**What Drives Employees to Sign on For Sustainability?**

**The Role of Sensemaking and Organizational Identification in Employee Engagement**

Kent D. Fairfield

Associate Professor of Management

Silberman College of Business

Fairleigh Dickinson University

1000 River Road, H-DH2-06

Teaneck, NJ 07666

973-762-8416

kent@fdu.edu

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**Abstract**

Many authors have written about sustainability and how companies endeavor to manage for sustainability goals. Less research exists about the mechanisms by which individual motivation of employees leads to getting engaged behind sustainability efforts so as to contribute to success. This exploratory study examines how sensemaking and organizational identification occur inside an organization and how they can affect how employee engagement takes place. Qualitative data suggest the effect of organizational identification on support for sustainability action and, conversely, how sustainability actions may in turn affect organizational identification. The findings from interviews of a sample of 8 companies reveal many different goals, challenges, and qualitatively different means of seeking sustainability. Analysis points toward the dynamics of cognitive and emotional processing, suggesting implications for practitioners and further research.

Many scholars have written extensively about organizations’ effort to manage for sustainability. A great many companies and nonprofits have concluded that continued success over the long term requires serious consideration of one’s environmental stewardship, impact on communities and global society, as well as economic prosperity (Elkington, 1997; Savitz & Weber, 2006). One definition suggests that sustainability is “a company’s ability to achieve its business goals and increase long-term shareholder value by integrating economic, environmental, and social opportunities into its business strategies” (Symposium on Sustainability, 2001, 1). While these issues entered the executive suite at least two decades ago, no agreement exists as to where priorities belong or how to best achieve success on all counts.[[1]](#footnote-1)

Some companies have achieved a high level of management for sustainability by embedding it in their strategic goals (Laszlo & Zhexembayeva, 2011). We know much less, however, about the underlying mechanisms by which employee engagement for sustainability leads employees to want to vigorously advance sustainability aims. This paper explores what drives employees to get engaged in that way. How do they make sense of the stimuli around them related to sustainability? How does it relate to their very identity? Can this sensemaking deepen their identification with the organization? Does that kindle a person’s desire to get more deeply engaged in the effort? If so, does more vigorous engagement in turn deepen that organizational identification in a virtuous cycle? Answers to these questions will provide scholars with a deeper understanding of the connection between the psychological dynamics to sustainability actions. It can lead to improved management strategies for practitioners who will increasingly need to move their organizations in this direction.

Some scholars have argued that to describe sustainability as a sum of various initiatives and activities is less helpful than to regard it as a “mindset” (Schein, 2015a, 2015b; Wirtenberg, Harmon, Russell, & Fairfield, 2007). Such a mindset influences the approach to decisions, introducing new variables and dimensions to already multi-dimensional challenges. These may include such things as the impact of new product development on global health, water supply, societal equity, carbon footprint of upstream suppliers, downstream pollution, and product life cycle disposal (Wirtenberg, 2014).

Scholars, consultants, and practitioners have advanced many reasons for why organizations build sustainability considerations into their strategy. In one early study, Bansal and Roth (2000) studied 53 firms for their motivation to manage for environmental stewardship and induced three primary reasons (see also Basu & Palazzo, 2008). These are *Competitive advantage*, which relates to cutting costs or improving revenue or marketing prowess; *legitimation*, pertaining to both enhancing external perceptions as well as avoiding negative consequences; and *virtue ethics*, or altruism. The latter motivator generally occurred in conjunction with competitive advantage or legitimation rather than as a sole driver.

The macro forces that lead organizations to introduce sustainability initiatives provide the context for how sustainability plays out. A more micro challenge, though, comes in the research question: What motivates individuals to become so engaged as to work creatively and persistently to bring about sustainability actions? How do they make sense of their surroundings so as to want to value the social or environmental impact of their organization? Does that sensemaking influence the way in which they are driven to manage for sustainability? Some data show that employees tend to care about sustainability issues more than they perceive that their organizations care (Slepian & Jones, 2013). Other research shows that an employer’s perceived social responsibility actions increase the tendency for prospective employees to join an organization and wish to stay (Jones, Willness, & Madey, 2014). Why does that sensemaking occur? Does greater organizational identification engender greater dedication toward achieving those sustainability outcomes? For that matter, are employees more inclined to identify with their organization to the extent that it carries out vigorous strategies for greater sustainability (Glavas & Piderit, 2009)? There appears to be a gap between what is known about enterprise-level pursuit of sustainability management and the dynamics of individual behavior. This paper seeks to fill that gap.

Relatively little research in this domain is a concern in that strategy scholars know that behavior and leadership matters. For example, Eccles, Ioannou, & Serafeim (2014) studied the impact of leadership policies to pursue sustainability management. They found that companies that made such a commitment exhibited greater executive responsibility, stakeholder engagement, long-term orientation, and disclosure of nonfinancial information. Significantly, these companies outperformed their counterparts in capital valuation. At the same time, organizational scholars agree that achieving high levels of employee engagement and commitment below the executive level will accelerate the execution of strategic aims (e.g., Fairfield et al., 2006; Gratton, 2007). Indeed, some authors argue that self-driven action and self-organizing behavior is imperative for any lasting change (Knowles, 2006).

This paper aims to discover some of the underlying mechanisms of how employees engage in sensemaking about sustainability management to acquire a relevant mindset. Given the power of social influence and identity, it will also examine how organizational identification may be either an antecedent to the sustainability mindset or an outcome or both. This analysis explores these questions by drawing on some of the literature on individual and collective sensemaking and organizational identification and reports the results of an exploratory field investigation. Pertinent data emerge from interviews with professionals involved with sustainability management. The latter fleshes out a profile of 8 companies in different industries and how they operate at different levels of dedication to sustainability. It will suggest a model for understanding this micro level of analysis on employee engagement and sustainability behavior along with raising up possible refinements and gaps in our knowledge.

