is the aim of the analytical view to determine, to describe, to explain, to forecast and to guide. Hence, especially for this part the analytical view is present within the thesis.
The systems view on the other hand focuses on the subjectivity of the matter that is researched. Especially regarding the topic of CSu it seems essential to elaborate via a systems view. The systems view is applied within the thesis with the understanding, that CSu is a highly individual and context related manner. Hence, personal interpretations and conceptualizations are presented theoretically as well as empirically.

Having this understanding one might observe that various creators can achieve a specific outcome and that a certain technique may lead to different outcomes (Arbnor & Bjerke, 1997).

Moreover, the systems view includes various systems, which are not related contextually. The researcher hence, tries to form a system out of seemingly unrelated systems. In the case of this thesis, this holds true as the system of organizational values and employee values are seemingly hardly elaborated in the context of CSu. Hence, the author opts to bring these subject matters together into a subjective system.

2.1.3. Qualitative approach through Interviews/Conversations

Within this research, a qualitative approach is anticipated. A qualitative research, regarding Amaratunga et al (2002) refers to a contact with specific fields or life situations, which are reflections of the daily life of, for example, organizations (Ibid.).

Furthermore, qualitative research is used, according to Fisher (2007), to get a deeper understanding of subject matters, or in order to illustrate a situation. The data hence is usually collected by in-depth interviews (Ibid.).

Especially regarding the topic researched within this thesis, a qualitative approach seems to prevail over a quantitative approach. It is not the aim of this thesis to verify a specific hypothesis by hard numbers and statistical measurement. It is nonetheless, the aim to depict situational, context related interpretations of systems. These systems shall then be brought into alignment according to the research questions emerging out of the previously executed theoretical analysis.
Qualitative data therefore, was gathered through expert interviews and conversations respectively. According to Bjerke (2007) interviews and conversations have the main purpose of collecting objective or subjective data, respectively. The expert interviews (as the encounters with the experts are further referred to) were conducted as both interviews as well as conversations in order to get subjective as well as objective information. In particular, the expert interviews were guided by a set of six open questions, which were accompanied by conversational sub-questions, if they emerged out of the previously asked main questions.

1. How would you, from a business perspective, define Sustainability?
2. Do you think Sustainability can be considered as choice, for a company?
3. What do you think are necessary steps when introducing Sustainability as a core value for a company?
4. What role does each employee play, within an organization, upon the state of introducing Sustainability?
5. Do you think Sustainability as a value can be separated into private and business life?
6. What does Sustainability mean for you as a private person?

Interviews occurred on various locations and through various channels, furthermore, they were conducted in two languages: English and German. Experts were derived from various nations and cultures. This includes Sweden, Austria, the USA, India, Japan and France. Furthermore, the experts were selected by availability and knowledge about the topic. The experts consisted of three former employees of organization with Sustainability as a core corporate value, two executive managers of organization with Sustainability as core corporate value, three consultants and one Head of the Sustainable Committee of the European Business Council in Japan. The experts were chosen in particular regarding their insight and involvement regarding the topic. The differentiation between employees, managers and consultants enabled a broader spectrum of views and interpretations regarding the topic.

The specific location, form, language and origin of the interviewee are described in detail within the detailed interview reports (see Annex).
2.1.4. Sources of data

The main sources for this research represented qualitative empirical data derived from expert interviews (as elaborated above) and secondary data derived from articles, books and journals.

Secondary data was used in order to generate a basic understanding for the author regarding the researched topic. Furthermore, journals, articles and books were used in order to create a foundation for the development of author-interpreted frameworks.

Another source of secondary data comprised company reports. This was in particular important to link theoretical understanding of CSu with a practical application of such.
3 Interpretations and origins of Sustainability and Corporate Sustainability

Within literature it seems that the concepts Sustainability and Corporate Sustainability are interpreted differently among scholars. Nonetheless, the concept Corporate Sustainability seems not to differ greatly from the general understanding of Sustainability. The difference, one might observe, is the alignment and the inclusion of economical factors. Nonetheless, as different as the interpretations of Sustainability are, so is the understanding of Corporate Sustainability. It would seem that interpretations are as numerous as the amount of organizations existing. Hence, it seems crucial to elaborate on the concepts Sustainability and Corporate Sustainability.

This chapter shall serve the purpose of introducing the concept of Sustainability. It shall make the reader acquainted with the origins and the history of the concepts, which shall be achieved by illustrating a chronological sequence of milestones within the establishment of the meaning of the word Sustainability, as it is now known and referred to.

Furthermore, interpretations of the concept will be indicated, to outline for the reader, the complexity and to generate a basic understanding of this concept. Concluding, a personal reflection of the author, concerning the terminology of Sustainability shall further enhance the readers understanding.

Moreover, a section discussing the need for sustainable development, shall serve the purpose of identifying the status quo and the need for organizations to establish sustainable practices as core values. The last part of the chapter will elaborate on Corporate Sustainability, arguing that only organizations have the power to change the status quo, as they appear to be the main cause for the current situation.
3.1. The history and origins of Sustainability

This chapter shall indicate a brief overview of the origins of the concept Sustainability and is listed chronologically. It represents only a brief indication of the events occurring at the outlined time and is further graphically illustrated within Annex 2.1.

In particular a focus will be drawn on a philosophical assessment about agriculture and the origins of the belief and concept of Sustainability. This will be followed by a short discussion about the teachings of Aristotle and his influence on the Enlightenment movement. The section is then concluded by an analysis of the recent history regarding the concept Sustainability.

3.1.1. Agriculture and Religion

In 1992, Quinn tried to enlighten the reader, with his philosophical novel Ishmael, on when and how humankind turned its back to living in harmony with nature. Within this novel, which is based on Anthropological facts, he dates the time of separation approximately 6,000 to 4,000 BCE. He argues that agriculture and religion were the main cause for the problems we are currently in. Quinn (1992) states, that by the human decision to cultivate plants and domesticating animals, we as human beings started altering nature. He validates this by references to still existing indigenous tribes, which still live in harmony with nature as Hunters and Gatherers. They seemingly live without producing waste, surviving by what nature and planet earth is providing them. He furthermore, refers to the separation of humankind into ‘takers’ and ‘leavers’.

Takers in his opinion can be considered, in his opinion, as the general world population, so to say ‘civilized’ people, people who consume, produce waste and by birth abandoned the ecological equilibrium. Ecological equilibrium in this sense refers to the natural cycle of nature (no waste is produced; everything serves a purpose, such as a rotting tree serves as food for bugs, mushrooms etc.). We as human beings produce a weighted average of 572.4 kg (see: Annex 2.2) of waste per person per year.
As Leavers he considers societies that still live as Hunters and Gatherers among us, e.g. as mentioned before indigenous tribes.

As second factor within Quinn (1992), he names religious beliefs. He refers to this, by putting the altering of nature into a spiritual sense. Quinn (Ibid.) argues that humankind at a certain point in time decided to take the faith of the gods in their hands. They took the liberty in deciding on what is allowed to live and what has to die, in order to enable human beings a guaranteed and secure supply of a particular good. Humankind became the ruler of the world and abandoned the thought of being part of the world.

The question emerges, what can a philosophical fictional novel contribute to the elaboration of the meaning and history of Sustainability? It does certainly not deliver waterproof facts about sustainable development, but illustrates engagingly, that firstly, human beings were able to live in harmony with nature for thousands of years and still do, and secondly, that we have to make use of and align this knowledge of how to live in harmony with nature to our modernized lifestyle. This is further validated by the expert interview with Mrs Gastinger (Annex 1.4), which stated in different, but related context, that we as human beings have to start executing our knowledge. We have the knowledge, but we are simply not doing enough to make it live.

Furthermore, Buckingham and Turner (2008) also refer to the influence of religion as they state “… Western society, philosophically grounded in Christian and scientific world views, combines a view of nature which it both ‘stewards’ and controls …” (Buckingham & Turner, 2008, p.14). Moreover, concerning the execution of knowledge, with a focus on how we do things (elaborated further in the following chapters) they state, referring to indigenous communities living under a Christian-scientific society (e.g. North America, Australia) “Both indigenous and radical alternative are tolerated by Western society, which prides itself on this tolerance and its democracy, but are constructed as minority interest with limited practical capability and, as such, can be effectively marginalized. This is particularly true of the current debate on climate change which, in the West, is focusing on technological strategies for amelioration such as the development of bio fuels, hydrogen power, and greater energy efficiency to reduce carbon dioxide pollution, rather than engage with alternative approaches to the ways in which we live, work, travel and consume.” (Buckingham & Turner, 2008, p.15).
Concluding, it appears important to state that humankind was able to live sustainable for thousands of years, before we started to extract fossil fuels, raw materials etc. from our planet, compromising the supply for future generations and directly altering nature. Furthermore, what one can draw from the illustration above is that this knowledge on how we existed sustainable is still present within our society; we just have to start exploring and most importantly executing it.

3.1.2. **Aristotle and the Enlightenment**

According to Buckingham and Turner (2008) the first reference of Sustainability was drawn by the ancient philosopher Aristotle, who defined household economics. He referred to a self-sustaining household focusing on husbandry and nature, for careful use to society. These ideas were then seized by the enlightenment thinkers (Buckingham & Turner, 2008; Ahern, 2012) and emerged into a greater vision and general concern about the development of the increasing population. According to Ahern (2012) people like Adam Smith and John Stuart Mills predicted limits to growth due to resource scarcity and increasing populations at an early stage. Furthermore, this idea was published by Malthus (1798) as he stated “… the power of population is indefinitely greater than the power in the earth to produce subsistence for man” (Malthus, 1798, p.5). He further elaborated on this issue by stating that the population will grow exponentially while resources will grow arithmetically, and concluded henceforth, that the world would have a limited capacity (Malthus, 1798).

These ideas expressed for the first time in history the concern of the usage of natural resources and expanding populations. At that time, at the brink of the industrial revolution, these ideas had hardly any followers and were not in any way part of day-to-day business activities (Ahern, 2012). Nonetheless, it represents the first spark of Sustainability in business life, but it took almost two more centuries until Sustainability as a business practice emerged within the minds of organizations.
3.1.3. Recent history

Within recent history major events, regarding Sustainability and Corporate Sustainability occurred. Hence, this paragraph is further divided into subparagraphs to illustrate the occurrences in a structured manner.

The following is structured into decades and starts within the 60’s and follows its path to the present. Along this journey major events will be depicted and elaborated on. For a more comprehensive list of events please refer to Annex 2.1.

3.1.3.1. The 60’s: General awareness rises

The 1960’s marked a decade of considerably growing environmental awareness. This was due to the reason that by the post-war consumer boom and the rapid technological innovation an increase in consumption and therefore, resources occurred (Ahern, 2012; Buckingham & Turner, 2008). Buckingham and Turner (2008) further also defined the rising expansion of higher education among society as a key factor for the growing awareness about environmental issues and sustainable development issues. Moreover, this can also be seen as a sort of paradox, as illustrated by Buckingham and Turner (2008), as even though material was secure, leisure time and economic wealth were rising, concerns about the environment grew heavily.

This awareness can also be related to two books that were published within this decade, both linking the increasing resource consumption to environmental issues: Silent Spring by Rachel Carlson (the usage of pesticides and the cause for species and human health) and The Population Bomb by Paul Ehrlich (raising population and increasing resource consumption and the effect on the environment) (Ahern, 2012; International Institute of Sustainable Development [IISD], 2009).

These entire factors contributed greatly to the rising awareness among society and increased the pressure for governments to finally act on these issues.
3.1.3.2. The 70’s: The Club of Rome and UNEP

In 1972 a UN Conference on the Human Development was conducted in Stockholm. This marked the start for many national environmental protection agencies and the formation of the United Nations Environmental Program (UNEP) (Ahern, 2012; IISD, 2009).

Another crucial issue in the development of the concept of Sustainability was the publication of the book ‘Limits of Growth’, by the 1968 founded Club of Rome. It illustrated the Earth’s ability to absorb waste products and the running out of resources by the year 2100 (Buckingham & Turner, 2008). This was achieved by the usage of computer simulations that included variables, such as population growth, pollution, food production and resource exhaustion (Ahern, 2012).

Even though there was heavy criticism about the methodology of this book and the anticipated consequences for some developing countries, the book contributed greatly to further prosper the awareness of environmental issues (Ahern, 2012). ‘Limits of Growth’ furthermore, indicated the word Sustainability for the first time, in the sense, scholars would generally agree at the current stage.

3.1.3.3. The 80’s: The Brundtland Report

The 1980’s marked a breakthrough in the conceptual framework of sustainable development (Ahern, 2012). With the release of the World Conservation Strategy by the Union for the Conservation of Nature (IUCN), at the first time in history, the linkage between environmental issues and development was drawn (Ahern, 2012; IISD, 2009). It marked the first usage of the term sustainable development in the subheading of the report.

The next big step in the popularization of the term Sustainability and in particular sustainable development marked the Brundtland Report in 1987, which is also known as ‘Our Common Future’ and was published by the World Commission on Environment and Development (Ahern, 2012; Buckingham & Turner, 2008; IISD, 2009). It described sustainable development, which can be regarded as a synonym for Sustainability, as something that meets the needs of the present without compromising the ability of future generations to meet their
own needs (Ahern, 2012). The report furthermore, had an immense impact on future debates about environmental Sustainability (Buckingham & Turner, 2008).

3.1.3.4. The 90’s: Earth Summit and the Kyoto Protocol

As described in the paragraphs above, the general public and governmental awareness about environmental issues was rising. As time went on, the sustainable movement included further and further social and financial dimensions (Ahern, 2012). This broadening in Sustainability matters, became visible firstly, in the Earth summit 1992 in Rio de Janeiro where agreements about Agenda 21 were conducted, which further lead to the Kyoto Protocol in 1997 (Ahern, 2012; IISD, 2009). It also laid the foundation for markets for emission trading, which had an undoubted effect on corporate behaviour (Ahern, 2012). Furthermore as financial aspects became the focus of attention, also the business side started reacting and the Dow Jones Sustainability Index was launched in 1999 (IISD, 2009). It provides, until now, for potential investors information about a company’s profitability and sustainable development principles.

By the end of 90’s sustainable development principles became more and more attractive for businesses (Ahern, 2012), as a consequence of the broadening of dimensions of the concept of sustainable development, by the inclusion of social and commercial concerns.

3.1.3.5. 2000 until now: The rise of Corporate Sustainability

With the coming into force of the Kyoto Protocol in 2005 and the release of the Stern report in 2006, the involvement of businesses in sustainable development practices further prospered (IISD, 2009). Nonetheless, the movement had to endure disappointment in 2009 at the Earth Summit in Copenhagen (Ahern, 2012). There, it was argued that the current practices would limit the growth potential of developing countries, as the Kyoto Protocol imposed a limitation of emissions to such. This widened the gap between developed and developing countries regarding the question of Sustainability (Ahern, 2012; IISD, 2009).

Nonetheless, the recent years indicated an important growth of Corporate Sustainability. More and more organizations include Sustainability as part of their corporate mission and state it as a core value within their organizations (Ahern, 2012). This includes among many other
multinationals for example Unilever or BMW. The future seems promising, at least on paper, when it comes to sustainable practices as even Jack Welch, highly regarded expert and former CEO of GE, stated that the single shareholder view of businesses was the dumbest idea in the world (Ahern, 2012). Nevertheless, recent criticism rises about the actual commitment of these organizations and the term ‘greenwashing’ became frequent in usage (the term will be discussed and further analysed within the next section).

3.2. Sustainability and Corporate Sustainability: making sense of the concepts

Interpretations of Sustainability and in particular Corporate Sustainability tend to be overly manifold. It seems therefore, essential to outline key ideologies about the concepts and to analyse in detail the actual meaning and shortcomings of these interpretations. Furthermore, the focus of this chapter will be drawn on Corporate Sustainability - as these understandings seem to indicate the biggest ambiguities. Marrewijk (2002) states that within academic debates and business environment, hundreds of concepts and definitions are being proposed, including more humane, more ethical, more transparent ways of doing business. Furthermore, he states that the current concepts and definitions are often biased towards a specific interest (Marrewijk, 2002). Hence, it seems essential to take a closer look on definitions and elaborate on the similarities, which shall ultimately lead to an interpretation of Sustainability by the author.

3.2.1. Sustainability

The first and seemingly still widely accepted interpretation was drawn within the Brundtland Report by the WCED in 1987 which states: “Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs. It contains within itself, two key concepts:

- the concept of 'needs', in particular the essential needs of the world's poor, to which overriding priority should be given; and (WCED, 1987)
- the idea of limitations imposed by the state of technology and social organization on the environment's ability to meet present and future needs.” (Ibid.)
Further definitions can be found by for example the United Nations Environmental Program (UNEP), which defines sustainable development and henceforth, Sustainability as "Development which improves people's quality of life, within the carrying capacity of earth's life support systems.‘ (UNESCAP, 2003). The World Conservation Union (IUCN) defines it as “The guiding rules are that people must share with each other and care for the Earth. Humanity must take no more from nature than nature can replenish. This in turn means adopting lifestyles and development paths that respect and work within nature's limits. It can be done without rejecting the many benefits that modern technology has brought. Provided that technology also works within those limits.” (Ibid.).

One might observe from these definitions that the main focus lays on carrying capacity of the earth regarding Sustainability issues. Furthermore, a clear future perspective is present within all definitions.

3.2.2. Greenwashing

It seems now essential to take a closer look on the concepts of Corporate Sustainability, as this is the aim of this thesis and as later explained, defines the only viable option for the world economy to change towards more sustainable practices. Before analysing interpretations of Corporate Sustainability, it seems nonetheless, important to elaborate on a term that became frequent in use among criticism of Corporate Sustainability, namely ‘greenwashing’. The term is a merger of two concepts ‘green’, in the sense of environmental sound, and ‘whitewashing’, indicating a covering of wrongdoings (Dictionary of Sustainable Management [DSM], 2012). It indicates any form of PR or marketing that connects an organization to a positive association with environmental issues for any unsustainable practices (DSM, 2012).

Laufer (2003) indicates examples for such greenwashing practices, which include, among others, e.g. promoting an image of a committed corporate culture, publicly align an organization with NGO’s that are sympathetic to the issue or provide certification or awards without provisions for accountability or verification and/or seeking of publicity or membership in an “ethics” organization. Considering this, it seems extremely important to have a clear understanding of what Corporate Sustainability means to an organization in order to be able to avoid greenwashing accusations.
3.2.3. Corporate Sustainability

Interpretations of Corporate Sustainability are seemingly, as mentioned beforehand, as manifold as the number of businesses claiming such practices. This becomes importantly relativized with Van Marrewijks (2002) citation of Jacques Schraven, who is the chairman of the Dutch Employers Association, who stated “there is no standard recipe: Corporate Sustainability is custom-made process” (Van Marrewijk, 2002).

Before analysing specific interpretations of organizations it seems important to take a closer look at scholar opinions about this concept. Even within literature, maybe even more within such, one may observe a general ambiguity of the term Corporate Sustainability. Where, Van Marrewijk (2002) defines it as companies activities, which are voluntary per definition, that demonstrate the inclusion of social and environmental concern in business operation and interaction with stakeholders, Cramer (2002) defines it as a systematic linkage of financial profitability and the ecological and social performance.

Dyllick and Hockerts (2002) refer to Corporate Sustainability as “to embody the promise of societal evolution towards a more equitable and wealthy world in which the natural environment and our cultural achievements are preserved for generations to come” (Dyllick & Hockerts, 2002, p. 130).

Fisher (2010) goes as far as calling it a ‘new management philosophy’, stating that it includes, promotes and balances economic, ecological and social Sustainability. He furthermore states that this has to be insured in corporate service and/or product developments and offerings for future generations of employees, customers and stakeholder groups (Fisher, 2010).

All these understandings tend to be very vague and indicate usually a social, ecological and economical aspect. An attempt was made by the Dow Jones Sustainability Index to further define the concept: “Corporate Sustainability is a business approach that creates long-term shareholder value by embracing opportunities and managing risks deriving from economic, environmental and social developments.” (Dow Jones Sustainability Index [DJSI], 2011).
If one draws a conclusion of these interpretations, various aspects emerge out of the different wording. Corporate Sustainability focuses on shareholder values, the environment and social aspects. Furthermore, one might observe that the future is a key issue in the concept of CSu. Moreover, it seems that CSu has to be implemented in the overall organizational strategy and shall not be regarded as separate entity of a business. Hence, it has to be aligned with every single aspect within an organization in order to be firstly, successful and secondly, credible.

