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# Toward Engagement 2.0: Creating a More Sustainable Company Through Employee Engagement





## **Business & Environment Program**

### **Mission Statement**

To increase the ability of business leaders to engage and educate employees to develop and meet sustainability goals.



### **About the National Environmental Education Foundation**

The [National Environmental Education Foundation](http://www.neefusa.org) (NEEF) provides knowledge to trusted professionals who, with their credibility, amplify messages to national audiences to solve everyday environmental problems.

Together, we generate lasting positive change. NEEF works with professionals in health, education, public lands and the media to connect the environment to everyday choices and actions so the public can live well while protecting and enjoying the environment.

Through our programs, such as Classroom Earth, National Public Lands Day, National Environmental Education Week, Earth Gauge® and our Pediatric Environmental History Initiative, we offer Americans knowledge to live by. To learn more, call (202) 833-2933, e-mail [business@neefusa.org](mailto:business@neefusa.org) or visit [www.neefusa.org](http://www.neefusa.org).



### **About the GreenBiz Group**

GreenBiz Group defines and accelerates the business of sustainability. GreenBiz Group is an integrated media company focused on supporting professionals who view sustainable practices as a core part of their businesses. GreenBiz is focused on telling the stories, providing the insights and advancing the sustainability profession through GreenBiz.com, GreenBiz Events, GreenBiz Intelligence and GreenBiz Connects. For additional information, visit [www.greenbiz.com](http://www.greenbiz.com).

### **Acknowledgments**

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NEEF expresses special thanks to the many organizations featured in this report: Baxter International Inc., BT, Cisco Systems Inc., eBay Inc., Intel Corp., Interface Inc., jcpenny, Johnson & Johnson, Lockheed Martin Corp., Pacific Gas & Electric Co., PwC, P&G, Seventh Generation Inc., Stonyfield Farm Inc., Toyota Motor Sales U.S.A. Inc. and Walmart Stores Inc. In particular, NEEF acknowledges the role of the Roundtable in providing content and strategic direction for this report.

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## Table of Contents

Letter of Introduction	4
Executive Summary	5
Overview	7
• Box: Survey Highlights	7
• Box: Business Case Best Practices	9
• Box: Assessing Your Corporate Culture: The Competing Values Framework	10
Methodology	12
Creating the Culture:	13
1. Permit	13
• Box: Establishing Value	13
• Baxter Case Study	14
2. Educate & Engage	16
• Examples in Practice:	16
a. Green Teams	16
b. Volunteerism	17
c. Social Media	18
d. Awards and Incentives	20
3. Act	21
• Stonyfield Farm Case Study	22
• Walmart Case Study	22
4. Embed	23
• jcpenny Case Study	24
5. Evaluate	26
• Interface Case Study	26
• PG&E Case Study	28
Lessons Learned	30
Looking Forward	31
Resources for Practitioners	32
Appendix A: Roundtable Members	36
Appendix B: Profiles of Companies in the Report	36
Appendix C: Case Study Highlights from <i>The Engaged Organization</i>	37
Appendix D: Survey Results	39



## Letter of Introduction

This report, the third produced by NEEF's Business & Environment Program, examines how leading companies are moving toward a more strategic approach to employee engagement in corporate sustainability activities by creating a culture of sustainability throughout their firms.

For the last four years, NEEF has elevated and encouraged the conversation within companies on the need, value and role of environmental and sustainability (E&S) employee engagement programs designed to enhance corporate sustainability goals. Through the NEEF Business Sustainability Education Roundtable, in which more than 20 companies have participated, NEEF has identified challenges, opportunities and success stories related to establishing and managing E&S employee engagement programs. Many of these success stories are shared in this report.

Toward the goal of making the valuable work of the Roundtable accessible to the larger business community, NEEF is pleased that GreenBiz Group has agreed to house the employee engagement work of the Business & Environment Program. GreenBiz Group reaches tens of thousands of businesses each month through a variety of media outlets—GreenBiz.com, newsletters, conferences, events, social media tools and other products and services that enhance the dialogue among companies on the best strategies to meet their sustainability goals. We are pleased that a new partnership between NEEF and GreenBiz Group will place employee engagement strategically as a focal area

for GreenBiz's vast business audience. Planned activities include continuing annual research studies on corporate employee engagement trends, featuring in GreenBiz media and meetings exemplary employee engagement programs inside companies, and publishing regular articles and columns on the topic by GreenBiz's editors and expert network. Employee engagement also will continue to be a key focus of the GreenBiz Executive Network, a membership-based, peer-to-peer learning forum for corporate sustainability executives.

Finally, we are grateful for the time, dedication and ideas contributed by the NEEF Roundtable members. The partnership with the GreenBiz Group would not have been possible without their support and commitment to successful employee engagement programs.

We hope you find this report useful, and welcome your feedback.

Sincerely,

Joel Makower  
Chairman and Executive Editor, GreenBiz Group Inc

Ken Strassner  
Retired Vice President, Global Environment, Safety,  
Regulatory and Scientific Affairs  
Kimberly-Clark Corp.

Diane Wood  
President, National Environmental Education Foundation

"At Kimberly-Clark, employees are our most valued resource and are at the center of all we do. That is why our broad-based Sustainability 2015 plan sets forth goals and a strategy to ensure that our business practices are beneficial to our employees. To achieve these goals, we involve and educate our employees in sustainability-related matters such as courses offered at the Neenah, Wisconsin, facility to develop environmentally preferred products and packaging and eliminating waste, or our Roswell, Georgia, site hosting sessions featuring internal and external sustainability experts, who provide diverse perspectives on sustainability issues. That is also why we support NEEF's Business & Environment program—we have seen the value of employee engagement firsthand and believe that it is worth sharing."

—Suhaz Apte, Vice President for Global Sustainability, Kimberly-Clark Corp.





## Executive Summary

Companies recognize that greening their products and operations is a source of value and that all employees must be engaged in the effort to ensure its success.

Previous work of the National Environmental Education Foundation (NEEF) revealed that engaging employees in sustainability initiatives can improve a business' bottom line and help it reach its sustainability goals. An August 2011 survey by GreenBiz Group and NEEF indicates E&S knowledge remains valued by companies and is expected to increase in importance as a hiring factor.

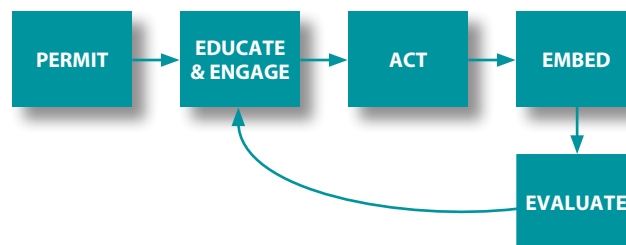
Since beginning this work four years ago, NEEF has observed that the practice of environmental and sustainability (E&S) employee education and engagement has spread rapidly and evolved into a more institutionalized element of companies' broad sustainability strategies. We call this next version of employee engagement, "Engagement 2.0."

A theme throughout this work remains the need for companies to strike a balance between fostering

the employee passion and volunteer spirit that are the hallmarks of engagement and providing the organizational support and structure that helps to align employee activities with company priorities and demonstrate its value. This balance ensures the sustainability of the engagement effort.

Many companies still are working to incorporate their sustainability vision, goals and strategy into their company culture despite its espoused value. This report addresses these challenges by examining how leading companies are moving toward "Engagement 2.0" by creating a culture of sustainability through E&S employee education and engagement.

The model below illustrates this process. While employee engagement sometimes is dismissed as trivial in terms of sustainability impact, it becomes material when it is transformed into action and ultimately embedded in the corporate DNA.



In this report, the reader will find company case studies and examples in practice for each step in the model, as well as practitioner-focused "how to" boxes about assessing corporate culture, making the business case and delivering value through employee engagement. Highlights from the case studies include:

- Baxter's World Environment Week grants employees direct **permission** to take sustainability action. In 2010, Baxter employees in more than 70 facilities in 25 countries sponsored local events for Baxter World Environment Week focused on water conservation. This sense of permission and empowerment positively contributes to the company's ability to achieve its environmental goals and reductions in energy, greenhouse gas emissions, waste and water usage.



- Numerous examples in practice of how companies are **educating and engaging** their employees using green teams, social media, volunteerism and awards and incentives programs.
- Stonyfield Farm and Walmart empower employees to take **action at work**, as well as at home and in their communities, resulting in reductions in company energy use (per ton of product) of more than 22 percent, and 500,000 associates engaged in voluntary sustainability efforts, respectively.
- At jcpenny, corporate social responsibility and human resources managers collaborate to **embed** sustainability into the corporate culture through resource teams, new employee orientation and training, alignment in communication related to corporate sustainability goals and an annual survey.
- Pacific Gas & Electric (PG&E) **evaluates** employee engagement through an annual survey and tracks a number of indicators that measure employee engagement, such as employee volunteer hours and participation in employee-led groups that help foster diversity and inclusion, such as a growing grassroots green network. PG&E also measures progress toward five-year targets for reducing energy, water and waste in its facilities—important initiatives whose success hinges on employee engagement and participation.

Engaging employees in corporate sustainability initiatives has seen a recent explosion of interest and activity. To address this emerging interest, companies are creating innovative tools for employee engagement, some of which are documented in this report along with associated outcomes and challenges. For many companies, the ultimate goal is a cultural shift toward a more sustainable company—a company in which every job is viewed as a green job. Reaching this goal will require further development of tools for engaging employees in sustainability, and measurement of their impact. We also see a need for increasing collaboration between the sustainability and HR departments to embed sustainability in the way people and talent are managed, and to work with higher learning institutions to ensure future employees have sustainability skills.



## Overview

Companies large and small are learning that sustainable business practices not only help the environment but also improve profitability by supporting improved efficiency, reduced waste, less liability exposure, better community relations and more. Good environmental and social stewardship is now front and center in fundamental business strategies.

Companies recognize that greening their products and operations is a source of value and that all employees must be engaged in the effort to ensure its success. Previous work of the National Environmental Education Foundation (NEEF) revealed that engaging employees in sustainability initiatives can improve a business' bottom line and help it reach its sustainability goals.

### **Work of NEEF's Business & Environment Program**

In March 2009, NEEF published [The Engaged Organization](#) report. It identified employee engagement as a key enabler of successful environmental and sustainability strategies. The report presents the results of a survey of more than 1,300 professionals interested in business and the environment, and documents eight case studies that illustrate how leading companies approach internal environment and sustainability (E&S) employee education and engagement. Among these findings, the survey revealed that 65 percent of respondents see E&S knowledge as valuable, particularly in new hires, while 78 percent said that E&S knowledge would rise in importance over the next five years. An August 2011 survey by GreenBiz Group and NEEF indicates E&S knowledge remains valued by

companies and is expected to increase in importance as a hiring factor. Additional survey highlights from *The Engaged Organization* as well as results of the August 2011 survey can be found in the box below and in the appendix of this report.

## SURVEY HIGHLIGHTS

### **Highlights from [The Engaged Organization](#)**

#### ENVIRONMENT & SUSTAINABILITY KNOWLEDGE VALUABLE

NEEF's survey revealed that 65 percent of respondents value job candidates' E&S knowledge, while 78 percent of respondents thought the value of job candidates' E&S knowledge would increase in importance as a hiring factor within five years.

#### ENVIRONMENT & SUSTAINABILITY EDUCATION A GROWING TREND

Companies not only were anticipating that the value of E&S knowledge would increase, many already were providing some education to their employees about these topics. Seventy-five percent of companies responding educated employees about corporate E&S goals, and 56 percent of the respondents said their company had an advanced or very advanced E&S education program. The survey also indicated that many companies without an E&S education program were likely to adopt one soon. Nearly half (49 percent) of respondents whose companies had no program thought their company would begin educating employees in the next two years. Only 10 percent neither had a program nor expected to implement one.

#### PROGRAM APPROACHES VARY

The survey also provided insights into the operational aspects of employee E&S education. The office responsible for E&S education varied among companies. Most companies covered a variety of environmental topics when communicating with employees. The most common topics included general E&S information and actions at work that can conserve or protect resources. According to survey respondents, the most important motivating factors for employees are concern for the



environment and society, support or a mandate from the CEO, company reputation and job satisfaction. Despite the strong value placed on E&S education, companies indicated they faced several challenges when engaging employees, including lack of money, time, resources and executive support. The survey also indicated that companies were eager for tools to help them implement an E&S education program.

### **2011 Survey Highlights**

The GreenBiz Group and NEEF survey, conducted in August 2011, examines aspects of corporate environmental and sustainability education initiatives at companies at varying stages of program development. This survey builds on the NEEF 2008 survey findings featured in *The Engaged Organization* and provides a quantitative understanding of the evolution of employee engagement

#### WHAT'S NEW AND INTERESTING SINCE THE LAST SURVEY

1. *"Sustainability" is the word we use.* The term "sustainability" has become established as the key phrase for organizations to use (according to 49 percent of respondents) in describing their environmental sustainability initiatives.
2. *E&S knowledge remains valuable.* The survey indicated that E&S knowledge is both valued by companies and is expected to increase in importance as a hiring factor. Currently, 65 percent of respondents value job candidates' E&S knowledge.
3. *More companies are planning to introduce E&S education.* Some 58 percent of the respondents whose companies have no program said they think their company will begin educating employees within the next two years. This is 9 percentage points higher than in 2008—an indication that E&S education is important to large and small companies.
4. *E&S education is led by EHS or CSR departments.* Whether companies have advanced or beginner programs, E&S education most commonly resides in the corporate social responsibility (CSR) or environmental health and safety (EHS) offices. But for small businesses, it more often than not resides in marketing and sales offices.
5. *Companies are using a much broader array of education methods.* In 2008, respondents found online training

modules to be most effective, followed closely by hiring a consultant and competitions. However, in 2011 almost every method identified achieved an average rating of at least 3.0.

See Appendix D, page 39, for detailed survey data.

As a follow-up to *The Engaged Organization*, NEEF established the Business Sustainability Education Roundtable (referred to as the Roundtable). The Roundtable, which includes 20 corporate members and six nonprofit and academic members, serves as a leading forum for sharing and advancing best practices for employee E&S education and engagement.

Findings from *The Engaged Organization* also appear to extend across sectors. In an April 2011 study, the Retail Industry Leaders Association (RILA), Business for Social Responsibility (BSR) and NEEF conducted a survey and interviews to see how retailers are engaging their employees in sustainability efforts. Nearly all companies responding are using some form of employee engagement in sustainability efforts. However, most retailers indicated they would like to "improve" their program. Eighty-five percent of respondents said they engaged employees to enhance their sustainability performance, while 60 percent said these efforts were aimed at spurring innovation. (Some said it was used for both.)

A subsequent white paper, [\*The Business Case for Environmental and Sustainability Employee Education\*](#), examines both quantifiable measures of the business value of sustainability employee engagement programs (e.g., money, energy and water savings) as well as such less easily measurable assets as reputation enhancement. The white paper builds on cases documented in *The Engaged Organization* report from Cisco Systems Inc., Clean Clothes Inc., Hewlett-Packard (HP), Stonyfield Farm Inc. and Walmart Stores Inc. Additional company case study examples from Baxter International Inc., Citigroup, Darden Restaurants, eBay Inc., IKEA Inc., Intel Corp., Lockheed Martin Corp., Kimberly-Clark Corp. and Sodexo Inc. also are presented. Some best practices identified in the white paper can be found in the box [next page].