**THEORETICAL FOUNDATION**

**Sensemaking in Sustainability Management**

Weick’s seminal work (1993, 1995) posits that sensemaking is grounded in the construction of one’s identity, and this sense of self is in service of self-enhancement, self-efficacy, and self-consistency. Sensemaking acquires meaning only when enacted in an environment, as Weick paraphrases in Follett’s (1924) early work: “People receive stimuli as a result of their own activity” (Weick, 1995: 32). It prompts us to imagine how we’re perceived and judged by another and the positive or negative feelings that may ensue (Dutton & Dukerich, 1991). It occurs when situations in organizations are turned into words, which may be read, discussed, and turned into actions, which themselves become new stimuli by which to repeat the process. Sensemaking is not so much about how evaluation of a situation leads to choice as how action and interpretation interact in cyclical fashion (Weick, Sutcliffe, & Obstfeld, 2005). For example, when an employee observes a coworker urging a supplier to reduce its carbon footprint, she can infer that the company is concerned about its environmental impact. This notion can inform her own actions and further thought process.

Sensemaking may also be seen as a means by which people can make sense of their own narrative. Since it arises from how we socially construct our world, it naturally is influenced by who socializes us in the world, whether in personal life or life in an organization. In the corporate setting, socialization begins with initial recruiting and onboarding. Sensemaking never ends, as people are “thrown into the middle of things,” receive signals from superiors, coworkers, and the overall culture, and take action that is then interpreted in concert with further action (Weick et al., 2005, 44). The derivation of a person’s sensemaking may not always be accurate but it unfolds because it is plausible.

Sensemaking arises in response to unexpected disruption or chaos (Weick, et al., 2005). In extreme cases, sensemaking may collapse altogether, as with the tragic consequences described in Weick’s (1993) classic analysis of the Mann Gulch disaster. Under most conditions, however, sensemaking is marked by noticing and bracketing something experienced, inventing labels for things that don’t already have them. It starts with looking backward in asking, “What happened here?” Then it raises the inevitable question, “What do I do now?” It naturally draws on past experience, which has helped construct a person’s mental model. This process feeds into the meeting of the abstract and the concrete. For example, a CEO may encounter for the first time the demand from an NGO to hold a shareholder vote to declare a goal of zero emissions of carbon by some future date. Depending on the leader’s mindset, this may trigger an abstract framing of the demand as “an outrageous challenge to the principle of management prerogatives” and suggest concrete action such as mounting an overwhelming legal defense. Alternatively, the sensemaking process might lead to framing the challenge in the abstract as a curious new version of corporate democracy and thus a potentially useful reason for a major reappraisal of carbon emissions and new action with alternative energy . In sensemaking, action and talk operate in a cycle, each influencing the other. Whichever path for action that the executive here follows will trigger a different reaction (stimulus), a different interpretation and different subsequent action.

Porac, Thomas, & Baden-Fuller (1989) point out that sensemaking in organizations is influenced by factors within and beyond organizational boundaries. A person senses “the consensual identity and causal beliefs constructed by top managers” to understand what goes on in the firm’s competitive environment (Porac et al., 401). An employee can see how such beliefs relate to the firm’s strategic actions in the marketplace. Continual actions and reactions allow the person to revise or refine the major beliefs of self and others, and group-level sensemaking results (Stigliani & Ravisi, 2012). For example, Marcal Paper Products was begun in the 1950’s to manufacture products from 100% recycled paper, founded with its New Jersey location far from timber sources but close to the massive post-consumption fiber supply from greater New York. This process was seen as more of an historical tradition until the late 20th century, when management reframed its business model by calling itself an environmentally friendly sustainability company. It mounted a vigorous marketing campaign accordingly, stressing the number of trees saved by using all recycled paper. Employees could have adjusted their own sensemaking of what it means to work for Marcal and for their own identity as part of a sustainability-oriented organization.

An important caveat of understanding sensemaking in practice arises from the work of Argyris (1976; Argyris, Putnam, & Smith, 1985). He pointed out that the cognitive frame that guides most people’s actions is often colored by the desire to project a virtuous, admirable way of living. Labelling this a person’s “Espoused theory,” Argyris cautions that typically people actually behave in ways that contradict what they espouse, their so-called “Theory-in-action.” This is carried out by means of covert, unconscious assumptions and routines of communication. These routines can give rise to closed-loop iteration that protect the ego and are typically invisible to the people themselves. Usually only those outside the person can detect theories-in-action as distinct from espoused theories. Thus, it behooves an investigator of an organization to observe actual behavior, examining the extent to which a speaker is really living up to the values espoused, as opposed to relying solely on self-reports.

**Organizational Identification and Sustainability Management**

An important part of a person’s sensemaking relates to a sense of self and membership in an organization. Organizational identification is rooted in social identity theory. Tajfel and his colleagues (1971, 1986) demonstrated that people react to others based on others’ membership in an in-group or out-group. Turner, Hogg, Oakes, Reicher, & Weatherell (1987) argued that the reason people favor the in-group over the out-group is that they derive critical information about their identity from the position of their in-group vis à vis the out-group (Tajfel & Turner, 1986). Thus, self-esteem is enhanced by virtue of membership in a group that compares favorably to other groups, prompting pride and promoting behavior beneficial to the group (Tyler, 1989). Turner, Oakes, Haslam, & McGarty (1994), refer to the drawing of in-group boundaries as the process of self-categorization, whereby a person undergoes “a shift towards the perception of self as an interchangeable exemplar of some social category and away from the perception of self as a unique person defined by individual differences from others” (50-51). Dutton, Dukerich, & Harquail (1994: 242) define organizational identification as “a cognitive linking between the definition of the organization and definition of the self.” In “categorizing him- or herself in terms of his or her organizational identity” (Pratt, 1998, 194), a person comes to feel vicariously that “the organization’s successes are my successes” (Ashforth & Mael, 1989, 23) and its failures are one’s own failures.

Evidence exists that organizational identification is highly motivating (van Knippenberg, 2000). It is also organization-specific, unlike organizational commitment, which is concerned with goals and values, which could be met through more than one organization (Vadera &Pratt, 2013). That makes it an appropriate area for investigation when addressing motivation at one’s employer for sustainability management. Organization has also been shown to contribute to one’s need for belongingness, uncertainty reduction, and self-esteem (Ashforth & Mael, 1989; Deaux, 1989; Dutton et al. 1994; Pratt, 1998). Other studies have shown it can lead to increased job satisfaction and motivation (Alpander, 1990). Pratt suggests that two paths may lead to organizational identification. One path is through *affinity*, where people seek out an organization similar to their own. An example would be selecting where to go work. The second path is *emulation*, where a change takes place in self-concept whereby “membership in a group becomes part of one’s self-concept” (see also Gioa, Schultz, & Corley, 2000). This dynamic coincides with part of the current research investigating evidence of whether a person’s involvement with sustainability may alter their self-concept and thus propel them to play a more engaged role.