These assumptions are further validated by the expert interviews. As for example Mrs Chande (Annex 1.1) stated that Sustainability should not only included green tendencies and Mr Quignon (Annex 1.2) referred to a holistic view in the whole value chain. Also Mrs Gastinger (Annex 1.4) refers to the three dimensions of environment, social and society. What all experts indicate as common element in their answers is the aspect of the environment. As for example Ms Russell (Annex 1.3) stated the reduction of emissions and Mrs Quinel (Annex 1.8) stating the usage of green production methods.

Furthermore, all experts see Corporate Sustainability as holistic and a long-term project. It might be assumed therefore, that there is general consent about the time frame and partly the dimensions, within our society. Nonetheless, the sample may be too small to draw general assumptions, but seems to indicate a basic consensus of literature views and expert views.

These dimensions indicated above also reflect the overall understanding within e.g. PwC, who actually developed a branch concerning the introduction of Sustainability within organizations. One may identify three dimensions, which are interlinked: Social, Economy and Ecology. It is within further research observable that illustrations regarding the dimensions of Sustainability are seemingly identical. One difference that might be observed among illustrations, in comparison to the PwC (2011) illustration, is that the dimension Ecology is referred to as Environment, but nonetheless, refers to similar activities. As indicated in PwC (2011) Sustainability represents a holistic view on values and development. It therefore, indicates a long-term perspective. According to PwC (2011), examples for the dimensions comprise, for Economy a long-term strategy, local value generation and product responsibility. For Social aspects PwC (2011) suggests safe and healthy work, human rights and innovation. Ecology refers to environmental issues such as CO2 reduction, waste reduction and renewable energy.
Only a combination of all three dimensions hence, leads to Corporate Sustainability in the sense of PricewaterhouseCoopers.

Having had a brief look on the literature and expert views on Corporate Sustainability, it seems essential to indicate, how multinational organizations interpret Corporate Sustainability within their organization. The companies were purposefully selected from different cultures and industries, in order to demonstrate and outline a culture and industry-independent view on Sustainability. The following represents excerpts of different Sustainability reports of multinationals.

Muhar Kent CEO of Coca-Cola defines Sustainability as the right thing to do, furthermore, he states that it is the aim of Coca-Cola to create a healthy environment as people, the environment and communities are the key for the organizations success (The Coca-Cola Company, 2011).

Norbert Reithofer, current CEO of the BMW Group refers to a specific strategy, as he states, “With its corporate Strategy Number ONE, the BMW Group plans to become the leading producer of premium products and premium services for individual mobility. In our view, premium includes the idea of Sustainability, which is why we are working to establish sustainable business practices along the entire value chain and throughout all processes. Key elements in our Sustainability management are our environmental monitoring system, our on-going dialogue with stakeholders, and the integration of Sustainability criteria into every aspect of our corporate development.“ (The BMW Group, 2011).

As Coca-Cola refers to Sustainability very general and BMW stating more concrete incentives Unilever states within their Sustainability Report concrete measureable goals that they want to achieve by the year 2020, which include: “helping more than 1 billion people take action to improve their health and well-being, halving the environmental footprint of the making and use of our products, sourcing 100% of our agricultural raw materials sustainably.” (Unilever, 2011).

CEO of Samsung Gee-Sung Choi also states concrete initiatives by referring to eco-innovation (taking responsibility of the environment from the beginning, from the
development stage), a compliance team (supervising ethics and integrity) and mutual growth programs (including local communities and stakeholders) (Samsung Electronics, 2011).

Wienerberger for example, sees CSu as an integrated part of their business and as a personal commitment and obligation towards society, according to Mr Koch (see Annex 1.9). Wienerberger focuses on four main categories within their CSu strategy, concerning Products, Production, Employees and Corporate Social Responsibility. These are as indicated by Mr Koch within the expert-interview, the four key areas of Wienerbergers CSu incentives (for details, see Annex 1.9).

What one might observe within these statements of multinational organizations is that all try to refer to three dimensions, which tend to be widely accepted. Also the long-term perspective is reflected in each of the statements. Unfortunately, only two out of the analysed companies state that Sustainability has to be integrated in every aspect and process of the company. Nonetheless, when having a closer look it seems obvious that each organization has a different understanding of Corporate Sustainability.

Here it seems also important to refer back to Jacques Schraven’s statement in Van Marrewijk (2002) who stated that Corporate Sustainability is a custom-made process. Another aspect that one might observe, with reference to the individual Sustainability reports, is that they seemingly are all titled with CSR (Corporate Social Responsibility) and Sustainability report. This tends to be a very common issue, as also Van Marrewijk states “… in practice CSR is defined as a synonym to Corporate Sustainability” and further “In general, Corporate Sustainability – and, unfortunately, also the cotemporary understanding of CSR …” (Van Marrewijk, 2002, p.8).

It therefore, seems as organizations generally lack a clear understanding of CSR and CSu. This can also be due to the reason that even within literature a clear separation of both concepts is hardly elaborated on. Van Marrewijk (2002) draws a differentiation on the scope of both concepts and argues that CSR refers to the social aspect of organizations, contrary to the definition of the EU Communication, who defined it as “a business contribution to Sustainable Development” (Van Marrewijk, 2002). Due to this lack of differentiation and seemingly countless concepts of CSu by organizations, Van Marrewijk and Werre (2002)
developed a framework regarding the organizations commitment and ambition. The following outlines a brief definition of these proposed six levels of Corporate Sustainability, the detailed framework can be found in Annex 2.4:

1. Pre-Corporate Sustainability: No real ambition for Corporate Sustainability. Some steps labelled Corporate Sustainability are initiated due to external pressure. Requires close monitoring and constant reinforcement. (Van Marrewijk & Were, 2002, p.5).
2. Compliance-driven Corporate Sustainability: Providing welfare to society within regulatory frameworks of authorities. The organization might respond to charity and stewardship projects. CSu is seen as duty, obligation or correct behaviour (Ibid.).
3. Profit-driven Corporate Sustainability: Integration of social, ethical and ecological aspects into business operations and decision-making on the understanding that it contributes positively to the financial statement. CSu in this case is promoted due to the fact that it is profitable, because of a rising reputation (Ibid.).
4. Caring Corporate Sustainability: Balancing economic, social and ecological concerns. Initiatives go beyond profitability and legal frameworks. CSu is promoted as human potential, social responsibility and care about the environment (Ibid., p.6).
5. Synergistic Corporate Sustainability: Search for well-balanced solutions together with relevant stakeholders to create value in the economic, social and ecological aspects. The assumption is that Sustainability is important by itself and is seen as inevitable way to go (Ibid.).
6. Holistic Corporate Sustainability: Full integration and embedding of CSu in every aspect of the organization. CSu is the only alternative for an organization as, the mutual dependence of the human being and the earth is understood. Each person and organization has therefore, universal responsibility (Ibid.).

This implies that according to the organizations readiness and possibilities, it can choose one of the six levels for their organization (Ibid.). Van Marrewijk and Werre (2002) furthermore, argue that each level will come along with corresponding business practices and institutional development, indicating the various levels of Corporate Sustainability.

Concluding it is to say, that no matter if among scholars, organizations or experts, the interpretations vary. Nonetheless, common features might be observed through all definitions.
A clear unified and commonly accepted definition is at the current stage not available. A first attempt to broaden the spectrum of CSu was proposed, as indicated, by Van Marrewijk and Werre (2002). It is to be seen if and how such a unified definition might look like and in how far it would fit to every organization.

### 3.3. Corporate Social Responsibility vs. Corporate Sustainability

As previously indicated it appears that the concepts Corporate Social Responsibility, Corporate Sustainability and Sustainability usually are synonyms to each other. Nonetheless, for clarification and for the further analysis and interpretation it seems important to clearly outline the difference from the author’s perspective on these concepts. As Van Marrewijk and Werre (2002) elaborated, there is seemingly confusion existent about the concepts in general and in particular the terms CSR and CSu. They argue that CSR and CSu should not be synonyms to each other, as this would contribute further to the confusion about the specifics on the terms (Van Marrewijk & Werre, 2002).

The author agrees on this perception and argues that CSR may only be seen as one part of CSu and shall not be regarded in any way as a synonym. It seems essential to outline that by the very wording of the term Corporate Social Responsibility, the word social is stressed. Hence, it indicates social activities, incentives or strategies of an organization. Contrary Corporate Sustainability as it is interpreted by many scholars (Van Marrewijk & Werre, 2002; Van Marrewijk, 2002; DJSI, 2011; Smith & Sharicz, 2011) as well as by the author (further elaborated in the following paragraph) refers to three dimensions Economy, Environment/Ecology and Social. Henceforth, it seems, as CSR is an integrated part of CSu, especially considering the CSu dimension of social activities. So, it is to state that for the further progress and analysis the author refers to the term CSu and sees CSR as integral part of CSu and not vice versa.

### 3.4. The author’s interpretation of Corporate Sustainability

Before attempting to elaborate on the author’s interpretation of Corporate Sustainability, it seems essential to elaborate on key elements that have to be taken into consideration within such an attempt. First, it appears essential to discuss the issue of the long-term perspective.
Throughout any Corporate Sustainability incentives, an organization has to be aware of the fact that this will comprise extensive investments to the future, as indicated by Mrs Gastinger (Annex 1.4) and other experts. Such CSu initiatives tend to need to be long-term, as they have to be integrated in the company culture to truly reflect the organizations ambition towards CSu (PwC, 2011). Hence, it indicates in the most cases a change project regarding culture and any other aspect of the company’s activities.

This leads to the second aspect that has to be considered, namely the integration into every aspect of the organization. McDonough and Braungart (2002) refer to this by stating, “… it has begun to define both long-term strategy and everyday practice…” (McDonough & Braungart, 2002, p. 251). So it seems that CSu does not only have to be integrated in the long-term strategic planning of an organization, but has to take root in the day-to-day activities of an organization. Therefore, CSu has to be an integrated holistic approach within an organization and not simply a part of an organization’s strategy.

Furthermore, CSu has to be involved from the very beginning of the value creation of an organization as for example the CEO of Samsung indicated eco-innovation (Samsung Electronics, 2011). It seems important, to stress the term ‘integrated approach’ once more in order to outline clearly, the interconnectedness of a business operation and CSu. Hence, Sustainability practices have to be implemented, from the design-stage over the purchase stage till the point of sale and seemingly in the best case, waste management, which clearly indicates pro-active decisions in order to eliminate questions such as ‘how to clean up’ (McDonough & Braungart, 2002).

This irrevocably includes any stakeholder activities within the value chain of the firm, which have to be effectively convinced about and included in CSu practices (Hopkins, 2002). The optimum for such an activity would be a product or service that is produced 100% waste free, which includes also according to Buckingham and Turner (2008), who elaborated on Sustainability of a circular economy, no carbon emission or any other pollution of the environment. In a perfect state, CSu works like the natural cycle of life, were waste is material for other organisms and therefore, does not represent waste, but a basis for existence (Hawken, 2010).
The third key element that evolves out of the previous two aspects refers to the dimensions of Sustainability. These dimensions of CSu seem to be widely accepted among society, deserve nonetheless, a closer look. The dimensions are referred to as Economy, Social and Ecology/Environment (PwC, 2010).

The question regarding the dimensions, henceforth, shall not be about the validity of such. It more essentially shall refer to the balance of the Economic, Social and Ecologic spectrum of organizational activities. Buckingham and Turner (2008) elaborated on the equilibrium of the dimensions by referring to the first law of thermodynamics, which in principle states that energy can only move from one place to another but can never be created nor destroyed.

Also Quinn (1992) elaborates indirectly about the cause and effect relation of imbalanced investment, as he refers to the statement, that an increased production in food could not solve starvation, it would simply trigger an even greater expansion of the population, which would occur independently from location and space.

Coming back to CSu and the dimensions, it seems to be important to understand that a particular concentration of an effort, towards one dimension, would mitigate the efforts in the other dimensions. Hence, a true, honest and committed approach of an organization towards CSu has to be balanced and efforts equally distributed among the three dimensions. This statement holds validity when having a look at graphical illustrations of CSu dimension.

Figure 1: Dimensions of Sustainability

Source: PwC (2011)
The illustrations widely regard the overlapping efforts of all three dimensions as Sustainability. If one follows now the assumption that the size of the bubble indicates the overall effort into one dimension, and also considering the first law of thermodynamics, any shift in effort will result in a state were Sustainability cannot be achieved. Hence, organizations seemingly need to put an effort on a balanced approach for Sustainability (McDonough & Braungart, 2002).

This implies the fourth aspect that has to be considered on the formulation of a common definition of CSu, the commitment of the organization. Van Marrewijk and Werre (2002) already took a step in defining different levels of CSu regarding the company’s commitment and resources available to this cause. Hence, it seems important to define the actual level of the commitment and align such to the overall strategy, mission and goals of the company. This implies, that before any Sustainability measures are taken within an organization, the overall company purpose, mission and strategy have to be reviewed (Hopkins, 2002), in order to define the fit for the various degrees of CSu measures.

This leads imperatively to the last point that has to be considered, which one might associate with the seriousness of such an activity. The degree of seriousness is closely linked to the commitment and can only become visible by making CSu practices measureable within organizations by e.g. a Balanced Scorecard or KPI’s or equal performance measurement tools, which is further evaluated in the following chapters. The commitment and seriousness regarding CSu is further directly related to the core issue of this thesis, the employees.

Having elaborated on the, from the authors’ perspective, most crucial aspects for a CSu definition, it seems inevitable to outline the authors interpretation that includes all aspects mentioned beforehand. The following shall in no way represent an improved or superior version to existing definitions of CSu and represent moreover, the authors’ personal understanding and explanation of Corporate Sustainability.

‘Corporate Sustainability refers to a holistic view of firms’ operations, regarding Environmental, Social and Economical activities, which are in turn integrated in the firm’s day-to-day activities and long-term strategy planning. These activities concerning the three dimensions are balanced, integrated in the whole value-chain, core-element of the organizational culture and measureable. (Balanced, herewith, refers to an equilibrium of
resources invested in each of the three dimension and hence, any shift towards one specific
dimension reduces the impact of the others. Integration in the value-chain means, that from
the very beginning of the product-life-cycle (the idea creation/design) until the end of the
PLC (waste) every dimension has to be considered. This does not only refer to the
organization itself, but also to its stakeholders and their value-chain. Core-element of the
organizational culture refers, to the values, beliefs and practices of each employee of the
organization. Every employee has to be committed for the greater good in order to make CSu
possible and authentic within the organization. Measureable indicates the seriousness of the
organization. Once these holistic, balanced activities are made measureable and are measured,
a constant improvement on such can be assured).

3.5. The shift towards Corporate Sustainability

Having analysed various concepts and the origin of Sustainability, it seems essential to
elaborate further on Corporate Sustainability. Within this subchapter, it is aimed to illustrate
why Corporate Sustainability seemingly became increasingly popular, within the past decade.
Hence, this chapter will trace the origins of the rethinking of organizations, towards Corporate
Sustainability and shall also serve as a bridge to connect definitions with actual practice in
organizations, which will be outlined within the next chapter.

Global warming through greenhouse gas emissions seemingly indicates no novelty for the
broad public. Also for organizations, this should be ‘an inconvenient truth’ at least since the
Kyoto protocol was established in 1997 (Annex 2.1). A reason for the growing awareness and
change towards Corporate Sustainability is certainly the raising awareness in the past decades
(Buckingham & Turner, 2008).

As it was outlined in the previous chapters, the recent past was filled with incentives, critical
analysis, lobbying and treaties for a ‘greener’ planet. The question emerges nonetheless, why
organizations only recently (approximately the last decade) turn their focus on Corporate
Sustainability practices. Hawken (2010) addressed this issue, arguing that the main fault has to
be allocated to world economy, regarding greenhouse emissions and global warming. He
stated, that corporations, their greed and narrow-minded grief for short-term profits, are to
blame for the situation we are currently facing (Hawken, 2010).
Furthermore, he illustrates that even though organizations are the main reason for the alarming situation we are currently in, they are the only hope to turn the game into our favour, to act more responsible and change the current system (Ibid.). Hawken’s statements gain more validity by analysing greenhouse-gas emission charts (see Annex 3.1), which seem to illustrate the impact of the world economy on greenhouse-gas emissions, clearly. Even though industrial emissions only account for roughly 15% of the total emissions, it appears that the global economy takes a way bigger fraction than by simply referring to the industrial sector (Annex 3.1). Hence, it seems that the time has come, that organizations need to take responsibility for their ruthless behaviour in the recent decades.

This ultimately leads to the second and main point, considering the origins for the recent organizational shift towards Sustainability, namely a global power shift. It seems that many scholars are recognizing this shift of power as a main source for the recent attention of Corporate Sustainability.

On the one hand, Cramer (2002) refers to the origin of this shift, as “main drivers are the shift in power relationships between states, firms and households, the emergence of civil regulation and the communication through networks.” (Cramer, 2002, p.99).

On the other hand Van Marrewijk (2002) refers to a triangular state of power by the state, business and civil society, which has shifted greatly over time, towards an increasing power of businesses and the civil society. This can also be validated considering Lovins and Lovins (2001) statement “Today over half the world’s 100 largest economic entities are not countries, they’re companies. Corporations may well be the only institution in the world today with the size, skills, resources, agility, organization and motivation to solve the toughest problems.” (Lovins & Lovins, 2001, p. 108).

These statements indicate, not only a shift in power, but also imply responsibility. On the one hand, as civil society is becoming increasingly powerful in regards to decision making, it is the organizations task to fulfil the needs and adapt accordingly. On the other hand firms today, serve as role models in the global society. Hence, the trend of Corporate Sustainability evolves out of increasing awareness and responsibility for organizations. This phenomena of the power shift as explained above is clearly visible when focusing on the consumer. Nowadays
through technological advancement and the availability of choices the consumer carries a lot of power regarding the purchasing decision. No longer is availability and the lack of comparison an issue or criteria for a purchasing decision. This has the effect that organizations have to be careful with, firstly their strategic positioning and secondly with their overall strategic path and reputation. Therefore, ultimately the consumers define with their demand the way of organizations and hence, ultimately have the power in the current economic climate.

Nevertheless, it is to be seen how this trend develops and spreads in the future.
4 Implementing Corporate Sustainability

Having analysed various interpretations and concepts of Sustainability as well as Corporate Sustainability, it seems essential to focus on the business activities regarding these topics. This chapter hence shall introduce frameworks and ideas about ways, Corporate Sustainability can be implemented within organizations and aims to provide a framework for such an undertaking. Furthermore, it shall elaborate on the question why Corporate Sustainability became such an important issue within the recent history and elaborates on the key drivers and indicators.

It is intended to argue that for a successful change process towards Corporate Sustainability, it has to become a core organizational value and hence, has to be incorporated throughout the organization. Moreover, it is intended to have a closer look on change management theory to elaborate on a possible framework. This shall serve the purpose of interpreting and illustrating possible ways of introduction as a base for a creation of a general framework, which includes widely accepted processes regarding change management and Corporate Sustainability.

Ultimately, the chapter shall outline the importance of the employee in the change management aspects and connect the framework with concrete actions, which will be elaborated within the next chapter in detail.

4.1. Driving forces for Corporate Sustainability

An attempt to define crucial key drivers of Corporate Sustainability was undertaken by Bansal and Roth (2000), who defined four main aspects that one might observe. Bansal and Roth (2000) illustrated a model of these aspects and elaborated the reasons behind these drivers. They outline Legislation, Stakeholder Pressure, Economic Opportunities and Ethical Motives as the four main drivers for organizations to act sustainable (Bansal & Roth, 2000). Legislation, regarding to their interpretation, refers to the compliance of laws and regulations in order to eliminate penalties, fines and legal costs (Ibid.). Stakeholder pressures, refers to customers, local communities and environmental interest groups who oppose pressure on the organization. The organization therefore, when introducing sustainable practices may engage into stakeholder support as well as to avert negative publicity (Ibid.). Ethical motives in the
eyes of Bansal and Roth, are motivated by the leader’s personal values or general values of the organization. They see sustainable business practices as the right thing to do and hence, see it as responsibility towards society (Ibid.). The last aspect argued for by Bansal and Roth, are economic opportunities. It refers to intensified production processes to lower costs of inputs and waste disposal by simultaneously having a positive impact on the environment. Furthermore, it refers to benefiting from increased reputation, learning capabilities and product quality (Ibid.).