### **Business Case Best Practices**

(read more in [The Business Case for Environmental and Sustainability Employee Education](#))

Company case studies indicate that while there is no one-size-fits-all approach to E&S education, engaging employees at every level of the company is essential to successful initiatives. Educational programs must compete for resources, so building a strong business case for an E&S education program can be as important as building the program itself. Several themes have emerged from the case studies as best practices for making the business case for E&S education:

#### **CORPORATE STRATEGY AND COMMUNICATIONS**

- Link E&S education initiatives to key business objectives and frame them in terms of management risks and opportunities.
- Stress the shift in societal and stakeholder expectations. Sustainability no longer is just “nice to have,” and employees are an important resource for addressing and benefiting from this shift.
- Take a top-down, bottom-up and sideways approach when engaging employees. A culture shift has to include everyone, not just those dedicated to sustainability.

#### **CREATING AND MANAGING PROGRAMS**

- Build momentum for the E&S actions by recognizing work already being done.
- Create E&S education pilot programs that require few resources and measure the impacts of the pilot to build the case for a larger program.
- Understand that each geographic region has its unique problems and opportunities.
- Complement education with incentives (e.g., bonuses and awards) to improve environmental performance.
- Regularly report back to employees on how their E&S actions are making a difference.

### **Creating a Culture of Sustainability**

Many companies are struggling to incorporate their sustainability vision, goals and strategy into their company culture despite its espoused value. In fact, employees’ faith in their companies’ environmental responsibility dropped to a new low in July 2010, according to the monthly Green Confidence Index.

This report addresses these challenges by examining how leading companies are creating a culture of sustainability through environmental and sustainability employee education and engagement. Organizational culture refers to the values, behaviors and assumptions shared by the majority of the members within an organization. A company’s culture impacts its performance, productivity, quality and concern for social and environment issues.

It is important to begin by considering existing corporate culture when engaging employees in sustainability initiatives, rather than culture change. While the ultimate goal of an E&S engagement program may be to drive culture change it is important to lay the foundation of these programs within the existing culture. Recent studies have demonstrated that sustainability initiatives that are developed and aligned considering the company’s specific culture generally are more successful than those that are less aligned with a culture. According to a recent study:

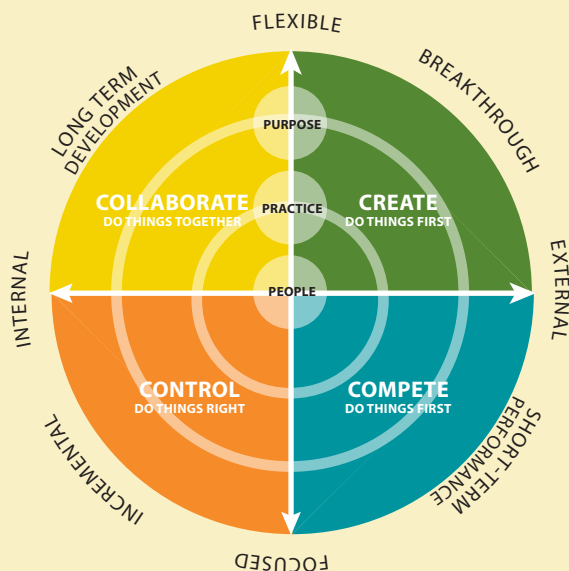
**“It is important for companies to understand their culture and plan sustainability initiatives that are consistent with that culture. Company culture is difficult to change and typically develops over a long period of time; therefore, companies must think critically about how they are designing their initiatives. In the long run, managers can seek to grow culture and sustainability initiatives together.”**

(Abbett, Coldham and Whisnant, 2010)



## Assessing Your Corporate Culture: The Competing Values Framework

FIGURE 1. DESCRIPTION OF THE COMPETING VALUES FRAMEWORK



**The Competing Values Framework (CVF)**, first proposed by Drs. Cameron and Quinn and the University of Michigan, is a sense-making device to help organizations better understand their culture and modes of operation (Cameron, K.S., & Quinn, R.E., 2006). The CVF has been used for more than 20 years in a variety of countries and industries. According to the CVF model, all human activity has an underlying structure, and organizations, by definition, exhibit patterns and predictability in relationships. The CVF identifies dimensions to these relationships and the degree of emphasis in each of four quadrants: **Control**, **Compete**, **Create** and **Collaborate**. Each quadrant represents the way people in an organization process information, learn about their environment, organize, lead, participate in a team and create value for customers (Abbett, K., Coldham, A., Whisnant, R., 2010).

By considering the results of an assessment of a company's culture in its sustainability initiative planning process, a company can frame and position its efforts to succeed so it is more likely to engage employees and their energy in sustainability initiatives. Below are examples of tactics for engaging employees in sustainability initiatives depending on a company's cultural orientation (Figure 2.). For example, if a company has evaluated its culture and knows it is strong in the **competes quadrant**, it might consider using contests or awards to motivate employee participation. This approach may increase the likelihood of success of the initiative.

FIGURE 2. FOUR COMPANY CULTURES AND ASSOCIATED EMPLOYEE ENGAGEMENT TACTICS  
(Abbett, L., Coldham, A., Whisnant, R., 2010)

### Collaborate Oriented

- Facilitate group brainstorming sessions
- Establish or improve employee suggestion and feedback system
- Develop an online internal collaboration platform

### Control Oriented

- Analyze or audit existing processes and environmental impacts (e.g., life cycle analysis)
- Review existing policies for procedural inefficiencies and opportunities
- Understand relevant regulations and associated risk exposure

### Create Oriented

- Utilize Web 2.0 and crowd sourcing to generate new ideas faster
- Create a training program to cultivate creative thinking

### Compete Oriented

- Establish goals, objectives and measures based on company vision and standards
- Benchmark performance against initiatives of key competitors
- Use competitive means for project idea generation, such as a contest between individuals or teams



### The Evolution of Employee Engagement

Since beginning this work four years ago, NEEF has observed that the practice of E&S employee education and engagement has spread rapidly and evolved into a more institutionalized element of companies' broad sustainability strategies. We call this next version of employee engagement "Engagement 2.0." Key elements of these changes are documented in Figure 3. below. The elements in the "Engagement 2.0" column don't necessarily replace those in the first column, but extend and complement them. A theme throughout this report remains the need for companies to strike a balance between fostering employee passion and volunteer spirit (hallmarks of engagement) and providing organizational support and structure that helps to align employee activities with company priorities and demonstrate its value. Success finding this balance ensures the sustainability of the engagement effort.

FIGURE 3. FROM ENGAGEMENT 1.0 TO ENGAGEMENT 2.0

	Engagement 1.0		Engagement 2.0
<b>Goals</b>	Unclear and self-selected	+	Connected to sustainability strategy
<b>Focus</b>	Green practices (e.g., cafeteria, recycling, events)	+	Innovation (operations, products, services)
<b>Motivation</b>	Personal passion	+	Organizational incentives/career path
<b>Organization</b>	Self-organized (or sometimes top-down)	+	Institutional support balanced with grassroots initiative
<b>Measurement</b>	Little or no measurement/evaluation	+	Initial steps to document accomplishments and business value

Following is a description of key elements of the evolution from Engagement 1.0 to Engagement 2.0. In early engagement efforts, the goals of the employee engagement were unclear. However, as the field has evolved, there has been more of an effort to tie employee engagement to strategic sustainability goals. The focus of employee engagement, which

often started with the greening of company practices (e.g., recycling, cafeteria), has evolved to also include innovation around products, services and practices. And while the first green teams often were self-selected and self-organized, these efforts often now include some corporate structure and support. In other cases, employee engagement moved from central office coordination to more grassroots organization. In Engagement 2.0, successful programs have a balance of corporate structure and coordination along with grassroots efforts. The motivation underlying employee engagement originally was primarily individual passion, but Engagement 2.0 is characterized by company incentives for engagement as well as inclusion of engagement activities as part of a career path and in performance goals. Finally, while there was not much measurement of employee engagement at first, companies now are making more of an effort to document their accomplishments and the value of employee engagement.

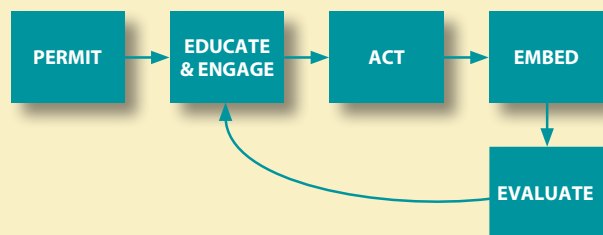
The model on page 12 demonstrates how companies are moving toward Engagement 2.0, or a more embedded, strategic state where sustainability is part of the corporate culture and delivering results (Figure 4.)<sup>1</sup> We also provide several examples of how companies are successfully building a culture of sustainability through employee engagement.

**While employee engagement is sometimes dismissed as trivial in terms of sustainability impact, it becomes material when it is transformed into action and ultimately embedded in the corporate DNA.**

<sup>1</sup> NEEF acknowledges Roundtable members, and especially Kevin Moss, head of corporate social responsibility at BT Americas, for assistance in developing this model.



FIGURE 4. BUILDING A CULTURE OF SUSTAINABILITY THROUGH EMPLOYEE ENGAGEMENT



Granting **permission** is an important first step for engaging employees in sustainability initiatives. After permitting employees to become involved in sustainability initiatives, companies use a variety of methods to provide them with educational materials and engage them in sustainability activities. These **employee education and engagement** programs are the foundation of a culture of sustainability. In this section we provide examples of tools that companies are using to engage employees and examine how they are using these tools.

Through employee education and engagement, companies aim to empower employees to take **action** at work, as well as at home and in their communities. Ultimately, actions lead to a corporate culture where **sustainability is embedded** in recruitment, operations, employee performance reviews and compensation, as well as products. These processes then are **measured and evaluated** to gauge their impact and inform future sustainability education and engagement efforts. Often, companies find these efforts save money or create value, as described in NEEF's [The Business Case for Environmental and Sustainability Employee Education](#) white paper.

This report is not meant to be a how-to manual or prescriptive plan for E&S education programs; rather, it is meant to stimulate learning and conversation about how best to achieve sustainable culture change through employee engagement.

## Methodology

This report is based on lessons learned from a series of webinars and an in-person meeting with members of NEEF's Business Sustainability Education Roundtable (referred to as "the Roundtable"), as well as the previous work of NEEF's Business & Environment program. Recent reports, media articles and company reports and websites also inform this report. Companies highlighted include Baxter International Inc., BT, Cisco Systems Inc., eBay Inc., Intel Corp., Interface Inc., jcpenny, Lockheed Martin Corp., Pacific Gas & Electric Co., PwC, P&G, Seventh Generation Inc. Stonyfield Farm Inc., Toyota Motor Sales U.S.A. Inc. and Walmart Stores Inc.

### ***Business Sustainability Education Roundtable Profile***

The NEEF Roundtable, which includes 20 corporate members and six nonprofit and academic members, serves as a leading forum for sharing and advancing best practices for employee E&S education and engagement. The members of the Roundtable represent a variety of sectors, each with varied experience in E&S education and engagement programs (see Appendix A, page 36, for a full list of Roundtable members). Roundtable members participate in bimonthly webinars using WebEx technology, donated by Cisco. The webinars explore employee education and engagement programs, best practices, challenges and the business case for workplace environmental and sustainability education.

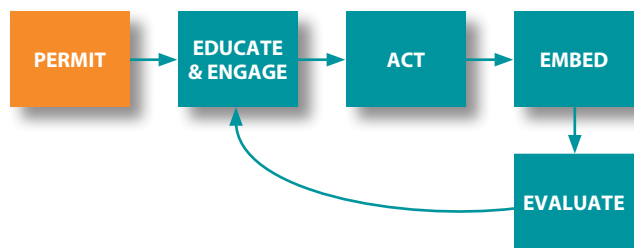
The Roundtable began in 2009 based on the interest and willingness of companies, nonprofits and academics to come together through webinars to generously share with one another their experiences in E&S employee engagement, both the successes and the challenges. It was this willingness to come together that led NEEF to delve deeper into this emerging field and establish a formal Roundtable.





# Creating the Culture

## 1. PERMIT



Permission is the first step toward creating a culture of sustainability. Permission can come in the form of a sustainability vision with goals and strategies that reinforce sustainability as a corporate priority. In other cases, employees themselves establish the value of engaging employees in sustainability initiatives and request permission (see the section at right, Establishing Value). Support from senior leadership and consistency of senior leaders' words with actions are also an important implicit form of permission.

### **Establishing Value**

A critical factor in the successful adoption and implementation of sustainability strategies is the business case, also defined as the quantification of opportunities and risks. To build successful programs—whether top-down or bottom-up—managers must make a compelling case for the use of scarce financial resources and, just as important, management and employee attention.

It can be difficult to separate the business case for employee involvement in sustainability programs from the justification for those programs themselves. Indeed, the two are interrelated. According to one of the few quantitative estimates of the value of sustainability, a study by Bob Willard published in 2002 states that sustainability practices within large companies can contribute to a profit increase of 38 percent when benefits are aggregated. The same study found that employee commitment to sustainability was a critical factor contributing to this overarching profit increase. Other studies show that companies in the [Dow Jones Sustainability Indexes](#) outperform the general market, and [a report from Goldman Sachs](#) found leaders in environmental, social and governance (ESG) policies also are leading in stock performance by an average of 25 percent.

Carrie Freeman, a corporate sustainability strategist at Intel, noted in a [Green Teams](#) report from Green Impact,

**“When it comes to looking at ways to reduce our footprint, we very much see a direct correlation between reducing our costs and engaging our employees.”**

To strengthen the future business case for investment in employee E&S education and engagement, we encourage companies to measure and document the



impacts of E&S education programs. For example, companies are beginning to:

1. Gather data by mining and adapting routine surveys of prospective, new and established employees, asking specific questions about E&S education and engagement, and establishing correlations between responses to the questions and such outcomes as satisfaction rates and acceptance of job offers.
2. Correlate measures of employee engagement to environmental results.
3. Correlate some measure of education (e.g., training hours) with results relative to operational efficiency improvements.
4. Survey customers on the extent to which their satisfaction is influenced by the environmental knowledge of the company's customer service representatives.
5. Survey community members and other stakeholders to determine to what extent their perceptions of the company are influenced by employee engagement in environmental and sustainability activities.

Read more in NEEF's [The Business Case for Environmental and Sustainability Employee Education](#) white paper.

## **Permitting Employees to Engage: Baxter's Annual Global World Environment Week**

A CASE STUDY OF BAXTER INTERNATIONAL INC.

### **Baxter**

#### COMPANY PROFILE

<i>Industry:</i>	<i>Medical supplies</i>
<i>Headquarters:</i>	<i>Deerfield, Ill.</i>
<i>Number of Employees (2010):</i>	<i>48,000</i>
<i>Total Revenue (2010):</i>	<i>\$12.843 billion</i>

Baxter's company culture is shaped by its leadership's expectations and vision. The Baxter Leadership Expectations clarify what Baxter expects of all employees. This framework includes the following:

- Shared Values—the beliefs and standards employees bring to their work;
- Competencies—the skills and knowledge necessary to achieve goals; and
- Personal Attributes—the characteristics and behaviors that enable employees to be successful at Baxter.

These expectations are integrated into recruiting, hiring, training, performance management and development processes. Senior leaders at Baxter set the cultural tone by emphasizing the leadership expectations and vision. When Robert L. Parkinson Jr., chairman, CEO and president of Baxter, holds quarterly town hall meetings for all employees, he highlights sustainability achievements consistent with Baxter's leadership expectations and the company's vision.

#### BAXTER HEALTH CARE VISION

As one of the most respected companies in health care, Baxter is committed to being:

- Recognized and trusted worldwide;
- A preferred partner in improving the quality of and access to health care;
- An innovator in science and technology;
- The leader in our markets;
- A high-quality investment;
- A rewarding place to work and develop; and
- A socially responsible member of our communities.



