IEMA Transforming the world to sustainability

Sustainability: engaging with drivers for change

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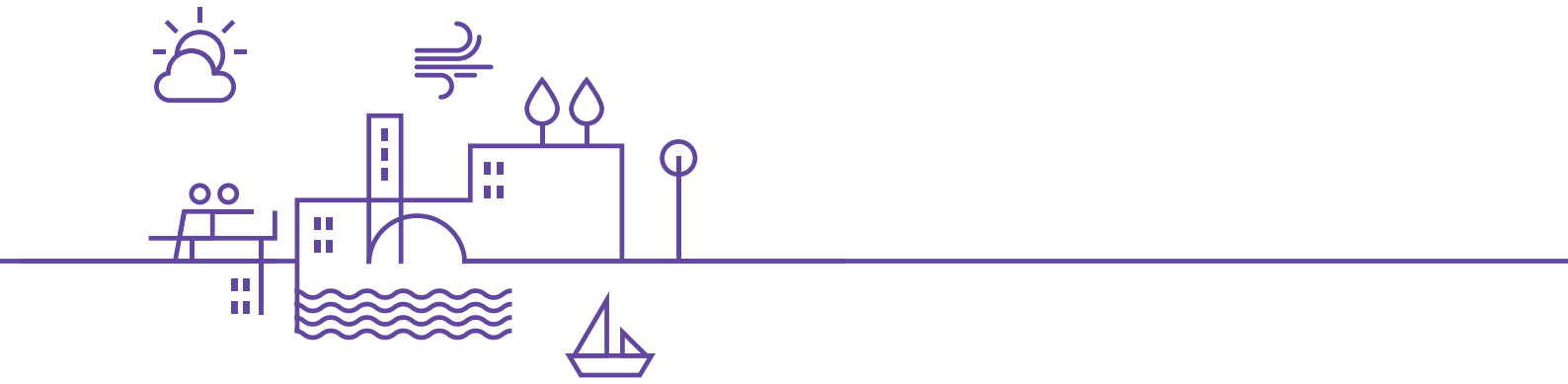


Sustainability: engaging with drivers for change

Environmental management and sustainable development are both 'change processes'. In common with all change processes, successful engagement requires the following four elements:

- An understanding of the pressures for change (what they may mean, and how quickly);
- A clear, shared vision of the required organisational response;
- Resources to implement that response; and
- A plan to enable change, with actionable first steps.

Any organisation that wants to move successfully towards sustainability must:

- Engage with internal and external factors (drivers for change);
- Take a view on what these factors mean for the organisation; and then
- Decide on appropriate action.

The following strategic external factors can be particularly important:

- Policy and legislation;
- Fiscal measures (including incentives);
- Resource availability and costs;
- Customer and other stakeholder requirements/opportunities;
- Competitor innovation/disruption;
- Good and best practice (see box);
- Opportunities for innovative partnerships;
- Further constraints on activities or plans (affecting an organisation's 'operating space' i.e. the current and desirable area of activity for an organisation).

External factors can be monitored, for example, through professional information and networking, workshops and conferences, industry/sector bodies, stakeholder dialogue/surveys, press and journals, and government/ agency websites.

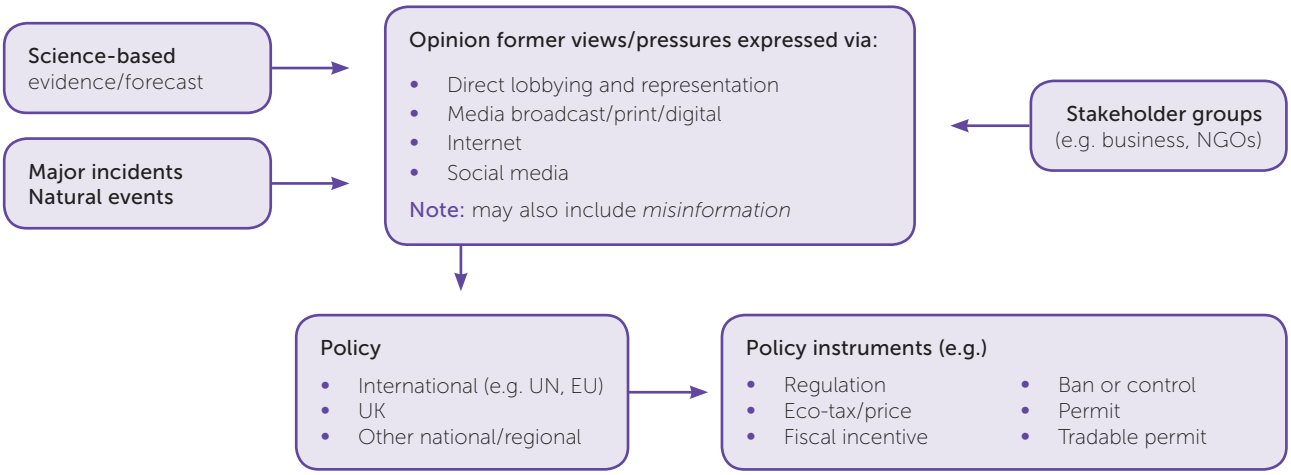
However they are identified, external factors need to be reviewed for relevance and significance. This can be done, for example, by creating various scenarios, Scenarios can explore how these factors interact with the organisation, whether positively or negatively, and to what extent. Some external factors may have an incremental impact, either now or in the near future, whereas some may have a fundamental impact, requiring major organisational changes.