The last aspect may hold also true according to newer studies, e.g. by Nidumolu, Prahalad and Rangaswami (2009) who identified innovation as the key driver for Corporate Sustainability. They stated that through innovation organizations can increase both their bottom-line and top-line returns. In their eyes, “Becoming environment-friendly lowers costs because companies end up reducing the inputs they use. In addition, the process generates additional revenues from better products or enables companies to create new businesses.” (Nidumolu & Prahalad & Rangaswami, 2009, pp. 2-3). They further elaborate on the early mover advantages, referring to the building of competencies to outscore rivals, as Sustainability will always be an integral part of development (Ibid.).

Drawing a conclusion on the drivers provided it seems outstandingly clear that such are merely oriented towards financial benefits. It seems as Corporate Sustainability became increasingly popular because it provides a competitive advantage. Bansal and Roth (2000) also stated this while quoting one of their responses of a Japanese Manager who stated, “Firms compete on price and quality and are now competing more on the environmental issues, as well. Competitive advantage can be gained through environmental responsibility.” (Bansal & Roth, 2000, p. 724). But is it solely the financial aspects that drive organizations towards more sustainable business practices, or are there any other aspects that may be involved? Well, it is to say partly yes, but the difference herewith is that these benefits will occur within a long-term perspective.

Nonetheless, within the authors’ point of view, it cannot be that profit seems to be the only driver for Corporate Sustainability. Pederson (2010) indicated nine drivers for Corporate Sustainability and elaborated briefly on each. Also within this framework a main focus lays on the financial aspects, may it be law compliance, public funds and investor attractiveness or
brand equity (Pederson, 2010). Nevertheless, he also considers other aspects as important, such as external pressure and employee attractiveness (Ibid.). Keeble, Topiol and Berkeley (2003) also identified four main aspects that may drive companies towards CSu practices. They are indicated it as:

- Investors seeking for good corporate governance (Keeble & Topiol & Berkeley, 2003)
- Customers are curious about the origin of the goods (Ibid.)
- Employees focus on workplaces that indicate responsibilities toward society and the environment (Ibid.)
- Governments and civil society placing pressure on corporations to outline social and environmental performance (Ibid.)

Hence, the question emerges, is there any other motive for Corporate Sustainability than the classic capitalist view of making money? It seems almost impossible to fully elaborate on the motives of organizations regarding Corporate Sustainability as companies tend not to reveal their true motives behind such activities. The external communication about CSu practices may differ greatly from the actual practices.

Therefore, one has to also consider the critical aspect of Corporate Sustainability. First, not all companies can be considered truly sustainable, even though they praise themselves to be. This particular issue roots mainly in the fact, that CSu does not have any legislation, or more important, any enforcing behind it. This means in reality that companies can claim to be sustainable, but in the end do not contribute in any way to sustainable practices. From a personal perspective, this actually considers a lot of enterprises around the globe. Especially companies where transparency and publicly available data does not represent a high importance, this issue remains critical. So it is to state, that as long as there is no enforcing and/or supervising body, the question of true sustainable practices remains unclear.

Second, the true motives behind CSu might remain for most companies to be external pressure. They do not realize the real need behind the concept of CSu and merely see it as a government imposed incentive in order to be greener as a country, maybe to fulfil Kyoto Protocol standards, or any other supranational treaty.
Thirdly, it also has to be considered that especially in the last decade the greening of companies and the concept of Sustainability became fashion among bigger organizations. That indicates that the organizations main objective of sustainable practices may be to follow the trend and to swim with the mass. They seemingly see Sustainability as a trend that has to be followed in order to stay up-to-date and to create the illusion of being a sustainable and modern enterprise in particular for customers.

Fourth, out of the points mentioned above, another issue arises. If Sustainability is not really practiced, but advertised (which indicated above, is no issue as there is no regulatory body), the true meaning and aspects of CSu may be lost. In particular, if CSu is only followed to gain a competitive advantage out of it, so to speak profit PR wise, it has to be considered greenwashing. This topic in particular was discussed further in the previous chapter.

Out of this, another question arises: Can it still be considered Sustainability, if such practices are executed for the wrong reasons? And if so, how can we distinguish true CSu values from profit maximization values? Which leads ultimately to the question if Corporate Sustainability may be considered as choice or as a simple necessity? It is to be seen, if answers for these questions can be found in the near future.

4.2. Corporate Sustainability: Necessity or Choice

To answer the previously asked question if Corporate Sustainability is a necessity or a choice for an organization, it seems important to elaborate on the question itself. It is first, to analyse the meaning of the words by definition and second, to bring it into context regarding organizational practices.

Necessity refers to an absolute truth, meaning an absolute must in order to be able to sustain. Whereas choice refers to a corollary of the proposition of free will (e.g. to decide voluntarily to perform or not perform a possible act) (Encyclopaedia Britannica, 2012). Hence, bringing it into organizational context it refers, on the one hand necessity, to practices that enable the organization to sustain its business operations throughout a considerable amount of time and on the other hand, choice to a simple do or do not decision.
Looking back on the previous chapter, it seems rather unclear to what extend Corporate Sustainability can be considered choice or necessity. It provided arguments for both possibilities, may it be financial aspects or non-financial aspects. The question nonetheless, becomes clearer when adding moral and ethics. Stating this, it seems relevant to elaborate on expert opinions regarding this issue. Mrs Chande for example stated that Corporate Sustainability should always be a choice but should never be, not a choice (Annex 1.1). Mr Quignon interpreted it as no choice and that it has to be a core value for any modern organization (Annex 1.2). Ms Russell was the first to include the moral aspect to this question by stating that morally it is a necessity but legally CSu is still considered a voluntary act, meaning choice (Annex 1.3). Mrs Gastinger (Annex 1.4) as well as Mr Lindblad (Annex 1.5) also considers it an absolute must for a modern organization. Mr Delgorge (Annex 1.7) and also Ms Quinel (Annex 1.8/1.8.1) agree on the fact that it indicates some sort of obligation for long-term success and survival of an organization.

Throughout the interviews one thing became imperative, Corporate Sustainability seems for most of the experts an absolute necessity for the future of any company. Hence, this goes away from the previous assumptions that CSu is a moral choice. But are these two mutually exclusive? As for example Mr Koch (Annex 1.9) stated that for an organization it has to be an absolute must for market success and that it is in any case a personal responsibility for our future. This corresponds closely to the definition by the WCED (1987), which also appeals to the morality regarding future generations.

Concluding it is to state that through the expert-views on this matter, it evolved that Corporate Sustainability is an absolute must for modern organizations. They regard it throughout as a moral obligation towards society, future generations, but also for the organization at the current and possible future state. Furthermore, thru the expert-interviews it emerged that Corporate Sustainability needs to be a core value for an organization to guarantee true and honest practices. Moreover the necessity of Corporate Sustainability is further illustrated through the strategic component of CSu, which in most cases indicates also a unique selling proposition and hence, a strategic advantage over competitors. Therefore, it seems legit to say that the notion of choice is outdated and replaced by strategic necessity in order to stay competitive.
4.3. Hurdles when implementing Corporate Sustainability

As experts indicated and as elaborated above, it seems obvious that Corporate Sustainability has drifted away from being a mere moral choice. As discussed it represents in the eyes of the experts interviewed, a moral obligation and moreover, a necessity for a potential successfully running organization in the future. Or as Tushman and O’Reilley (1996) put it “There is at least one point in the history of any company when you have to change dramatically to rise to the next performance level. Miss the moment and you start to decline.” (Tushman & O’Reilly, 1996, p. 212). The question therefore, emerges, why do not more organizations focus on sustainable business practices?

The following paragraphs try to elaborate on this very question and focus on an attempt to explain this seemingly current state of affairs. Without a doubt there are many hurdles that may prohibit organizations to include Corporate Sustainability in their daily business and strategic direction. Nonetheless, the focus herewith shall be on three main aspects that emerged out of the on-going literature analysis as well as by the expert interviews. The three parts may be classified and described as: Communication and Doing, the Financial Burden and Executing the Knowledge.

4.3.1. Communication and Doing

The first aspect regarding the assumption that not many organizations follow Corporate Sustainability as a core business value appears to be linked closely to transparency. Specifically it refers to the difference between the communication and actual undertakings of organizations. In fact this point became eminent in the authors mind after the expert interview with Mr Koch from Wienerberger (Annex 1.9). He stated that there is a big difference between what organizations do and what they communicate (the statement was related in a positive aspect and not in any context of activities of ‘greenwashing’ or the like). Mr Koch mentioned that out of his perspective smaller organizations (referring to SMEs) might not have the capacity and resources to communicate Corporate Sustainability like a large enterprise such as for example Wienerberger.
This becomes even more prominent when looking at actual statistics of e.g. European Economy. 99% of all businesses are in fact SMEs according to the European Commission (2012). A similar figure is represented in the US with an estimated 99.7% (SBA, 2009). This might indicate, that even though organizations might focus on sustainable practices it is not communicated due to lacking capacities to do so. Another aspect that has to be considered in this regard is the disclosure of business data to the public. Basically only public limited companies (PLC or in German Aktiengesellschaften AG) and private limited companies (LLC in German GesmbH) have to disclose relevant business data to the public. This may lead to the fact discussed above.

It may seem as that many companies do not follow a Corporate Sustainability strategy because they simply do not have, do not want to or do not have the capacity to disclose clear incentives to the public.

4.3.2. Financial burden

Hopkins (2002) raised the questions “Does it make sense to talk about the Economics of CSu?” (Hopkins, 2002, p. 402) and “… will added emphasis on CSu bring about an adequate return to company bottom lines?” (Ibid.). This seems to be another crucial burden to Corporate Sustainability initiatives among organizations. The question on what CSu actually brings to the organization? Is it done to simply clear conscience and be in line with regulations and laws (Hart & Milstein, 2003), or do they actually benefit from such incentives.

It seems that exactly this issue seems to be one of the most prominent hurdles within the minds of managers when deciding for or against Corporate Sustainability. Nidumolu, Prahalad and Rangaswami (2009) addressed this very issue by stating, “… many companies are convinced that the more environment-friendly they become, the more the effort will erode their competitiveness. They believe it will add to costs and will not deliver immediate financial benefits.” (Nidumolu & Prahalad & Rangaswami, 2009, p 2). Also Hart and Milstein (2003) addressed this issue: “… Sustainability is perceived as a cost of doing business…” (Hart & Milstein, 2003, p. 56).
Also Epstein and Wisner (2001) seem to identify this issue by stating, “… expenditures for Corporate Sustainability are often seen as discretionary” (Epstein & Wisner, 2001, p. 1). These statements make it clear that there has to be an obvious restraint of managers to implement Corporate Sustainability. It seems as CSu activities are seen as mere costs by a broad variety of organizations. But does this hold true? Stead and Stead (1995) made an attempt to outline that such incentives could actually be beneficial for organizations. They analysed 167 firms operating within the industrial sector. They found out of the 167 organizations 163 executed at least one of the 12 (predefined) Sustainability strategies (Stead & Stead, 1995). They further classified such strategies or ‘stratagems’ as they call it, into two main categories, market-driven Sustainability strategies and process-driven Sustainability strategies (Ibid.).

Stead and Stead (1995) concluded that within market driven Sustainability measures, 58.33% indicated a positive to a very positive impact on revenues, solely 8.06% report negative impact (Ibid., p. 56). Within process driven Sustainability strategies, 44.32% reported a positive impact and 18.56% negative impact (Ibid.). Overall they stated that on the one hand 88.14% market driven Sustainability strategies recoup within six years after investment and on the other hand 71.14% process driven (Ibid., p. 58). They concluded by stating, that despite the general belief of managers, that Sustainability incentives only generate cost without returning revenue, proves wrong and that there is a clear possibility for revenues (Ibid., p. 62). Nonetheless, they stated, that such possible revenues are highly dependent on the industry, actual strategy, market and of course company (Ibid.).

Concluding it is to state, that managers tend to be cautious about Sustainability incentives, as they seem to see no benefit besides previously mentioned compliance or personal motives. Nonetheless, as demonstrated by Stead and Stead (1995) there is definitely a positive impact on such incentives observable. Even more it seems that at the current stage such incentives promise an even greater possibility for increased revenues, as also the mind of consumers change towards more sustainable and economical friendly products as it was presented in the history of the term, above.
4.3.3. Executing the knowledge

The third obstacle or hurdle can be identified as the paradox of executing knowledge. This concept came first into the author’s mind within the interview with Mrs Gastinger. Mrs Gastinger (Annex 1.4) repeatedly stated the phrase “executing the knowledge” within the expert interview. This drew of course closer attention to the topic.

Throughout a thorough literature analysis it emerged that this issue seems to be a very persisting one, in today’s business world. Pfeffer and Sutton (1999) elaborated on this very issue, as they titled it the ‘knowing doing gap’. They argue even though thousands of business books are published on a yearly basis, with seemingly the same content than previous ones, organizations hardly implement anything that seems to be best practice or more beneficial (Pfeffer & Sutton, 1999).

Furthermore, they argue that also the number of business graduates is outstandingly increasing but nonetheless, no real change happens within organizations (Ibid.). Pfeffer and Sutton (1999) further argue that this does not only stem from ignorance of managers or lack of knowledge, but that there are many factors that influence the question of why there is such a big difference between knowledge and execution (Ibid.). The study was not focused directly on Sustainability incentives, but generally about strategic actions of organizations nonetheless, is context related regarding the comment of Mrs Gastinger and therefore, deserves a closer analysis.

4.3.3.1. How knowledge is turned into action

As the knowing doing gap appears to be a crucial issue in organizations, which appears to stem from mostly fear and job security concerns (Ibid.), it seems important to elaborate how to overcome this particular issue. Pfeffer and Sutton (1999) elaborated on eight points to overcome this gap and to bring knowledge into action. The points were illustrated as follows:

1. Why before how: Philosophy is important (Pfeffer & Sutton, 1999, p. 525)
2. Knowing comes from doing and teaching others how (Ibid., 526)
3. Action counts more than elegant plans and concepts (Ibid.)
4. There is no doing without mistakes. What is the company’s response? (Ibid., 527)
5. Fear fosters knowing-doing gaps, so drive out fear (Ibid.)
6. Beware of false analogies: Fight the competition, not each other (Ibid., 528)
7. Measure what matters and what can help turn knowledge into action (Ibid., 526)
8. What leaders do, how they spend their time and how they allocate resources matters (Ibid., 530)

It is now to briefly interpret these points, as they appear to be highly relevant for the continuation of the thesis and in particular the next chapter.

The first point refers to the fact that managers tend to focus on the how to implement strategies rather than why (Pfeffer & Sutton, 1999). Pfeffer and Sutton (1999) argue that firms that focus on the why, on a organizational philosophy, “…are able to learn and adapt, to communicate with newcomers and across large geographic distances, and to do so in ways consistent with their basic understanding of what creates success and high performance in their particular business” (Ibid., p. 526). This indicates the core assumption, that employees are not another resource for organizations, but they possess tremendous potential and that the only way to bring this potential to the surface is by a clear organizational philosophy (Ibid.).

The second point is rather self-explanatory. The focus lies on the fact that managers tend to observe and analyse more than they actually do (Ibid.).

The third factor is also closely linked to the second. It focuses nonetheless, more on ‘having the guts’ to stand up and do something, instead of being paralyzed by thorough and excessive analysis (Ibid., p. 527).

Point number four refers to the company’s treatment of failure. As Pfeffer and Sutton (1999) relate herewith to Bennis and Nanus (1997) who stated “all learning involves some failure”. Therefore, it seems essential that companies treat failure as a lesson learned and not as a reason for punishment (Ibid.).

The fifth point relates again to previous, stating in particular that fear is one of the key drivers that prohibits knowledge to be executed (Ibid.).
Point six relates to the fostering of internal competition as a motivation tool. Pfeffer and Sutton (1999) state that this seems to be a very negative trend that instead of sharing and spreading knowledge, it is kept to oneself in order to preserve some sort of value to the organization (Ibid., p. 528).

Point number seven indicates an information overload, instead of measuring processes companies tend to measure outcomes, on the motto of ‘what measures gets done”, but it has the complete opposite effect (Ibid., p. 529). Companies therefore, should focus on the important processes and particularly the knowing doing gap to handle their valuable knowledge in a better way (Ibid.).

The last point is closely linked to authenticity. Does the leader walk the talk? Does he or she impersonate the vision? (Ibid., p. 530). Pfeffer and Sutton refer herewith to values, beliefs, and norms and in particular culture that is created through the leader’s action and behaviour towards his or her employees (Ibid.).

Concluding it is to state that these eight aspects hold very much true in regards to Corporate Sustainability, as it will be further elaborated within the next paragraphs. Hence, it seems now important to discuss how Corporate Sustainability can be and is implemented and how it becomes a core value in organizations.

4.4. Corporate Sustainability and Change Management

It seems now essential to elaborate on the ways Corporate Sustainability can be implemented within organizations. Regarding this target it appears to be essential to focus on change management. Corporate Sustainability seems to be in the most cases a clear change management issue, as outlined by Mrs Gastinger, Mr Koch or Mr Lindblad (Annex 1.4; Annex 1.9; Annex 1.5). Hence, it seems important to firstly, analyse change management aspects that hold true for Corporate Sustainability. Secondly, an outline of proposed implementation theories regarding CSu will be illustrated and analysed. Thirdly, an attempt to depict a framework of possible tools and assessments regarding the implementation of CSu is undertaken.
The following paragraphs are based on the proposition that an implementation of CSu always indicates change within an organization. Hence, change management theories are used in order to illustrate the process clearer and to generate a basic understanding of the measures and scope involved.

4.4.1. Types of change

First it seems essential to outline the basics of change management. Hence, it appears to be important to illustrate types of change as this ultimately defines key areas that have to be focused on, in order to implement CSu within organizations.

Weick and Quinn (1999) argue that change always occurs in the context of some sort of failure and that failure tends to be the usual trigger for any change activity within organizations. Therefore, the presumption is that something went wrong in one way or the other within an organization, which needs to be ‘changed’ now (Weick & Quinn, 1999).

Weick and Quinn (1999) defined basically two main types of change, which they categorized as change that is episodic, discontinuous and intermittent, and change that is continuous, evolving and incremental (Ibid.). They classified these two types of change according to metaphor, analytic framework, ideal organization, intervention theory and role of the change agent as depicted by Dunphy (1996) (see Annex 2.3).

On the one hand, one might identify episodic change with attributes such as dramatic, abrupt, macro/global and short-run adapted (Weick & Quinn, 1999). It indicates a big change in the whole organization and has influence on the overall structure of the organization as well as on the management; hence, it is considered macro and global (Ibid.).

A similar change theory derives from Daft (2007) who called it radical change and by Tushman and O'Reilly (1996) who called it revolutionary change.

On the other hand continuous change might be associated with words like micro, local, recurrent and long run adapted (Weick & Quinn, 1999). It resembles small incremental improvements usually in processes over a long period of time. Hence, it is argued that
continuous change seemingly never stops (Ibid.). Daft (2007) referring to a similar concept, agrees to that point, but referring to it as incremental change.

Also Tushman and O’Reilly (1996) followed the same pattern by calling it evolutionary change. Furthermore, episodic change tends to be more infrequent as it usually only becomes relevant in ‘chaos’ situations (Wick & Quinn, 1999). Whereas continuous change as the term indicates relates to slower action, which resemble in some manner learning and usually is triggered by predefined temporal milestone or disagreement between beliefs and actions (Ibid.). Hence, one might argue that on the one hand, episodic change resembles a linear approach and on the other hand, continuous change reflects some sort of an on-going more cyclical approach.

This demonstrates just a brief introduction to the theories and does not cover all the aspects as discussed by Weick and Quinn (1999), as this indicates not the aim of this thesis.

Concluding it is to state that both variations seem to be present in organizations and therefore, do not indicate an either or state (Ibid.). Or as Tushman and O’Reilly stated it, “The dilemma confronting managers and organizations is clear. In the short run they must constantly increase the fit or alignment of strategy, structure and culture. This is the world of evolutionary change. But this is not enough for sustained success. In the long run, managers may be required to destroy the very alignment that has made their organization successful” (Tushman & O’Reilly, 1996, p. 209).

Furthermore to bring it into context with CSu it appears to be crucial to elaborate on the main aspects that combine the change approach with sustainable practices. As previously argued within the interpretation, CSu demands in most cases a clear long-term perspective.