In addition, some studies have shown that organizational identification occurs for reasons more lofty than the desire for self-enhancement or affiliative needs. For some it can relate to the quest to find meaning in one’s work (Benefiel, 2005; Glavas, 2012; Wrzesniewski, 2003). It may be associated with a particular organizational vision (Collins & Porras, 1991) or a social cause or world view (Lofland & Stark, 1965; Pratt, 1998). People may form a sense of identification with an organization where they perceive its character to be clearly good (Dutton, Roberts, & Bednar, 2010) or socially responsible (Turban & Greening, 1997). One large global survey showed that employees felt significantly more concerned about a variety of sustainability issues than they perceived their employer to care about (Slepian & Jones, 2013). In the context of organizational identification, this phenomenon could serve as a reservoir of potential increased identification to the extent the organization shifts toward more active devotion to environmental stewardship or social benefit. Indeed, sustainability-oriented organizations have been shown to attract, retain, and arouse employees to strong feelings of pride and identification (Jones, et al., 2014). Organizational citizenship behavior has been found to expand with stronger identification among physicians (Bartel, 2001), social service workers (Dukerich, Golden, & Shortell (2002), and nurses (Fairfield 2004). Evidence of other desirable consequences of organizational identification have included greater job satisfaction (van Dick, Wagner, Stellmacher, & Christ, 2004) and job involvement (Riketta, 2005), along with a negative correlation to turnover intention (Mael & Ashforth, 1995). Organizational identification has also been found to be a mediating factor between corporate social responsibility and organizational commitment (Farooq, Payaud, Merunka, & Valette-Florence, 2014).

Thus, sensemaking allows employees to absorb perceptions of the outside world as relates to environmental and societal concerns and enact strategies in response. These typically occur in ways that enhance one’s self-perception and self-esteem and that take place in relation to coworkers and the larger organizational system. Personal identity is affected by this dynamic and in turn influences the ongoing sensemaking cycle. In addition, it may be argued that organizational identification could increase due to employees’ perception of their organization adopting sustainability strategies and actions deemed virtuous and desirable. At the same time, this identification could deepen their desire to enact or intensify sustainability actions of their own. This interview-based exploratory study was designed to gather qualitative data to investigate in what ways these mechanisms may occur in a variety of organizations.

**METHODS**

The study sought qualitative data at 8 companies gathered over a year of investigation. All but one of the companies were active to some extent in a university-based institute dedicated to studying and disseminating sustainability management information through public- and student-oriented events, best-practice-sharing, and research. I made contacts with each company on the understanding of anonymity of each. I conducted over 20 semi-structured interviews for between 30 and 90 minutes, one hour on average, all but 4 in person, along with a dozen informal conversations and subsequent email exchanges for further elaboration. Three of the 8 companies studied are headquartered in Europe, and I held 2 of the interviews in one company’s European world headquarters. All of the companies have a significant presence in the US. I took quite complete notes in shorthand for all the interviews. Many in-person interviews were recorded and transcribed, though corporate confidentiality bans and technical difficulty precluded recording them all. Data results largely from interviews of from 1 to 6 employees (a former employee in one case) at each company and informal conversations, supplemented by public presentations, and publicly available information.

Interview questions evolved over time as the research continued (Miles & Huberman, 1994) but most interviews included included, “How do you feel personally about issues of social responsibility and environmental stewardship? Of people you know in the company, how is their work affected by these issues? How do you think other people think personally about such issues? What factors influence them to think that way? What kind of people you know here are less than enthusiastic about social and environmental issues? What seems to account for that?” Areas regarding the company’s behavior included, “What do you think of how the company deals with social and environmental issues? Why? How do most other people feel about the company’s work in this area? Why?” In addition, organizational identification was elicited: “Some employees feel closely allied with their company, so when the company succeeds, they feel like they succeed, and when it fails, they feel like they failed. To what extent do your employees identify with the company this way?”

**RESULTS**

**Companies Studied**

Due to promised anonymity, each of the 8 company’s description bears a disguised name. Using the criteria in Table 1 that I derived from observing a range of companies over the last decade, I rated each company on its Extent of Sustainability Management from 1 (low) to 5 (high). Table 2 summarizes the primary reasons they have undertaken sustainability management, using the typology from Bansal & Roth (2000), and reports the rating for the intensity of sustainability management. An overall description of the 8 companies:

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Insert Tables 1 and 2 approximately here

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***Chemco***. A large diversified chemical company. Due to their business, major chemical companies have long had to pay attention to toxic substances, safeguard against accidents affecting employees and the environment, and police their effluents. They were perhaps the first industry to be concerned with product life cycle and the post-consumer disposal of products. Chemco has taken powerful strategic steps for sustainability, including setting pertinent goals throughout the organization. They pride themselves on employees’ awareness of sustainability. As two respondents said separately, “if people don’t understand how important sustainability is to us, they shouldn’t be here.” Chemco’s new product development focuses seriously on products that can be invented from biological bases, rather than petroleum. It’s not surprising that they recently built a LEED-certified headquarters building, signally their dedication to minimizing carbon emissions, energy consumption, and relation to the natural environment. **Extent of Sustainability Management Rating: 5**

***Deviceco*.** A sizable manufacturer of medical devices. Deviceco has a long history of serving healthcare needs with its far-flung portfolio of products and laboratory services. They pride themselves on having served special public needs for supplies during emergencies through history and cooperating in significant medical advances. They carry out a vigorous campaign of cooperation and pressure up the supply chain to reduce their whole carbon footprint and reduce costs. Considerable pressure for sustainability comes from industry associations and hospital buyer groups, who demand high standards and complete reporting. The CEO was moved by the 2008 World Economic Summit in Davos, Switzerland, to step up major sustainability initiatives. He wanted sustainability to be “part of our DNA.” His successor is described as being guided more by the coolly analytical and has put somewhat more emphasis on the financial returns of company programs. **Extent of Sustainability Management Rating: 4**