Consistent with the commitment to being socially responsible, Baxter has a long history of being active in the communities in which it operates, with volunteerism an important aspect of its organizational culture. In many cases, Baxter employees' volunteer efforts are leveraged and directed toward environmental initiatives. A leading example of this is Baxter's successful implementation of its annual global World Environment Week. World Environment Week grants employees direct permission to take sustainability action.

Now in its second year, Baxter World Environment Week, scheduled in June to coincide with the United Nation's World Environment Day, encourages facilities worldwide to promote Earth-friendly activities and sustainable living while teaching employees about Baxter's commitment to creating a more sustainable world. The tactics used to promote employee involvement during Baxter's World Environment Week are consistent with a well-recognized teamwork element of Baxter's corporate culture. The company uses its internal website to provide ideas and resources for facilities to use to plan their events.

Employees are encouraged to log volunteer hours so the company can track, recognize and celebrate employee volunteer efforts.

**In 2010, Baxter employees in more than 70 facilities in 25 countries sponsored local events for Baxter World Environment Week.**

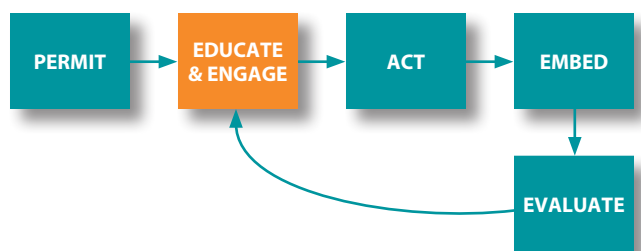
For 2010, the theme was water conservation. Handouts were created that could be translated into different languages, covering topics like ways to conserve water at home and in the office as well as water efficiency checklists. Employee-led events included the following:

- Buenos Aires, Argentina—distributed information to employees each day during the week on topics including the importance of biodiversity, water and Baxter's global and local efforts in environmental stewardship.
- Cherry Hill, N.J.—encouraged employees to calculate their water footprint and shared a Water Quiz to raise awareness about water consumed during everyday tasks.
- Mississauga, Canada—organized a Baxter Stewardship Day at The Riverwood Conservancy to educate employees on water systems and conservation, with employees helping with a water conservation project.
- Tianjin, China—promoted the importance of environmental protection and how people can help during an activity held at Hai River.
- United Kingdom—supplied and fitted Save-a-Flush devices in applicable facility locations.

Baxter's global World Environment Week empowers employees to conceive, plan and hold events, supported by their location and management team. Though difficult to prove definitively, Baxter thinks engaging employees in environmental and sustainability activities contributes to the company's ability to achieve its environmental goals and reductions in energy, greenhouse gas emissions, waste and water usage of 21 percent, 26 percent, 16 percent and 29 percent respectively through 2009, as compared with 2005. In addition, in 2009, 78 percent of employees worldwide indicated in a corporate survey that Baxter's sustainability programs were important to them. As a result of employee initiatives and efforts, Baxter has been recognized by Innovest Strategic Value Advisors as one of "[The Global 100 Most Sustainable Corporations in the World](#)" for six years in a row.



## 2. EDUCATE & ENGAGE



Employee engagement programs are the building blocks of a culture of sustainability. There is a substantial body of knowledge demonstrating that engaged employees are a key contributor to a company’s success in any endeavor, so companies seek both to interest employees in sustainability and to provide them the information they need to take action. This section provides examples from leading companies of four tools commonly used to engage and educate employees: green teams, social media, awards and incentives and volunteerism.

FIGURE 5. COMPANY EXAMPLES OF EMPLOYEE ENGAGEMENT

Green Teams	Volunteerism	Social Media	Awards and Incentives
 PwC	 Lockheed Martin Corp.	 Cisco Systems Inc.	 BT
 P&G	 Toyota Motor Sales U.S.A. Inc.	 Johnson & Johnson	 Intel Corp.
		 eBay Inc.	 Seventh Generation Inc.

### EXAMPLES IN PRACTICE:

#### a. Green Teams

The use of green teams is becoming common in the workplace.<sup>2</sup> “Green teams” are often defined as “self-organized, grassroots and cross-functional groups of employees who voluntarily come together to educate, inspire and empower employees around sustainability and to identify and implement specific solutions to help their organization operate in a more environmentally sustainable fashion.”<sup>3</sup> However, green teams take a variety of forms. Some green teams are mandated and controlled by senior executives, while others are self-organized and focus on encouraging participation and innovation by guiding grassroots efforts. Many companies use both models, with a formally chartered green team at headquarters that provides overall direction and resources and self-organized, volunteer-based teams at regional operations or individual facilities. Regardless of their form, green teams often focus on reducing energy, waste and water and saving their companies money. For example, Lockheed Martin’s Information Technology “Green IT” team has implemented projects in the last three years that have eliminated the use of 1,700 computer servers (saving \$1.2 million), more than 11 million kilowatt hours of electricity and 7,000 metric tons of carbon dioxide (CO<sub>2</sub>). Below are additional examples in practice of corporate green teams.

#### PWC: GUIDE PROMOTES OFFICE SUSTAINABILITY

PwC green teams are a foundation of the firm’s effort to shift to more sustainable ways of doing business. PwC envisions sustainability taking two possible paths: one is a continual improvement process in which incremental improvements add up to large-scale change, and the other is a revolutionary approach by which a fundamental change creates a new, more sustainable way of doing business. Both require the engagement of staff and partners across the firm to be successful—and green teams are a key part of this engagement.

2 Alta Terra Research Green Teams Report, 2010

3 Green Impact Green Teams Report





PwC currently has green teams in its largest offices, which represent more than 80 percent of its office space. These teams work to reduce energy use and business travel, to cut down on waste and to improve personal commuting methods. The results speak for themselves: a 27 percent decrease in total miles flown. Travel reduction has been instrumental in achieving the firm's climate change goal of reducing emissions by 20 percent from 2007 levels in 2010 (two years ahead of schedule).

The teams serve as a primary means of coordinating efforts and also as innovation centers where new ways of integrating corporate responsibility are created and tested. A key tool in PwC's green team toolbox has been the *Green Guide* used to assess office building sustainability. Each site uses the guide to create new processes and, as new best practices are identified, they are integrated into the guide for future green team use. Green teams are eligible for funding to support scalable pilot projects from within the various lines of service and the teams hold monthly calls to share what is working and what is not.

#### **P&G: EMPLOYEES SAMBA FOR SUSTAINABILITY**

P&G is increasing its focus on employee engagement with a companywide network called SAMBA (Sustainability Ambassador Network) and site-based Sustainability Teams. SAMBA is a group of nearly 500 employees who encourage sustainable behaviors among co-workers and share and discuss ideas and industry trends in an online discussion forum. SAMBA team members also volunteer to use their skills for specific tasks that help P&G's sustainability efforts—such as building an employee website and helping coordinate one of the company's sustainability initiatives.

Site-based Sustainability Teams focus on initiatives at an individual location. The teams are formed from representatives of P&G business units, the safety function and P&G's environmental and facilities management partner, Jones Lang LaSalle. The cross-functional teams work on opportunities identified by site sustainability assessments in the categories

of program development, site development, water, energy, materials and resources and indoor environment. The teams have contributed to energy, waste and water reductions (per unit of production) of 48 percent, 53 percent and 52 percent respectively since July 2002, and raised awareness through events like Earth Day and planting community gardens.

#### **b. Volunteerism**

Corporate volunteer programs are not new; indeed, they long have been used to express a company's commitment to and engagement in its community. Increasingly, volunteer programs are being used to engage employees in sustainability initiatives and build their knowledge of and commitment to addressing sustainability challenges. In this report, volunteerism is defined as involvement with philanthropic, community-oriented activities related to the environment and sustainability.

Volunteer programs help companies by supporting employee retention and loyalty, encouraging teamwork and cross-functional relationships, promoting customer loyalty, enhancing community relationships and raising awareness of corporate philanthropic goals. Volunteer programs help employees by strengthening their connection to the company and sense of pride. The programs also can enhance morale, provide leadership and development opportunities, support work-life balance and create well-informed community ambassadors. Finally, volunteer programs help the community by giving nonprofit organizations access to highly skilled professionals, broadening corporate giving and building relationships with a broad spectrum of organizations. In a recent study, "Motivating Volunteerism in Tough Times," 71 percent of the employee respondents say volunteering programs make them feel "more positive" about their companies.

#### **LOCKHEED MARTIN CORP.: VOLUNTEERISM WITH ENVIRONMENTAL IMPACT**

Lockheed Martin's tradition of volunteerism and community service long has been a cornerstone of the corporation and its values. According to CEO Bob Stevens, "as customers and employees around



the world express a growing interest in the impact of business beyond their immediate surroundings, we know providing a transparent accounting of our operations in this context is the right thing to do.” In 2010, employees logged more than 1.3 million hours of volunteer service, often focused on the environment, including:

- In Lufkin, Texas, employees participated in the Angelina County Household Hazardous Waste Collection Day, in which community members disposed of more than 18 tons of hazardous household materials. Much of what was collected was recycled, with the remainder disposed of safely.
- During Earth Day 2010, Lockheed Martin employees participated in onsite celebrations, community cleanup events, school visits and many other green activities across the corporation. Employees were asked to recognize the small daily habits both at work and at home that collectively impact the environment.
- Lockheed joined the “Change the World, Start with ENERGY STAR” campaign. This EPA-led national effort encourages Americans to preserve the environment by making small changes to daily habits and purchasing decisions. In the first month of the yearlong pledge drive, more than 1,000 Lockheed Martin employees demonstrated their commitment to green habits by taking the pledge. Employees also established “Green Zones” in hallways or workstation areas in which participants commit to an activity such as turning off computers and lights when leaving for the day.

#### **TOYOTA MOTOR SALES U.S.A. INC.: EMPLOYEES RESTORING AMERICA’S PUBLIC LANDS**

Toyota’s largest national volunteer effort seeks to restore America’s parks and wildlife through participation in National Public Lands Day (NPLD), a program of NEEF. Toyota encourages its employees to help care for parks, forests, rivers, beaches, shorelines and other public lands through NPLD activities across the United States.

**Since 1999, thousands of Toyota employees have participated in NPLD. In 2010, more than 3,500 Toyota employees volunteered at 41 different public land areas in 19 states and U.S. territories.**

The company also has a “Dollars 4 Doers” program that supports and encourages employee volunteerism. Nonprofit organizations or schools at which Toyota employees volunteer are eligible to receive a grant based on service hours performed: \$250 for 50 to 100 hours of service and \$500 for 100+ hours of service. Through the “Get in Gear, Volunteer” program, Toyota sets goals to encourage and reward employees’ volunteerism in addition to building the company brand in local communities. These volunteer programs build a stronger employee connection to Toyota and provide leadership and development opportunities for all employees.

#### **c. Social Media**

Social media<sup>4</sup> includes Web-based technologies that encourage conversation and user content generation rather than one-way information flow. Social media allows for unobtrusive, frequent communication and permits employees to self-organize around the issue at hand (for example, green teams). In the employee engagement context, according to the Brighter Planet Survey, programs that encourage social media are twice as likely to be “very effective,” and social media is the most effective way to communicate with employees.

Because of these characteristics, companies are experimenting with social media in a variety of ways. Social media can be used to help sustainability news and knowledge “go viral.” It also can provide

4 As defined by the Brighter Planet Employee Engagement Survey.



opportunities for direct exchange and collaboration between employees without facilitation or participation by “corporate.” This can allow much more collaboration to occur, but also can pose challenges in terms of coordination and tracking of results. Social media also provides tools that can be used for crowd sourcing of solutions to sustainability challenges, such as Starbucks’ [Betacup Challenge](#)—an open design competition with a goal of reducing waste from to-go paper coffee cups.

#### **CISCO SYSTEMS INC.: GREEN TALK**

Cisco’s discussion forum, “Green at Cisco,” allows employees to discuss topics related to E&S objectives. Through online discussions, employees can seek advice from colleagues and gauge their peers’ interest in such initiatives as a shuttle bus from San Francisco to San Jose. Participants also offer suggestions for how Cisco can reduce its carbon footprint, save energy and reduce waste.

The Green Communications team monitors the discussion forum and forwards any suggestions or commentary to the appropriate contact. For instance, the Green Communications team recently met with a few employees from the facilities department about employees’ suggestions to make break rooms greener. This is the first step in getting employee suggestions in front of the decision makers on that particular topic.

Cisco also encourages employees to turn their suggestions into a pledge for its “Think Green, Act Green” campaign. Employees then can see how their commitment to make one small change to be more environmentally conscious, combined with thousands of other employee pledges, can make a difference.

#### **JOHNSON & JOHNSON: “YAMMER” FOR CORPORATE SUSTAINABILITY**

**Johnson & Johnson understands the power of engaged employees; its goal is to be in the 90th percentile for engaged employees against external norms as part of its Healthy Future 2015 goals.**

To achieve this goal, Johnson & Johnson reaches out to employees with a number of internal and external social medial communication tools. Externally, there are company blogs that include sustainability topics (for example, how sustainability is a key part of the company’s history), a YouTube site featuring a playlist of [sustainability videos](#), Twitter feeds about Earth Day events and a corporate responsibility website. Internally, employees utilize the company Intranet, websites, blogs, wikis and sustainability team sites to increase communications and build a sense of community. All of this is done in conformance with overarching social media guidelines that govern management and use of social media tools.

One of the more innovative social media tools used by Johnson & Johnson for sharing sustainability knowledge is [Yammer](#). Yammer is a particularly effective and popular way to communicate on sustainability topics with younger employees. Similar to Twitter, the Yammer microblogging service allows employees to post short updates, engage in conversations, share information or ask questions. Sustainability posts are shared with the entire community of Johnson & Johnson employees using Yammer. There is also a separate sustainability group on Yammer.

Sustainability posts on Yammer are wide-ranging. People use the service to share news, address challenges, communicate among communities of practice and point colleagues to news items, journal articles, software solutions and other areas of interest.



For example, many users “yammer” from their smart phones while attending conferences, such as the EcoForum and the COP15 climate change conference in Copenhagen, posting updates so that those who are not able to travel to the conference can share in the learning. Others use it to connect with colleagues who are working on similar projects to share details, issues and solutions. Still others use it to share news about pertinent sustainability, safety and environmental issues, or about issues in other areas such as wastewater management or the release of a new sustainability report.

Yammer has provided Johnson & Johnson with another way to make a large company seem like a smaller company, which is crucial when dealing with global sustainability challenges. It allows for sharing with colleagues who may be across the world or down the road, and can help to build and strengthen cross-functional sustainability communities. It also has been a good way to raise awareness about sustainability, and to enlarge and continue conversations on the subject.

#### **EBAY INC.: GREEN TEAM HARNESSES SOCIAL MEDIA FOR BUYING AND SELLING GREEN**

The eBay *Green Team*, which started as a grassroots employee initiative in 2007, now has more than 2,300 eBay employees in 23 countries. Green Team members support environmental causes in their local communities and champion sustainable business practices within eBay, including eliminating Styrofoam cups in break rooms. When the company needed more office space, the Green Team led eBay to construct the first building built to LEED Gold Standards in San Jose, Calif., featuring the city’s largest solar panel installation.

Inspired by the Green Team, eBay also created an *online forum* for passionate eBay employees as well as the eBay community of buyers and sellers. This forum supports those who want to use green practices at eBay. Through the social networking site, after just six weeks, this community was 100,000 members strong. Today, the forum has more than 300,000 members.