Moreover, as it was argued, it indicates measures that have to be integrated within the whole organization. Also, it tends to be an on-going learning perspective of organizations towards CSu and hence, cannot be regarded as a strategy that follows linear patterns. It is arguable if CSu implementation can be regarded as either episodic or continuous change.
On the one hand, CSu tends to be long-term oriented and an on-going learning process, which may be regarded as continuous change effort. On the other hand it involves and engages the whole organization and demand alterations within processes and the organizational structure, which tends to be episodic.

To put it into a nutshell it is to state that CSu, in the author's point of view, reflects continuous change that also has deep and clear effects on the business structure as well as processes. Hence, one has to consider both change theories in order to successfully implement CSu.

4.4.2. Implementation of Change Management

Daft (2006) put effort in outlining a framework or sequence to illustrate the most important points for a successful change. He defined five steps that have to be considered for successful change attempts (Daft, 2006):

1. Ideas
2. Need
3. Adoption
4. Implementation
5. Resources

As this represents a sequence it seems important to consider each step at a time. Daft (2006) identifies Ideas as the first and foremost element within change. He describes the idea as the basis for any change and argues that ideas can come from the whole spectrum of the organization such as suppliers, professional associations, consultants and/or research literature (Daft, 2006).

The second aspect refers to Needs in which he considers the needs of customers, competition, legislation, regulation and employees (Ibid.). Need herewith, enforce the ideas, as when there is a need for change also ideas will be heard (Ibid.). Furthermore, a need usually refers to a gap between actual and desired performance (Ibid.). This relates also to Tushman and O’Reilly (1996) as they stated that change usually occurs at any sort of failure. It seems crucial here, as
Daft (2006) stated, that ideas and needs have to meet at the same point of time before advancing to the Adoption phase, which indicates the point in time where decision makers choose ideas in order to challenge the need (Ibid.).

Implementation refers to the actual point, where an idea is put into action (Ibid.) and the phase Resources are referred to by Daft (2006) as mainly human energy and activity, which overlaps phases three and four (Ibid.).

Figure 2: Sequence of Elements for successful change

Source: Referring to Lovins and Lovins (2001)

Young and Smith (1988) drafted yet another model, regarding change. It illustrates a straightforward linear model that considered eight steps. The steps are self-explanatory and hence, shall not be discussed in detail: Preliminary Identification of a Problem, Managerial Commitment to Change, Data Collection and Analysis, Data Feedback, Identification of Specific Problem Areas, Development of Change Strategies, Initiation of Behaviour and Evaluation (Ibid.). It indicates as mentioned a linear process form first to last.

Krüger (1996) defined change implementation as an iceberg where only the top part is visible. He explained this by defining three scopes of management that are necessary for change.
These scopes refer to Issue Management, which is concerned about the time, cost, and quality dimensions of change and hence, seem to be the ‘tip of the iceberg’ (Krüger, 1996). Furthermore, the non-visible part of change, concern management of perceptions and beliefs as well as power and politics management, which deal mainly with the dimensions of attitude, behaviour and as, he identified, the most crucial part, acceptance of change (Ibid.). For a visual illustration please refer to Annex 3.2. On basis of this iceberg model, Krüger (1996) identified seven propositions regarding change, which will be briefly discussed.

1. Implementation as an integrative element of change processes: Krüger (1996) argues that planning and realization indicate no segregated part and that implementation therefore, represents a cycle, which “shall encompass the entire change process” (Krüger, 1996, p. 222).

2. Developing a contingency implementation concept: He elaborates herewith about the importance of alignment of change strategies to the current situation and that it has to be adapted over time, especially regarding to the hidden part of the ‘iceberg of change’ when depth and breadth of change widens (Ibid.).

3. Acceptance as a separate implementation goal: As mentioned acceptance plays a crucial role when implementing change, regarding to Krüger (1996). Consequently, it is argued that this has to be considered not as integrative part of change, but rather as a separate goal that has to be achieved. He validates this proposition by stating “Neither a quick and cheap nor a technically perfect solution without considering acceptance is a guarantee for success” (Ibid. p.223).

4. Management of perceptions and beliefs to secure attitude acceptance: Here he refers to a clear vision and mission statement that fosters a common frame of reference (Ibid.).

5. Power and politics management to secure behaviour acceptance: Krüger (1996) elaborates that especially the power and politics management has to have an effect on potential promoters as well as opponents.

6. Issue management to achieve the strategic triangle ‘cost, time, quality’: Issue management shall, in the eyes of Krüger (1996), have the purpose of handling the visible ‘tip of the iceberg’. In particular it refers to activities like informing, training, supervising or consulting (Ibid.).
7. Combining tools in an implementation mix: Krüger (1996) outlines that in order to be aligned with the prevailing situational constraints, a set of tools has to be developed and/or used.

Concluding, one might observe a sort of consistency among the different approaches of change. First, ideas have to meet a certain need as demonstrated by Daft (2006) and Krüger (1996). It seems consequently, essential to include stakeholders in the change process, as they do not only define the need but also should have an impact on the ideas through feedback. Second, commitment tends to be essential, as outlined by Young and Smith (1988) as well as by Krüger (1996). Hence, managers as well as employees have to be convinced, integrated and committed towards the change. This leads to the third point, the involvement and acceptance of change. This was addressed by Daft (2006), Young and Smith (1988) and foremost by Krüger (1996). As stated by Krüger (1996) even the best and perfectly analysed solution may fail due to non-acceptance. Fourth, a common vision and belief towards the change has to be anticipated not only to overcome resistance to change but also to internalize the change aspects within the organizational culture (Krüger, 1996; Daft, 2006). Last, it seems essential to measure and evaluate the implications of change constantly in order to generate feedback and to create ownership of change among the human resource base of an organization (Young & Smith, 1988).

4.4.3. Areas of change within CSu

Having analysed and concluded change management activities it seems now crucial to discuss the areas of change regarding Corporate Sustainability. As previously argued, it seems as if CSu demands a change in almost any aspect of organizations. Hence, it seems foremost important to elaborate briefly on a few key areas that would be affected by such an organizational turnaround.

The first aspect that has to be considered appears to be the corporate structure. As Epstein (2008) elaborated, it seems crucial to adapt the change needs according to the corporate structure. Foremost, this shall be considered due to compliance and control. Hence, a differentiation between centralization and decentralization has to be made in order to further
analyse the firm’s strategic alignment regarding global or local Sustainability standards (Epstein, 2008).

This leads to the second point that seems essential within the areas of change towards CSu, namely Business, Corporate and Network Level Strategy (De Wit & Meyer, 2010). This becomes conclusive within the elaboration of Epstein (2008). All three levels of strategy have to be aligned with the CSu strategy in order generate full commitment and enable the best possible outcome regarding such incentives.

Third the organizational structure, in the sense of hierarchy, has to be reconsidered (Epstein, 2008). It has to be understood activities that organizational structures during CSu activities might have to change (Ibid.). This was for example the case within H&M as illustrated by Epstein (2008). H&M established within their organizational structure a stream for CSR (H&M refers to their Sustainability practices as CSR). This stream has the main purpose of guaranteeing compliance within the whole value chain (Ibid.). Furthermore, H&M located CSR functions within the whole company in order to enable the whole organizations to contribute to their CSR practices (Ibid.).

Last the organizational culture, values and beliefs indicate the need for. This seemingly becomes prominent within the expert interviews (e.g. Mr Bruzaeus Annex 1.6) as well as by the literature analysis (Epstein, 2008; Linnenluecke & Griffiths, 2009; Smith & Sharicz, 2011). As Linnenluecke and Griffiths (2009) argued there are two basic assumptions of organizational culture that have to be considered: integration and a differentiation perspective. On the one hand Integration perspective assumes “that employees throughout the organization would be part of the organizational culture and that these employees would also share similar attitudes towards Corporate Sustainability” (Ibid., p. 363), whereas on the other hand differentiation perspective assumes “that different subcultures can exist throughout an organization and that members of each subculture hold different attitudes towards Corporate Sustainability which are distinct from that of other subcultures” (Ibid.).

Managers need to understand that they have to abandon purely economically driven approaches and that they need to generate a more balanced set of values regarding CSu (Ibid.). It seems therefore, crucial to understand the organizational culture beforehand (Ibid.). Within
the change of organizational culture it was found, regardless if integration or differentiation perspective, that engagement was usually achieved by the publication of the CSu policy and the integration and alignment of environmental KPIs within the employee evaluation, as they seemed to be the most fruitful in shaping how employees and other organizational actors interpret and understand CSu (Ibid.).

As mentioned various times beforehand, CSu indicates a highly individual effort. It seems therefore, necessary to state that the above-mentioned aspects of change do not resemble the whole or a normative spectrum of change regarding CSu. It resembles nonetheless, a brief excerpt of commonly argued change aspects among scholars and to some extent, experts on the field.

4.4.4. Examples for implementing CSu

Having elaborated on change management theory as well as on aspects of change regarding CSu, it seems thus, imperative to draw closer attention to proposed change methods. As methods of implementing CSu are seemingly as manifold as the definitions of Corporate Sustainability, a closer look will be drawn on three specific methodologies. The following examples are derived from literature and hence, represent a theoretical approach as well as from practice, which resembles an empirical approach to that matter. Specifically on the one hand, two theoretical methods will be discussed, namely a systems approach and a balanced scorecard approach.

On the other, hand one empirical approach, as PwC practices it, will be discussed. This shall serve the purpose of outlining possible ways of implementing Sustainability into daily business as well as long-term strategy of organizations, but also shall serve as a basis for the next paragraph, where it is anticipated to define a framework for organizations that anticipate implementing a sustainable strategy.

Within this undertaking the concept of the triple bottom line, according to Elkington (1997) is not further discussed, as it seems to be widely accepted and used.
4.4.4.1. The PwC pyramid

The first method that is considered within this thesis is the pyramid of PwC. It represents 4 layers that have to be considered when implementing CSu. Generally it is to state that this pyramid indicates a very broad scope and interpretation. This seems also very important as it was previously argued that CSu represents a custom made process, which varies from company to company.

The whole implementation phase starts in the eyes of PwC (2011) with strategy that is induced by the top executives. This strategy is first and foremost designed to generate commitment among the whole workforce (Ibid.). Of course this strategy does consider all the aspects mentioned in the previous paragraph.

The second layer, which follows the first, also considering a time frame, refers to business processes and the organizational structure (Ibid.). This seems essential in order to spread CSu among the whole organization as well as to integrate the whole value-chain into the process (Ibid.).

The third level appears to be crucial as it indicates the actual measurement and evaluation of CSu practices. It indicates goals, programs and measures upon which a company has to define KPIs for (Ibid.). Other scholars also confirmed (Collier & Esteban, 2007; Epstein & Wisner, 2001; Keeble & Topiol & Berkeley 2003) that measurement is a crucial issue for any CSu practice.

The last and broadest layer is concerned with corporate culture and behaviour. PwC (2011) sees this as the last point that has to be achieved, but also represents the probably the broadest and long-lasting effort to do. It is assumed that in order to really ‘live and breathe’ CSu within an organization, it can take up to 10 years or longer. Hence, the last segment of the pyramid is ultimately the hardest to achieve, but only then an organization may truly state that they are executing CSu.
Furthermore, this pyramid is always reinforced from top-down as well as bottom-up by constant management and reporting activities (Ibid.). This indicates a constant and on-going feedback loop, which seems essential for change in general and for CSu in specific.

4.4.4.2. A systems approach

Another approach to advance CSu practices was outlined by Marshall and Brown (2003). They elaborated on a concept of using a systems perspective when implementing CSu. They stated, “regardless of the state of a firm’s Sustainability efforts, systems dynamics modelling can help a firm assess its recent behaviour as well as a plan for future organizational action.” (Marshall & Brown, 2003, p. 102). For readers who are unfamiliar with the illustration of such a modelling, please see Annex 3.3 for an exemplary illustration.

In order to achieve an illustration like mentioned above it is essential to follow eight crucial steps that determine the outcome (Ibid.). The steps are described as follows:

1. Defining the problem: Defining the main issue concerning CSu, e.g. Process 1 produces too much emission and causes an average of three accidents per quarter.
2. Identify the key variables (Ibid.): defining the measurable components, e.g. accident average when adopting new safety regulations.
3. Describe how the key variables behave over time (Ibid.): observing general trends inside and outside of the company, e.g. average emission output is decreasing; overall level of accidents is stagnant with a slight tendency to decreasing.
4. Identify causal links between variables (Ibid.): connecting the key variables to causal facts, e.g. as new processes are introduced the overall accident rate decreases.
5. Identify the gaps in the system (Ibid.): stating the obvious flaws, e.g. emissions of process 1 exceed tolerated level.
6. Identifying the leverage points (Ibid.): what is expected from the measures, e.g. lower emission while processes increase company reputation.
7. Determining action steps (Ibid.): what shall be done after implementing incentives, e.g. measure reputation by continuous surveys before and after the change?
8. Test systems model through simulation, prototypes, or other methods (Ibid.): e.g. testing the systems model within a closed environment and continuously monitor and communicate outcomes.

A model can be drawn through the definition and analysis of these eight steps. This model then informs directly of the linkages between each variable and illustrates the positive and negative effects (Ibid.). Furthermore, when connecting various models (e.g. regarding various processes) a direct linkage and cause and effect relationship can be illustrated (Ibid.).

Concluding it is to state that the systems perspectives enables a holistic view of processes and directly indicates a cause and effect relationship when introducing new incentives. Furthermore, linkages can be drawn easily from one process to another. Moreover, it also facilitates on the point measurement and evaluation.

4.4.4.3. Balanced Scorecard

The next approach to implement CSu is characterized by the use of a Balanced Scorecard. This method seems widely accepted by scholars, which is sometimes not used as a single standalone method, but as part of the change and implementation process (Keeble & Topial & Berkeley, 2003). But also as standalone process it seems feasible, as indicated by Epstein and Wisner (2001), who analysed two companies in particular that used a Balanced Scorecard.
to implement CSu. Explaining a Balanced Scorecard in detail would overextend the dimension of this thesis and shall hence not be part.

During the decision of implementing CSu it is essential to define KPIs that measure social as well as environmental impacts within the existing frame of a Balanced Scorecard (e.g. Learning & Growth, Internal Business Processes, Customers and Financial perspectives). Hence, Keeble, Topial and Berkeley (2003) defined four key questions to identify KPIs:

- What is critical and relevant for the organization? (Ibid.)
- What commitments need to be supported within the policies? (Ibid.)
- How will performance be benchmarked? (Ibid.)
- What are the expectations of stakeholders? (Ibid.)

These four questions lead to the process of indicator selection, which in the eyes of Keeble, Topial and Berkeley (2003) evolves in five steps. The steps are executed one after another and are labelled as: “Establish full indicator pool, agree criteria for selection, select shortlist, screen and select KPIs and construct KPI framework” (Ibid., p. 153). Typical KPIs for CSu were outlined by Epstein and Wisner (2001) and include among others the following: Financial – energy costs, recycling revenues, reduction of hiring costs; Customer – product safety, product life, customer satisfaction; Internal Business Processes – percentage of waste to landfill, number of truck miles, hours overtime work; Learning and Growth – number of violations reported, percentage of employees using car pools, workforce diversity. For a full list please refer to Annex 2.5.

Concluding it is to state that a Balanced Scorecard method to implement CSu seems to have two key advantages. Firstly, measurement is defined at the very beginning of the strategy. Every incentive is designed to be measureable immediately within the Scorecard. Second, a clear alignment of personal objectives can be achieved with a Balanced Scorecard. This may imply a strong employee commitment to the CSu activities. It seems therefore, that a Balanced Scorecard seems to be a highly suitable strategy to implement CSu.

One might see that various methods and theories can be used in order to implement CSu within organizations. Nonetheless, it seems that the mere variety of possibilities tends to be
overwhelming for organizations. Therefore, it seems more persistent to elaborate on necessary questions that have to be answered instead of proposing guidelines and ‘how to’ approaches.
5 Towards a framework of implementing Corporate Sustainability

The following represents the author’s personal interpretation of a framework on the matter of implementing CSu within an organization. This framework is based on the previously outlined findings within this thesis. It moreover, represents a theoretical framework that was not observed or tested empirically. Hence, it may be used for further investigation on the topic CSu.

Figure 4: Framework of implementing CSu

Source: Author’s Chart
The framework indicates three dimensions which are illustrated as Economic, Social and Environmental, which represent the areas of CSu. The order of the three aspects does not in any way indicate any preference or focus point.

The whole framework represents sequential measures and incentives that should, in the author’s point of view, be taken on the attempt of implementing CSu. It purposefully does not indicate a time perspective, but one may assume that such processes have to be considered on a long-term basis (≥ 10 years). The measures are indicated with bold text and are explained with the suiting question underneath. It appears important to state that the method of executing the respective measure is not outlined within the graph, as this seems to be a too individual and context dependent matter, to be generalized. Nonetheless, an attempt to discuss certain matters will be undertaken within the following paragraphs.

The graph is furthermore, based on the very interpretation of the author and hence, no normative endeavour is undertaken. It is based on previously argued presumptions. Where appropriate, references to theoretical work as well as empirical work will be drawn, in order to further understand the importance of each step.

5.1. Business Analysis

The first step within the framework is concerned to find out what the organization is really doing. This is based on the famous sentence of Peter Drucker, who asked senior executives once, a seemingly simple question about their business, namely: ‘What business are you in?’

The presumption behind this step is that once the executives within an organization have a common understanding what the business activities really are, they will also understand their responsibility and obligations. This does not only include personal responsibility but also the responsibility of the organization towards society and its stakeholders.

So, before even clarifying any of the further steps, and anticipating towards the understanding of CSu within the organization, it seems crucial to firstly understand the responsibilities of the specific organization. If a common ground is achieved, further process may be made towards CSu.
A possible way to achieve this would be a focus group with the top executives. Gather them within a room and make them write down what they believe is the core business of their company, followed by the presentation of their individual interpretations of the business and discussion.

5.2. CSu understanding

The second step is concerned with the interpretation of the actual meaning of Corporate Sustainability. Beforehand, it was argued that every organization and every individual has a different understanding of this concept. Hence, it seems important to really understand and articulate what CSu means to the individual (Linnenluecke & Griffiths, 2009) (the leader or the person who came up with the idea of implementing CSu, further discussed in the chapters below).

Once this understanding is achieved it seems essential to include the employees. As CSu demands a change of culture as well as strategy, it is of utmost importance to include the employees as soon as possible in the process (further discussed in the chapter below). This first involvement of the employees shall be concerned with the employee’s interpretation of CSu.

A possible way to engage in this process would be focus interviews with a certain sample of the employees, in order to illustrate the employee’s interpretation of CSu. Through this, the interpretation and understanding of the organization may change (which is indicated by the grey arrow, basically indicating some sort of feedback).

5.3. Status Quo analysis and Culture Assessment

The next step can be defined as a status quo analysis and culture assessment in order to outline the current economical and internal situation of the organization. Both analyses enable a holistic view of the organization, which is important for any attempt of establishing CSu.

In particular, shall the status quo analysis, on the one hand, serve the purpose of identifying some sort of starting point for the strategy formation. Basic information like e.g. the overall
market share per region, customer segments, market segments, financial indicators, competitor analysis etc. should serve as a starting ground of departure. This enables the company to see where they stand and what possibilities they have.

The culture assessment on the other hand shall serve the purpose of identifying the overall climate of the organization. Maybe, even identify key change agents within the organization who can be useful in the further process. A key role herewith seems to have the HR department, as outlined by Collier and Esteban (2007). Furthermore the culture assessment may give also an indication on how the overall position of the employees, regarding change, is. Hence, it may serve as a kind of ‘temperature check’.

Both methods together then enable a holistic view of the organization, which seems to be necessary for the next step.

5.4. Strategy Formation

On the basis of the understanding of CSu and the companies responsibilities and current status a first strategy might be formulated. Goals have to be set realistically and according to the three dimensions of CSu. Furthermore, the goals should be achievable and in the spectrum of the organization.

Once the goals are aligned with the responsibility and capability of the organization, a vision has to be articulated. A precise and clear vision always gives guidance in any situation and hence, shall be understandable and simple (further explained in the following chapter).

First steps to put the strategy into action might be undertaken, maybe via a pilot phase within one department or one sector of the organization.

5.5. Stakeholder Assessment

The next step involves the stakeholders of the company. It seems essential at this point of time to include the stakeholders. Having established a first draft of a strategy and vision, it is essential to bring in the stakeholders and share ideas.
Especially important within this stage, is the assessment of how the new strategy will affect the stakeholders and to what extent they will be involved within this change towards CSu.