***Electronico.*** Modest-sized manufacturer of capital equipment used in electronics production. They have grown from a small family-owned company to be highly respected by the biggest names in electronics as one of only a few providers in the niche that they serve. The advocates for sustainability worked with a consultant to identify relatively easy savings that could be derived from sustainability moves, such as solar panels for the headquarters building and process changes. After winning over the CFO, a new CEO was announced due to retirement. Now all projects are put on hold, as newly conservative decisions are affecting everything. Keen interest by major investors in short-term earnings has precluded for now any action on the earlier plans. Another challenge to large-scale change stems from the manufacturing location far away from headquarters. That facility was acquired ten years ago and granted great autonomy ever since, so implementing any new programs there is viewed with suspicion as being “forced on us by corporate.” **Extent of Sustainability Management Rating: 1**

***Infotech-co.*** A prominent provider large-scale IT systems. The company has a long tradition of public benefit products and deep involvement in research. They place a big emphasis on developing products with big energy savings. They respond to customer requirements for sustainability performance and in turn conduct an extensive program of auditing and advising of their own suppliers. These activities improve the prospect for acquiring more business from demanding customers. They also are proud of their membership the Dow Jones Sustainability Index and other rankings. Longstanding profit pressure has prevented more aggressive moves in sustainability, plus has cast a pall over many employees. **Extent of Sustainability Management Rating: 4**

***Oilco*.**  An integrated international oil company, smaller than those considered “super-majors.” Having focused on safety for a long time, they adopted disclosure procedures a few years ago, including the Global Reporting Initiative. They have improved enough to increase those ratings to the level of their larger competitors, and they publish an annual sustainability report. Now they have set goals for energy consumption, reduction in flaring at drilling sites, and carbon emissions. Greatest emphasis has recently been focused on earnings improvement, though, when a proxy fight caused layoffs and now a decision to divest major parts of the business. Installation of a new CEO causes other uncertainty on sustainability and all issues. **Extent of Sustainability Management Rating: 2**

***Package-co*.** A sizable consumer packaged goods company. Building on a long-standing attractive brand name, the company is concerned about public perceptions. They comply with large retailers’ insistence on sustainability practices (e.g., products, packaging, carbon footprint of transportation), and with state regulations. They also respond to requests from NGO’s and occasional stockholders to improve their sustainability profile. For the first time the company has put out greenhouse gas emission targets, but they have no other major strategic goals relating to sustainability. In the recent past they bifurcated what was a unified corporate campus arrangement by building a new headquarters in the region. After moving senior executives and a majority of employees, the sizable number of remaining associates feels distanced from whole. They no longer bump into executives in the cafeteria but envision them sequestered on their own floor of the building “behind big glass doors.” One informant said that the formerly near-family culture is now punctuated with suspicion that “I wonder if they know what they’re doing over there?” and “I wonder if they’re not telling us something.” **Extent of Sustainability Management Rating: 2**

***Pharmco*.** A large multinational pharmaceutical company built more through acquisitions in recent years. They have put out diverse goals for sustainability issues, including concern for patients and the planet, but it is reported that not much money has been put behind that. Minding government relations seems to be a priority. Respondents criticize Pharmco for insufficient coordination of what could be powerful sustainability activities, and employee engagement is minimal. Some public service events involve employees and gain publicity. An underlying challenge stems from the history of acquisitions. While some were brought together well, some recent ones were managed in what is regarded as high-handed fashion, leaving resentment behind with a substantial portion of the workforce. This dynamic can retard any major centralized initiatives, including sustainability. **Extent of Sustainability Management Rating: 3**

***Service-co*.** A large international provider of IT and other services. They have a history as a respected technological force, with a network of alumni who still maintain informal connections. While not trumpeting traditional sustainability accomplishments, Service-co emphasizes Corporate Social Responsibility. This has translated into use of technology for large-scale projects for public good. They also arrange extensive public service activities, including sending managers overseas for a few weeks to conduct a project in a developing country. This gains not only kudos from the host nation but provides powerful leadership development for the managers involved. In the process they may also learn more about product and service applications in new markets. **Extent of Sustainability Management Rating: 4**

**Findings on Sensemaking and Organizational Identification**

Analysis of the interview data revealed some of the elements that make up employees’ sensemaking about sustainability issues and their company. As Weick (1995) points out, sensemaking stems from various sources. Some relate to individual attitudes, values, and mindset. “People tend to be grateful for their work,” says a source at Electronico. “Employees are not that aware of our sustainability efforts” (Oilco). Other sources of input that are noticed and bracketed reflect signals reported inside the company, what in some cases may be considered aspects of the culture. For example, “We have a very technical workforce, which is why cutting waste to the bone resonates.” Employees at Infotech have been aware of many years of measuring operations’ carbon footprint. The external factors reported come from many sources, such as pressure from shareholders to accelerate earnings rapidly (Electronico) or customers’ demands for greater sustainability actions – “The Hospital Buying Groups really push us to maintain sustainable practices.”

A summary of these factors, along with illustrative quotations, are shown in Table 2. Given the variation in assessment of the 8 companies’ vigor and depth in managing for sustainability (Table 1), the sensemaking aspects captured in the interviews and outside data are naturally diverse as well. Employees immersed in their company milieu will naturally absorb these stimuli and automatically take them into account when requested to help implement a sustainability strategy. Furthermore, as sensemaking is conceived, the employee will simultaneously be affected in his or her identity, which, depending on the stimuli, could range from skeptic to champion regarding sustainability initiatives.

Another dimension of sensemaking is that these stimuli will affect a person’s organizational identification. Table 4 captures a series of important criteria that interview subjects cited as factors that enhanced or detracted from identifying with the organization. I used these to give a rating to each of the companies. I estimated identification for each company, basing the judgment on identification with the organization itself, not with the work per se. This is similar to the distinction Glavas (2012) makes between one’s meaningfulness *at* work versus meaningfulness *of* work.