#### **d. Awards and Incentives**

Employee awards and incentives can include variable compensation/bonuses, recognition programs and prizes and incentives for the purchase of hybrid vehicles and solar technology, among other options. Award and incentive programs are valuable in building a culture of sustainability because they can help to:

- Establish strong management and accountability structures;
- Systematically integrate sustainability criteria into employee goals and performance assessments; and
- Promote sustainable lifestyle choices through innovative benefits packages.

#### **BT: THE SOLAR PANEL EMPLOYEE DISCOUNT INITIATIVE**

BT offers a solar initiative to employees in its U.S. operations to help them reduce their carbon footprint at home. Sunpower, a leading manufacturer of solar cells and panels, has partnered with various BT offices around the country to educate employees on the financial and environmental benefits of solar energy. Sunpower also provides employees with a discount on the installation of a solar system for their homes. Participation is free for employees and the program has generated a lot of interest and awareness. Approximately 15 percent of employees have attended educational sessions to date, and about half of those employees signed up for a quote and assessment of their home.

This initiative is supported through the company’s use of social media, such as its CSR Perspective blog. The blog ran a series in July 2011, [Making the Commitment](#), with employee perspectives on renewable energy.

#### **INTEL CORP.: EMPLOYEE VARIABLE COMPENSATION PROVES WORTHWHILE**

Since 2008, Intel has incorporated specific goals for environmental performance into its employee bonus structure, which applies to all employees—from the front lines to the CEO (with the exception of some sales employees who instead participate in a commission-based compensation program). Based on its success in 2008, the company continued to link compensation to environmental goals in 2009 and 2010. Over the three years, the specifics have changed, but the goals





have focused primarily on two aspects: reducing the operational carbon footprint and driving the energy efficiency of the company's products.

The employee grading and rewards system has helped Intel to communicate the importance of environmental sustainability to all 80,000 employees worldwide and drive performance improvements. E&S performance was very high in 2009, and employee bonuses were larger than in past years in part because the company exceeded its environmental goals. In 2009, Intel emphasized actions all employees could take daily to reduce energy use in their offices. The company ran a yearlong campaign to remind employees to turn off lights, unplug devices when not in use and use the power management settings on their computers. As a result of these efforts and other initiatives from the IT department, Intel reduced office energy use (excluding additional reductions in factories) by approximately 6 percent in 2009.

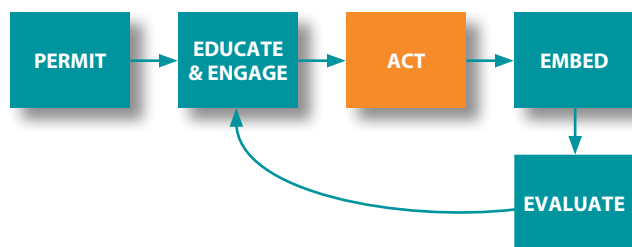
**SEVENTH GENERATION INC.: FORGIVABLE LOANS AND APPLIANCE REBATES**

As an incentive to reduce its employees' carbon footprint in the community while also helping foster employee loyalty and retention, Seventh Generation Inc. offers a \$5,000 "forgivable" energy improvement loan for energy efficiency efforts, including the purchase of fuel-efficient cars and the installation of home renewable energy projects.

Each year for five years, \$1,000 of the loan amount plus interest is forgiven. The company also offers \$500 rebates for ENERGY STAR appliance purchases.

Incentives also are in place to encourage and reward use of public transportation, carpooling and nonmotorized transportation to work, with carbon emissions from employee commuting tracked on a Web-based tool.

**3. ACT**



Through employee education and engagement, companies aim to empower employees to take action at work, as well as at home and in their communities. Action takes a variety of forms, as seen in the examples below.

**MAPping a Route Toward Sustainability**

A CASE STUDY OF STONYFIELD FARM INC. (PART OF GROUPE DANONE)



**COMPANY PROFILE**

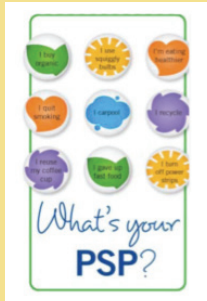
<i>Industry:</i>	<i>Food</i>
<i>Headquarters:</i>	<i>Londonderry, N.H.</i>
<i>Number of Employees (2010):</i>	<i>500</i>
<i>Total Revenue (2010):</i>	<i>\$360 million</i>

Stonyfield Farm provides an example of successfully driving sustainability action at work. In 2008, Stonyfield challenged its employees to save energy at the company's facilities. Savings were tied to employee bonuses for all workers, providing additional motivation. The company achieved its annual goal, reducing company energy use (per ton of product) by more than 22 percent. Read the full Stonyfield case study in [The Engaged Organization](#).



## Making Sustainability Personal

A CASE STUDY OF WALMART STORES INC.



### COMPANY PROFILE

<i>Industry:</i>	<i>Retail</i>
<i>Headquarters:</i>	<i>Bentonville, Ark.</i>
<i>Number of Employees (2010):</i>	<i>2.1 million</i>
<i>Total Revenue (2010):</i>	<i>\$421.849 billion</i>

Walmart provides perhaps the most well-known example of empowering employees to take action in their personal lives. Walmart thinks its associates are critical in the company's efforts to become a more sustainable business. The Personal Sustainability Practices (PSP) so far have engaged more than 500,000 associates in voluntary sustainability efforts, demonstrating measurable positive results in associates' lives and in the workplace. PSP is part of Walmart's "Sustainability 360" approach that promotes sustainability among all of its stakeholders. Since the program began, associates have reported they voluntarily have recycled more than:

- 675,000 pounds of aluminum,
- 282,000 pounds of glass,
- 5.9 million pounds of paper and cardboard, and
- 3.2 million pounds of plastic.

They also have:

- walked, biked and swum more than 1 million total miles,
- cooked nearly 370,000 healthy meals,
- quit smoking (nearly 20,000),
- lost a total combined weight of more than 184,000 pounds through PSPs, and
- shared the PSP program with more than 375,000 of their friends, family and community members outside of Walmart.

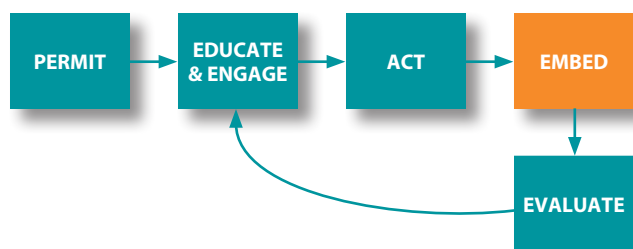
Read the full Walmart case study in [The Engaged Organization](#).

### TANGIBLE RESULTS OF PSP PROGRAM: EMPLOYEES MAKING A DIFFERENCE

Darryl Meyers of Walmart's Burlington, N.C., store noticed the vending machines in the break rooms glowed with lights around the clock. He suggested to Walmart's energy division that they remove those lights to reduce energy consumption. Darryl not only made a suggestion that was good for the environment, but his idea also helped the company save nearly \$1 million in electricity bills every year.



## 4. EMBED



After gaining experience with green teams and other forms of E&S employee education and engagement, many companies are taking steps to make this engagement a regular, rather than ad hoc, feature of their organization. This requires building a corporate culture in which sustainability is embedded in recruitment, operations, employee performance reviews and compensation, as well as products and service innovation and development.

As sustainability becomes a mainstream topic, companies are recognizing the critical role the human resources department can play in engaging employees in sustainability activities. Perhaps the most important step in embedding sustainability into the corporate DNA is collaboration between the sustainability and human resources (HR) departments. It is critical for the HR department to develop competencies, strategies and organizational capabilities to support a company's sustainability initiatives and achieve sustainability goals. HR professionals can contribute to the sustainability agenda in many ways by aligning such enterprise processes as recruitment, training, leadership development, collaboration, compensation and benefits, events and programs, communication, recognition and rewards.

Increasingly, in leading companies, the agenda between the two is converging. Yet, in many companies, sustainability initiatives are not yet a priority in HR departments. In a survey of Roundtable members, several respondents noted that stronger ties between CSR and HR are desirable and that there is often a conflict in priorities between sustainability and other timely initiatives. Table 1 displays common best practices and challenges for sustainability and HR collaboration.

TABLE 1. BEST PRACTICES AND CHALLENGES FOR HUMAN RESOURCE AND CORPORATE SOCIAL RESPONSIBILITY CROSS-DEPARTMENTAL COLLABORATION<sup>5</sup>

Best Practices	Common Challenges
Include sustainability-related knowledge in recruitment decisions	Seeing sustainability as more of an obligation rather than an opportunity
Provide training materials for new and current employees	Concerns that CSR activities take away from employees' regular duties
Implement new employee training and orientation on sustainability	Getting sustainability and HR to focus on long-term goals
Provide sustainability opportunities for employees through green teams and volunteerism	Linking initiatives to an employee's job (making topics relevant)
Include sustainability goals in compensation and benefits packages for employees	Embedding a culture of sustainability into the company's overall vision
Develop sustainability leaders	Communicating with employees who lack direct access to computers
Develop employee recognition and rewards programs based on sustainability achievements	Obtaining HR support in change management
Hold companywide events to engage employees on sustainability initiatives	Aligning HR support beyond traditional HR functions—helping to play a cross-boundary role
Focus on strategic alignment and communications	
Obtain points of contact for self-organized groups and hold regular meetings to move the conversation forward	
Work with HR to analyze company culture; make sustainability relevant	

<sup>5</sup> Examples obtained from the Business Sustainability Education Roundtable webinar on Feb. 7, 2011.



## Aligning Sustainability and Human Resource Practices

A CASE STUDY OF JCPENNEY, INC.



### COMPANY PROFILE

Industry:	Retail
Headquarters:	Plano, Texas
Number of Employees (2010):	156,000
Total Revenue (2010):	\$17.759 billion

This case study provides examples of approaches to aligning sustainability and HR practices by taking a closer look at [jcpenny](http://www.jcpenny.com). This case illustrates how cross-departmental collaborations between the CSR and HR offices set the foundation for successful employee engagement.

Founded in 1902 in Kemmerer, Wyo., jcpenny has become one of America's top retailers and has more than 1,100 department stores throughout the United States and Puerto Rico. The company was highlighted in the 2009 and 2010 Dow Jones Sustainability Indexes (DJSI) as one of the leading companies in North America for corporate sustainability. In 2010, jcpenny ranked No. 63 out of 500 companies in Newsweek's second annual list of "The 100 Greenest Companies in America."<sup>6</sup>

Building upon the idea of doing what is "right and just," jcpenny is committed to being a good corporate citizen by supporting environmental, social and ethical initiatives. The mission of the company is to be "committed to serving our communities, our Associates, our Customers and the environment. What matters to you, matters to jcpenny."

Soon after joining the jcpenny team as CEO in 2004, Myron E. Ullman III unveiled a long-term plan with a focus on taking the company to the industry leadership level. Ullman thought there was a "correlation between engaged associates and store profitability."<sup>7</sup>

The credit for our success goes to our 150,000 Associates who are the heart and soul of our Company. That is why, despite the difficult economic climate, we continued to invest in them by providing training to make their work more fulfilling and recognizing and rewarding their accomplishments. I am proud to report that our overall Associate engagement score in 2009 was the highest in Company history—putting us in the top quartile of all U.S. companies when compared to published survey results.  
—2009 Corporate Social Responsibility Report

Corporate structure has been a key to success at jcpenny. The HR team is the lead function in promoting and championing associate engagement. The CSR office is closely connected to the HR function, promoting close interaction and allowing for strategic alignment of sustainability initiatives.

**Jim Thomas, vice president for corporate social responsibility, is a department of one in the CSR role, but he thinks his vision for jcpenny is shared by more than 150,000 employees throughout the company.**

To realize this vision, he has worked within HR to engage employees in environmental initiatives through resource teams, new employee orientation and training, alignment in communication related to corporate sustainability goals and an annual survey.

<sup>6</sup> <http://www.greenbiz.com/blog/2010/10/18/newsweeks-green-rankings-what-they-mean-and-dont?src=int>

<sup>7</sup> jcpenny's People Strategy: Setting the Right Climate for Human Resource Development.





A key component of jcpenny's CSR team efforts is leveraging management and HR support and balancing it with employees' grassroots efforts. As a part of the HR Inclusion and Diversity group, jcpenny's [Associate Resource Teams](#) (ARTs) are voluntary employee groups that provide unique insight and perspectives on topical issues. Thomas' suggestions of adding "Green Teams" to ARTs has taken hold, with Green Teams incorporated in jcpenny's home office and in every logistics facility across the United States.

Through cross-departmental collaboration, the HR team ensures that CSR content is incorporated into all employee training programs, beginning with new employee orientation. The "Leading the Store" program educates new store managers on various business aspects, including CSR initiatives. Training materials for these initiatives primarily include PowerPoint presentations, which emphasize the connection between CSR activities and companywide initiatives and goals.

As a separate initiative of the employee engagement program, the "Energy Captain" volunteer program focuses on monitoring and managing store energy use.

**Jim Thomas notes that associates are crucial to achieving the companywide goal of reducing facility energy consumption by 20 percent by 2015.**

In order to reach this goal, employees are actively involved in reducing electricity usage. A critical supporting resource for this employee engagement is companywide communications developed collaboratively between the CSR, Corporate Communications, Energy Group, Retail Operations and HR offices.

Issued by the HR team, jcpenny's "Associate Engagement Survey" is an annual survey available for all employees via desktop computers and store kiosks. The CSR function plays a role in designing E&S-related survey questions. The survey indicates that

**Overall employee engagement is at its highest in company history at 80 percent—putting jcpenny associates in the top quartile of U.S. companies.**

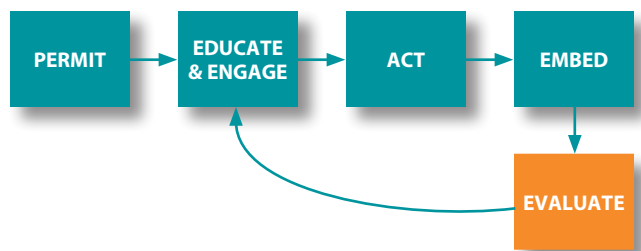
In 2010, 91 percent of associates participated in this survey; those respondents indicated that:

- jcpenny acts in a socially responsible manner (87 percent);
- associates have the opportunity to participate in programs to improve the environment (75 percent); and
- jcpenny actively encourages involvement in our communities (82 percent).

According to Thomas, the next challenge is working with HR to develop E&S performance metrics. As the sustainability agenda converges between the CSR and HR functions, cross-departmental collaboration is essential. As seen at jcpenny, HR involvement in sustainability initiatives is a source of competitive advantage in the attraction, retention and development of employees. By leveraging HR expertise in communicating with employees about strategic objectives, employee engagement surveys and resource teams, sustainability goals can be achieved.



## 5. EVALUATE



Measurement and evaluation of E&S engagement programs is a critical step to gauge their impact, support their continued integration into company culture and inform future sustainability education and engagement efforts. Companies are measuring employee engagement in sustainability in a number of ways (see Figure 6. Common Measures of Employee Engagement in Sustainability, below). Among NEEF Roundtable members, these measures indicate there is a high level of interest from employees in sustainability; they also indicate many employees still lack a clear picture of what sustainability means.

FIGURE 6. COMMON MEASURES OF EMPLOYEE ENGAGEMENT IN SUSTAINABILITY

- Measuring volunteer hours;
- Tracking participation in green teams;
- Using a companywide pulse survey that can include questions on ethics, environmental performance and commitment, community image, health and safety, global inclusion and other sustainability-related topics (When common questions are used, these surveys allow for benchmarking between companies.);
- Measuring participation in environmental pledges/challenges;
- Correlating employee engagement with reductions in waste, energy and water in facilities; and
- Tracking environment and sustainability (E&S) website/blog hits.