The grey arrow in the graph again indicates feedback. Once the organization and the stakeholders exchange their thoughts, new ideas about the strategy might evolve and hence, the previously defined strategy might have to be altered. This might indicate a second establishment and readdressing of a strategy.

5.6. Process Analysis

Probably the most time consuming, but also highly essential part of the process is the process analysis. After the strategy is agreed, it seems essential to outline the processes that are concerned by the new strategy as well as the change process.

Not only is it important to outline the processes, which are effected, but also it is to illustrate how the processes will be affected. This is highly important for the next stage, which is concerned with the reasoning of the strategic change.

5.7. Business Case/Social Case/Environmental Case

Building the cases around the three dimensions shall outline the actual idea behind the change. This might be important to convince possible opponents to the change as well as serve as a communication tool to the public audience.

The Business Case, Social Case and Environmental Case shall illustrate the benefits as well as the limitations and obligations etc. regarding the three dimensions of Economical, Social and Environmental, respectively. Dyllick and Hockerts (2002) discussed this concept of going beyond ‘just’ the business case further.

During this stage it seems perfectly suiting to engage in some sort of envisioning activity for the employees. The cases shall therefore, be a basis for reasoning for the change. They shall help to outline hard facts regarding benefits, limitations etc. to the employees. Furthermore, this activity is concerned with the change of values of the employees. Through thorough
structure and smart methods this might convince possible opponents about the validity and importance of the change.

A method of presenting the cases internally and maybe also to stakeholders might be envisioning workshops. It appears to be essential to collect feedback, may it be positive or negative, about the outcome of the cases, in order to discuss further steps of action.

5.8. KPI definition

On the basis of the business cases the next and highly important step seems to be the identification of key performance indicators. Really measuring the impact of the strategy does not only give full disclosure about the possible outcome of the incentives but also makes the strategic direction quantifiable.

This seems to be in accordance to Collier and Esteban (2007) Epstein and Wisner (2001) and PwC (2011), who all indicated a Balanced Scorecard or KPIs as absolute must for any CSu attempt.

A set of possible KPIs regarding the social and environmental aspects in accordance with a Balanced Scorecard dimension where outlined by Epstein and Wisner (2001) and can be reviewed in Annex 2.5.

5.9. KPI alignment to individual performance

Having aligned the values of the employees, with organizational values regarding CSu through the envisioning process, it seems now essential to create more commitment and motivation among the workforce.

In order to do so, the previously defined KPIs may be aligned to the individual performance of the employee. Collier and Esteban (2007) elaborated on this factor by stating that personal accountability for ethical matters increases commitment.
With the alignment of the KPIs to the individual performance, also sanctioning and appraising matters have to be considered. On the one hand, sanctioning activities shall be introduced in order to ensure compliance and on the other hand, appraisal methods for increasing motivation and commitment.

This shall also further foster the integration of CSu within the organizational culture and hence, the mind of the employees.

5.10. Reporting and Communication of Outcomes

It seems almost trivial to state that reporting is important for change activities, but nonetheless, has to be executed regularly in order to enable continues feedback and therefore, improvement opportunities. Snider, Hill and Martin (2003) addressed this by stating “corporate social reporting is a method of self-presentation and impression management conducted by companies to insure various stakeholder are satisfied with their public behaviour” (Snider & Hill & Martin, 2003, p. 176).

Such reports shall not only be used internally, but also externally and among stakeholders. This shall enable further feedback loops and an even greater pool of ideas and possibilities for improvement.

Furthermore, the continuous communication to the external may generate trust and shows actual commitment of the company, which can in turn help with the previously defined business case.

5.11. Reputation Assessment

Last but not least, continuous evaluations about the organizations reputation should be undertaken. This shall on the one hand validate the previously established business case. On the other hand it shall serve as motivational factor for current employees as the company’s image may rise. The concept of the employee’s perception of the company’s image, as outlined by Collier and Esteban (2007), is further discussed in the following chapter.
Reputation Assessments may be executed via surveys, which can furthermore also be used as feedback and idea collecting tools for further improvement incentives.

5.12. Side notes to the framework

Once again this framework is highly theoretical in nature and therefore, does not represent a how to guide for CSu. Furthermore, a timeframe of approximately ten years, within this framework, is considered.

Another aspect that might be considered in this framework is the sequence of the particular steps. On the understanding that the framework and so the sequence is based on a personal perspective, is it seemingly important to state, that the sequence may be altered and changed regarding to specific needs or in a specific context.

In general, it is to state that this framework represents some key questions that have to be considered during the implementation of CSu and the therefore, resulting change within the organization. Purposefully any details about possible specific methodologies regarding the implementation and or execution of the change are left aside, upon the presumption, as elaborated above, that CSu indicates a highly individual and contextual encounter.
6 CSu: The impact on the employee

Of course one may consider other impacts of CSu on the organization, but nonetheless shall be excluded from this research as the research question was designed, to specifically address the employee in this context. To state once more, this was executed on the assumption, that the employees are the core of any organization and therefore, any organizational attempt to change the strategy or their overall business has to go through the entire workforce. In particular the employee sticks out as focus point, as the dimension of the employee considers all three themes of Corporate Sustainability, meaning, Social, Environmental and Economical aspects.

The focus on the employee is also reflected within the previous chapter, outlining the importance of change management. Hence, a limitation on solely the employee seems logical within this research.

Having discussed various interpretations and the origin of the concept of Sustainability and Corporate Sustainability respectively as well as possible methods to establish CSu within an organization, it seems now important to elaborate on the involvement and the impact of the employees on that matter. Seemingly this particular topic seems widely undiscovered by scholars in the respective field. Hence, this part has the purpose of exploring the field briefly and hopefully will give incentive for further research within this specific area or research.

In general, this section will discuss the importance values, in the sense of organizational as well as private values. This seems of importance, as individual values as well as organizational values tend to form and define the organizational culture. Furthermore, as mentioned in the previous chapters, CSu demands a change in the organizational culture in order to be successful. Hence, it appears to be of utmost importance to analyse the concept of values in order to understand the specific role of employees in the change process towards CSu.

Moreover, a particular focus will be drawn on ways organizational values can be changed in order to engage the whole organization in the change process. Within this section a closer look will be drawn on leadership aspects, in particular authenticity and sensegiving activities. This focus is based on the presumption that employees are more likely to adopt a different
behaviour and values, if it is demonstrated and executed by other individuals (superiors, co-workers, etc.). The leadership aspects tend to go hand in hand with sensemaking activities of each and every individual. Hence, sensemaking activities will be discussed in brief, in order to argue for the demand of the ‘right’ leadership in context of CSu change activities.

Lastly, it furthermore, seems essential to have a closer look on the very impact of CSu on the private values of employees. This shall be grounded on the presumption that, if personal values and organizational values are overlapping or in harmony, employees tend to be more motivated and committed to work and the change process and hence, indicates higher productivity and efficiency. This furthermore, goes alongside organizational benefits while recruiting as assumed, personal and organizational value-fit results in higher motivation and commitment. Within this very issue a brief look will be drawn upon generation differences and the value proposition.

6.1. The importance of values for the organizational culture

In order to elaborate further on the importance of values and culture within an organization it seems first and foremost important to outline an interpretation of both terms.

Within this issue, Weick (1995) defined organizations as “social systems where collective creation of shared meanings socializes participants as they strive to make sense of their environment” (Collier & Esteban, 2007; Weick, 1995). This implies two main aspects, that organizational culture is derived from (Ellmers & de Gelder & Haslam, 2004) and directly has an influence (Haslam, 2001) on the individual values of the employees. Hence, one might see organizational culture as the sum of shared values and beliefs, which directly are shaped by and shape each individual of the organization.

Furthermore, culture defines and shapes organizational practices and processes, which basically equals the organizational system itself (Collier & Esteban, 2007; Ellmers & de Gelder & Haslam, 2004). This illustrates the importance of private values and organizational values as well as organizational culture, for the whole organization.
The author interprets organizational culture, as the sum of individual values aligned to the organizational vision and mission that defines and guides the organizational behaviour, activities, processes as well as procedures.

Values on the other hand seem to have a unified understanding among society as well as in the academic field. Interpretations of the concept of values differ mainly in the depth of the interpretation and the context in which values are described. Schwartz and Bilsky (1987) for example define them as concepts or beliefs about anticipated final stages of behaviour, which surpass particular circumstances, direct selection and evaluation of behaviour or events and are ranked by importance. Or Jacob, Fink and Schuchmann (1962) defined them as “… the normative standards by which human beings are influenced in their choice among the alternative courses of action they perceive.” (Collier & Esteban, 2007).

Suar and Khuntia (2010) go as far as stating that values are prime drivers of personal, social and professional choices. Thus, indicating the importance of values for individuals and more importantly social systems, such as organizations.

The author’s interpretation of values can be concluded as a set of immanent needs and obligations to oneself, which define behaviour in different sets of context. Values indicate personal objectives and moral beliefs and are shaped by the environment and education.

Concluding it is to state that individual values are determinants of organizational culture. Hence, if a change in the organizational culture is anticipated (as it should be within change towards CSu) individual values and beliefs have to change accordingly. This assumption is further discussed within the next paragraphs.

6.1.1. The importance of value congruence

Having discussed the interpretations of values and culture, it seems now essential to elaborate on the question if personal and organizational values have to be matched. Or more interestingly, can both sets of values be separated, and to what extent they influence each other. Within this section a differentiation is drawn on culture, in the sense of country specific behaviour, and organizational culture.
As many scholars would agree and as elaborated within the expert interviews, personal values usually differ from organizational values. In particular during the expert interviews it emerged, that some cultures demand a separation between personal values and organizational values, Ms Russell (Annex 1.3) as well as by Mrs Chande (Annex 1.1) in particular outlined this (both representing a US-American frame of mind). Other experts referred to the importance of the alignment of both, e.g. as Mr Lindblad (Annex 1.5) or Mr Koch (1.9) stated (representing a European perspective). It seems therefore, that the importance of values within organizations tends to be culture specific. Hence, the question emerges, to what extend organizational values have to be in congruence with personal values?

To answer this question, it seems once more important to outline the underlying presumption regarding organizational culture and individual or personal values: Organizational culture is derived from individual values and hence, represents the beliefs and behaviour of the individuals within an organization aligned to the strategic direction (mission, vision, processes, procedures etc.) of an organization.

Suar and Khuntia (2010) elaborated on this question and tried to outline the importance of value congruence (VC). They stated, “VC reinforces employees to engage in activities congruent with organizational demands. It enhances communication, fosters friendliness and teamwork, and reduces potential conflict, dissatisfaction, and efficiency” (Suar & Khuntia, 2010, p. 444).

Furthermore, Hemingway and Maclagan (2004) refer to this by citing Robertson (1991, p. 120) “… personal values are likely to affect corporate values, not least because employees bring their values into the work setting”. Moreover, Suar and Khuntia (2010) see the importance of aligned values as the ‘bedrock of organizational culture’ and define organizations with high value congruence as strong culture organizations.

Moreover, they stated that VC enhances commitment and job performance through enhanced motivation (Ibid.). This becomes then of utmost importance throughout the hiring process, not only for organizations but also for the employee itself as for example Singh, Bhandarker, Rai and Jain (2011) state “Values serve important role in framing the basic attitude and perception of people, they also decide the expectation. Attitude, perception and expectations
play a key role in the way one sees the workplace” (Singh et al, 2011, p. 504). O’Reilly III, Chatman and Caldwell (1991), further state that “values … are expressed in organizational choices and then reinforced within organizational contexts” (O’Reilly et al, 1991, p. 492). This concludes the importance of the congruence of personal and organizational values.

The question may emerge, why does it seem important to talk about value congruence within the concept of CSu? The answer to this question for organizations may lay in the generation aspect and the resulting differing personal values and expectations. This may become obvious when taking a look at Twenge and Campbell (2008) as well as Singh et al (2011) as they state that the new young generation has high expectations from the workplace and demand an increase in creativity, have a focus on ethics and shifting workplace norms. Hemingway and Maclagan (2004) referring to Wilson (2002) bring it to the point by stating, “… a new younger generation of managers is emerging, educated to the needs of their fellow citizens and the planet and anxious to do the right thing” (Hemingway and Maclagan, 2004, p. 38).

This is also considered by Singh et al (2011) who state that this generation has the need of being “ethical professionals” as well as having a need to be “part of a respectable and coveted work organization”. This indicates the demand for CSu within organizations. It is a matter of perceived image (Collier & Esteban, 2007).

Concluding it is to state that value congruence seems to be essential for CSu, as, as discussed, values define the way of working and more importantly the motivation of the employee. As argued in the previous chapters, commitment and motivation of the employee is crucial for any CSu change procedure and therefore, congruence within personal and organizational values have to be anticipated by organizations seeking for a change of organizational culture (Harris & Crane, 2002) towards CSu.

6.2. Aligning Values

Having elaborated on the importance of value congruence it seems now essential to discuss ways to align personal values with organizational values. This appears to be necessary in order to enable a cultural change within an organization, which tends to be a prerequisite for CSu activities.
In order to elaborate on this issue, three main areas seem to be persisting namely, a clear vision, leadership and sensemaking as well as measurement and evaluation.

A clear vision towards CSu can be considered as some sort of road map. It illustrates the benefits and the outcome of such incentives and therefore, directly enforces organizational culture. Vision stems ultimately from leadership activities and more importantly sense making activities.

Leadership in the context of CSu seems to play an important role, as CSu usually originates out of the values of one individual (Hemingway & Maclagan, 2004). Furthermore, sensemaking and sensegiving appear to be crucial in this context as they refer directly to value interpretation and hence, motivation and commitment.

Moreover, measurement and evaluation appear to be outstandingly important to further strengthen a CSu culture, as it directly affects work behaviour among the employees and therefore, behaves as a sort of enforcing tool.

These three aspects seem to have the most effect on the analysis of secondary data. It is purposefully left open on how these attempts behave within empirical studies. This may be a basis for further research on this very topic, but shall nonetheless, not be part of this thesis.

6.2.1. The importance of a vision

The importance of a vision seems to be widely known and accepted. A vision gives direction, some sort of guideline for any organizational activity. But especially for CSu a clear vision embodies the key for any following activities. As it was stated by Jack Welch (2011) “a vision drives through an organizations and grows like a mushroom”. Also scholars found this aspect true in particular regarding CSu, as outlined by e.g. Epstein and Roy (2001), Hart and Milstein (2003), or Marshall and Brown (2003).

Harris and Crane (2002) found with their empirical study that change attempts towards CSu without a clearly communicated vision, implied unsympathetic and hostile positions towards
the change aspect, whereas with an official vision to that matter the general behaviour towards the change was supportive.

Furthermore, a clear vision indicates commitment of the top management or executives, which appears to be of great importance for the change process as Collier and Esteban (2007) stated that without managerial commitment, employees might assume that they can oversee issues of ethical responsibility within their work. Hence, it can be argued that a vision needs to be manifested in the minds of the employees. One way to achieve this was described by Jack Welch (2011) who said, “Repeat your vision over and over again until you want to gag on it”. It can therefore, be seen as some sort of internal advertisement.

Another way to communicate your vision clearly to the workforce may be seen in codes and ethics programs as elaborated by Collier and Esteban (2007). They identified on the one hand, codes as especially usefully to regulate employee behaviour and on the other hand, ethics programs, which have the main purpose of conveying values and beliefs behind the vision and or strategy (Ibid.).

Concluding it is to say that on the one hand without a vision a change attempt towards CSu seems to be doomed to fail. Nonetheless, on the other hand a clear vision tends not to be the ‘Holy Grail’ to establish CSu as core of the organizational culture. But, it directly leads to the second aspect that has to be considered, namely Leadership and sense making, as also Collier and Esteban (2007) said that without a clear ‘steer’ from the top, no organization would succeed in carrying out ethical prospects.

6.2.2. The importance of Leadership and sense making

The concept of leadership appears to be a highly complex topic, which seems to have neither a unified definition nor a clear guideline on how to lead. It seems to be a very context and person related issue. Hence, it is not anticipated within the margins of this thesis, to elaborate what leadership truly means or to what extend leadership capabilities can be detected in each individual.
Nonetheless, it seems essential to outline the author’s perspective on this manner, as this appears to be crucial for further elaboration on this very topic. The author considers leadership as the act or process of influencing. Furthermore, to put it with the words of Bennis and Nanus (2004) “make it feel right”. It seems for the author as leadership is concerned with the so often quoted ‘right thing to do’.

So why is leadership so important for Corporate Sustainability change? De Wit and Meyer (2010) stipulated a seemingly highly relevant point to this question “Managers must realize that evolution can be lead from the top, but not be imposed from the top”. (De Wit & Meyer, 2010, p. 184). Or Collier and Esteban (2007) who state “Employee commitment cannot be enforced, it can only be nurtured” (Collier & Esteban, 2007, p. 25). Or “… the importance of the ‘tone from the top’ – the extent to which CSR is perceived to be championed by management, by corporate leaders and by those with the responsibility of embedding its principles and practice in the hearts and minds, in decision-taking structures and in the culture and climate of the organization” (Ibid., p. 20). This goes also alongside with the previous interpretation of the author that leadership means to influence and not to direct or impose.

Leadership, in particular, within CSu is needed as Hemingway and Maclagan (2004) reasoned that CSu attempts stem from individuals, usually residing within higher management positions. It is hence, then the leader’s task to convince and acquire followers for the attempted change.

It is seemingly this attempt to convey employees and co-worker about CSu that demands leadership qualities. This attribute can be directly linked to sensemaking and sensegiving activities, which were discussed by for example Weick (1995, 2001) and Bryman (1997).

An effort to define a specific and fitting leadership style or type regarding CSu is not attempted due to the fact that CSu is a highly contextual and individual process. A possible leadership-style that would correspond to CSu and change respectively would be transformational leadership. For further information to this leadership style please refer to Bass (2006).
6.2.2.1. Sensemaking and sensegiving

Smircich and Stubbart (1985) stated once by quoting Weick (1979) “If people want to change their environment, they need to change themselves and their actions – not someone else…” (Smircich & Stubbart, 1985, p. 729). This process of changing oneself seemingly starts with a process of sensemaking – in other words interpreting the world for oneself (Bryman, 1997; Weick, 1995). Sensemaking herewith, refers to the very act of the formation of a possible reality (Weick, 1995). As Bryman (1997) stated, is it the leader’s task to give sense to the followers. He stated in particular “the leader gives a sense of direction and of purpose through the articulation of a compelling world view” (Bryman, 1997, p. 276).

This implies that in order to give sense, a leader has to firstly, make sense out of reality and transform it into an idea or worldview respectively, which may be compelling to the followers. Weick (1995, 2001) explained this by stating that in order to change people, leaders need to shatter, to a certain extent, the existing frames of references of the followers. Frames of references can be described as the sum of values within an individual that define the perception and interpretation of the world, or a state of mind within an individual that has direct effect on the behaviour, in a certain context (Ibid.).

It seems therefore, plausible to state that, in special regards to CSu, one has to first make sense out of the perceived situation or change in order to be able to give sense or change others (Angus-Leppan & Benn & Young, 2010). Only then as Bryman (1997) stated, could the leader shape the context or environment in order to give sense, which actually makes sense to the followers. This implies that the leader has to form a vision that is compelling to the followers.

Sensegiving, as described above and presented by Bryman (1997) is then the act of embodiment or personification and transmission of the before internalized (made sense of) situation or vision. There are various ways for the leader to give sense to the followers. Typically, in regards to CSu, rituals, symbols and codes proof to be good tools in order to achieve sensegiving activities (Collier & Esteban, 2007).

Another inevitable method of giving sense refers to the concept of authenticity. Ladkin and Taylor (2009) referred to this concept by comparing it to the process of actors who access
previous experiences and emotions in order re-enact these emotions in a certain circumstance as requested on stage. To be authentic hence, means to draw from past experiences to access emotions and interpretations of the past, within oneself, and put it into context at present.

This does not in any way imply that being authentic means to fake situations, it nonetheless, indicates that through the embodiment and drawing of emotions and situational contexts, an individual may behave and act in a similar fashion, than various times before. Being authentic then, will result in trust among the followers; trust generates commitment; and commitment enables motivation (Bennis & Nanus, 2004).

