

**Columbia University School of International and Public Affairs
Picker Center for Executive Education – Food For Thought Series**

Peter McAteer - Much More Than Climate Change: *Why a broad definition of sustainability increases access, inclusion and participation!*

How does a company chart a course towards a more sustainable business strategy? How does it move rapidly with less risk and greater competitive advantage? Over the last 10 years I conducted research on a variety of topics related to Sustainability. Some are included in my Book, The Sustainability Advantage, Leadership Change and the Future of Business, first published by Anthem Press in 2019 and recently released with updated sections in 2021. In that book, I present a series of models used by companies to accelerate their transition to a more sustainable business design. I apply many of the practices I summarize in my book with dozens of clients and many hundreds of individual participants during training sessions and “green team” projects. I consider a flexible and creative education process the key to expanding engagement and accelerating change. To illustrate the process, I offer an example of a typical company project.

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One my first tasks working with a client is to establish a framework for thinking about the change process based on the level of organizational maturity on the topic of sustainability. My proposition is straightforward – when we talk about our commitment to sustainability or a sustainability strategy – what’s in and what’s out? I gather that information from the senior level team and also from a cross section of the organization. For the purposes of the data presented in this paper, I only include survey and interview responses gathered during the past two years. I start by asking participants an open ended, free form question – How do they define sustainability? As a follow-up, I provided some participants with a pick list of statements and ask them to select all that are included in their definition. Since the United Nations Sustainable Development Goals includes 17 goal statements and 169 sub-measures, I use variations of those statements and measures as choices.

One hundred percent of survey respondents include climate change in their definitions although that number drops substantially when participants are provided with specific choices regarding life on land and life underwater. Only 10% of participants included global health pandemics in pre-Covid responses and only 22% in responses collected after April of 2020 (although those numbers are increasing). When the questions become more discreet – asking about healthy lives and promoting well-being, all part of SDG # 3, response rates drop. A small minority of participants included statements about equal justice under the law, SDG # 16, and insuring inclusive access to education, SDG # 4. Issues such as the sharing of sustainability

technology and capacity development in less developed countries, part of SDG number 17, frequently achieved a 0% response rate in many survey cohorts.

So why is this important?

It's simple – we focus on what we understand – and what we don't focus on - doesn't get done. Despite progress – most companies have not integrated a common definition across their organizations – THAT – and here's the key – that people across the enterprise have translated into what it means to them - in their jobs and daily lives. At an individual level, our commitment is strongest for things where we develop a strong personal connection. The gaps are often most apparent with small to medium sized businesses, but also seen in large, diversified companies.

The good thing about the Sustainable Development Goals is they are comprehensive and highly personal. Seventeen goals and 169 sub-measures covers a lot of ground. The bad thing is they are very big picture and don't speak to specific business challenges like customer acquisition, competitive differentiation or profitability. To create corporate engagement, we have to create those connections. To complicate matters, the UN Global Compact introduces a series of principles that include human rights, labor rights, and anti-corruption (in addition to environmental practices) that don't perfectly align with the SDGs. Even taking the time to read all 10 UN Global Compact Principles and the related UN declarations and the 17 SDGs and sub-measures takes a while. For the most part, our colleges, graduate schools and executive education programs have only recently begun to integrate these concepts into mainstream programs. Most corporate learning departments offer very limited training on sustainability. In general – the level of shared understanding and the current level of educational investment is low.

The value of Initial assessments and models is they provide a framework for developing shared foundation knowledge and a continuing dialogue. Pictures help us visualize and make sense of our definitions. Peer-to-peer interactions allow us to benefit from a diversity of experiences and perspectives. We can add examples and stories and then create a collective experience where we reinterpret such information through the lens of a new business model or a new company practice. My experience is that everyone needs a bit of help in the translation process and most companies do not invest in a rich, ongoing, and diversified learning experience. Big picture company commitments are easy to find. If a large bank commits to eliminating funding for arctic drilling - that is an important commitment to climate change – but it also represents a commitment made by the senior team. It may not change much behavior across the bank. The key to accelerating change is to have all parts of the business engaged in creating positive forward progress using a common sense of

accountability and urgency – developed under a comprehensive and inclusive definition of sustainability.