### Measuring Employee Engagement in Sustainability

A CASE STUDY OF INTERFACE INC. AND PG&E

This case study highlights the unique approaches two companies have taken to measure employee engagement: [Interface Inc.](#) and [Pacific Gas & Electric Co.](#) (PG&E).



#### COMPANY PROFILE

<i>Industry:</i>	<i>Modular Carpet Tiles</i>
<i>Headquarters:</i>	<i>Atlanta, Ga.</i>
<i>Number of Employees (2009):</i>	<i>Approximately 4,000</i>
<i>Total Revenue (2009):</i>	<i>\$900+ million</i>

Interface Inc., a 36-year-old modular carpet tile manufacturing company, wants to be “The first company that, by its deeds, shows the entire industrial world what sustainability is in all its dimensions: People, process, product, place and profits—by 2020—and in doing so, we will become restorative through the power of influence,” according to the late Ray Anderson, company founder and chairman.



Interface is on a journey to “Mission Zero,” which is the promise to eliminate any negative impact on the environment by the year 2020. Currently, Interface is more than 50 percent of the way to reaching this goal with regard to business, products and services, including:

- A waste reduction program that has allowed Interface to generate more than \$405 million in avoided costs;
- Energy efficiency programs that have resulted in a 67 percent reduction in greenhouse gas emissions on an absolute basis since 1996; and
- A commitment to renewable energy and further changes to the production process that have allowed for 100 percent use of renewable electricity in the company’s manufacturing processes throughout Europe.

Supporting this mission is Interface’s measurement system, EcoMetrics®, which was implemented in 1994. The “EcoMetrics,” or environmental indicators, are



tracked at each Interface facility and include waste reduction, overall energy use including renewable energy, carbon emissions, water and energy usage. Interface also tracks the company's impact on its associates and the community through SocioMetrics™. This initiative measures the resources the company invests in educating and raising awareness of sustainability issues and calculates the average time each employee spends volunteering and learning on an annual basis.

#### *Measuring Employee Engagement at Interface*

An integral part of Interface's sustainability mission is the way sustainability is embedded in the company culture. The integration of sustainability into the corporate culture is enhanced and measured by the Gallup Strengths Survey as an important part of [employee engagement](#) efforts. For seven years, Gallup has assisted Interface in building a company culture based on the principle that all people are born with inherent strengths built upon their talents. All roles within the company must play to and reflect each employee's strengths, and Interface understands that each person works best when he or she is in the right role. "Talents" are defined as the "inborn capacity for a near-perfect performance,"<sup>8</sup> and all 4,000 associates have an opportunity to realize and use those talents. Headquartered in Washington, D.C., the [Gallup Organization](#) is a worldwide consulting firm that features public opinion polls and statistics. Gallup's Strengths Finder recognizes that employee engagement drives company culture and performance outcomes, and Interface is leveraging this insight to better understand and recognize each employee's unique talents.

The employee engagement studies at Gallup are based on more than 30 years of research, utilizing the responses of more than 17 million employees. Through these studies, Gallup has identified 12 core elements that link powerfully to key business outcomes. These fundamentals are outlined in the Q12 survey (see Figure 7., next column).

#### FIGURE 7. GALLUP INC. Q12 SURVEY QUESTIONS

To identify the elements of worker engagement, Gallup conducted thousands of interviews in all kinds of organizations, at all levels, in most industries and many countries. These 12 statements—the Gallup Q12—emerged from Gallup's research as those that best predict employee and workgroup performance:

1. I know what is expected of me at work.
2. I have the materials and equipment I need to do my work right.
3. At work, I have the opportunity to do what I do best every day.
4. In the last seven days, I have received recognition or praise for doing good work.
5. My supervisor, or someone at work, seems to care about me as a person.
6. There is someone at work who encourages my development.
7. At work, my opinions seem to count.
8. The mission or purpose of my company makes me feel my job is important.
9. My associates or fellow employees are committed to doing quality work.
10. I have a best friend at work.
11. In the last six months, someone at work has talked to me about my progress.
12. This last year, I have had opportunities at work to learn and grow.

—Copyright 1993-1998, Gallup, Inc.

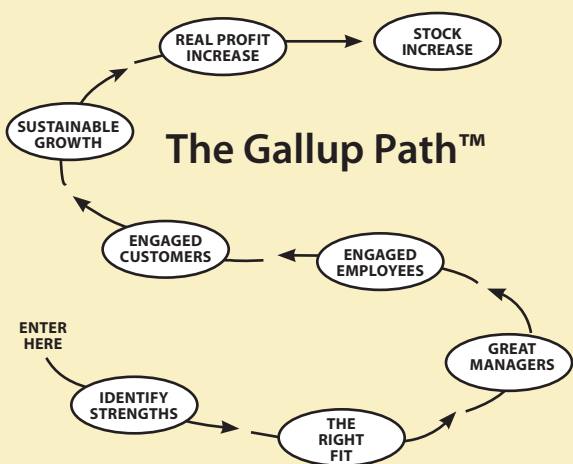
First administered globally throughout Interface in 2005, the Q12 has had an exceptional response rate at Interface. Worldwide, 89 percent of the company's workforce (approximately 3,600 associates) has completed the most recent survey. To ensure the appropriate path to take when utilizing the Strengths-Based Culture, Interface uses the [Gallup Path](#) (Figure 8., page 28) which focuses on *every employee's individual contribution and the organization's ultimate sustainability and financial goals*. It is critical to identify the strengths of each employee and review job descriptions through human resources to make sure the talents of employees are maximized. It then is up to managers to implement impact planning sessions to address opportunities for improvement, recognize achievements and agree to individual goals to engage employees. At Interface, an impact planning session consists of discussing the immediate challenges to employee engagement based on the level at which one wants to engage. The company takes into consideration everyone's strengths

<sup>8</sup> <http://www.gallup.com/home.aspx>



and assigns both job and team/organizational roles accordingly. For example, if an employee has the top strength of “achiever,” this person probably would be assigned to be a project leader and manager, whereas if someone has a top strength of “maximize,” this person likely would be paired up to work alongside the “achiever” to ensure the work is being performed quickly and efficiently.

FIGURE 8. THE GALLUP PATH ECONOMICS



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After employees submit their responses to the Q12 survey, the impact plans are developed and discussed at departmental levels to make improvements and respond to associate feedback. Analysis of the Q12 Survey administered in 2008 showed areas for improvement at Interface to include additional recognition for employees, ensuring that employees understand their opinions count and providing the appropriate technological tools for associates to optimally perform their duties. The survey also showed areas where Interface has excelled, including employees knowing what’s expected from them at work and feeling that their work is important through the mission and purpose of the company. This is Mission Zero™—commitment by all Interface employees to lessen the company’s environmental footprint and any harm to the environment by the year 2020, which is well under way.

### Company Profile



<i>Industry:</i>	<i>Electricity and Natural Gas</i>
<i>Headquarters:</i>	<i>San Francisco, Calif.</i>
<i>Number of Employees (2010):</i>	<i>Approximately 20,000</i>
<i>Total Revenue (2009):</i>	<i>\$13.4 billion</i>

PG&E is a large investor-owned utility that serves approximately 15 million people in northern and central California. Examples of sustainability in action can be found throughout its 100-year history—giving the company a solid foundation for much of the work it is doing today. Looking forward, PG&E is focused on achieving four goals, namely satisfied customers, energized employees, rewarded shareholders and environmental leadership. Taken together, these four goals comprise PG&E’s integrated approach to sustainability and reflect the “triple bottom line” concept.

For PG&E, sustainability requires focusing not only on recruiting and training the best people, but also on creating a sustainable culture that fosters their health and well being, welcomes and cultivates diversity, and engages employees in continued growth and learning.

For PG&E, sustainability is more than the sum of caring for our environment, doing right by our employees, serving our customers and communities and delivering for our shareholders. “Sustainability” reflects the reality that PG&E’s environmental and business challenges are increasingly intertwined, and that we can optimize our success by developing integrated and balanced solutions to these challenges. It guides how we approach our decision making across the company.  
—2009 Corporate Responsibility and Sustainability Report

PG&E recently has taken several important steps toward more fully integrating sustainability into its business, including naming a chief sustainability officer. The company also set five-year targets for



each of its four companywide goals, one of which is achieving top quartile performance for employee engagement as measured by FORTUNE's [World's Most Admired Companies](#). The five-year goals provide an overarching framework and process for the company's human resources department to collaborate with the sustainability team and other internal groups. According to employees, the company's commitment to managing its total impact as an enterprise is stronger than ever.

For PG&E, an "engaged" employee is defined as someone who understands the company's vision, feels a sense of ownership for the company's success and actively contributes to improving the company's performance. Given its size and diversity, PG&E distributes an employee survey companywide to capture opinions on engagement, accountability, teamwork and culture. Developed by [Valtera Corp.](#), the employee engagement survey measures an employee's sense of belonging, his or her ability to connect work to the company's success and his or her willingness to make a discretionary effort to benefit the company. The greater an employee's discretionary effort—that is, their willingness to go above and beyond daily job responsibilities—the better the potential for a company to reach its goals.

In 2010, the company achieved its best score to date: 68 percent of employees responded favorably, indicating a solid increase in employee engagement. The survey included three sustainability measures that addressed the company's commitment to the environment, to the communities it serves, and to providing volunteer opportunities for employees.

Working with PG&E's human resource department, each line of business reviews its survey results and creates an engagement plan that acts on insights from the survey. The company also uses year-round communication and training to keep employees up to date on the company's initiatives.

In addition to the survey, PG&E tracks a number of metrics that indicate employee engagement, such as employee volunteer hours and participation in employee-led groups that help foster diversity and inclusion, including a growing grassroots green network. Employees volunteered 24,745 hours in 2009 through nearly 480 company-organized events. More than 900 PG&E employees, retirees and their friends and families helped clean up and restore 10 state and community parks throughout the company's service area, planting trees, repairing nature trails, pulling invasive plants and removing litter in partnership with the California State Parks Foundation.

PG&E also measures progress toward five-year targets for reducing energy, water and waste in its facilities—important initiatives whose success hinges on employee engagement and participation. Starting last year, PG&E added these goals to a new environmental metric that impacts the compensation of all management employees, serving as an added incentive for employees to participate and help reduce the company's environmental footprint.





## Lessons Learned

Several lessons at all stages of the engagement model emerge from the experience of companies that are successfully leading the way toward “Engagement 2.0”:

### **Permit:**

- Establishing a sustainability vision, as well as goals and strategies, helps to reinforce sustainability as a corporate priority.
- Walk the talk; senior leadership and consistency of senior leaders’ words with actions are an important implicit form of permission. Conversely, employees are acutely sensitive to mixed messages from management, which can dampen motivation.

### **Educate & Engage:**

- There is no single best model for employee engagement that applies to all companies. Indeed, a rich variety of approaches fits different corporate cultures and needs (see Figure 2. and Educate & Engage Examples in Practice, page 10). Employee engagement programs also are likely to vary geographically and by program type.
- Match education and engagement tools and approaches to the profile of your target audience. For example, technically oriented employees tend to respond well to e-learning and collaboration opportunities, while employees who lack computer access at work may require person-to-person training.
- Manage employee expectation and interest by keeping employee engagement tools new and fresh and balancing local and personal objectives with corporate objectives and structure.

### **Act:**

- Empower employees to act by making employee engagement personal and voluntary.
- Create opportunities and encourage employees to take action by demonstrating the link between their actions and the company’s sustainability goals.

### **Embed:**

- It can be challenging to change company culture—try to understand the culture that is already present and design your employee engagement initiatives in such a way that they will have near-term success by fitting the culture.

### **Evaluate:**

Measuring employee engagement in sustainability is perhaps the most challenging aspect of developing a successful program, and many companies are not yet able to correlate overall employee engagement or engagement in sustainability initiatives to business results. However, several important lessons from Interface and PG&E can help reduce this challenge and make employee engagement measures more impactful:

- Tie measures of employee engagement to corporate sustainability goals.
- Collaborate with human resources professionals to include sustainability in existing training, incentives and other processes and use quantifiable techniques that already exist to measure culture and calibrate initiatives.
- Take a long-term approach that acknowledges and learns from mistakes and benefits from continued benchmarking with others.
- Find the appropriate metrics for your employee engagement activities and measure the impact. For many companies, this can be done by adapting routine surveys of prospective, new and established employees, asking specific questions about E&S education and engagement, and establishing correlations between responses to the questions and such outcomes as satisfaction rates and acceptance of job offers.
- Correlating measures of employee engagement to environmental results or improvements in operational efficiency can be powerful tools for making the business successful and improving employee engagement programs.



## Looking Forward

Engaging employees in corporate sustainability initiatives has moved beyond the experimental phase to become an essential part of strategic sustainability programs. Companies are realizing the value of engaging employees in sustainability initiatives in enhancing recruitment, retention, cost savings and innovation, among other business drivers. To address this interest, companies are creating innovative tools for employee engagement, some of which are documented in this report. For many companies, the ultimate goal is for these tools to provide the foundation for a cultural shift toward a more sustainable company: a company where every job is viewed as a green job.

Reaching this goal will require further development of tools for engaging employees in sustainability and measurement of their impact. We also see a need for increasing collaboration between the sustainability and HR departments to embed sustainability in the way people and talent are managed, and to work with educators to ensure that future employees have sustainability skills. Already, MBA programs from York University (Schulich) to the University of Michigan (Ross School of Business) and Yale School of Management are offering training that prepares students for sustainability challenges. However, according to a study by the [Aspen Institute](#), only 30 percent of business schools require a core course with sustainability content. And, there is an opportunity to begin training students earlier in high school and as undergraduates through incorporation of sustainability content into science, technology, engineering and mathematics (STEM) curricula and in bachelor's of business administration (BBA) courses.

We expect the practice of employee engagement to continue to evolve and look forward to seeing "Engagement 3.0."



# Resources for Practitioners

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[www.gallup.com/consulting/gallup-consulting.aspx](http://www.gallup.com/consulting/gallup-consulting.aspx)

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[www.greenbiz.com/blog/2010/06/30/10-things-ive-learned-about-making-sustainability-core-value](http://www.greenbiz.com/blog/2010/06/30/10-things-ive-learned-about-making-sustainability-core-value)

HR's Role in Building a Sustainable Enterprise: Insights From Some of the World's Best Companies:  
<http://view.fdu.edu/files/hrrolesustpaper.pdf>

Interface Inc.: [www.interfaceglobal.com](http://www.interfaceglobal.com)

JCPenney Associate Resource Teams  
[www.jcpenney.net/about/inclusion\\_diversity/n3\\_assoc\\_eng/n4\\_assoc\\_eng3.aspx](http://www.jcpenney.net/about/inclusion_diversity/n3_assoc_eng/n4_assoc_eng3.aspx)

JCPenney Sets Goal to Reduce Energy Use 20 Percent by 2015  
[www.jcpenney.net/Media/Media-Room/Press-Releases/jcpenney-News/jcpenney-Sets-Goal-to-Reduce-Energy-Use-20-Percent.aspx](http://www.jcpenney.net/Media/Media-Room/Press-Releases/jcpenney-News/jcpenney-Sets-Goal-to-Reduce-Energy-Use-20-Percent.aspx)

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[www.icmrindia.org/casestudies/catalogue/Business%20Strategy/BSTR274.htm](http://www.icmrindia.org/casestudies/catalogue/Business%20Strategy/BSTR274.htm)

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[www.neefusa.org/business](http://www.neefusa.org/business)

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[http://www.pgecorp.com/corp\\_responsibility/reports/2009/images/pge\\_csr\\_summary\\_2009.pdf](http://www.pgecorp.com/corp_responsibility/reports/2009/images/pge_csr_summary_2009.pdf)

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Willard, Bob. (2002). The Sustainability Advantage. New Society Publishers.