Furthermore, it seems important to understand that the process of making sense and giving sense is a very cyclical process (Gioia & Chittipeddi, 1991). One might see this sequential and reciprocal process as follows, as based on Gioia and Chittipeddi (1991):

1. Sensemaking activity by the leader: the leader interprets reality or the situation within the respective frame of reference; in order words generates or establishes a vision.
2. Sensegiving activity by the leader: the leader conveys the interpreted reality/vision to the followers, by the above-mentioned means (rituals, symbols or being authentic).
3. Sensemaking activity by the follower: the follower(s) try to make sense out of the conveyed reality/vision of the leader.
4. Sensegiving activity by the follower: the follower(s) give sense, by similar means, back to the leader, conveying their interpretation of the previously interpreted vision of the leader.

Concluding it is to state that in particular regarding CSu, sensemaking and sensegiving activities by the person that initially has the idea for change (leader) seem to be highly important. This is also reinforced by the above stated comment that in order to change towards CSu, existing frames, values and behaviours have to be shattered. This also implies, referring to Gioia and Chittipeddi (1991), that the leader has an equally important role as the follower in the process. Hence, the importance of the employees is again illustrated.
6.2.3. **The importance of measurement and evaluation**

Collier and Esteban (2007) stated, “In order for employees to deliver on CSR requirements, they firstly have to be motivated to do so, and secondly to be committed to surmounting the challenges and attaining the goals of responsible corporate behaviour. Motivation comes first; commitment reinforces and embeds it.” (Collier and Esteban, 2007, p. 22).

In order to achieve this they stated that goal setting is an important mechanism (Ibid.). Collier and Esteban (2007) further illustrated that motivation and commitment are the key factors for changing values.

And in order to achieve this motivation and commitment it seems that the inclusion of CSu behaviour in the personal evaluation of employees is an important factor (Ibid.). This shall furthermore, increase the feeling and perception of personal accountability (Ibid.)

In order to include CSu in the personal evaluation and measurement of employee behaviour KPIs can be used, as indicated previously. Mr Koch in the expert interview, as well as PwC (2011) illustrated the importance of KPIs and measurement. Both see KPIs as absolute must for any CSu activities.

To link this back to the employee, KPIs seem not only to motivate and commit people through the setting of goals (Collier & Esteban, 2007; Zwetsloot, 2003), but also to ensure in some ways compliance with the intended strategies as well as triggering feedback from the employee side.

To sum up, one might state that KPIs are very important for an organization that intends to implement CSu. Not only to measure the outcome of the incentives but more importantly to enable a change of values for the employees in order to integrate CSu in the organizational culture, to make the organization ‘life and breath’ CSu.
6.3. CSu: Implications for the employee

Having elaborated on the status of values within change towards CSu and explaining the role of the employee in that manner, it seems now crucial to discuss the implications of CSu for the employees.

In order to elaborate on this section previous presumptions are used and brought into context with the factor: employee. This shall on the one hand secure consistency with the previously analysed matters and on the other hand, narrow down the seemingly endless implications for employees.

Therefore, a particular focus will be drawn on day-to-day activities of the employee, organizational culture as well as image and reputation.

6.3.1. The contribution of the employee

As Mrs Gastinger, Mr Koch, Mr Bruzaeus, Mr Delgorge and Mr Lindblad (Annex 1.4; 1.8; 1.7; 1.9) within the expert interviews stated, the employees play the absolute key role regarding CSu. Furthermore, Linnenluecke and Griffiths (2009) indicated this by arguing for the importance of the employee. The question therefore, emerges what can an employee actually contribute to CSu?

Within the conversation with Mr Koch (see Annex 1.9), he outlined a few key aspects on how employees contribute within Wienerberger regarding their CSu activities. He stated that for Wienerberger feedback was essentially important in the CSu strategy formation. Employees are consulted on frequent basis regarding their ideas about the current strategy. In particular he indicated that the worker directly at the specific task has certainly more insight to the subject matter, than the headquarters will ever have. He furthermore, stressed the importance of this fact by mentioning that Wienerberger currently employs Sustainability Managers in 27 countries which are a gateway for ideas from the employees to the headquarters and vice versa.

This was furthermore, indicated by Mr Lindblad (see Annex 1.6) who stated that the creativeness of the employee is highly essential within CSu. He went as far as stating, that it is
the obligation of each and every employee to articulate their visions and ideas, to challenge assumptions and give feedback. Only through this, CSu can improve and succeed.

Another aspect that one might observe as crucial, among the contribution and/or implication of the employee regarding CSu, is culture. As Mrs Gastinger (Annex 1.4) mentioned within the expert interview, the employees are the carriers of culture and hence, CSu values and beliefs have to harmonized and lived among employees. Also Linnenluecke and Griffiths (2009) focused on employees as the core of organizational culture.

Another implication for the employee that may be argued for seems to be the organizational image. Collier and Esteban (2007) elaborated on this presumption and argue that the better the overall organizational image, which is perceived by the employee, the higher the commitment and motivation of the employee. The employee’s image of the organization is based on the reputation and image of the organization, as it is perceived through outsiders (Ibid.). This means, that the employees construct their own organizational image based on the perceived reputation constructed by ‘outsiders’, may it be stakeholders or society. This implies, that the higher the perceived reputation of the company, the higher the commitment of the employee. It is to state that this is a highly individual process and therefore, perceptions can vary from employee to employee (Ibid.).

Concluding it is once more to state that there are various implications for the employees regarding CSu. Especially regarding the contribution of the employee, one may identify a sheer countless number of activities. These activities, of course, depend on the overall strategy an organization follows and hence, may be too many too generalize. Nonetheless, this section represented some findings, based on previously argued presumptions and therefore, seemed important to outline.

6.4. CSu effect on personal values

Another interesting aspect that emerged especially within the expert interviews, was based on the question if the organizational values regarding CSu would influence the personal values of an individual?
Especially Mr Quignon (Annex 1.2) and Mr Koch (Annex 1.9) stated that their work within organizations that follow CSu means and on CSu strategies respectively, changed and altered their personal value to a certain degree.

On the one hand Mr Koch (Annex 1.9) stated for example, that he learned so much about the topic during the implementation within Wienerberger and that he tries therefore, to transmit these values to his children. This may be also related to the conclusion of Mrs Gastinger (Annex 1.4) who stated that CSu in regards to values definitely indicates generational differences.

Mr Quignon (1.2) on the other hand saw his time at BioCoop as enrichment. He mentioned several times that through his work at BioCoop his personal values and awareness regarding sustainable matters have changed. Mr Quignon (Annex 1.2) furthermore, stated that this change in values implied for him, that he tries to use as much carbon-friendly transportation as possible and also the search for regional and organic products.

Concluding, one might see these two short examples as samples of how CSu can change personal values and actions. This of course only represents a very small sample and may deserve some closer analysis within future research.
7 Conclusion and further recommendations

Having analysed the various interpretations regarding Sustainability, Sustainable Development and Corporate Sustainability among scholars and organization, the methods that one might undertake to introduce such concepts within organizations as well as the implications for the employee within such activities; it seems fair to state that the research was very fruitful and enlightening.

Moreover, the process indicated a highly interesting learning process for the author. The research and the outcome made the author more aware of the crucial aspects of the topic elaborated and will certainly have an impact on the author’s future career path. Values and frames of references have changed through the work on this thesis and hence, indicated a personal enrichment.

7.1. Interpretations of the concept of Sustainability

In particular regarding the interpretations the research indicated a great success. As illustrated, one might observe an immense variety within understandings of the concept of Sustainability. Especially among organizations the interpretations vary greatly. But, not only the interpretation but also the wording of similar activities vary from company to company. In this respect the most frequent wording comprised: Organizational Sustainability, Corporate Social Responsibility, Sustainability and Corporate Sustainability.

For the author it emerged that the concept of Corporate Sustainability seems to be the best fit according to the activities, such incentives imply. The research therefore, outlined the different concepts regarding Corporate Sustainability in order to generate awareness and understanding of this issue, on the one hand, for the reader and on the other hand, for the author.

Regarding the interpretations of the concept of Corporate Sustainability, it seems that a unified definition is missing, which may be a reason for this diversity of understandings. Therefore, an attempt to elaborate on a unified and standard definition and wording seems desirable for further and future research.
7.2. Implementing Corporate Sustainability

Regarding the implementation of Sustainability, one can observe that the outcome of this research was satisfying. Nonetheless, it seems furthermore important to state that this research only represents a limited spectrum, which will be discussed within the ‘Limitations’ chapter.

The main conclusions that may be drawn within this research, regarding the implementation of Corporate Sustainability within an organization, are threefold. The first and maybe most crucial finding within this research indicated the importance of the individual. Hemingway & Maclagan (2004) outlined this by referring to the employee, the individual, having the power to change something, even if CSu is not on the agenda of an organization. Hence, the idea of implementing CSu stems usually from one person and therefore, each employee may take responsibility and/or credit for presenting CSu as possible strategy for the respective organization.

This is directly related to the second outcome of the research namely, that while the idea of implementing CSu might come from a single individual, it needs the whole organization to be implemented successfully. The research indicated a strong tendency to the fact that CSu is in any case a change process, which demands a turnaround in organizational culture. This finding spawned another key finding: the importance of values.

Within the research it was argued how important values are for organizational change. This holds especially true within the concept of CSu, where the impact can be observed in the organization as a whole, as well as among their respective stakeholders. Hence, values and CSu might be a suiting subject for further elaboration and research, as it seems crucial to further analyse the impact of values on Corporate Sustainability.

The last finding regarding the implementation of CSu evolved out of the complexity and seemingly endless variations of possible methods of execution. This variety indicated, among other findings, that the process of implementation and strategy formation regarding CSu is a highly individual manner. One might be aware of the fact that similar or the same methods may be applied, but it seems unlikely that they will lead to the same result, within different organizations.
In the author’s view, it seems more essential to focus on the key questions for the implementation and not on specific methods, tools or processes. On this understanding, a framework regarding the assessment of crucial aspects for the implementation of CSu was developed. This framework was based on the author’s interpretation and understanding of the analysed theoretical literature as well as on empirical input via the expert-interviews and does not represent a normative endeavour. It illustrates key question companies should ask themselves when considering to integrate CSu within their organization.

These questions should be considered step by step as they have an influence on the following questions. Furthermore, feedback has to be considered continuously. This non-normative framework presents a possibility for organizations to not only implement CSu but also to outline the extent of work that has to be considered as well as estimating a rough timeframe for such activities. Hence, it shall be considered as a possible option but not clear cut how to guideline.

Nonetheless, it is to state that this framework is theoretical in nature and hence, was at this stage not validated empirically. Therefore, possible further research could be assigned to validating this framework empirically.

### 7.3. Implication for the Employees

In regards to the implication for the employees the outcome represented some key findings. As it was argued for in the respective chapter, it was found that the employee indeed plays the essential role for the implementation of CSu. This was outlined not only through the empirical data, but also through the analysis of theoretical secondary data.

The basis for these outcomes represents the finding that culture and values play an important role within the implementation of CSu. Hence, the employees as carriers and definition points of organizational culture appear to be crucial.

In accordance to this outcome, it was found that four main aspects have to be considered when attempting to implement CSu and hence, changing or ‘greening’, as Harris and Crane
(2002) defined it, the organizational culture. Those factors are commitment, motivation, creativity and feedback.

One might consider these aspects as crucial for the change of organizational cultures and hence, for the implementation of CSu. An aspect that emerged out of those four aspects, referred to personal accountability. In particular Collier and Esteban (2007) outlined personal accountability as key issue for the creation of commitment, motivation, creativity and feedback. Therefore, it seems important for organizations to foster means for promoting personal accountability in order to assist in successful change.

A highly interesting finding represented the impact of CSu on personal values. This was in particular grounded within empirical data extracted from the expert interview. It was found that, if an organization followed CSu standards, the private values might change towards a more sustainable lifestyle. In particular, Mr Quignon (1.2) and Mr Koch (Annex 1.9) grounded this finding within the respective interviews.

Through values and culture it seems legit to say that the employee has a major impact on CSu and also that CSu has a major impact on the employees. This became imperative upon the fact that organizational culture is formed by the employees and forms the employees. Furthermore, the notion of values has to be presented in this aspect. As CSu, as previously argued, has to be incorporated in the organizational culture the values have to change, which indicates a direct effect on the employees. Furthermore, as the employees values influence the overall organizational culture and strategy also the impact of the employee on CSu becomes visible. Hence, this bilateral impact is ever present within the concept of CSu.

It is therefore, suggested to investigate this alignment of private values to organizational values regarding CSu in further detail, in a broader scale to validate this preliminary findings.

Overall it is to state, that this research may be a basis for further research, regarding the topics elaborated beforehand. This research provides theoretical findings underlined by a sample of qualitative empirical data. Therefore, these findings have to be validated through extensive empirical research.
7.4. The fish in the bowl

As the question in the introduction chapter was stipulated, if we are smarter than a fish and if we know that we need our environment in order to live, it is to state that this research indicated that we are indeed smarter than a fish. We know that the way we are behaving at present is hazardous for our environment and ourselves and therefore, not only society but also economy already takes a step forward in achieving the anticipated goal of a sustainable future.

Where a fish may not even be aware of the fact that it is actually swimming in water, we are well aware that we are specifically ‘part’ of our environment. What this research further indicates is that we as individuals have the power to change something. It is our moral obligation to do so and as previously argued one idea can initiate change, but we all need to work together in order to reach our goal.
8 Limitations

This research indicated limitations, which subsequently will be outlined.

First, and foremost, the research was limited by the amount of empirical data. Data was comprised from nine expert interviews, which represented qualitative data. For further validation of the proposed theories and presumptions, a more extensive empirical research seems necessary.

Secondly, due to the lack of unity in interpretations, definitions and understandings of the terms elaborated on, among scholars and organizations, it was difficult to build on strong and widely accepted theories. Hence, in order to being able to analyse the subject matter in detail, in alignment to the research questions, presumptions had to be made. These presumptions therefore, excluded existing literature and theories. It is herewith to state, that this does not in any way indicate irrelevance of such data. It simply fell out of the scope of the research according to the necessary presumptions.

Due to the complexity and the lack of a unified interpretation of CSu, it is assumed that the previous findings may not be directly empirically verifiable. In particular it is assumed that empirical investigation regarding the findings will not indicate homogenous outcomes, as, as previously argued, CSu is a highly individual, complex and context related endeavour. Hence, it seems plausible that different organizations may apply the same theories, but may come to different outcomes.
9 References


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Jürgen Leithner


annex
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1 Interviews

1.1. Interview with Brinda Chande

The first interview took place with Brinda Chande, who worked for a big organic food franchise in the US (permission to state the name of the franchise was not granted) as an unpaid intern for one year. Brinda Chande, is from Indian descent, but lives in the United States. The interview was conducted in neutral surroundings and occurred face to face on the 7th of December 2011 at 12:25 pm. It was conducted within 35 minutes and the language used was English. Notes were made on paper.

The interview started with a basic small talk and kicked off with the first question. Upon this question Mrs Chande answered, that one has to always consider the long-term effects of one’s doing. For her it seemed important that Sustainability should always have a long-term perspective. Furthermore she stated, that Sustainability should not be only limited to a green movement and one has to consider also the other dimensions of Sustainability, which she briefly referred as ecology and social aspects.

Regarding the second question Brinda Chande answered short and precise by stating ‘It is always a choice, it is nonetheless never not a choice.’

Regarding the introduction, Mrs Chande referred to business models and organizational missions. From her perspective she is convinced that Sustainability has to be the centre of the business model to implement it successfully.

In this case the fourth question was slightly altered in order to keep the conversation flowing. It was asked how the employees contributed within her organization towards Sustainability. She described the overall situation as a common feeling of the organizational value of Sustainability. She said that the tone was set and everybody knew the corporate values and were in alignment with such. Furthermore, she stated, that the climate due to the sustainable values was very open, in terms of bringing personal values to the organization. A follow-up question was asked to complement the previous: Did the company values (if you knew them before) influence your choice, to take the job? She clearly answered with a yes, but mentioned...
that the alignment of personal values and organizational values only play a role if the options
are available (referring to situations where she was not in the need of a job).

Upon the question if the private and corporate values, or the two ‘ME’s’ are separable she
answered with a clear yes. Nonetheless, she referred to issues that may occur if one might be
unable to align the personal values to the organizational values.

Upon Question 6, Mrs Chande referred back to her answers to the first question and added
the importance of a holistic view when looking at a process and/or your place within an
organization.

The interview was ended with my appreciation for her time and commitment to the interview
and her agreement to further follow-up or clarification questions, if necessary.

1.2. Interview with Fabien Quignon

The interview took place with Fabien Quignon who worked as an intern for the French
biological Food retailer Biocoop. Mr Quignon is French and the interview was conducted in
his dorm-room face to face on the 8th of December 2011 at 13:40 pm. The interview was
conducted in English within approximately one hour. Notes were made on paper.

The interview was started with basic small talk and kicked off with the first question. Mr
Quignon stated, that the future thinking is very important. One has to consider upon
producing any good or service every part of the value chain, when considering Sustainability.
He also commented that one has to think of the consequences of ones actions and that a
long-term perspective has to be anticipated upon Sustainability. The first question was
followed up by a side question, asking the sustainable procedures within Biocoop. He stated
that Biocoop had various green programs within the organization. He stated that the company
used only recycled paper and has incentives for using shared cars and bikes. This goes as far as
granting shorter working hours for employees that come to work by bike. Furthermore, he
stated that Biocoop did not try to keep their shelves full at any cost, for them it was no issue
to have empty shelves if a products was sold out. Moreover, he indicated local contracts with
suppliers and the use of merely seasonal products. As an example he mentioned that they did not sell bananas in the winter.

Upon the second question Fabien Quignon answered, that Sustainability should not be a choice and should be a core value of any modern organization. He also referred to greenwashing in some companies and that he personally sees this phenomenon more and more in France. Furthermore, he stated that society plays a major role upon the choice to follow sustainable business practices. He believes that with pressure and demand of a society, one has to follow sustainable business practice in order to be able to survive on the market. He also stated, that if a company chooses to follow these practices by themselves, without external pressure from society, they can be considered as truly sustainable.

Mr Quignon answered the third question by firstly, referring to the CEO, who shall, within his frame of reference, introduce these values by setting and example and live such values. For Mr Quignon it is furthermore, important that the CEO educates the workforce and to show them the benefits of a sustainable business. Furthermore, he stated that the employee is the key to make such values live in an organization and that a successful implementation may need good internal communication, a possible award system as well as key performance indicators to measure the outcome and to create commitment.

Within the fourth question Mr Quignon referred to his previous statement that the employee is the key to a successful implementation, as they are for him, the key carriers of the value of Sustainability. He stated also that within Biocoop the employees shared the same values about Sustainability. Furthermore, he gave an example how important these shared values were for the organization. He mentioned a change in the CEO position and that the new CEO did not share the company values. This led to high dissatisfaction among the workforce and to a sort of lockout of the CEO by the Biocoop workforce community. He finished the question by stating the passion of each employee in the organization regarding the green movement and stated that it also influenced him within a short time.

Question five he answered with a yes, they can be from his perspective, but added that it would depend on the person. Mr Quignon stated that within Biocoop it was a way of life and that his time at Biocoop changed his personal values.
For him personally Sustainability means to recycle, to buy green products and now after his time in Biocoop that a business has to be sustainable for him, to consider it a viable option for his career. He also stated that he is trying to make sustainable practices a sort of guideline or framework for his life.

The interview was ended by Mr Quignon’s agreement to further follow-up and clarification question, if needed and the thanking for his time and commitment to this interview.

1.3. Interview with Whitney Russell

The interview was conducted with Whitney Russell (US citizen), who worked for an organic cotton farm in India (permission to indicated the name was not granted) as and intern. It was conducted via Skype on the 9th of December 2011 at 21:20 pm. The interview was conducted in English and within 30 minutes. Notes were made on paper.

The interview started with a brief introduction about the anticipated outcome of the thesis and a short meet and greet. Ms Russel answered the first question by referring to mainly green means of business. She mentioned as sustainable practices the control of emissions, the cautious usage of the environment and resources as well as workforce values that have to be aligned in order for Sustainability to function within an organization. She also gave an example upon her internship in India at an organic farm, as she stated that at arrival nobody outlined the values to her, it was assumed, that any new entrant would be aware of the core values. She stated that it was very hard to fit in, as she was unaware of the expected working style and corporate values.