In general, knowledge maturity is almost always uneven and represents the first barrier to change. One example of a model I use to generate deeper reflection is listed below. From this model we link what a typical sustainability effort looks like at each stage and provide representative company examples.

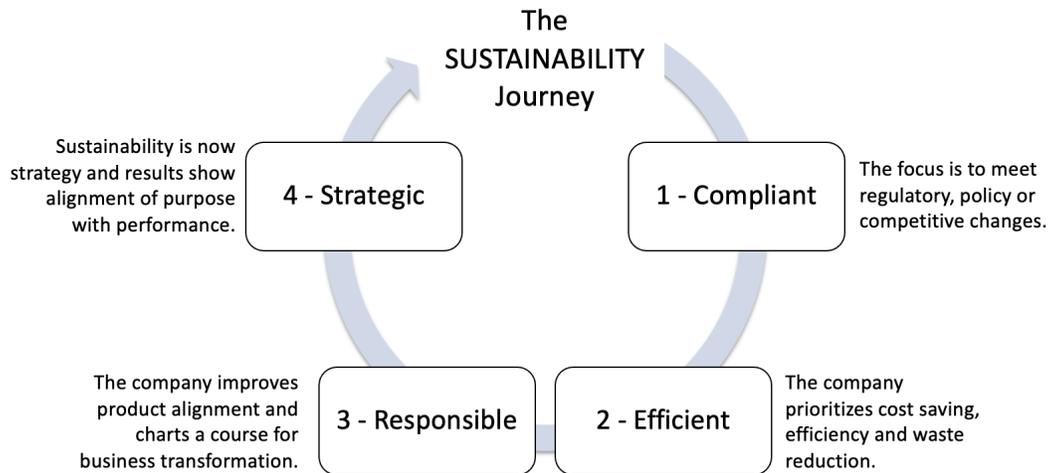


Figure 1 - Reprinted with permission, Anthem Press¹

The stages on the right side of the model are characteristic of higher knowledge maturity. Projects in these stages tend to be things that are easily understood and have a clearer ROI within existing metrics. Examples at these stages have the benefit of allowing participants to visualize what a clear definition of sustainability can include and are easily understood. However, the problem with such examples is they tend to represent narrowly defined objectives and almost always represent capabilities that already exist or are easily acquired. Many companies remain at stages one or two for many years, yet may strongly promote their sustainability credentials. However, their definition of sustainability remains narrow, the level of cross-company behavior change is small, and many company processes and practices remain unchanged. The tendency to stagnate at stage two promotes “greenwashing” as the business struggles with matching ongoing efforts with the early efficiency gains. I believe that a failure to continually support the understanding of a bigger picture and the promotion of narrowly defined success stories constrains innovation.

¹ McAteer, Peter, Sustainability Is the New Advantage: Leadership Change and the Future of Business, Anthem Press, London, 2019, page 83, Figure 5.2.

Is there any value in these compliance and efficiency projects?

The answer is clearly yes. Although early stage efforts are often limited in scope and impact, they have the value of being lower risk and generally lead to cost savings. If they are used to build social and political capital for broader change or to accelerate change, they can be useful as part of a longer-term strategy. Early-stage activities always benefit from inclusion in a broader and more strategic vision – even if that broader vision is not fully committed nor shared. This allows the senior team to focus initial resources on execution while thinking more broadly about partnership development and investment. What partnerships may help us with knowledge gaps that prevent us from making transformational change? If a company uses early stage efforts to develop low risk efficiency success stories, while simultaneously exploring new knowledge and using projects as development opportunities for internal sustainability champions – they are setting themselves up for future success and faster progress.

How do we personalize the definition of sustainability and create greater engagement?

I generally start the process of personalization with the concept of personal accountability. One simple technique asks everyone to reflect on what I call their “four votes.” The questions ask them to grade their own behavior as a citizen, consumer, employee and investor. How aligned is their personal behavior with our expanding understanding of sustainable business practices? The goal is to generate reflections on personal contributions to big and small challenges. In essence – are you responsible for climate change, for equal justice, for poverty? Do you own the problems? What part? Are you committed to solutions? Several questions from the larger Personal Commitment Assessment are listed below with average and range scores for a sample of respondents (N=50).