External change	Incremental change	Step change	Paradigm shift
Type	Small gradual changes	Sudden change from one level to another	Major change from one system or model to another
Example	Changes in eco-taxation (e.g. landfill, carbon) increasing the cost of 'using' environmental sinks/ amenity/resources.	Introduction of new regulatory regime, e.g. producer responsibility, requiring recovery targets for end-of-life products, or chemical product stewardship.	Major breakthrough in technology or operating models (e.g. developments in smart technology and electrical storage, leading to wider deployment of renewable energy, and enabling electric vehicle use).

External policy measures

Policy measures are a key external factor. The climate change agenda illustrates that - even within fairly short timescales - scientific consensus or events can influence policy makers, and society at large. Government, which tends to reflect the overall expectations of society, may then introduce policy, legislation and/or economic instruments to establish or modify organisational performance. Figure A provides a simple model of how environmental and social issues evolve (e.g. from science-based findings and events) into policy instruments.

Figure A Evolution of issues into policy instruments affecting organisations



Successful organisations will be aware of the developing scientific consensus in areas that might affect their activities and plans, and of political and social trends. It is these trends that lead to policy, legislation, and economic instruments.

International and national legislation usually sets basic requirements for organisational (or executive) behaviour. For some forward-looking organisations, legislation may be regarded as consolidating or underpinning good practice. However, for many others (including those in supply chains, it may be a significant driver for change.

'Economic instruments' also aim to modify organisational behaviour, but they do this through cost or revenue signals. These usually allow organisations some flexibility in how and how much they choose to modify their behaviour. As part of strategic planning, a proactive organisation will monitor and plan for the implications of current and anticipated legislation and economic instruments. This planning will include a consideration of strengths, weaknesses, opportunities and threats (for example to the organisation's products or wider operating space).

While policy measures usually establish restrictions, or raise the performance bar for organisations, some political and social trends may also result in measures that lower or remove the performance bar ('policy row back'). Whatever the prevailing situation, organisations need to continually monitor and assess the strategic implications of policy, legislative and fiscal change (e.g. including any effect on the supply chain).

Actionable first steps

Actionable first steps depend largely on an organisation's prevailing culture and activities. To be truly actionable, first (and subsequent) steps need to be 'suitable, acceptable and feasible' (see box).

Success factors behind actionable first steps	**Suitability**	Actions to exploit strengths and opportunities, and avoid or address weaknesses or threats.
	Acceptability	Impact on performance – financial (profitability, financial risk), social and environmental. Internal and external stakeholder views. Net positive cost/benefit.
	Feasibility	Availability of skills, technology and other resources; readiness of management, other staff and stakeholders; and timescales.

The nature of actionable first (and subsequent) steps will vary considerably, based on feasibility, acceptability and suitability. Actionable first steps should be taken with a view to continual improvement in both the sustainability/ environmental management system, and in performance outcomes.

Actions can be developed and supported by applying strategic management measures such as:

- Investment appraisal, that incorporates tangible and 'intangible' organisational benefits, and anticipated developments
- Effective internal communication, and employee training and participation, in support of innovation and improved performance
- Measurable objectives, linked to KPIs and wider organisational goals
- Partnerships and stakeholder engagement with suppliers, contractors, customers and other interested parties, and engaging in, and demonstrating, corporate responsibility.

Management engagement with sustainable development

The following table may be helpful when considering the maturity of management engagement , on the road to sustainability, in organisations (and/or supply chains).