Upon the second question Ms Russell made a distinction between legal and moral choice. She further elaborated that she finds it comparably saddening that for a legal enforcement, no enforcing body would be present, at the current stage. Furthermore, from a moral perspective she argued that Sustainability has to be an absolute must.

Question three was briefly answered by her, by stating that the workforce has to be informed and involved into the process. She suggested unconventional methods such as meditation to discover the nature and the value of Sustainability within an organization.
Ms Russell answered the fourth question by stating that efforts upon Sustainability within an organization have to come from both ends. With both ends she referred to top-management and employees, but also stated that, it, like anything else depends on the organizational culture. Moreover, she mentioned that such an involvement of the employee might be scanned as soon as the recruitment phase within an organization.

The next question was answered with a clear yes. She stated from her personal experience that in the US a high pressure to separate personal and organizational values is present. This question was then accompanied by a side-question, asking if either personal values may influence organizational values and vice versa. She answered this by stating, that values might spark over on one side or the other and that especially this gap between organizational and personal values was to be closed.

Upon the last question, she indicated several examples that are especially crucial within the US. For example, she stated that the food production has to be detached from huge corporations again and one has to draw back on old traditions of biological farms and local production. She concluded this question by stating, “We have to take back control.”

Thanking her for her time and commitment to this short discussion ended the interview.

1.4. Interview with Karin Gastinger

The interview was conducted with the Ex-Minister of Justice of Austria Karin Gastinger. Mrs Gastinger’s currently is employed by PricewaterhouseCoopers as Consultant, specialised on Sustainability. The interview occurred at the premises of PwC in Vienna within a conference room on the 19th of December 2011 at 10:00 am. It was conducted face-to-face, and over a timeframe of one hours, and German was used as discussing language. Notes were made on paper.

The interview started with a brief introduction of the thesis and the anticipated outcome and kicked off with the first question. For Mrs Gastinger Sustainability includes three elements: the environment, social aspects and the society. She stated that these three factors have to be
included within an organizations’ strategy to be sustainable. She also mentioned that for her Sustainability always comes to organizations as a cultural change and therefore, can only be considered a long-term objective.

Upon the second question Mrs Gastinger referred to Greenwashing as a big issue if companies take sustainable incentives not seriously. She stated further, that Sustainability is a must for a modern organization. Supplementary discussions lead to the third question, which she answered by referring to the PwC pyramid of introducing Sustainability. She explained that it is essential to first define the areas that have to be considered upon introducing Sustainability (German: Handlungsfelder). Then one has to set priorities and define goals. Further these goals have to be made measurable for follow-up reporting and reporting. Within further discussion about the topic of introducing Sustainability, she stated that usually it is a top-down approach and only works in some case bottom-up, only considerably slower as top-down.

Upon the question related to the role of the employee she stated that they are highly essential to the process as these are the people who carry the culture and basically define the organizational culture. Furthermore, she stated in order to execute a successful change to a sustainable organization, communication is the crucial aspect, as well as to make the employees understand the concept and the benefits that this change will be accompanied with.

Question five was answered by Mrs Gastinger by stating that the values of an individual will change by the organizational values and therefore, personal and organizational will never fully be separated. She further referred to the actual state; in particular, the Austrian population is in at present. She mentioned that Sustainability is common knowledge within Austrian organization, but the crucial issue lays in the execution of this knowledge. She also stated, that the generation aspect will have a considerable impact on how Sustainability is treated. She mentioned that once sustainable action becomes a habit and programmed in the daily life of each individual, we reached the goal.

Her personal opinion about Sustainability refers to her own values, in particular to live in awareness. Furthermore, she stated that one always has to consider next generations to have a positive impact on the future.
The interview was concluded by thanking her for her time and commitment to this interview and her expression of interest of reading the final outcome of this thesis.

1.5. Interview with Mats Lindblad

The interview was conducted with Mats Lindblad at his office at Ideon Business Park in Lund Sweden. Mr Lindblad is Swedish and is currently running his own Consulting firm called Business Advantage. The interview was executed on the 9th of January 2012 at 11:20 am within a timeframe of one hour 30 minutes. English was used as communication language and notes were drawn on paper.

The interview started with an extensive small talk and introduction of the thesis. It kicked off with the first question. Mr Lindblad mentioned three ways to look at Sustainability in an organization. He defined the first view as the long-term view, were an organization defines their ideas, norms and principles regarding Sustainability. He furthermore, stated that once these are defined the company should do its best to not compromise such, in order to be truly sustainable. The second view he characterized by involving the customer into the concept of Sustainability in order to elaborate the real needs of the customer. The third view he characterized by the long-term commitment of the employee. He stated that any leader within an organization should not expect change to happen without any effort. One has to make use of the ‘Art of Leadership’ in order to be clear with norms and principles and to ensure the involvement of the employee, which in his eyes plays an immense role.

Mr Lindblad answered the second question very briefly by stating that Sustainability is in the current business situation an absolute must. Furthermore, he drew on the question on how to engage managers, which differ in his mind from leaders in such activities.

Upon the third question he argues that one has to show the status quo to the employees in an concerning way, in order to give them a purpose, to why Sustainability is a must for this
organization. Furthermore, he stated that a sort of feedback loop has to be always installed as it benefits every party involved in the change process. He stated that visions about the change, towards a sustainable organization, have to be challenged constantly and therefore, employees have to be involved. As a third part he mentioned clear goals and targets that are measureable. Such targets have to be, in his perspective, very open, transparent and few. He concluded this section by stating the obvious, that communication is the key to success.

Mr Lindblad answered question four by referring to creativeness. An employee has to participate by constant reviewing of the situation, to challenge assumptions in order to improve. The employee needs to be engaged in the process, make him or her feel happy about the contribution. For Mr Lindblad every employee has an obligation to express his or her ideas and visions. Employees are the key for Mr Lindblad, when it comes to introducing Sustainability as a core value in an organization.

The last question within this interview marked question five as there was unfortunately no more time to discuss question six. He answered this question by stating that personal and organizational values are certainly separable, but that these have to come together and one has to try to close the gap.

Thanking Mr Lindblad for his time and commitment to this interview and his expression of high interest in the outcome of this thesis ended the interview.

1.6. Interview with Mats Bruzaeus

Mats Bruzaeus is a Swedish national and works in Tokyo Japan. He runs his own Consulting firm (Matsusan Consulting, specialized in mainly Culture issues) and is president of Garuda Japan K.K. Due to the time difference a personal interview was unfortunately not possible, nonetheless, Mr Bruzaeus was so kind and answering the interview questions via E-Mail. The answers were received on the 19th of January 2012.

Q. 1.) I would basically agree with the Dow Jones description as per below

Dow Jones: CORPORATE SUSTAINABILITY
Corporate Sustainability is a business approach that creates long-term shareholder value by embracing opportunities and managing risks deriving from economic, environmental and social developments. Corporate Sustainability leaders achieve long-term shareholder value by gearing their strategies and management to harness the market's potential for Sustainability products and services while at the same time successfully reducing and avoiding Sustainability costs and risks.

The quality of a company's strategy and management and its performance in dealing with opportunities and risks deriving from economic, environmental and social developments can be quantified and used to identify and select leading companies for investment purposes.

Leading Sustainability companies display high levels of competence in addressing global and industry challenges in a variety of areas:

**Strategy:** Integrating long-term economic, environmental and social aspects in their business strategies while maintaining global competitiveness and brand reputation.

**Financial:** Meeting shareholders' demands for sound financial returns, long-term economic growth, open communication and transparent financial accounting.

**Customer & Product:** Fostering loyalty by investing in customer relationship management and product and service innovation that focuses on technologies and systems, which use financial, natural and social resources in an efficient, effective and economic manner over the long-term.

**Governance and Stakeholder:** Setting the highest standards of corporate governance and stakeholder engagement, including corporate codes of conduct and public reporting.

**Human:** Managing human resources to maintain workforce capabilities and employee satisfaction through best-in-class organizational learning and knowledge management practices and remuneration and benefit programs.

Corporate Sustainability performance is an investable concept. This is crucial in driving interest and investments in Sustainability to the mutual benefit of companies and investors. As
this benefit circle strengthens, it will have a positive effect on the societies and economies of both the developed and developing world.

Q.2.) I certainly think that ALL sound companies must see their operation from a sustainable perspective; that is aiming at long term survival and growth of an efficient operation that does not over time consume more resources than it creates. This is certainly also in line with Japanese attitude to “muda” – all kinds of wasted resources. Top samples of these are: Waste from overproduction - Waste of time in waiting - Transportation waste - Processing waste - Inventory waste - Waste of motion - Waste from product defects

Q.3.) As in all change projects: Spending 90% of the time on preparations, explanations and motivations and 10% on implementation. The strong connection between Sustainability, productivity, efficiency, continuous adaptation and long-term survival are usually attractive messages to company staff – and there is where Sustainability is created and maintained. Not necessarily by shareholders or other stakeholders.

Q.4.) The absolute key role! Mainly because of above mentioned features of Sustainability

Q.5.) I actually don’t really know. There is a great risk to “emotionally” confuse Sustainability with conservatism. As a private person branding certain behaviours as “bad” and resisting the continuous natural change of resources, climate, species etc. When (over) simplifying Sustainability to non-wastefulness - it is easier.

Q.6.) Basically not consuming but rather converting resources. Having a long time survival perspective, respecting the ever- changing natural environment and aiming at as little “muda” in life as possible.

1.7. Interview with Duco Delgarge

Duco Delgarge is Australian national and is currently the Head of the Sustainable Committee of the European Business Council in Japan. Due to the time-difference and a tight schedule, no personal interview was conducted, nonetheless, was Mr Delgarge able to provide some
answers to the interview questions via E-Mail. The answers were received on the 10th of December 2011.

Q.1.) I adopt the Brundtland Commission definition:
"Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs".

Q.2.) I believe that Sustainability is essential to have as a company’s core value and competence, for long-term success and even survival.

Q.3.) Make it part of the company’s mission and build it into all aspects of the company’s operations.

Q.4.) Each employee can contribute to the mission on a daily basis by adopting this mentality and way of working.

Q.5.) I think that Sustainability becomes a fundamental principle that is adopted in private and business life.

Q.6.) I try to do what I can but feel I should do much more regarding:
Eating more organic, eating less meat, Turning off lights/air-condition, Using bags less, Using disposable chopsticks less, Learning about Sustainability and sharing with others

1.8. Interview with Elsa Quinel

Elsa Quinel is the current Assistant Manager of Communication within Biocoop France. Due to her tight schedule and the language barrier a personal interview was not available. She nonetheless, agreed to answer the questions via E-Mail in French. Her answers were received on the 2nd of February 2012. The following are the original answers in French, below is a translation into English.

Q.1.) Il s’agit de développer des process et des arguments écologiques pour accompagner la vente de son produit/service. Cela va désormais jusqu’à adapter le mode de fonctionnement
de l'entreprise à une démarche écologique et économique en ressources (électricité, papier, etc.)

Q.2.) Il s'agit désormais d'une obligation commerciale. Sans que ce soit forcément le cœur de métier de l'entreprise, c'est une condition nécessaire mais pas suffisante pour communiquer. Il faut que le service et la qualité soit aussi au RDV… Une entreprise ayant un service/produit performant mais une mauvaise image en terme de développement durable finirait par se retrouver en difficulté.

Q.3.) La première et plus importante étape est l'adhésion des salariés à la démarche de développement durable. Ensuite la gestion de l'entreprise (achats, choix des fournisseurs, constructions, directives internes…) doit cadrer avec cette démarche. Et enfin, la communication interne doit reporter les efforts faits par la société et encourager les actes des salariés allant dans ce sens.

C'est seulement ensuite, une fois que cette démarche a bien été intégrée et a bien fait ses preuves qu'il sera possible de communiquer dessus en externe.

Q.4.) Dans ses missions l'employé doit prendre en compte la politique de développement durable définie par la direction. C'est en effet par son travail que l'employé construit l'entreprise, sans ses actions et son adhésion au projet les directives restent abstraites.

Le deuxième rôle de l'employé est intellectuel : si sa conviction est suffisamment forte, il peut poursuivre son engagement en faveur du développement durable dans sa vie de tous les jours et être un relais d'opinion.

Q.5.) L'attachement au développement durable doit être une valeur intrinsèque, même si elle n’est pas la valeur dominante d’une personne. Plusieurs raisons à cela :

- travailler en respectant des règles strictes mais non "indispensables" quant à la réalisation d’une tâche impose d’y croire profondément car c’est très contraignant.
- le fait de ne pas partager personnellement cette valeur entraîne le risque de se détacher peu à peu de ces règles et de s’autoriser des « écarts » dans le travail. Or c'est une valeur qui impose
un respect strict. Tout manquement qui viendrait à se savoir serait un point négatif qui nuirait gravement à l'image de l'entreprise à l'interne comme à l'externe. Ainsi même si un énorme travail a été fourni dans l'ensemble on ne retiendrait que la partie négative.

Q.6.) A mon entrée dans la vie active, je n’ai pas compris tout de suite le terme « développement durable », le prenant pour un mot de communiquant (et pourtant je suis une communicante !) pour signifier l’écologie.

Travaillant désormais dans ce secteur j’en ai découvert le sens large qui pourra se réduire selon moi à la suppression du principe de "l’exploitation" pour aller vers un principe de "bonne intelligence":
par la recherche d’un autre type de société basé sur l’humain et la nature sans que l’un empêche l’autre de se développer. C’est-à-dire, trouver des moyens de continuer à faire évoluer la société sans mettre en péril les ressources terrestres, ce qui aboutirait à mettre en péril la société.

En développant un projet de société qui vise à une coopération et une collaboration entre les hommes.

En abandonnant la recherche de toujours plus de profit pour privilégier une société dont la production répondrait simplement aux besoins. Ceci sans pour autant empêcher le développement de nouvelles entreprises ou projets commerciaux mais nécessitant d’être plus créatif pour proposer de nouvelles choses (et pas forcément la même chose toujours moins cher).

1.8.1. English Translation:

Q.1.) It is about developing an ecological process and arguments that will accompany the sale of a product or service. Nowadays it can go up to adapting the operating mode of the company to an ecological and economical approach in resources (electricity, paper, etc.).

Q.2.) Today it's more of a commercial obligation. Without it necessarily being the heart of the company's operation, it is nevertheless, a condition that is necessary, but not sufficient to only
communicate. Service and quality must also be aligned. A company that has a constant service / product but a bad image concerning Sustainability will end up having a few problems.

Q.3.) The first and most important step is the adherence of the employees to the procedure of Sustainability. Next, the management of the companies business (purchases, choice of providers, constructions, internal guidelines...) must harmonize with this procedure. And, finally, the internal communication must be aligned with the company's efforts and encourage the employees' acts going in the same direction.

Only then, when this procedure has been well integrated and has proved its worth, it will be possible to communicate about Sustainability to the external environment.

Q.4.) During his missions the employee must respect the policy of Sustainability defined by the head quarter. Indeed, it's by his work that the employee builds the company; without his actions and his adhesion to the project, the guidelines remain abstract.

The second role of the employee is of intellectual order: if his conviction is strong enough, he can continue pursuing his engagement in favour of Sustainability in his every-day-life and be a mediator of opinions.

Q.5.) The attachment to Sustainability must be an intrinsic value, even if it isn't the dominant value of a person. There are several reasons to that:

- To work while respecting strict yet not indispensable rules concerning the accomplishment of a job means you really need to believe in it because it's very compelling.
- Not sharing personally this value causes the risk of detaching oneself from these rules of allowing oneself to diverge during work. However, it is a value that demands strict respect. Any lack of respect that might occur would be a negative point, which will harm the image of the company badly, as much internally as externally. So, even if huge work (progress) had been accomplished altogether, one would only remember the negative part.

Q.6.) When I started working, I didn't understand right away the term "Sustainability". I thought it was a communicational word that meant ecology. Now that I work in the sector,
I've discovered its real meaning, which could, in my opinion, be reduced to the suppression of the principle of "exploitation" to go more to a principle of "good intelligence". How?

- research of a different type of society based on the human and the nature without one preventing the other from developing itself. That means, finding ways to continue making society develop without endangering the earth's resources, which would end up putting society at risk.
- by developing a society project aiming at a cooperation and collaboration among humans.
- by abandoning the search of making always more profit in order to privilege a society whose production simply answers our needs.

All this, without preventing the development of new companies or commercial projects, but still promoting the need to be more creative in order to develop new things (and not necessarily the same thing less expensive).

1.9. Interview DI Gerhard Koch

The interview was conducted with DI Gerhard Koch, who is Head of Eurolobbying within Wienerberger. The interview was conducted on the 15th of March 2012 at 13:30 pm via telephone over a period of 40 minutes. It was held in German and notes were made on paper. The questions for these interview were slightly altered as the Wienerberger Sustainability Report contained a lot of information regarding the anticipate interview.

Upon the first question Mr Koch elaborated on his definition of Sustainability. Concrete he referred to the general understanding within Wienerberger, nonetheless, stated that his view is a bit broader. He mentioned that this view changed recently upon external consulting activities that indicated no clear link of Sustainability to Wienerbergers strategy and the missing of clear KPIs. Upon his definitions Mr Koch referred to 4 dimensions and the activities they indicate within Wienerberger and his understanding. The following represents a graphical illustration of the dimension referred to by Mr Koch.

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production</td>
<td>Energy efficiency</td>
</tr>
</tbody>
</table>

Jürgen Leithner
| Products | Environmental Product Declaration (EPDs)  
Building efficiency (especially for customers) |
|----------|------------------------------------------|
| Employees | Job security  
Safety on the job  
Development and education  
Diversity management |
| Corporate Social Responsibility | Creation of habitats (concrete building projects in India, Romania)  
Education (Wienerberger Akademie, for less fortunate) |

A follow-up question was asked regarding Wienerbergers ambitions towards including stakeholders. He referred to this by stating that it is very common within Wienerbergers industry sector to include stakeholders into the decision-making activities. Mr Koch further stated that this aspect, in special regards to Corporate Sustainability, is on the top of the to-do agenda. He explained it as an established procedure but with need for further action.

Upon the second question Mr Koch stated that for him personally sustainable business is an absolute must. It defines for him even market success if it is executed honestly. Later during the question he repeatedly stated that Sustainability is personal responsibility. A question was discussed upon sustainable action regarding SMEs. Upon this he stated that it is probably not to big extend realizable for SMEs but that there would be a difference in communicating CSu and actually doing it. He therefore, stated that a SME that has CSu included in their strategy would most likely not report and communicate it in a way that big organizations do.

Mr Koch, referring to CSu as a long and intensive process, answered question three. He indicated that it was a long way for Wienerberger to include CSu. It took nine years from the decision to implement it as a core-value to the first Sustainability Report. He further stated,
that it is essential, that such activities should not be forced top-down and that it has to be lived by the whole organization.

This lead to question four, where he stated that the employee plays an essential role within this spectrum of CSu. He stated, that for Wienerberger it is important to include ideas of their employees into their CSu strategies. He justified this by stating that the worker directly in the field usually has a better understanding of the process than a top-executive in the HQ. Mr Koch also demonstrated an example of how important the employees are for them in idea-creation towards CSu. He mentioned that Wienerberger has a Sustainability Manager in each of their 27 operating countries, who ensures the communication flow top-down and bottom-up.

Regarding the values he elaborated on a mutual effect of values. He stated that the organizational values unequivocally change personal values and vice versa, as only the sum of the personal values defines the organizational culture and therefore, its values. He stated that within Wienerberger both, organizational and personal values are harmonized and, that represents a very important aspect for Wienerberger, also upon recruiting. Mr Koch also believes, that organizational values might influence cultural values and illustrated this by referring to their subsidies in the USA, Canada and India. He strongly believes that through the organization, employees at the subsidiaries think differently.

Upon his personal commitment as a private person, towards Sustainability he stated that he has to do way more. Nonetheless, he stated that his work at Wienerberger, especially with reference to Sustainability influenced his personal values. He stated that he knows more about the topic and is more aware of the practices, but still does not fully live up to his own values. Here, referred to the generation aspect, indicating that his generation knows about Sustainability but does not act accordingly. What he does, is to try to give his sustainable values to his children, as he sees ‘my generation’ and younger generations as the key for a better planet.

Within this conversation a further question was asked: Do you think that new start-ups play a role within the promotion and understanding of CSu? He stated that new start-ups would only have a minor to a non-existing role within this concept, also referring to his previous
statement about SMEs. Furthermore he stated, that it is more essential to convince the big players towards sustainable practices.