Category	Is it more or less true that ...	Ranking	Average
Citizen	I consider a politician’s record on sustainability issues when voting.	<u>1</u> 2 3 4 5 6 7 8 9 10	5.1
Citizen	I make efforts to improve or serve my local community.	1 <u>2</u> 3 4 5 6 7 8 9 10	6.8
Consumer	I considered sustainability issues when selecting where to live and how I commute.	<u>1</u> 2 3 4 5 6 7 8 9 10	4.5
Consumer	I try to buy products with labels that certify fair trade and good working conditions.	<u>1</u> 2 3 4 5 6 7 8 9 10	2.3
Business	I work at a company with clear sustainability standards.	1 2 3 <u>4</u> 5 6 7 8 9 10	7.0
Business	I make my voice known within my company to encourage sustainable business practices.	<u>1</u> 2 3 4 5 6 7 8 9 10	5.5
Investor	I consider a company’s record on sustainability when I buy stocks or invest for retirement.	<u>1</u> 2 3 4 5 6 7 8 9 10	3.7

Figure 2 - Personal Commitment Assessment²

² SustainLearning LLC, Reprinted with permission, © 2021.

I consider a sustainability change program different than most business transformation projects like six sigma, reengineering or service excellence. Achieving sustainability goals requires a fundamental change in behavior not only in our business life, but in individual and collective behavior in our communities. I use similar exercises to assess company commitment so the connection between personal behavior and company behavior is as clear as possible.

From this point I use a series of exercises to illustrate how they can make both incremental improvement and broad based change. This is the beginning process of an effort to change mental models. I use ancient history, diversity, new business models, religion and a variety of other examples as filters through which we can expand, reframe, refine and personalize a definition of sustainability – and generate new ideas for action. Somewhere on this path I’m looking for “lightbulb” moments! Teams use their own words to paraphrase and summarize what each situation means in their world – in business and at home. This allows people to share the most meaningful connections for them – perhaps meaningful work, the chance to make a difference or create a legacy for future generations. It also allows teams to explore the functional, business line or local community opportunities and differences. I then work with them to reverse engineer and connect the models used by different teams at different levels in the organization. This often leads to additional refinement. All of this must connect back to the big strategic picture SDGs. That way we maintain the connection between global strategy and localized action.

So how does a broad and inclusive definition of sustainability have an impact?

Companies like Levi’s achieved their Waterless Jeans project by using the filter of a Circular Economy to acknowledge responsibility for substantial water use (and impact), not just inside their company, but across their entire supply chain and their customer’s lifetime experience with their products. All of a sudden you have staff worrying about regional land use, farming practices, how often customers wash their Jeans and how they can encourage the end-of-life recycling of denim products. Community groups in Thailand have used the filter of religion to use Buddhist beliefs to help protect stands of old growth forest from poaching and deforestation. At East West Seed Company in Thailand, a hybrid seed company, they developed a range of programs using regional traditions and circular economy models. They conduct outreach programs and fund scholarships to encourage young students to go into farming, addressing a problem of aging customers (small farm holders). They developed a “seedsmanship academy” to teach everyone in the company about sustainable farming practices. They also bring together college students with farmers in innovation tournaments to build phone apps that address real world farming challenges and improve productivity for small farm holders. They actively engage in knowledge sharing on sustainable farming practices. In most instances, these broader approaches to sustainability were developed with

deep company engagement and a very broad commitment to sustainability. Their definitions allow them to reach beyond their legal company boundaries with their willingness to consider how broader accountability generates new partnership opportunities. Each organization has discovered this approach is good for business – they generated added revenues, reduced expenses, increased innovation, and helped establish the company as a preferred employer for people that want more meaningful work.

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ABSTRACT FOR WEBINAR: Although there are 17 Sustainable Development Goals with 169 sub-measures, most people define sustainability around the issues of climate change and environmental damage. Peter McAteer, author of The Sustainability Advantage, Leadership Change and the Future of Business, works with companies around the globe on sustainability strategy and programs to transition businesses from legacy activities to more sustainable business practices. During his teaching and research he conducts surveys about how people define sustainability and how their definitions can affect business strategy, ESG goals and personal actions. Peter presents research findings about why such perceptions matter and how a broader and more personal definition can influence and accelerate a sustainable change strategy. Peter also strongly believes that beyond teaching, you have to walk the talk. He shares practical experience from his investment portfolio about the challenges and opportunities for starting and growing new sustainable businesses.