## Green Teams

### ARTICLES

- “10 Best Practices for Building Green Teams,” Deborah Fleischer: An overview on green teams, the business case, best practices and training resources  
[www.greenbiz.com/blog/2009/12/07/10-best-practices-building-green-teams](http://www.greenbiz.com/blog/2009/12/07/10-best-practices-building-green-teams)
- “How to Build a Green Team: The First Step to Sustainability,” Brandi McManus: Highlights rules of a green team (size, creativity, diversity, etc.), how the meetings should be planned and carried out and what suggestions to make to the company.  
[www.greenbiz.com/news/2009/05/05/how-build-green-team-first-step-sustainability](http://www.greenbiz.com/news/2009/05/05/how-build-green-team-first-step-sustainability)
- “Corporate Green Teams: Sustainable Business from the Bottom Up,” Ouynh Nguyen: Common challenges and easy tips for successful teamwork (including choosing projects wisely, small-scale focus and making green goals as part of a job)  
[www.greenbiz.com/news/2008/06/07/corporate-green-teams-sustainable-business-bottom?page=0%2C2](http://www.greenbiz.com/news/2008/06/07/corporate-green-teams-sustainable-business-bottom?page=0%2C2)
- “Winning Characteristics of Green Teams,” Taiga Co.  
<http://blog.taigacompany.com/blog/taiga-company/0/0/winning-characteristics-of-green-teams>
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- Deloitte: Best Practices for Going Green  
[www.triplepundit.com/2010/02/best-practices-for-going-green/](http://www.triplepundit.com/2010/02/best-practices-for-going-green/)

### TOOLS

- Free EPA Energy Star Toolkit, tip sheet, posters, green team ideas:  
[www.energystar.gov/index.cfm?fuseaction=bygtyw.showSplash](http://www.energystar.gov/index.cfm?fuseaction=bygtyw.showSplash)
- Green Team Toolkit, U.S. Forest Service:
  - » Green Team posters, signs, bumper sticker templates  
[www.fs.fed.us/sustainableoperations/greenteam-toolkit/posters-signs-logos.shtml](http://www.fs.fed.us/sustainableoperations/greenteam-toolkit/posters-signs-logos.shtml)
  - » Green Team resources by footprint area:  
[www.fs.fed.us/sustainableoperations/greenteam-toolkit/resources-footprint.shtml](http://www.fs.fed.us/sustainableoperations/greenteam-toolkit/resources-footprint.shtml)
- Greenzu offers a systematic way to examine a company’s green initiatives. A quick payback calculator also is offered to analyze cost and savings of efforts:  
<http://greenzu.com/>
- General Green Team Toolkit, Carnegie Mellon:  
[www.cmu.edu/greenpractices/greening-the-campus/green-teams/create-a-green-team.html](http://www.cmu.edu/greenpractices/greening-the-campus/green-teams/create-a-green-team.html)

## Volunteerism

### ARTICLES

- “How to Match Companies and Causes,” Eilene Zimmerman, *The New York Times*  
[www.nytimes.com/2010/08/29/business/29career.html?\\_r=1&scp=1&sq=volunteer&st=cse](http://www.nytimes.com/2010/08/29/business/29career.html?_r=1&scp=1&sq=volunteer&st=cse)
- “The Fundamentals of Building An Employee Volunteer Program,” Cause Capitalism  
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- “Six Essential Strengths of an Employee Volunteer Program: An Interview With Shannon Schuyler of PricewaterhouseCoopers,” Chris Jarvis  
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- “Hundreds of Levi Strauss Employees Volunteer for ‘501 Day’ ”  
[www.greenbiz.com/news/2009/05/01/hundreds-levi-strauss-employees-volunteer-501-day](http://www.greenbiz.com/news/2009/05/01/hundreds-levi-strauss-employees-volunteer-501-day)

- “The art of demystifying a millennial volunteer”  
[www.socialcitizens.org/blog/art-demystifying-millennial-volunteer#comment-1284](http://www.socialcitizens.org/blog/art-demystifying-millennial-volunteer#comment-1284)

- Motivating Volunteerism in Tough Times  
[www.lbg-associates.com/publications/](http://www.lbg-associates.com/publications/)

#### TOOLS

- VolunteerMatch strengthens communities by making it easier for good people and good causes to connect. The organization offers a variety of online services to support a community of nonprofit, volunteer and business leaders committed to civic engagement.  
[www.volunteermatch.org/about/](http://www.volunteermatch.org/about/)
- A marketing plan, including volunteer communications, will enable an organization to make the most of its marketing resources. Stronger connections with a company’s base will lead to more giving, volunteering and advocacy.  
[www.gettingattention.org/nonprofit-marketing-plan.html](http://www.gettingattention.org/nonprofit-marketing-plan.html)
- The Association of Leaders in Volunteer Engagement (ALIVE)  
[www.associationofleadersinvolunteerengagement.org/](http://www.associationofleadersinvolunteerengagement.org/) holds an ongoing webinar series that focuses on critical skills on defining and measuring outcomes of volunteer efforts.  
<http://mms.volunteeralive.org/members/evr/regmenu.php?orgcode=ALIV>
- VolunteerMatch’s SearchLite Widget (see Social Media Tools, next page)
- Boston College Center for Corporate Citizenship’s Volunteer Benchmarking Tool  
[www.bccccc.net/index.cfm?pagelid=2151](http://www.bccccc.net/index.cfm?pagelid=2151)

- Implementing an Employee Volunteer Program in Ten Steps: Corporation for National & Community Service  
[www.nationalserviceresources.org/node/17582](http://www.nationalserviceresources.org/node/17582)

#### **Awards and Incentives**

##### ARTICLES

- “Choosing an Employee Incentive Program,” Aubrey C. Daniels  
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- “Lack of Incentives Prevent Employees Going Green at Work,” GreenBiz Staff, Jan. 17, 2007  
[www.greenbiz.com/news/2007/01/17/lack-incentives-prevent-employees-going-green-work](http://www.greenbiz.com/news/2007/01/17/lack-incentives-prevent-employees-going-green-work)

##### TOOLS

- The Book Company package for companies that want to communicate in a meaningful way via personal messages on the inside page of inspirational books. This promotional/recognition technique, which is called a Promo-Page Insert, allows you to select books (prices range from \$5–\$15 each) that actually are likely to be read, shared, displayed and treasured for years to come.  
[www.thebookco.com/promopage.cfm](http://www.thebookco.com/promopage.cfm)  
*Sample Image:*  
[www.mybookco.com/images/s\\_promopageinserts.jpg](http://www.mybookco.com/images/s_promopageinserts.jpg)
- The Awards Network increases employee engagement with recognition awards and incentive gift programs.  
[www.awardsnetwork.com/](http://www.awardsnetwork.com/)
- “How to Write an Employee Recognition Letter” (with examples) [http://humanresources.about.com/od/rewardrecognition/a/thank\\_letters.htm](http://humanresources.about.com/od/rewardrecognition/a/thank_letters.htm)





## Social Media

### ARTICLES

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- “How to Engage Stakeholders on Sustainability,” Perry Goldschein and Beth Bengston, Sept. 17, 2009  
[www.greenbiz.com/blog/2009/09/17/how-engage-stakeholders-sustainability](http://www.greenbiz.com/blog/2009/09/17/how-engage-stakeholders-sustainability)
- Intel’s Social Media Guidelines  
[www.intel.com/sites/sitewide/en\\_US/social-media.htm](http://www.intel.com/sites/sitewide/en_US/social-media.htm)
- “5 Social Media Tips for Better Corporate Social Responsibility,” Ann Charles  
<http://mashable.com/2010/02/02/corporate-social-responsibility/>
- Brighter Planet Employee Engagement Survey  
<http://brighterplanet.com/>
- BT Responsibility Website  
[www.btplc.com/responsiblebusiness/](http://www.btplc.com/responsiblebusiness/)

### TOOLS

- Yahoo’s Delicious.com allows a company to set up a personalized virtual library of content. Employees then can search bookmarks quickly for the information they want (for example, you can easily upload Web information on volunteerism, green teams, etc.).  
[www.delicious.com/](http://www.delicious.com/)  
PDF: Easily set up a delicious.com account:  
[www.box.net/shared/f4n3009nyz#/shared/f4n3009nyz/1/39692390/454697286/1](http://www.box.net/shared/f4n3009nyz#/shared/f4n3009nyz/1/39692390/454697286/1)
- PDF: Easily set up a Twitter account:  
[www.box.net/shared/f4n3009nyz#/shared/f4n3009nyz/1/39692390/454697280/1](http://www.box.net/shared/f4n3009nyz#/shared/f4n3009nyz/1/39692390/454697280/1)

- Changents.com (partnered with P&G Give Health) is an online storytelling tool that incorporates blogging, photos, videos and E&S opportunities.  
<http://changents.com/intro-video>
- VolunteerMatch’s SearchLite Widget is a way for CSR-minded companies, employee volunteer programs, community foundations, Web publishers and other website owners to engage their users with a wide variety of opportunities. It can be customized to fit the look and feel of any site.  
[www.volunteermatch.org/corporations/searchlite.jsp](http://www.volunteermatch.org/corporations/searchlite.jsp)



## Appendix A: Roundtable Members

Aliniad Consulting Partners, Inc.	jcpenny
American Staffing Association	Johnson & Johnson
American Wind Energy Association	Kimberly-Clark Corp.
BT	Lockheed Martin Corp.
Canon	Mohawk Paper Mills, Inc.
Center for Global Corporate Citizenship	NAEM
Ceres	P&G
Citigroup Inc.	Pacific Gas and Electric Co. (PG&E)
Credit Suisse Group	PwC
Darden Restaurants Inc.	Sodexo
GEMI	Strassner Consulting
The George Washington University	SunGard
HSBC Bank USA N.A.	The Timberland Co.
IFCO Systems Worldwide Inc.	Tom Davis Associates, LLC
Ingersoll-Rand Co.	Toyota Motor Sales, U.S.A. Inc.
Intel Corp.	Women's Network for a Sustainable Future
Interface Inc.	

## Appendix B: Profiles of Companies in the Report

Company	Industry	Headquarters	Number of Employees (2010)	Total Revenue (2010)
Baxter International Inc.	Medical Supplies	Deerfield, Ill.	48,000	\$12.843 billion
BT	Telecommunications	London, England	101,700	\$20.911 million GBP
Cisco Systems Inc.	Information/Communications Technology	San Jose, Calif.	70,714	\$40.040 billion
eBay Inc.	Auctions	San Jose, Calif.	17,700	\$9.156 billion
Intel Corp.	Semiconductors	Santa Clara, Calif.	82,500	\$43.623 billion
Interface Inc.	Modular Carpet Tiles	Atlanta, Ga.	4,000	\$900+ million
jcpenny	Retail	Plano, Texas	156,000	\$17.759 billion
Johnson & Johnson	Pharmaceuticals, Medical Devices and Diagnostics, Consumer	New Brunswick, N.J.	115,000	\$61.6 billion
Lockheed Martin Corp.	Aerospace and Defense	Bethesda, Md.	123,000	\$45.803 billion
Pacific Gas & Electric Co.	Electricity and Natural Gas	San Francisco, Calif.	20,000	\$13.4 billion
PwC	Professional Services	New York, N.Y.	161,000	\$26.6 billion
P&G	Consumer Goods	Cincinnati, Ohio	127,000	\$78.9 billion
Seventh Generation Inc.	Natural Household Products	Burlington, Vt.	96	\$150 million
Stonyfield Farm Inc. (part of Groupe Danone)	Food	Londonderry, N.H.	500	\$360 million
Toyota Motor Sales U.S.A. Inc.	Automotive	Toyota City, Japan	317,734	\$235.89 billion
Walmart Stores Inc.	Retail	Bentonville, Ark.	2,100,000	\$421.849 billion



## Appendix C: Case Study Highlights from *The Engaged Organization*

Company	Synopsis	Organizational Method	Responsible Department	Audience
<b>Cisco</b>	Cisco has identified environmental sustainability as a global corporate priority. One of the company's supporting initiatives is to inspire employees to get involved and to take action. Through the use of Web 2.0 technologies such as a dedicated Intranet website, video, and discussion forums, the company engages employees in environmental management programs and an annual worldwide environmental awareness campaign.	Mixed-media communications; multi-departmental leadership	Internal communications	All employees
<b>Clean Clothes, Inc. (Maggie's Organics)</b>	Maggie's does not have a formal environmental education or training program; at Maggie's, environmental education is integrally connected to the product. The company works with business partners to improve environmental practices. It also screens new employees for their knowledge about organics and organic cotton. As a result, the corporate culture attracts employees who are environmentally aware.	Informal; employee-led "green teams"	Owner driven; no single responsible department	All employees; suppliers
<b>Hewlett-Packard</b>	HP provides employee environmental education through mixed-media communications, events and programs. For example, HP provides employees with brown-bag informational seminars about installing solar roofs at their own homes, and incentives for employees using solar energy. HP also supports grassroots employee sustainability networking.	Mixed-media communications; employee-led "green teams"; incentives	Corporate Environmental Sustainability Group	All employees
<b>Interface</b>	Interface is on a mission to have zero environmental footprint by 2020. To realize this mission, it has made sustainability part of every employee's job. Interface uses several educational practices including job-appropriate training, storytelling and learning modules to support employee learning and development.	Online training; performance incentives; awards	All employees	All employees
<b>Johnson &amp; Johnson</b>	Johnson & Johnson set a goal to improve environmental literacy among its employees by 2010. Within the first year, 92 percent of Johnson & Johnson's facilities had an environmental literacy plan, and 79 percent of facilities had deployed an annual environmental literacy module.	Mixed-media communications; multi-departmental leadership	Corporate EHS office	Corporate staff; facilities employees
<b>Stonyfield</b>	At Stonyfield, employee engagement and education on E&S issues begins with the hiring process. Then Stonyfield's Mission Action Plan (MAP) engages all employees in its sustainability mission by linking long-term environmental impact goals to job performance measures.	Multi-departmental leadership; employee-led "green teams"; mixed-media communications; performance incentives	MAP team employees (designated by impact area)	All employees
<b>The Accessory Corp. (TAC)</b>	TAC's E&S education journey began with attendance of top management at an in-person training seminar supported by one of its major customers. The managers took the information back to TAC and shared it with other employees. As a result, TAC developed a new hanger design using renewable material and a re-use program.	Informal; multi-departmental leadership	Marketing	All employees; major retailers
<b>Walmart</b>	Walmart, the world's largest retailer, has the size and scope to influence change throughout the industry. Walmart thinks its associates are critical in the company's efforts to become a more sustainable business. Its Personal Sustainability Project (PSP) has engaged more than 500,000 associates voluntarily in its sustainability efforts, demonstrating measurable results in associates' lives and in the workplace. Additionally, Walmart's Sustainable Value Networks engage salaried associates, and all salaried associates' performance evaluations include a question on the associates' contribution to sustainability.	Employee-led "green teams"; multi-departmental leadership; mixed-media communications; performance incentives	Sustainability office	Corporate staff and associates