Insert Tables 2, 3, and 4 approximately here

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The salience of certain factors, such as pride in an esteemed company brand, widespread loyalty shown to employees, and a history of employment fairness could enhance one’s identification with the company. Some said, “We are proud of the sustainability of our company” (Chemco) and “We are a consensus-based company, not hierarchical. Senior people are approachable.” On the other hand, other factors detract from organizational identification. For instance, management practices that shunt aside employee-friendly activities to boost profits or the uncertainty of divestures would detract from identification. “People were happy to work here and identified with the place and its history in the area. After the proxy fight and forcing out of the CEO, we have divested [a favorite line of business]” (Oilco). Another: “Before you could bump into the CEO and other seniors. Now [after relocation of headquarters a few miles away] people think of them as far away behind big glass doors. This reduced a sense of attachment” (Package-co).

I made an overall assessment of identification with a rating of from 1 (low) to 5 (high). Table 3 reports this rating, as well as comments reported that would tend to enhance or detract from identification, along with illustrative quotations.

**Overall Observations and Discussion**

A review of the comments on both sensemaking and organizational identification for each company reveals some general observations. For one, many different elements are salient for employees in any situation, whether it’s explicit sustainability conversations and actions, residual feelings toward management for past wrongs, fear of future dangers that may lurk, or pressure from important constituencies such as customers, suppliers, NGO’s, or investors. Some concerns may pose an existential threat to the entire enterprise. Turning a lens of sustainability management toward company activities necessarily provides a blurry view with many issues that come in and out of focus. That is a reality to anyone who has operated in any organization, like the old saw, “How can you worry about pumping out the swamp when you’re up to your (rear end) in alligators?” Fear of firings or bankruptcy will focus the mind on personal or organizational survival before longer-term initiatives can draw much enthusiasm.

Those who have participated or observed organizations that have fully pursued sustainability will attest to how a thorough embrace of it truly is not a collection of little projects but more like pumping out the swamp (Laszlo & Zhexembayeva, 2011; Winston, 2014). Oilco didn’t plan on a proxy fight, which resulted in preemptively taking actions very similar to what was being demanded by the insurgents, then agreeing to forcing out the CEO and taking on unfamiliar ownership and leadership influence. Surviving employees expect little priority given to advancing sustainability in the near future. The small band of advocates for sustainability at Electronico made great progress in advancing even rudimentary sustainability steps until the CEO suddenly retired, replaced by a nuts-and-bolts successor. At Package-co something as seemingly benign as moving into a handsome new headquarters suddenly created a rift between employees, where a sizable minority of significant players “left behind” feels enormous distance from their former leaders, even though it could be traversed in less than an hour. Their sense of involvement and potential influence shrunk with the feeling of being an important part of the family. For the first time since marking Earth Day every year since its origin, the two locations couldn’t even agree on how to observe it and dropped the notion altogether. The keen uncertainty felt at Infotech-co played out after this data was gathered, and the company was acquired by a less distinguished foreign company with much shorter history. Downsizing of staff soon followed.

This is not to say that thoughtful approaches and dedicated execution can’t make enormous inroads on environmental stewardship, societal gains, and economic success. We see companies in this small sample who have become prosperous and highly active in this regard. It is revealing, however, that those that have been most successful have been at it a long time. Many are building on corporate traditions over a century old. The graphic in Figure 1 displays a rough way we can portray the 8 companies in how far they have come in the sustainability journey, set against ratings of organizational identification.

Insert Figure 1 approximately here

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This crude scatterplot shows a pattern that sustainability management and organizational identification do seem associated with each other. Still, no one variable can account for organizations setting a strategy and executing a broad-based transformation for sustainability. Many would say that it is necessary that senior management firmly hold the intention of moving in that direction (Fairfield, Harmon, Behson, 2011; Wirtenberg, Harmon, Russell, & Fairfield, 2007). In addition, thorough-going sustainability management does depend on energizing employees to be aligned and committed to achieve broad results. This suggests that sensemaking must support the idea of executing sustainability in day-to-day management and that organizational identification acts like a moderating variable that can enable or undermine employee behavior. FIGURE 2 portrays a preliminary model for how this dynamic can play out to achieve employee engagement and thus high levels of sustainability.

Insert Figure 2 approximately here

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The model lays out how executive leadership may or may not call for major initiatives around sustainability. Employees’ sensemaking reacts to that stimulus as an important kind of filter to outright compliance and even excitement by employees. People’s personal history and mindset about sustainability and seeking meaning are an important part of the foundation for sensemaking. If no ambitious goals or practices for sustainability are set in place, then organizational identification can certainly not ignite major engagement around sustainability. We can regard organizational identification as moderating the output of person’s sensemaking. If it is strong, the data here suggest that identification can trigger powerful employee engagement in concert with a convincing strategy. If so, that can greatly increase the chances of implementing an extensive sustainability agenda (e.g., Fairfield et al., 2008). If identification is weak or negative, then it can retard any efforts to enlist employees in a sustainability strategy. The findings on Table 4 suggest some strategies for engendering more identification.

Some elements of feedback also appear in the model. Organizational identification naturally flows from one’s sensemaking. Identification in turn surely figures into ongoing sensemaking as well, shown by arrows in both directions. The most intriguing feedback idea arises from the arrow from employee engagement toward organizational identification. Do employees in highly sustainable companies feel greater identification precisely *because* of the sustainability path it has followed? We see evidence of this virtuous cycle in comments from informants at Chemco and Service-co. That sentiment is suggested by the research showing that job seekers may prefer companies that pursue sustainability (Chapman, Uggerslev, Carroll, Piasentins, & Jones, 2005; Jones, et al., 2014). Another arrow portrays that actions of engagement similarly feed right into sensemaking itself, representing the virtuous cycle (Bem, 1967; Weick, 1995).

**LIMITATIONS AND RECOMMENDATIONS**

While this exploratory research offers some promising ideas, it still has some obvious limitations. While it exemplifies the variety, richness, and unexpected findings that qualitative inquire can deliver, it still is based on a small sample of organizations and informants. It would be strengthened by more interviews at the same number of companies. More persuasive results could occur if other research partners joined a collective effort to dare to put a numerical estimate on variables as outwardly elusive as organizational identification and sustainability management. Further studies could go more deeply into individual companies, with surveys that can quantify some of the key variables for a deeper understanding of the associations indicated here. A larger survey of the public at large could similarly shed light on the subject. Examining other potential moderators and mediators would help, including procedural justice (Milliken & See, 2014), organizational commitment, and others.

