Managing the change to sustainability

Penny Walker **looks at what environment and sustainability professionals need to understand about managing their organisation onto the path to sustainable development.**

"No one took the sustainability initiatives seriously, until we saw that our legal department had rewritten the standard contracts. Then we knew they meant it." This sustainability professional highlights a key turning point in his engineering business: the "do they really mean it?" test, which is woven into organisational culture and is the means by which — unconsciously — everyone measures new initiatives.

So, how do you avoid sustainability being just another passing fad or set of boxes to tick (or ignore)?

The starting point

Begin with understanding where you are now, where you want to be, and how your organisation changes.

Denier	Complier	Risk mitigator	Opportunity maximiser	Champion

Sustainability maturity spectrum
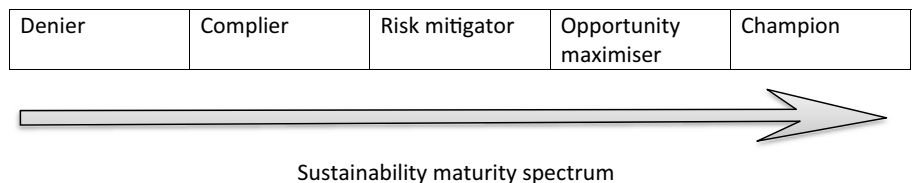
From Ainsbury, R and Grayson, D, *Business Critical: Understanding a Company's Current and Desired Stages of Corporate Responsibility Maturity* (2014), Cranfield University, in Walker, P, *Change Management for Sustainable Development* (2017), IEMA.

Where is your organisation now on this spectrum?

Denier	Ignoring sustainability issues as not happening or not our problem.
Complier	Doing what is needed to meet legal and contractual obligations and no more.
Risk mitigator	Using sustainability insights to cut costs and reduce risks.
Opportunity maximiser	Finding new products and services, and new markets. Improving company reputation with customers, suppliers, staff.
Champion	Advocating sustainability, collaborating to change the system.

The aim is to move along the spectrum so your organisation is playing its full part in creating a sustainable future — and succeeding better in its core mission by doing so. This requires change at every level: in what our organisation does and how it does it, to the guiding culture that informs strategy and day-to-day decisions.

So you need to understand how organisations change. And you need to understand specifically how *your* organisation changes.

What might change?

As an organisation becomes more sustainable, change is happening at many levels. Some of the changes are operational, some involve the support functions, and others affect organisational strategy and direction. The changes can often be seen in the following.

- Direct and indirect impacts: in terms of how the organisation uses raw materials and energy, its products and services, its sites and premises, the waste it generates.
- Culture, ie what the organisation is like. This might include organisational structure, roles, rewards and incentives; what it measures and values; how and what it communicates to its people, customers, and in policy debates.
- Staff and stakeholders: eg suppliers, customers, regulators, contractors; the skills, commitment, attitudes expected of the people who work in and for it; what staff and customers really think.
- The external context, the system: ie market, competitors, cost of energy and materials, as well as the laws, regulations and tax regime the organisation operates within.

Some of these things are relatively easy for a small team of people to evaluate and change, like switching to renewable energy or adding a question about how proud people are of their employer to the staff survey and investigating what would improve that score. Note, however, that even seemingly trivial changes can generate a backlash if they are imposed without discussion.

Other changes can only happen with the active support of a wide range of people from different departments, levels, sites and points of view. It is relatively straightforward to change the words on a statement of values. Knowing what to change it to, and then supporting everyone to understand and live the new values needs a thorough, well-resourced and agile approach to managing change.

Policies, rules and targets are not enough

We often turn to hard structures like policies, rules and targets when trying to change

things. If the new rules say you have to meet a particular standard for emissions, then setting the standard and the rules feels like job done.

But if people don't accept the rules, or if they find the standard hard to meet, then it's organisational culture and values which will determine how they react. Will they go down the route of honest engagement with the problem, working with colleagues, suppliers and customers to improve things? Or will they fiddle the figures, design ways of fooling the system and put their energy into subverting rather than supporting the sustainability aims?

"What if we don't change at all ... and something magical just happens."

The diesel emissions scandal, the UK Home Office's treatment of the Windrush generation, and the perverse impacts of school league tables show us that people are capable of finding really poor ways to meet targets or interpret policies.

The hard structures need to emerge from a well-informed, creative conversation with internal and external stakeholders about vision, values and purpose.

Where are we now? Where do we want to be? Why? What will it be like when we get there? How will we know we are moving in the right direction?

People who understand and support the end goal — especially through being involved in creating it — will work towards it, rather than paying lip service or undermining it.

That's a lot!

Lasting change takes a lot of work but many organisations have some good foundations in place already.

So begin where you can:

- understand your organisation and how it really works
- pick a strategy
- act, measure the impact, review the approach, repeat.

Five strategies for change

Depending on how committed senior leaders are to making a shift towards sustainability, and whether they prefer dramatic announcements or cautious planning, you have a choice of change strategies available.