<i>Purpose</i>	<i>Employee Motivation</i>	<i>Topics</i>	<i>Metrics</i>	<i>Key Lessons</i>
Achieving goal of greenhouse gas emissions reduction; supporting senior management vision	Saves money, fits within company goals, improves employee understanding of the company's green products	Energy, recycling, water bottles, biking to work	Website tracking; employee survey	Start with senior management vision; nurture a green culture through customizable events and communications; inspire employee conversation with one another; use Web 2.0 technology as an asset to provide employees with resources; communicate green programs with employees first
Product innovation	Corporate culture attracts employees who are environmentally aware	Environmentally friendly materials; packaging; practices for apparel production	N/A	Embed sustainability in your culture and product; foster a culture of learning; use credible third-party information to make the case for environmental improvements; influence the supply chain through education and dialogue; make the business case internally and with business partners
Raise awareness about the availability of green products, services and events	Concern for the environment	General environmental awareness; solar energy	Webcast attendees and recorded viewings; the number of employees attending events; the number of subscriptions to receive environmental tips via e-mail; the number of pledges received; and the estimated carbon reductions resulting from the pledges	Support grassroots efforts with a variety of resources; use a combination of media for communications, events and programs; incentivize employees' actions at home; measure results; reach out to the less motivated
Product innovation; achieving goal of zero impact	Corporate culture attracts employees who are environmentally aware; CEO mandate		Employee engagement per Gallup poll; materials usage	Make E&S part of a shared vision and the company culture, not a "flavor of the month"; measures are critical, and the best teacher; storytelling is a powerful tool; Include all employees; consider E&S motivation and knowledge in the hiring process
General awareness; product innovation	Varies	Sustainability goals; sustainability; forestry; climate change	Number of facilities with literacy plans and deploying literacy modules	Build on existing company culture; tailor the messages for the audiences; use repeated, frequent messaging and multiple media; it's okay to go after employees' hearts; work with partners outside the company
Reducing environmental impact of production	Job accountability and bonuses	Key sustainability impact areas	Reduction of environmental impact in 11 key areas	Tie E&S education to the company's mission and goals; focus on key impact areas and set improvement goals; make E&S relevant to job performance; assess E&S knowledge and motivation part of the hiring process
Product innovation; reducing environmental impact; customer mandate	Customer mandate	Environmentally friendly materials; packaging; reuse	Packaging reduction	Retailer support is key; include all functions in the search for solutions; persistence
Employee engagement to achieve sustainability goals	Personal, voluntary commitments	General sustainability awareness	Number of employees who adopt a PSP; the type of PSP and employees' success/ impact in aggregate	Make E&S outreach personal and voluntary; grassroots and personal involvement is essential; engage employees in setting goals



## Appendix D: Survey Results

The GreenBiz Group and NEEF survey, conducted in August 2011, examines aspects of corporate environmental and sustainability education initiatives at companies at varying stages of program development defined as: advanced, beginner, no program yet and no program in future.<sup>8</sup> This survey builds on the NEEF 2008 survey findings featured in [The Engaged Organization](#) and provides a quantitative understanding of the evolution of employee engagement

### ***What's New and Interesting Since the Last Survey***

1. **“Sustainability” is the word we use.** The term “sustainability” has become established as the key phrase for organizations to use (according to 49 percent of respondents) in describing their environmental sustainability initiatives.
2. **E&S knowledge remains valuable.** The survey indicated that E&S knowledge is both valued by companies and is expected to increase in importance as a hiring factor. Currently, 65 percent of respondents value job candidates’ E&S knowledge.
3. **More companies are planning to introduce E&S education.** Some 58 percent of the respondents whose companies have no program said they think their company will begin educating employees within the next two years. This is 9 percentage points higher than in 2008—an indication that E&S education is important to large and small companies.
4. **E&S education is led by EHS or CSR departments.** Whether companies have advanced or beginner programs, E&S education most commonly resides in the corporate social responsibility (CSR) or environmental health and safety (EHS) offices (see Chart 1., next page). But for small businesses, it more often than not resides in marketing and sales offices.
5. **Companies are using a much broader array of education methods.** In 2008, respondents found online training modules to be most effective, followed closely by hiring a consultant and competitions. However, in 2011 almost every method identified achieved an average rating of at least 3.0.

### ***Participant Overview***

There were 1,183 survey respondents, with approximately 54 percent who considered themselves either advanced or very advanced, 39 percent who considered themselves as improving and only 7 percent who identified themselves as “taking first steps.” However, not all respondents answered every question.

The results represent a purposeful sample of those interested in business and environmental issues. More than 86 percent of those taking the survey represented businesses. Respondents were a mix of mainstream, environmentally progressive large companies and small “green” companies.

<sup>8</sup> In the survey, education programs levels are defined as:

- Very advanced (high level of employee awareness that supports aligned values, strategy and operations);
- Advanced (high employee awareness and engagement, but some areas still need improvement);
- Improving (home employee awareness is evident, but still need to change company culture and employee behavior); and
- Taking first steps (exploring ways to achieve this).

For purposes of analysis, the advanced stage includes respondents in the “very advanced” and “advanced” categories; the beginner stage includes respondents in the “improving” and “taking first steps” categories; and the no program yet/in future stage includes respondents who indicated their company does not have and/or does not plan to have an E&S education program for their employees.

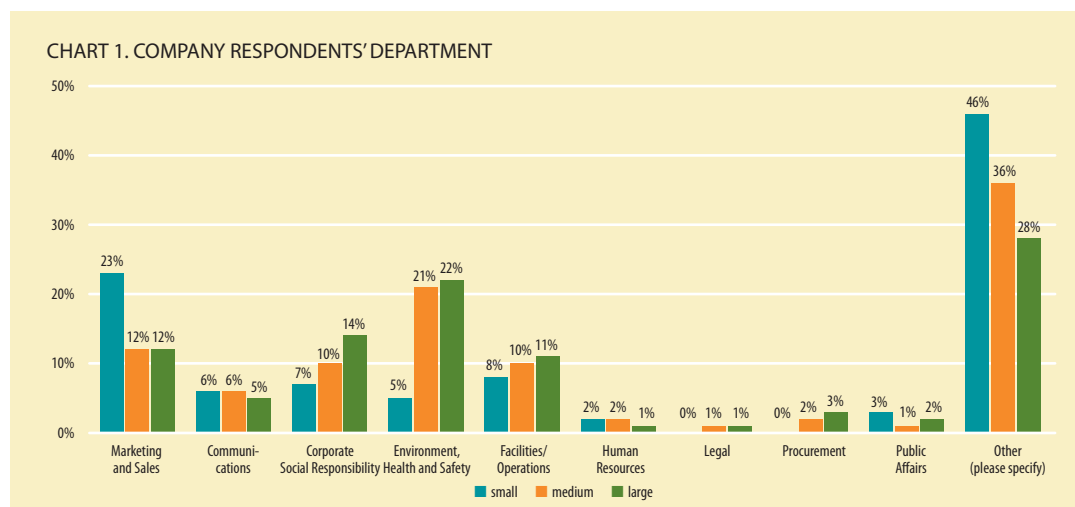




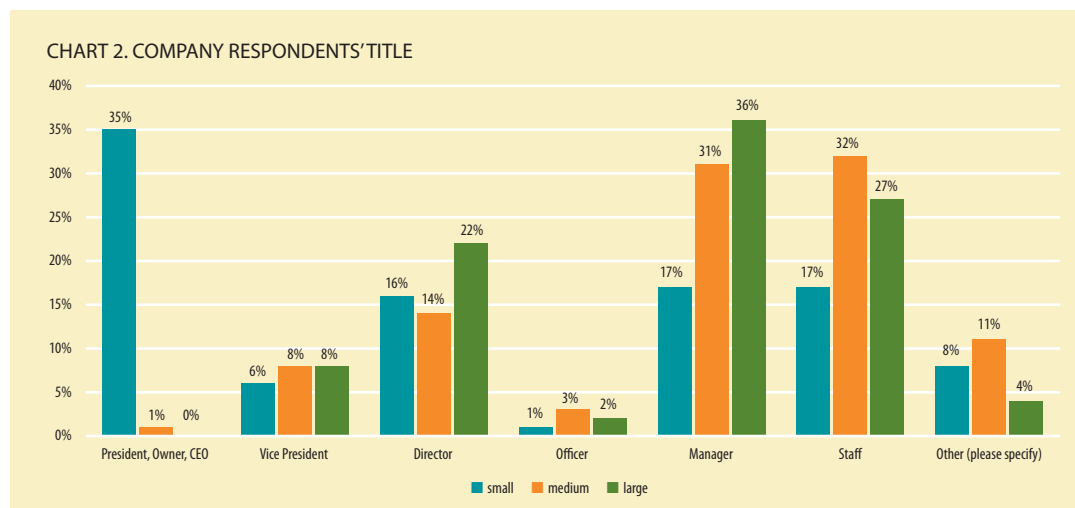
Survey participants were recruited from the GreenBiz Group’s GreenBuzz mailing list, which has a broad audience beyond corporate employees.

Survey participants represented a broad range of industry sectors, with the greatest number of respondents from the consumer goods and energy sectors. In terms of size, 34 percent of respondents were from small companies (less than 99 employees), 38 percent were from medium companies (100 to 9,999 employees) and 28 percent were from large companies (more than 10,000 employees).<sup>1</sup>

The small company respondents were more frequently located in marketing and sales or “other” functions, while large and medium company respondents primarily were located in marketing and sales, environment, health and safety (EHS), facilities, corporate social responsibility (CSR) and “other” functions (see Chart 1., below).



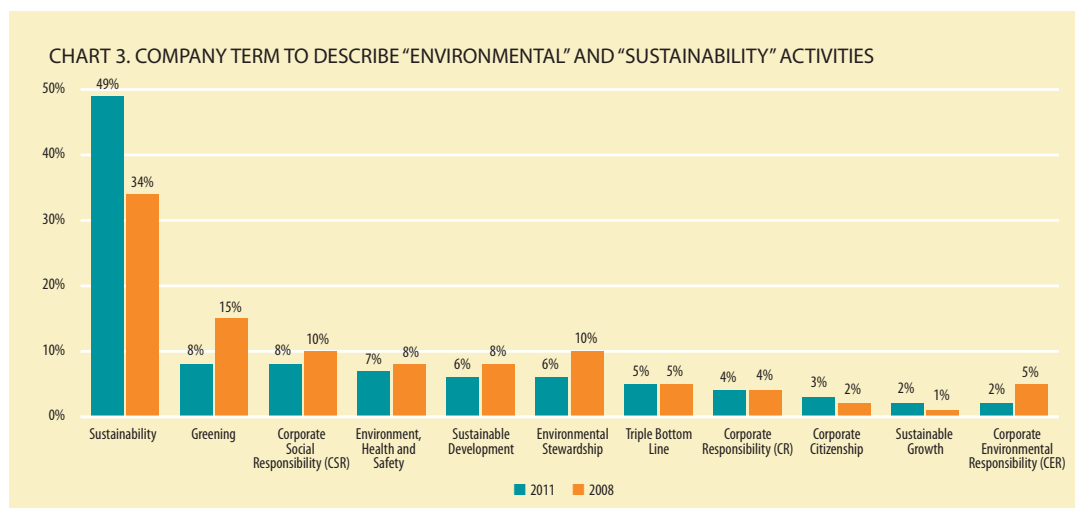
Respondents from small companies primarily were the president, owner or CEO, while large and medium company respondents primarily were at the manager or staff level (see Chart 2., below).



<sup>1</sup> Not all respondents answered the question regarding company size; therefore, results broken down by company size differ slightly from aggregate responses.



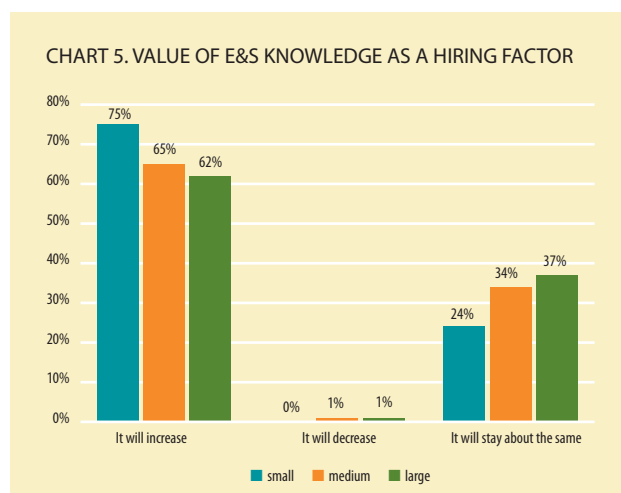
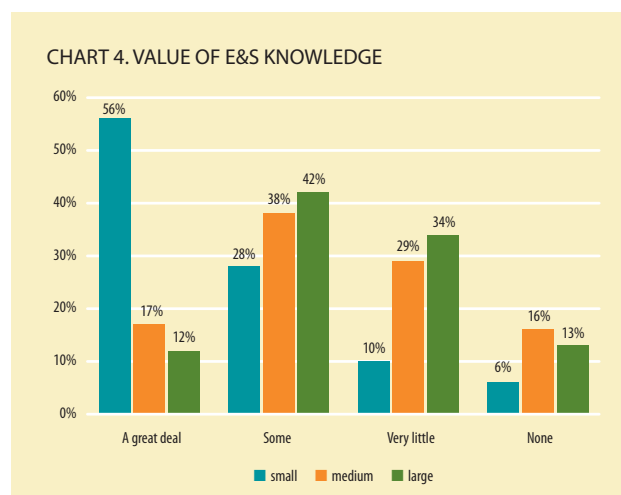
Once again, we asked respondents what term is used at their company to describe “environmental” and “sustainability” activities. Over the course of the last three years, the term “sustainability” has become the standard for describing these activities, with nearly half (49 percent) identifying that term, up from 34 percent in 2008 (see Chart 3., below).



### Environment and Sustainability Knowledge

The survey indicated that E&S knowledge both is valued by companies and is expected to increase in importance as a hiring factor. Currently, 65 percent of respondents said they valued job candidates’ E&S knowledge, but the percentage of companies placing at least some value on E&S knowledge is higher at small companies (84 percent) than at medium (55 percent) or large (54 percent) companies (see Chart 4., right).

A high percentage (68 percent) of respondents think the value of job candidates’ E&S knowledge will increase in importance as a hiring factor within the next five years, with 75 percent of small, 65 percent of medium and 62 percent of large company respondents agreeing with that prediction. Virtually no respondents expect it to decrease (see Chart 5., right).

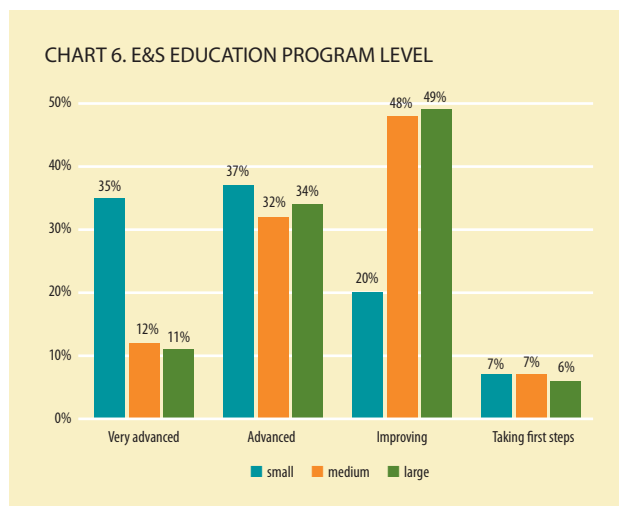




### **Environment and Sustainability Education**

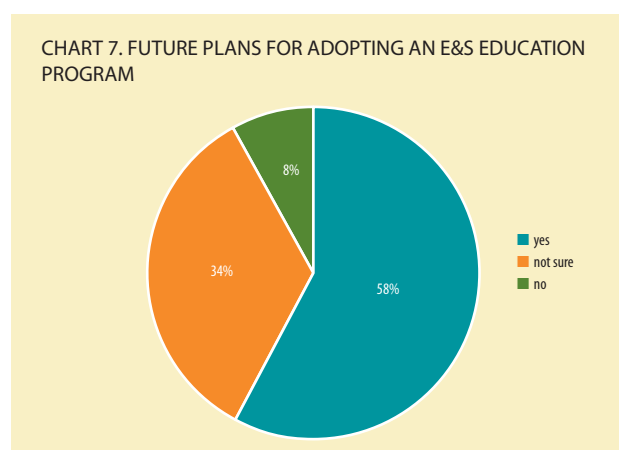
Companies not only are anticipating that the value of E&S knowledge will increase, they are doing something about it. For example, 78 percent of companies educate employees about corporate E&S goals.