To practitioners, these findings say that the one of the most fertile beds for successful sustainability advances would be where the seeds of organizational identification exist. A successful manager could discover this payoff by taking steps that engender more positive identification. Similarly, one may expect that some portion of a workforce will appreciate and even be proud of sustainability steps taken by the organization, reinforcing the feeling of identification. As previous studies have shown, increased citizenship behavior, work effort, and cooperation may result (Bartel, 2001; Dukerich, et al., 2002; van Dick et al., 2004; Riketta, 2005).

For the planet to achieve more sustainable conditions, the business sector must surely play a major, if not decisive, role. To drive a stake in the ground and make irrevocable progress, employees at all levels need to play a key part. We have seen that at the micro level, organizational identification seems likely to be an important part, enlisting and engaging employees to make this opportunity a reality. It is surely critical that we succeed.

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**Table 1 – Rating Criteria for Extent of Sustainability Management**

* Environmental policies
  + Energy
  + Greenhouse gas emissions
  + Water consumption
* Supply chain emphasis
  + Greenhouse gas emissions
  + Safety
  + Employee benefits
* Employee engagement
  + Sustainability initiatives
  + Volunteerism
* Societal benefit
  + Public health
  + Infrastructure
  + Civic good
* Product development
  + Energy consumption consideration
  + Life-cycle analysis
* Employee policies
  + Family policies
  + Gender and sexual orientation policies
* Public pronouncements
  + Credible outreach
  + Worthy programs for groups and public at large

**Table 2**

**Profile of Subject Companies**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Company Name &**  **Business (# of interviews)** | **Main Reason for Sustainability Initiatives\*** | | | **Extent of Sustainability Management Rating** | **Comments** |
|  | **Competitive Advantage** | **Legitima-tion** | **Virtue Ethics** | **1 = Low**  **5 = High** |  |
| **Chemco** – diversified chemicals (3) | High | High | High | 5 | Long history since founding; sustainability one of four areas in strategic goals; part of long-standing industry efforts on waste, life-cycle analysis; energetic derivation of sustainable new products |
| **Deviceco** – manufacturer of medical devices (1) | Medium | High | Medium | 4 | Long history as health supplier & mission for health care industry and patients; active campaign with supply chain, employee involvement; under high pressure from customers and customer associations |
| **Electronico** – manufacturer of elec-tronics Cap. Equip. (1) | Low | Low | Low | 1 | History of employee health and safety practices; threat in customer surveys on sustainability practices, but no action taken due to no apparent consequences for deficiencies revealed |
| **Infotechco** – major manufacturer of large IT systems (6) | High | High | Medium | 4 | Long tradition of public benefit products; emphasis on product development with big energy savings; comply with customer demands, including supply chain, to earn business; conscious of recognition by DJSA, other rankings |
| **Oilco** – integrated international oil company (1) | Low | Medium | Low | 2 | Does annual sustainability report; has some employee-oriented initiatives; little employee awareness |
| **Package-co** – consumer packaged goods (1) | Medium | High | Low | 2 | Comply with demands of big retail customers, state regs; respond to requests from NGO’s, occasional stockholders; employees mostly indifferent except for exceptional volunteerism; GHG emission targets set for only first time; no other strategic aims for sustainability |
| **Pharmco** – diverse multi-national pharma (1) | Low | Medium | Medium | 3 | Espouse global health causes, patient access & safety, human rights, enviro. Issues (carbon, water); only spotty employee involvement |
| **Service-co** – global provider of IT, other services (2) | High | High | Medium | 4 | Major sustainability-oriented products developed; heavy emphasis on societal good; extensive in-depth volunteer programs; environmental initiatives not prominent |