1. *Planned whole-organisation change.* In practice, this is likely to be a series of smaller projects and engagement activities with oversight and coordination, sponsored by very senior leadership.
2. *Smaller, planned change.* The stakes are lower, as the change relates to a narrower set of issues, is less ambitious or is about just part of the organisation.
3. *Stake in the ground.* The CEO declares an ambitious target and challenges the organisation to meet it. Some organisations have responded to the public outcry about single-use plastics in this way.
4. *Surfing a wave of change.* Taking forward sustainability improvements on the back of another internal or external change which is happening anyway.
5. *Emergent change.* Change arises from numerous informal and semi-formal conversations and activities, as people discover others share their concerns and ambitions.

You may find that you utilise different strategies at different times, as your organisation begins to change and as the systems or context in which it is operating also change.

Penny Walker is a Chartered Environmentalist, Fellow of IEMA and an independent consultant. Her books include two editions of *Change Management for Sustainable Development* (2006, 2017) and *Working Collaboratively: A Practical Guide to Achieving More* (2013). She blogs at www.penny-walker.co.uk/blog.

Change in practice

Mike Barry leads M&S's sustainability work as Director of Plan A. He describes how the organisation is moving along the sustainability maturity spectrum.

"We are on a five-stage journey. First, reduction: less waste and energy. Second, business integration, so new stores or sites have sustainability built in. Third, engaging customers and colleagues so they understand why we do what we do on sustainability. That's where we are now. Fourth, innovate new business models. Fifth, building coalitions for a truly sustainable society. We know we can't do that alone."

The change will transform the whole organisation — and it won't happen overnight. Barry explains:

"I know that we are in the early stages of a business transformation, with Plan A. We're engaging the people who materially influence the performance of the business through centralised systems: the specifications, the suppliers, the way we manage energy and so on. We can include maybe three of the buyers out of a total of three hundred in the conversations we have to make sure the policy we develop and roll out works for them. But the next phase is to fully engage all 86,000 colleagues. Those people are proud that this is happening but not yet actively involved in making it happen. People underestimate these leaps."

The change strategy at M&S involves new processes, such as having a regular agenda item on the bi-monthly Operations Committee chaired by the CEO. It also involves changing the culture, ie enabling everyone to use good sustainability sense. Barry argues that:

"As the world gets faster and instant communication is the norm, people can't come back and check all the details with the sustainability specialists. Think about a store manager faced with a customer question or a buyer discovering a difficult situation in a supply chain. Their judgement and values will become increasingly important."

The quotes in this article are from Walker, P, *Change Management for Sustainable Development* (2017), IEMA.

At HSBC, Matthew Robinson heads up Sustainability Engagement. At the core of his work is an invitation-only Executive Leadership programme, which gets HSBC's leaders out into the environment monitoring the impacts of climate change as citizen scientists with Earthwatch. The experience can be life-changing, and has built networks of sustainability-savvy leaders in the company.

Robinson describes the way it has worked:

"As we rolled out the Executive Leadership programme, we began with the support functions. In effect, we put our own house in order, by involving Corporate Real Estate, IT, Ops and Procurement, combined with engaging our supply chain partners. We then moved on to the other two-thirds of the business — the client-facing, income-generating parts. Doing it this way not only helped reduce our environmental footprint, but also gave us a story to tell externally."

The impact has been felt in very practical ways.

"Having done a lot of work on our own footprint globally, the company is now looking to commercialise sustainability through supporting our customers' transition to a lower carbon economy. Governance and resources are being built around this agenda through the mobilisation of a global sustainable financing unit, which reports to a senior management committee called the Climate Business Council, which ultimately has ties to the bank's Group Management Board."

Claudine Blamey has led the sustainability work at a number of organisations in the property and development sector. She sees the value of building your credibility with quick wins, especially when senior leaders are not yet convinced of the business case.

"Choose wisely early on, start small, especially if you are in a risk-averse organisation. Get the leadership on board: the CEO or ExCo. Unless you bring them with you, it won't happen. Once you have a proven record of creating positive business change, then you can branch out."

Now at the Crown Estate, with a CEO who sees sustainability as integral to the business, she can take a different approach, combining strong leadership support with a robust process of engagement:

"I formed a group who were open to change, and we ran with a very bottom-up approach. We held lots of focus groups and consultation looking at what the problems were with how we do things now, what the opportunities are to change, what [the new culture] might look like in practice. There were twenty-six internal workshops, run by staff, focusing on the behaviours we'd see when the new culture was in place, including how colleagues would challenge each other. We had a communications plan, little nudges to remind people, it's in our induction and training, in our recruitment ads, the performance management process."

Not everyone will find themselves in such a promising situation. Blamey's advice is to understand your own organisation and its context really well, and gather a group of enthusiasts around you as the foundation for your change strategy:

"You need to understand what's going on in your organisation, listen, look, learn. Find out about the processes that are already in place that you can adapt. Look outwards, too, at the competition, at the trends in the world. And understand the organisational appetite: do they want to be leading or following? Look at what customer surveys are saying, for nuggets of information. Put together an internal team, made up of people from different levels: middle management, leaders, younger people. The agitators will gravitate towards you! Depending on the business, different job roles will be important but it needs to include the ones who deliver the core business day to day as well as marketing, corporate affairs, HR and so on. Look at the evidence you've found and come up with the areas to focus on."

You will face challenges. Blamey urges people not to give up when they hit resistance:

"It's really hard work. Many people are averse to change. So open up communications, get people excited, hear people's worries and objections, respond. And accept not everyone will come along. Some people will be lost. Be comfortable with that. Stick with the change." ∎