Thanking Mr Koch for his time and commitment for this thesis and by his expression of high interest in the outcome ended the interview.

2 Tables

2.1. History of the origins of Sustainability

<table>
<thead>
<tr>
<th>Year</th>
<th>Occurrence</th>
</tr>
</thead>
<tbody>
<tr>
<td>10,000 – 3,000 BCE</td>
<td>Agriculture superseded the Hunter-Gatherer lifestyle. Mankind started to cultivate plants and animals to their favour.</td>
</tr>
<tr>
<td>1772 BCE</td>
<td>The Code of Hammurabi, indicating the duties of workers. Stating punishment if crops remained unused and punishment for endangering others.</td>
</tr>
<tr>
<td>500 - 70 BCE</td>
<td>Judaist religion originated, mankind understood themselves as descendants of god</td>
</tr>
<tr>
<td>384 – 322 BCE</td>
<td>Aristotle’s focus on husbandry and nature as a resource for the careful use of society.</td>
</tr>
<tr>
<td>1 AD</td>
<td>Christian believe prospered. People believed in the superiority of mankind on planet earth. They saw themselves as the shepherd of the earth. They are the end of the evolution.</td>
</tr>
<tr>
<td>12\textsuperscript{th} – 16\textsuperscript{th} century AD</td>
<td>Balanced resource consumption and reproduction in forestry. The German word “nachhaltiger Ertrag” – sustained yield was used for the first time.</td>
</tr>
<tr>
<td>18\textsuperscript{th} century AD</td>
<td>The Enlightenment movement rose and thinkers such as Adam Smith and John Stuart Mill. Questioned the cause of the rising population and rapid industrialisation.</td>
</tr>
<tr>
<td>1798 AD</td>
<td>‘An essay on the principle of population’ by Thomas Malthus. Malthus stated that population grew exponentially while resources grew arithmetically and as a consequence the earth would only be able to sustain a certain maximum population.</td>
</tr>
<tr>
<td>1960 AD</td>
<td>General awareness of Sustainability issues grew in the Western,</td>
</tr>
<tr>
<td>Year</td>
<td>Event</td>
</tr>
<tr>
<td>--------</td>
<td>----------------------------------------------------------------------</td>
</tr>
<tr>
<td>1962 AD</td>
<td>Rachel Carson publishes the ‘Silent Spring’ argued that the use of pesticides was killing wildlife and causing damage on humans.</td>
</tr>
<tr>
<td>1967 AD</td>
<td>The Environmental Defense Fund (EDF) is formed to pursue legal solutions to environmental damage.</td>
</tr>
<tr>
<td>1968 AD</td>
<td>The Intergovernmental Conference for Rational Use and Conservation of the Biosphere (UNESCO) is held and early discussions about the ecologically sustainable development occurred.</td>
</tr>
<tr>
<td>1969 AD</td>
<td>‘Friends of the Earth’ was found with the aim to prevent environmental degradation, preservation of diversity and the role of the citizen in decision-making.</td>
</tr>
<tr>
<td>1969 AD</td>
<td>The US passes the National Environmental Policy Act, making it a figurehead for establishing a national legislative framework to protect the environment.</td>
</tr>
<tr>
<td>1972 AD</td>
<td>UN Conference on the Human Environment and United Nations Environment Programme (UNEP) is held in Stockholm. Leads to the establishment of UNEP.</td>
</tr>
<tr>
<td>1972 AD</td>
<td>The Club of Rome published ‘Limits to Growth’, which uses the modern term of Sustainability for the first time. It modelled the consequences of an increasing population and finite resources.</td>
</tr>
<tr>
<td>1980 AD</td>
<td>The World Conservation Strategy released by the International Union for the Conservation of Nature (IUCN) uses the wording ‘sustainable development’ as subtitle for a section within this doctrine.</td>
</tr>
<tr>
<td>1980 AD</td>
<td>The ‘Global 2000’ report is released and recognizes for the first time that biodiversity is a critical factor for the functioning of the planetary ecosystem.</td>
</tr>
<tr>
<td>1985 AD</td>
<td>The World Meteorological Society, UNEP and the Council of Scientific Unions meet in Austria to report on a build-up of</td>
</tr>
<tr>
<td>Year</td>
<td>Event Description</td>
</tr>
<tr>
<td>----------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>1987 AD</td>
<td>The World Commission on Environment and Development publishes the Brundtland Report also known as ‘Our Common Future’. It defines sustainable development as something that meets the needs of the present without compromising the ability of future generations to meet their own needs.</td>
</tr>
<tr>
<td>1992 AD</td>
<td>The Earth Summit is held in Rio de Janeiro were agreements are conducted about the action plan Agenda 21.</td>
</tr>
<tr>
<td>1997 AD</td>
<td>The Kyoto Protocol evolves out of the Agenda 21 agreements, indicating the reduction of greenhouse-gas emissions.</td>
</tr>
<tr>
<td>1999 AD</td>
<td>The Dow Jones Sustainability Index is launched, providing investors information about profitable organizations following sustainable development principles</td>
</tr>
<tr>
<td>2000 AD</td>
<td>The UN Millennium Development Goals occurs, which represents the largest gathering of world leaders to establish measurable goals for among others combating environmental degradation by 2015.</td>
</tr>
<tr>
<td>2002 AD</td>
<td>World Summit on Sustainable development in Johannesburg promotes partnerships among nations to deal with the lack of government progress concerning sustainable development.</td>
</tr>
<tr>
<td>2005 AD</td>
<td>The Kyoto protocol comes into force, which binds ratified countries legally to reduce greenhouse-gas emissions.</td>
</tr>
<tr>
<td>2006 AD</td>
<td>The Stern Report is released indicating that the cost of inaction to climate change will be 20 times higher than addressing this issues now.</td>
</tr>
<tr>
<td>2007 AD</td>
<td>Al Gore releases his documentary movie ‘An Inconvenient Truth’ creating widespread public awareness about environmental issues.</td>
</tr>
<tr>
<td>2009 AD</td>
<td>The UN Climate Change Summit in Copenhagen ends in great disappointment as the gaps between developed and developing nations widen, upon the question of Sustainability.</td>
</tr>
<tr>
<td>2009 AD – now</td>
<td>Sustainability as core business value is prospering. Jack Welch former CEO of GE criticised the single shareholder focus by</td>
</tr>
</tbody>
</table>
calling it the ‘dumbest idea in the world’. Multinational organization establish Sustainability programs within their organization (e.g. Unilever, BMW)

2.2. Waste production

<table>
<thead>
<tr>
<th>Rank</th>
<th>Countries</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>United States:</td>
<td>760 kgs per person per year</td>
</tr>
<tr>
<td>2</td>
<td>Australia:</td>
<td>690 kgs per person per year</td>
</tr>
<tr>
<td>3</td>
<td>Denmark:</td>
<td>660 kgs per person per year</td>
</tr>
<tr>
<td>4</td>
<td>Switzerland:</td>
<td>650 kgs per person per year</td>
</tr>
<tr>
<td>5</td>
<td>Canada:</td>
<td>640 kgs per person per year</td>
</tr>
<tr>
<td>6</td>
<td>Norway:</td>
<td>620 kgs per person per year</td>
</tr>
<tr>
<td>7</td>
<td>Netherlands:</td>
<td>610 kgs per person per year</td>
</tr>
<tr>
<td>8</td>
<td>Ireland:</td>
<td>560 kgs per person per year</td>
</tr>
<tr>
<td>8</td>
<td>United Kingdom:</td>
<td>560 kgs per person per year</td>
</tr>
<tr>
<td>8</td>
<td>Austria:</td>
<td>560 kgs per person per year</td>
</tr>
<tr>
<td>11</td>
<td>Belgium:</td>
<td>550 kgs per person per year</td>
</tr>
<tr>
<td>12</td>
<td>Germany:</td>
<td>540 kgs per person per year</td>
</tr>
<tr>
<td>13</td>
<td>France:</td>
<td>510 kgs per person per year</td>
</tr>
<tr>
<td>14</td>
<td>Italy:</td>
<td>500 kgs per person per year</td>
</tr>
<tr>
<td>15</td>
<td>Finland:</td>
<td>460 kgs per person per year</td>
</tr>
<tr>
<td>16</td>
<td>Sweden:</td>
<td>450 kgs per person per year</td>
</tr>
<tr>
<td>17</td>
<td>Japan:</td>
<td>410 kgs per person per year</td>
</tr>
</tbody>
</table>

Weighted average: 572.4 kgs per person per year

Source: Nationmaster (2012)
2.3. Overview Episodic vs. continuous change

<table>
<thead>
<tr>
<th></th>
<th>Episodic change</th>
<th>Continuous change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metaphor of organization</td>
<td>Organizations are inertial and change is infrequent, discontinuous, intentional.</td>
<td>Organizations are emergent and self-organizing, and change is constant, evolving, cumulative.</td>
</tr>
<tr>
<td>Analytic framework</td>
<td>Change is an occasional interruption or divergence from equilibrium. It tends to be dramatic and it is driven externally. It is seen as a failure of the organization to adapt its deep structure to a changing environment.</td>
<td>Change is a pattern of endless modifications in work processes and social practice. It is driven by organizational instability and alert reactions to daily contingencies. Numerous small accommodations cumulate and amplify.</td>
</tr>
<tr>
<td>Perspective</td>
<td>Macro, distant, global.</td>
<td>Micro, close, local.</td>
</tr>
<tr>
<td>Emphasis</td>
<td>Short-run adaptation.</td>
<td>Long-run adaptability.</td>
</tr>
<tr>
<td>Key concepts</td>
<td>Inertia, deep structure of interrelated parts, triggering, replacement and substitution, discontinuity, revolution.</td>
<td>Recurrent interactions, shifting task authority, response repertoires, emergent patterns, improvisation, translation, learning,</td>
</tr>
<tr>
<td>Ideal organization</td>
<td>The ideal organization is capable of continuous adaptation.</td>
<td>The ideal organization is capable of continuous adaptation.</td>
</tr>
<tr>
<td>Intervention theory</td>
<td>The necessary change is created by intention. Change is Lewinian: inertial, linear, progressive, goal seeking, motivated by disequilibrium, and requires outsider intervention.</td>
<td>The change is a redirection of what is already under way. Change is Confucian: cyclical, processional, without an end state, equilibrium seeking, eternal.</td>
</tr>
<tr>
<td>1. Unfreeze</td>
<td>Disconfirmation of expectations, learning anxiety, provision of psychological safety.</td>
<td>1. Freeze: make sequences visible and show patterns through maps, schemas, and stories.</td>
</tr>
<tr>
<td>2. Transition</td>
<td>Cognitive restructuring, semantic redefinition, conceptual enlargement, new standards of judgment.</td>
<td>2. Rebalance: reinterpret, relabel, resequence the patterns to reduce blocks. Use logic of attraction.</td>
</tr>
<tr>
<td>3. Refreeze</td>
<td>Create supportive social norms, make change congruent with personality.</td>
<td>3. Unfreeze: resume improvisation, translation, and learning in ways that are more mindful.</td>
</tr>
<tr>
<td>Role of change agent</td>
<td>Role: prime mover who creates change.</td>
<td>Role: Sense maker who redirects change.</td>
</tr>
<tr>
<td>Process</td>
<td>Focuses on inertia and seeks points of central leverage.</td>
<td>Recognizes, makes salient, and reframes current patterns. Shows how intentional change can be made at the margins. Alters meaning by new language, enriched dialogue, and new identity. Unblocks improvisation, translation, and learning.</td>
</tr>
<tr>
<td>Changes meaning systems</td>
<td>Speaks differently, communicates alternative schema, reinterprets revolutionary triggers, influences punctuation, builds coordination and commitment.</td>
<td></td>
</tr>
</tbody>
</table>
2.4. Van Marrewijk's Multiple levels of Corporate Sustainability

<table>
<thead>
<tr>
<th>Principles</th>
<th>Pre-CS (Red)</th>
<th>Compliance - driven CS (Blue)</th>
<th>Profit-driven CS (Orange)</th>
<th>Caring CS (Green)</th>
<th>Synergistic CS (Yellow)</th>
<th>Holistic CS (Turquoise)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CS ambition level / definition</td>
<td>At this level there is basically no ambition for CS. However, some steps labelled as CS might be initiated if forced from outside (e.g. through legislation or a buyers' strike).</td>
<td>CS at this level consists of providing welfare to society, within the limits of regulations from the rightful authorities. In addition, organizations might respond to charity and stewardship considerations.</td>
<td>CS at this level consists of the integration of social, ethical and ecological aspects into business operations and decision-making, providing it contributes to the financial bottom line.</td>
<td>CS consists of balancing economic, social and ecological concerns, which are all important in themselves. CS initiatives go beyond legal compliance and beyond profit considerations.</td>
<td>CS consists of a search for well-balanced, functional solutions creating value in the economic, social and ecological realms of corporate performance, in a synergistic, win-together approach with all relevant stakeholders.</td>
<td>CS is fully integrated and embedded in every aspect of the organization, aimed at contributing to the quality and continuity of life of every being and entity, now and in the future.</td>
</tr>
<tr>
<td>Internal drivers / motivation behind CS</td>
<td>The impact of the decision on personal power</td>
<td>Criteria for decision making</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>----------------------------------------</td>
<td>---------------------------------------------</td>
<td>------------------------------</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The awareness that CS could increase personal power (e.g. through reputation improvement)</td>
<td>The decision should be taken by the correct authority according to the proper procedures and in line with the basic purpose</td>
<td>Source: Van Marrewijk (2002)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A sense of moral duty (e.g. regarding charity or stewardship): CS is perceived as a duty or correct behaviour</td>
<td>Financial criterion: Shortest <code>pay out period</code>, highest expected profit, return on investment or shareholder value</td>
<td>* People, Planet, and maybe Profit * Taken after consensus or at least with consent of all relevant stakeholders</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Awareness of the business case for CS: CS is promoted when it is thought to contribute to personal success and the financial bottom line * Relevant issues e.g.: reputation in various markets, or a perceived profit risk in not installing a CS policy (e.g. possibility of scandals)</td>
<td>Balanced, functional decision, taking into account all available expertise and considerations with long term view perspective</td>
<td>Balanced, functional decision, taking into account all available expertise and considerations with long term view perspective</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal values and beliefs of top management and all participants that social and environmental care are important as such</td>
<td>Personal values and beliefs of all stakeholders as well as top management that Sustainability, social and environmental aspects are important as such and inevitable given long-term trends</td>
<td>Conviction that Sustainability on a worldwide scale is the only alternative, since all beings and phenomena are mutually interdependent. Each person or organization therefore has a universal responsibility towards all other beings, both in the present and of future generations.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### 2.5. Examples of Balanced Scorecard Measures for Sustainability

<table>
<thead>
<tr>
<th>Financial</th>
<th>Social</th>
<th>Customer</th>
<th>Social</th>
</tr>
</thead>
<tbody>
<tr>
<td>- environmental $ saved</td>
<td>- philanthropic $ contributed</td>
<td>- $ cause-related marketing</td>
<td>customer perceptions</td>
</tr>
<tr>
<td>- $ fines/penalties</td>
<td>- $ workers compensation costs</td>
<td>- # “green” products</td>
<td># of cause-related events</td>
</tr>
<tr>
<td>- EH&amp;S costs (% of sales)</td>
<td>- # employee lawsuits</td>
<td>- product safety</td>
<td>supported (e.g., breast cancer, AIDS)</td>
</tr>
<tr>
<td>- % proactive vs. reactive expenditures</td>
<td>- legal actions / costs</td>
<td>- # recalls</td>
<td></td>
</tr>
<tr>
<td>- increase in relative % of proactive expenditures</td>
<td>- training budgets</td>
<td>- unfavorable press coverage</td>
<td>safety, recreation, etc.</td>
</tr>
<tr>
<td>- % environmental costs positioned</td>
<td>- revenue from socially</td>
<td>- % products reclaimed after use</td>
<td># community meetings</td>
</tr>
<tr>
<td>direct-traced products</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- $ capital investments</td>
<td>- increased sales from improved reputation (e.g., energy costs of a washing machine)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- energy costs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- disposal costs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- recycling revenues</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- revenues from green products</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- $ operating expenditures</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- reduction in cost of debt</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- cost avoidance from environmental actions</td>
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</tbody>
</table>

#### Internal Business Processes

<table>
<thead>
<tr>
<th>Environmental</th>
<th>Social</th>
<th>Environmental</th>
<th>Social</th>
</tr>
</thead>
<tbody>
<tr>
<td>- # LCA's performed</td>
<td>- # employee accidents</td>
<td>- % of employees trained</td>
<td>- workforce diversity (age, gender, race)</td>
</tr>
<tr>
<td>- % materials recycled</td>
<td>- # lost workdays</td>
<td>- # training programs/hours</td>
<td></td>
</tr>
<tr>
<td>- % waste to landfill</td>
<td>- # days work stoppages</td>
<td>- reputation per surveys</td>
<td>- management diversity</td>
</tr>
<tr>
<td>- # certified suppliers</td>
<td>- hours overtime work</td>
<td>- inclusion in “green” funds</td>
<td>- # internal promotions</td>
</tr>
<tr>
<td>- # accidents/spills</td>
<td>- average work week hours</td>
<td>- # employee complaints</td>
<td>- employee volunteer hours</td>
</tr>
<tr>
<td>- # audits/year</td>
<td>- $ warranty claims</td>
<td>- # community complaints</td>
<td>- average length of employment</td>
</tr>
<tr>
<td>- # truck miles</td>
<td>- $ minority business purchases</td>
<td>- # shareholder complaints</td>
<td>- # involuntary discharges</td>
</tr>
<tr>
<td>- % office supplies recycled</td>
<td>- # plant tours/visitors</td>
<td>- unfavorable press coverage</td>
<td>- employee education $</td>
</tr>
<tr>
<td>- internal audit scores</td>
<td>- # non-employee accidents</td>
<td>- # violations reported by</td>
<td>- # family leave days</td>
</tr>
<tr>
<td>- energy consumption</td>
<td>- certifications</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- % facilities certified</td>
<td>- suppliers certified</td>
<td>- # of employees with incentives</td>
<td>- salary gaps between genders/races</td>
</tr>
<tr>
<td>- % of product remanufactured</td>
<td>- # supplier violations</td>
<td>linked to environmental goals</td>
<td>- employee satisfaction</td>
</tr>
<tr>
<td>- packaging volume</td>
<td>- environmental quality of facilities</td>
<td>- # of functions with</td>
<td>- $ “quality of life” programs</td>
</tr>
<tr>
<td>- nonproduct output labor</td>
<td>- observance of international standards</td>
<td>environmental responsibilities</td>
<td>- % of employees owning company</td>
</tr>
<tr>
<td>- # supplier audits/year</td>
<td></td>
<td>- management attention to stock</td>
<td></td>
</tr>
<tr>
<td>- fresh water consumption</td>
<td>- # safety improvement projects</td>
<td>environmental issues</td>
<td>- # applicants/job openings</td>
</tr>
<tr>
<td>- greenhouse gas emissions</td>
<td></td>
<td>- % of employees using car pools</td>
<td></td>
</tr>
<tr>
<td>- air emissions</td>
<td></td>
<td>- # employees with disabilities</td>
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#### Learning and Growth

<table>
<thead>
<tr>
<th>Environmental</th>
<th>Social</th>
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<tbody>
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<tr>
<td>– water emissions</td>
<td>– workforce equity</td>
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<td></td>
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<tr>
<td>-- hazardous material output</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>– vehicle fuel use</td>
<td></td>
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<tr>
<td>– habitat changes due to operations</td>
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</tbody>
</table>

Source: Epstein and Wisner (2001)
3 Figures

3.1. World Greenhouse Gas emission

3.2. The iceberg of change management by Krüger

![Iceberg Diagram]

Source: Krüger (1996)

3.3. Exemplary System Dynamics model

![System Dynamics Model]

Source: Anand & Vrat & Dahiya (2006)
Linnaeus University – a firm focus on quality and competence

On 1 January 2010 Växjö University and the University of Kalmar merged to form Linnaeus University. This new university is the product of a will to improve the quality, enhance the appeal and boost the development potential of teaching and research, at the same time as it plays a prominent role in working closely together with local society. Linnaeus University offers an attractive knowledge environment characterised by high quality and a competitive portfolio of skills.

Linnaeus University is a modern, international university with the emphasis on the desire for knowledge, creative thinking and practical innovations. For us, the focus is on proximity to our students, but also on the world around us and the future ahead.