**\*** Per Bansal & Roth (2000)

**Table 3 – Sources of Sensemaking**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Company** | **Individual Factors** | **Internal Factors** | **External Factors** | **Sample Comments** |
| **Chemco** | * Long history in safety, life cycle analysis | * Long history in safety, * LEED-certified HQ building * Well-placed VP of sustainability * Lower level people comply with directives (“they better or they don’t belong here”) * Sustainability prominent in corp. goals * Code of Conduct, taken very seriously | * Major industry sustainability practices * Customers expect it * Countless products marketed based on more bio, less petro | * “All business units have their own Sustainability Officer.” * “Some of us [in former employer] lived through the Love Canal [toxic] disaster.” * “Every statement from the Board mentions our sustainability initiatives.” * “Our product development is steering us away from petroleum-based products and toward biological-based ones.” * “I’m glad middle management are all in line for sustainability. Lower levels have their plates full, but where they have awareness, they too are doing the job, such as cleaning trucks, etc.” * Our [European] ownership causes keen awareness of eco concerns.” |
| **Device-co** | * Young people more interested in sustainability issues | * Employee programs * While values-based, still need business case * Some newer execs not as imbued with sustainability * Middle managers more pushed for financial results, though some fully engaged * Code of Conduct for inside and suppliers | * Customers drive a lot of demands * Hospital Buying Groups push us * Sustainability helps us compete for talent | * Sustainability success varies by location. One place is sharing its lean manufacturing practices. Another was not even doing recycling until discovering that one woman was taking it home!” * “We push our suppliers on greener transportation – shifting from plane to ship, road to rail.” * “Lower level people are proud at our sustainability initiatives.” * “Our European brethren are much more steeped in environmental concerns (recycling, energy).” * “Our C-suite varies, as some are advocates for sustainability while others more skeptical. Overall they value doing the right thing.” * “Some middle managers are positive on sustainability, while others resist sometimes. Lower level workers seem supportive, once they understand.” |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Company** | **Individual Factors** | **Internal Factors** | **External Factors** | **Sample Comments** |
| **Electro-nico** | * Some have real passion * Some active in local community sustainability effort * Engineering culture, most engineers just interested in new product design and production, not sustainability | * Consultant designed program for major cost savings through sustainability, CFO persuaded * New CEO and reorganization; new cautious approach, short-term focus (though LT savings) * Tried Green Team with employees, but short-lived * Nearly approved for solar panels on roof; reorg has scotched that * Second major facility out of state (an acquisition), suspicious of “corporate” initiatives” on any subject | * Industry coalition increased company awareness * Big customers required survey of sustainability status; despite major deficiencies, no consequences threatened, so no action undertaken to improve * Investors seen as interested only in profits, not sustain’y | * “The co. has a strong tradition of Health & Safety but none on environmental.” * “We really are bottom-line driven, so it’s all about cost-cutting (but not on sustainability).” * “We almost did solar panels on HQ with approval through CFO, but CEO scotched it.” * “I think with any senior leadership for sustainability, employee support would come out of the woodwork.” * “Our engineers identify with their exciting, urgent work, but not with the company per se.” * “People tend to be grateful for the work. Outside chat networks show few detractors, pretty good ratings.” |
| **Infotech-co** | * Some have personal passion for environmental care * Dealt with toxic chemicals 25 years ago * Major customer pushed company very early on sustainability standards * Younger, lower level employees are interested in sustainability | * Early metric on carbon footprint * Former CEO was passionate about integrating sustainability * Current CEO is more focused on financial performance * Repeated years of losses create heavy challenges for sustainability projects with strong business case * Have set aggressive targets for carbon footprint, energy-efficient products * Focus on pragmatic projects, not employee engagement per se | * Major customer pushed company very early on sustainability standards * Proud of high ranking in DJSI, other ratings * Have to live with stringent government standards (here and abroad) * Investors demanding reversal of chronic losses * Competitors also have strong sustainability records | * “We know that our major customers prefer dealing with companies who emphasize CSR.” * “We have a very technical workforce, which is why cutting waste to the bone resonates.” * “Lower level employees tend to favor sustainability, while for seniors it’s all about money.” * “Our [European HQ] government required sustainability disclosure as of 2002.” * “The CEO wanted sustainability to be in our DNA. We took major strides. His successor is all about the business imperative.” * “European employees are stronger about sustainability than the Americans; the Chinese and Indians are even more so.” |
| **Oilco** | * Some interested in sustainability, many indifferent * Long interested in safety, vigorous follow-up | * Have set goals for energy consumption, flaring reduction, carbon emissions * Employee engagement minimal * Volunteerism encouraged, charitable giving by co. * Safety emphasis | * Main interest in transparencies for various publics * Do Global Reporting Initiative * Want to catch rankings of competitors * Recent proxy fight led to cutbacks, new board | * “We have to hustle to carve out our place in the midst of ‘super-majors’ that dominate the industry.” * “We were rather late in coming to environmental awareness. We set targets for emissions and for reducing flaring [of gas].” * “Employees are not that aware of the sustainability efforts we have taken.” |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Company** | **Individual Factors** | **Internal Factors** | **External Factors** | **Sample Comments** |
| **Package-co** | * Most employees indifferent to sustainability * Personal passion for some (respondent) * Active in local city sustainability effort * Influenced by neighbors’ sustainability behavior | * Slow to come to sustainability goals for strategy; finally set GHG goals * Employees extremely generous giving for local charities though | * Have to show sustainability for competitive purposes * NGO’s push or sustainability actions, disclosure * Occasional stock-holder demands for disclosure | * “Senior manages seem to have let sustainability become just a way of complying with outside demands, not having any high aspirations.” * “As a consumer packaged goods company, we draw attention from the public a lot.” * “European customers are more tuned into environmental and social issues than here, e.g., asking about refillable containers [for our liquid products].” |
| **Pharm-co** | * Young people more open to sustainability * Older employees not so interested | * No broad understanding of what sustainability is * Not much money backing what are meant to be key corporate goals * Few mergers not carried out smoothly, bitter feelings persist * Volunteerism no longer on company time, discouraging many * HR not involved with projects, little employee engagement * No strong coordination of various initiatives | * Customers not demanding sustainability in persuasive way * Governmental affairs seen by top management as core of sustainability; more compliance than deep change | * “The company’s 4 Pillars are (1) Patient, (2) Ethics, (3) People, & (4) Planet.” * “To really use the 4 Pillars, they need to put real money behind it.” * “Planet is bigger in Europe than here.” * “Younger employees are more open to sustainability. Some older are entrenched, see sustainability as just a fad.” * “They don’t encourage volunteerism, saying ‘You have your [primary] responsibilities.’” * “We need to get CSR ingrained in the co., not confined to the CSR unit.” |
| **Service-co** | * Awareness of long history of good corporate citizenship from company founding | * Many coordinated community service projects (environment, health, economic development, literacy) * Major overseas volunteering projects, assisting + learning | * Major advertising campaigns publicizing activities | * “I like that the company has a deep legacy of good citizenship. Some of our most exciting frontiers concern transformative products & major tech-based infrastructure for municipal systems.” |

**Table 4 – Criteria for Rating of Organizational Identification**

**Enhancing Factors**

* Employee-friendly HR policies
* Long-standing positive company history
  + Brand reputation, quality
  + Technology leadership
  + Social benefit actions
  + Respected leadership
* Relative size of company in its market, society
* Loyalty of current and former employees

**Detracting factors**

* Leadership emphasis predominantly on financial results rather than public benefits
* Extreme pressure for financial viability
* Constraints on compensation and benefits
* Uncertainty of divestitures, job cutbacks