More than half (55 percent) of the respondents think their company has an advanced or very advanced E&S education program. Among small company respondents, 72 percent said their company has an advanced or very advanced E&S education program, compared with 44 percent and 45 percent of medium and large companies, respectively (see Chart 6., right).



### **Trends in Environment and Sustainability Education**

The survey indicates that companies lacking an E&S education program are likely to adopt one soon. Some 58 percent of the respondents whose companies have no program said their company would begin educating employees within the next two years (including 13 percent of small, 25 percent of medium and 12 percent of large company respondents). This is 9 percentage points higher than in 2008—an indication that E&S education is growing in important to large and small companies. Only about 8 percent of respondents do not expect to start a program, citing as reasons competing priorities, lack of time and lack of clearly defined goals (see Chart 7., right).



### **The Mechanics of Environment and Sustainability Education**

In 2008, our survey results indicated that the department responsible for E&S education varied with the educational program level. This year we took a deeper look and found that the primary indicator of which department oversaw E&S education was not defined as much by the maturity of the program as by the size of the company.

Whether companies have advanced or beginner programs, E&S education most commonly resides in the corporate social responsibility or environment, health and safety offices (see Chart 8., on page 43). The unique feature of small businesses is that E&S education more often resides in the marketing and sales office (see Chart 9., on page 43). Marketing and sales is the key department responsible (or anticipated to be responsible) for environmental education in small companies and those with no program.



CHART 8. DEPARTMENT RESPONSIBLE FOR E&S EDUCATION IN ADVANCED COMPANIES

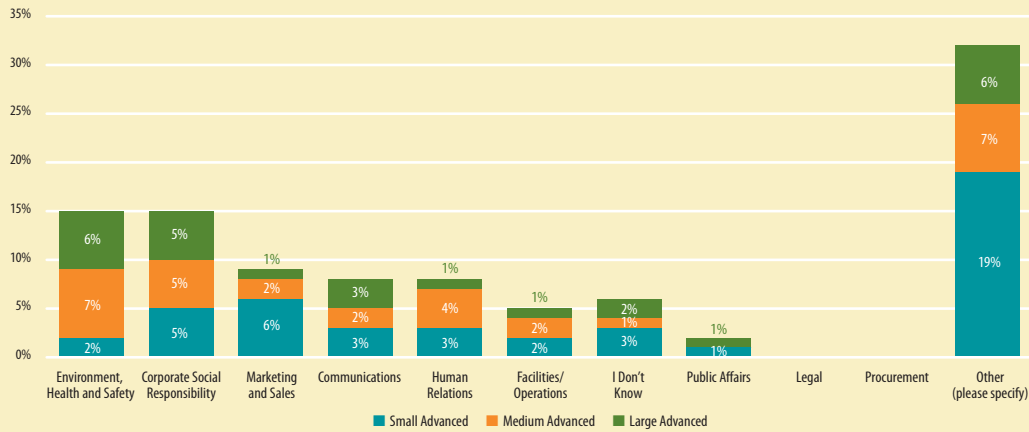
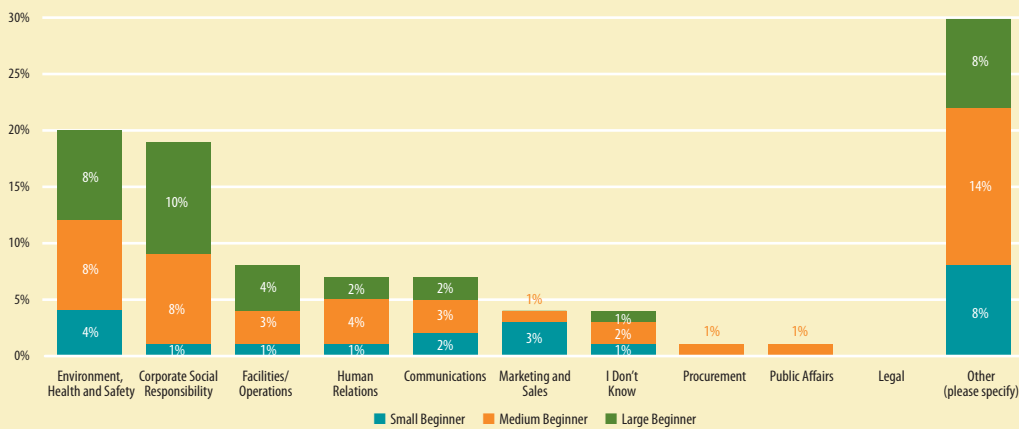
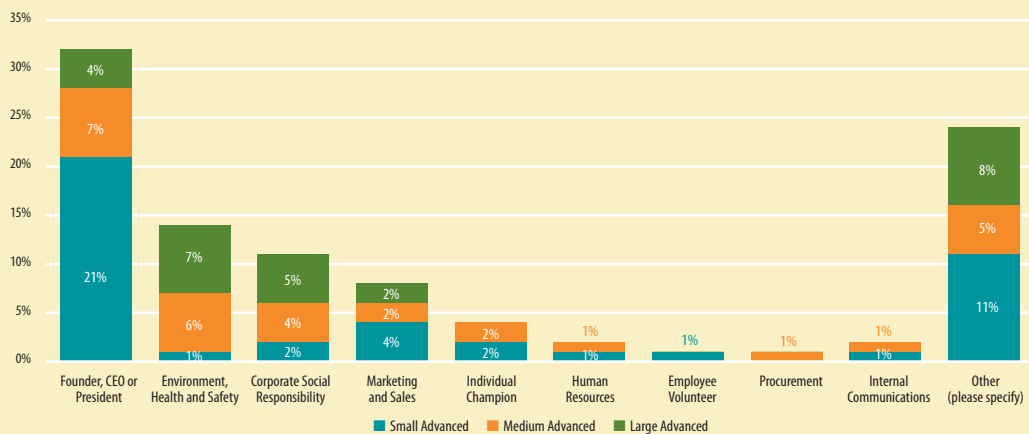


CHART 9. DEPARTMENT RESPONSIBLE FOR E&S EDUCATION IN BEGINNER COMPANIES



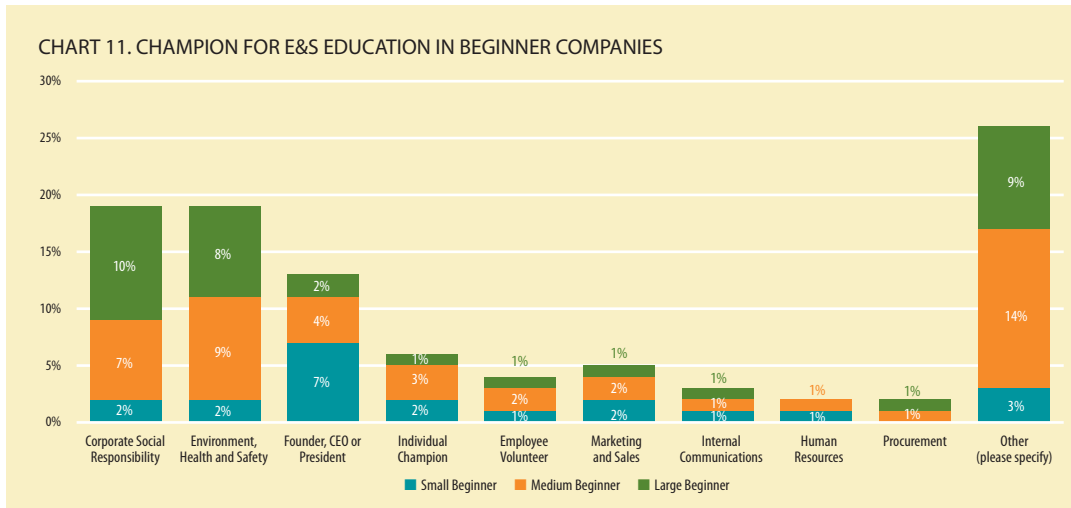
In small companies with advanced programs, the founder, CEO or president is more often the champion of E&S education (see Chart 10., below), but in large and mid-sized companies with advanced programs, it is more likely to be someone from the EHS or CSR departments championing the efforts.

CHART 10. CHAMPION FOR E&S EDUCATION IN ADVANCED COMPANIES

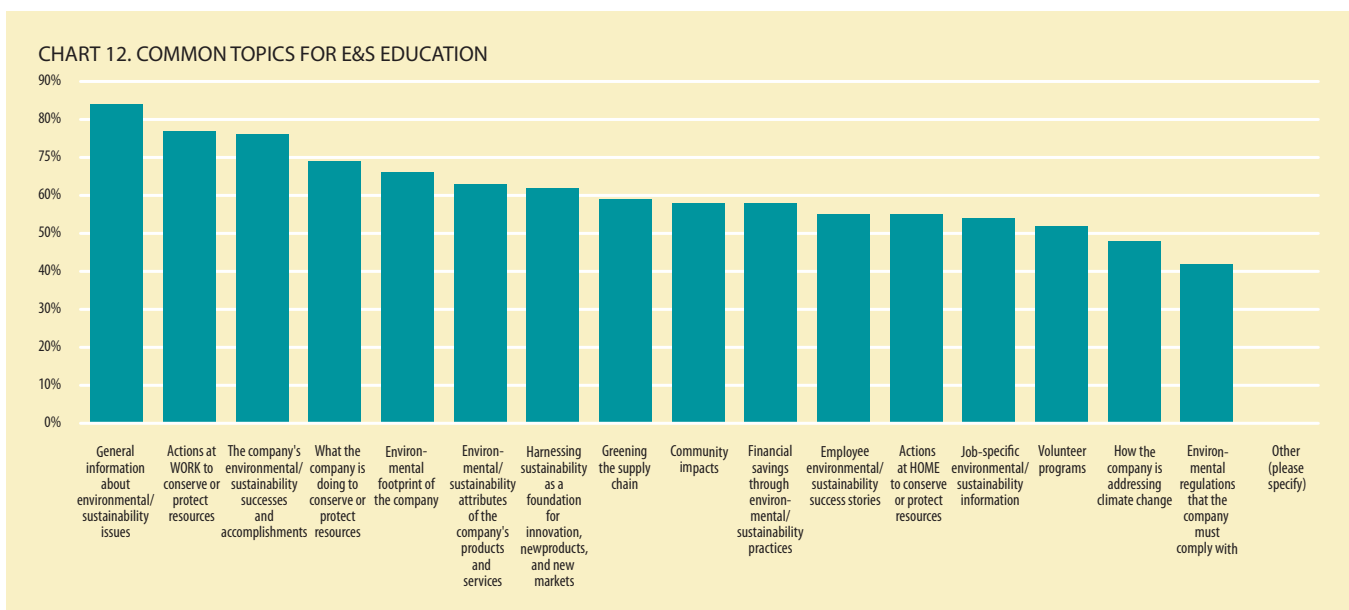




The same holds true for companies with beginner programs. In large and mid-sized companies with such programs, it is also the EHS or CSR departments that champion the E&S education program, while in small companies it is still the founder, CEO or president championing the efforts (see Chart 11., below).



Companies at all program levels cover a variety of environmental topics when communicating with employees; the most common topics include general E&S information and actions employees can take at work to conserve or protect resources. Four additional topics related to a company’s environmental impacts and actions scored highly: environmental footprint, company efforts to conserve and protect resources, environmental success stories and E&S attributes of products and services (see Chart 12., below).



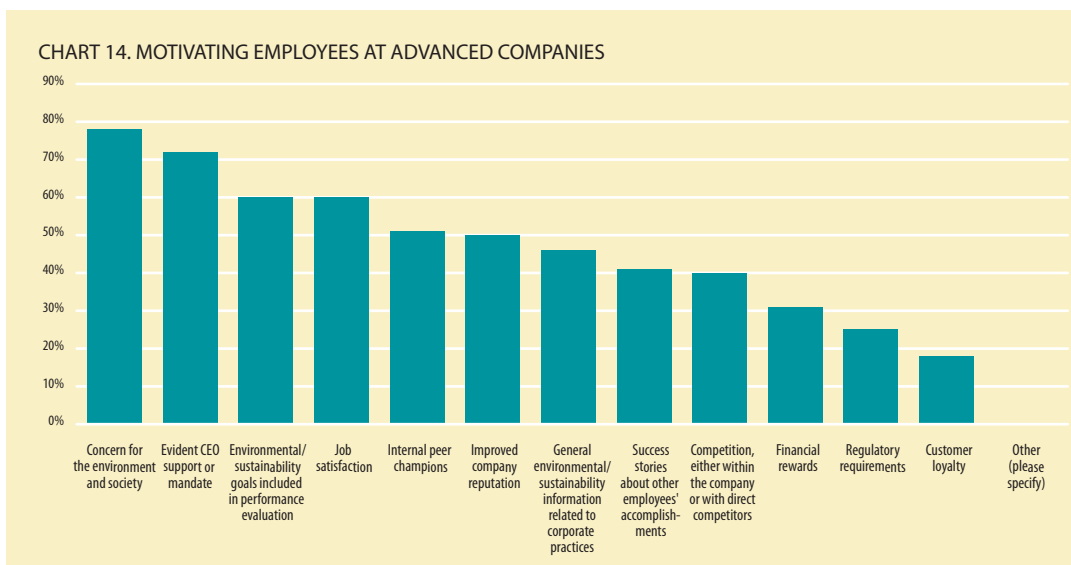


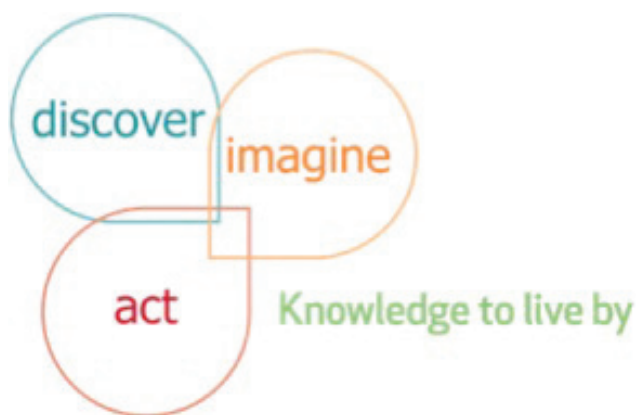


Respondents in the advanced program level use a variety of education methods. In 2008, respondents found online training modules to be most effective, followed closely by hiring a consultant and competitions (see Chart 13., below). However, in 2011 almost every method achieved an average rating of at least 3.0.



For companies at the advanced program levels, respondents report the most important factors motivating employees to incorporate environmental dimensions into their job are concern for the environment and society, CEO support or mandate and job satisfaction (see Chart 14., below). Rated much higher than in 2008 is the use of "Environmental/sustainability goals included in performance evaluations," which increased 10 percentage points from 2008 to 2011.





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