**Table 5 – Indications of Organizational Identification by Respondents and Others**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Company** | **Rating (1-5)** | **Enhancing Factors** | **Detracting Factors** | **Sample Comments** |
| **Chemco** | **5** | * Among biggest in industry * Recognized widely for sustainability practices * More respected firm than previous employer (2 sources) * Extensive health-oriented benefits * Great respect for leaders’ insights, reliability * Sense of maintaining 100+-year history | * Tight controls from above | * “People are proud of the sustainability of our company.” * “People like all the programs & emphasis on employee health.” * “Lower level employees feel good about sustainability but are busy and want to keep their jobs.” * “I want my company to pay attention to the environment and am glad we stand out in the industry that way.” |
| **Device-co** | **4** | * Retired CEO very open & accessible, believed in “doing what is right” * Historical legacy of values-based ops, company’s public service for national health concerns * Non-hierarchical feeling, esp. under retired CEO (e.g., see him in cafeteria) * Extreme pride in co. in some foreign operations | * Current CEO puts more pressure for financial returns * Long-time conservative traditions may be too much sometimes | * “We compete for talent & attract people because many want to work for a company that is doing good work.” * “Younger people were ‘raised to recycle,” are scared of climate change.” * “We are a consensus-based co., not hierarchical. Senior people are approachable. Still middle managers can be more hierarchical.” * “Employees in rural areas are more attuned to environmental concerns.” * “Our Office of Global Sustainability allows us to promote more beneficial programs. I’m really pleased that this prompts actions such as donating vaccinations and more things to benefit the environment.” * “We have a strong reputation for being a good company. We don’t want that reputation tarnished. We really want to be ahead, and you want to do more. It’s becoming the way we work here, not [just] a program.” |
| **Electro-nico** | **3** | * Friendly relationships at HQ offices * Engineers love the demands of inventing new designs (often very long hours) – closely identify with the job, as instrumental to being happy in the company * The few sustainability advocates sense many kindred spirits exist if company did more | * New CEO two months ago, suspending promising initiatives, cutting back jobs * Less sense of openness to new ideas, more conservative operations * Uncertain future with owners concerned with earnings | * “It’s discouraging that the CEO left just as we were about to get some traction on basic environmental initiatives, which actually would have saved money.” * “The major manufacturing site [in a distant state] really run themselves like a separate organization. They are so suspicious of headquarters that it’s tough to have a good dialogue over possible changes.” |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Company** | **Rating (1-5)** | **Enhancing Factors** | **Detracting Factors** | **Sample Comments** |
| **Infotech-co** | **4** | * Long-respected brand and company history * Long tradition of technological excellence’ * Some proud of sustainability actions, including ambitious product design for energy savings * Retrofitting headquarters campus, including converting part of greensward to natural meadow, natural, low intensity grounds maintenance * Procurement staff are urged to arrange consulting to suppliers on improving carbon footprint, health & safety. This helps their reporting to our customers. | * Prolonged financial setbacks, including job reductions * Little flexibility for compensation increases | * “People appreciate the company’s concern for energy conservation, recycling, & healthy snacks.” * “The co. supported the conversion of the woods on the campus to a natural meadow, maintained by all on-site natural materials (wood chips, compost). That’s why I regularly work weekends to keep it sharp.” * “We have led the industry in aggressive targets to reduce energy consumption in our products by enormous amounts over time and cut our carbon footprint 50% by 2020.” * “Some employees are keen on stainability and proud of what we’ve done, others are cynical, especially since job cutbacks.” * “Employee engagement is not an end in itself, only a means to getting better sustainability numbers.” |
| **Oilco** | **5** | * Many long-time employees proud of founder and company’s place in community * Attractive retail brand | * Proxy fight caused many cutbacks, firings * Hedge fund replaced CEO, playing bigger role * Major ops to be divested * Employee engagement slim | * “People were fond of the late founder. The son inherited much of that, but now he has been forced out by the proxy fight.” * “Employee engagement is not our strong suit.” * We do local volunteer projects, e.g., donated fuel after [local storm disaster] * “People were happy to work here and identified with the place & its history in the area. After the proxy fight & forcing out of CEO, we now have divested [a favorite line of business]. * “With the upcoming relocation of HQ, people will never feel as close to the company again.” |
| **Package-co** | **4** | * Employees have good relations with bosses & coworkers * Well-known brands originated & acquired * Exceptional participation in donations to foundation for local charity use | * Big emphasis on shareholder returns * New HQ built 10 miles away, execs & many workers relocated; execs seen as isolated “behind glass doors” after previously accessible * New questioning, “Do they know what they’re doing? Are they keeping something from us?” | * “For the first decade I worked here, the company felt like a family. People were proud of this place and rallied in the face of hard times. A lot was lost when they built the new Headquarters.” * “Before you could bump into the CEO & other seniors. Now people think of them as far away behind big glass doors. This reduced a sense of attachment.” * “Now people are leaving, talking negatively about the co. They are less excited, more exhausted.” * Employees have a good relationship with their supervisor and co-workers, but less connected at the personal level to people at the top.” * People question the seniors, asking “What are they doing?” and “Are they keeping things from us?” |
| **Company** | **Rating (1-5)** | **Enhancing Factors** | **Detracting Factors** | **Sample Comments** |
| **Pharmco** | **3** | * Many events for public awareness and health * Hope for contributing to national and global health * One of largest pharma companies | * Company built through many acquisitions; some done smoothly, but several integrated in what is seen as heavy-handed way * Lingering resentment over treatment during acquisition management * CSR and Sustainability actions seen as fragmented, with little employee roles or engagement | * “One major acquisition was run like a family.” * “With two major acquisitions, the parent closed most of their processes and imposed their own.” * “There is a lot of discontent because of the treatment after the mergers, questions about what the company stands for.” * “Another [major acquisition] was done in a much more respectful manner. The result of that was positive.” * “If employees have ideas, management has to consider them or folks won’t take things seriously.” |
| **Service-co** | **4** | * Long tradition of technological excellence (with some interruptions) * Prominence around the world * Success in attracting top talent, making for stimulating colleagues * Employee pride in volunteerism record * Extensive active network of company alumni, some even conferred with on current work | * Integrating acquisitions can dilute the homogeneous feeling of old | * “We’ve found a lot of ways of caring about others, with a [company] hat on.” * “We see our corporate social responsibility at the intersection of business advantage and sustainability. We are driven to keep using technology to achieve the latter, while it benefits us in the business.” * “We make extensive use of employee-driven community service projects. Overseas assignments benefit some third world country while affording a peerless leadership development opportunity.” |

**Figure 1**

**Sustainability Management**

**1 2 3 4 5**

**1 2 3 4 5**

**Organizational Identification**

Chemco

Infotech-co

Deviceco

Electronico

Oilco

Package-co

Pharmco

Service-co

**Figure 2**

**Organizational Identification**

**Sustain-ability Goals Set**

**Employee Sense-making**

**Employee Engagement**

**Execution of Sustainability Goals**

**Internal (company) Factors**

**External Factors**

**Personal History & Mindset**

1. Some thoughtful companies don’t even use the term “sustainability,” but prefer to engage with these and related issues under the rubric of “corporate social responsibility” or focus management around “ESG” – environmental, social, and governance concerns. For convenience, this paper will refer to all of these framings as simply “sustainability.” [↑](#footnote-ref-1)