TABLE A: STAGES OF MANAGEMENT ENGAGEMENT WITH SUSTAINABLE DEVELOPMENT	
Strategic - pathfinding	Positive features shown in the other panels (below) plus: • Proactively seeking to accelerate the rate of change (e.g. innovation or step changes in processes, innovative and supportive supply chain initiatives, or even market disruption). • Seeks and develops best practice.
Strategic – leading	Positive features shown in other panels (below) plus: • Actively seeks to integrate and co-ordinate economic, environmental and social objectives as part of a proactive sustainability programme. • Environmental and social factors fully incorporated into strategy, business development and operational decision processes. • Long-range policy and corporate objectives supported by sustainability key performance indicators (KPIs). • Life cycle thinking is the norm. • Identifies and pursues best practice, and propagates good practice in supply chains. • Entire organisation seeks viable business opportunities/competitive edge from the developing sustainability agenda, which is constantly monitored and regularly reviewed. • Technical and commercial innovation actively considered and pursued. • Process efficiency embedded into culture and practice across operations, but also in product design, marketing and sales, procurement and finance. • Emphasis on enhanced resource productivity, as an active contribution to a 'circular economy'. • Active participation of fully trained employees at all levels. • Partnerships with suppliers, customers and others to find sustainable solutions. • Researches, pilots or deploys intrinsically cleaner technology, develops new products and services, and creates new markets. • Fully engaged with stakeholders, with third party verified public reporting on policy, plans and performance. • Actively engaged with sustainability management systems and guidance. • Effective and widespread use of external information, to help assess strategy and actionable next steps.

TABLE A: STAGES OF MANAGEMENT ENGAGEMENT WITH SUSTAINABLE DEVELOPMENT	
Systematic – engaged	Positive features shown in the other panels (below) plus: • Coherent policy and EMS, including widespread use of SMART objectives and targets. • Engages with ISO 14001 and/or similar, and aware of sustainability guidance. • Evaluation of significant environmental aspects includes environmental limits and stakeholder issues. • Employees at all levels participating in continual improvement. • Effective use of external information, to help assess actionable next steps. • Engaged with key external stakeholders, including suppliers and customers, on environmental performance. • Public reporting on environmental policy, plans and performance. • Seeks and implements good/best practice. • Regular monitoring and assessment of policy, legislation and good/best practice across a range of products and services. • Shares good practice throughout the organisation and along the supply chain. • Good understanding of implications of relevant economic instruments. • Pursues resource efficiency. • Operates beyond legal compliance. • Engages with salient social impacts. • Engages with corporate responsibility.
Systematic – proscribed	• Coherent environmental policy, objectives and targets, plans and assigned responsibilities, addressing issues of operational significance. • Working towards ISO 14001 or similar. • Effectiveness audited and reviewed. • Employees trained and aware. • Developments in legislation and good practice reviewed annually. • Seeks site-based opportunities for continual improvement and efficiencies. • Engages with waste minimisation and recovery. • Aims to achieve legal compliance. • Some use of external information, to help assess actionable next steps.

TABLE A: STAGES OF MANAGEMENT ENGAGEMENT WITH SUSTAINABLE DEVELOPMENT	
Ad hoc - proscribed	• Internal policy statement, but remains largely a stand-alone document. • Issues are addressed on an ad hoc basis, and they are predominantly reactive/compliance-based. • Pursues some environmental initiatives, which tend to be independent and isolated. Possibly based on engagement of only a few staff. • Employees are aware of the need for action in specific situations (e.g. waste recycling), but overall environmental management knowledge is limited. • May find it difficult to draw meaningful conclusions from external information, regarding actionable next steps.
Inactive	• Awareness of selected environmental issues, but no meaningful action. • Belief that environmental management may be a 'policy fad' or uncertainty about how to become involved in a cost-effective way. • Widespread belief that environmental management is mainly about paperwork; that it always costs money; and does not deliver net benefit to the organisation. • May find it difficult to understand the implications of external information.
Unaware	• Lack of awareness of the environmental agenda and its relevance to the organisation. • Possibly unware of, and in breach of, some environmental regulations. • Does not have access to, or understand the implications of, external information.
Note: irrespective of the level of engagement, organisations need to be able to discriminate between evidence-based information and misinformation.	

The management systems process of 'management review' should be used to develop strategic thinking. This should include:

- The environmental and social performance of the organisation;
- The most significant (current and anticipated) external factors; and
- 'Life cycle thinking' – along the entire supply chain (including materials, energy, products and services).

Significant sustainability issues should then be built into overall management processes, so that managing for sustainable development becomes embedded, comprehensive, and innovative. This approach will help any organisation to respond to drivers for change, in pursuit of sustainable development.

Good and best practice, feasibility, and scale

There is ample room for both 'good' and 'best practice' in the pursuit of positive change, but they are seldom the same. Good practice generally describes performance that is within the reach of most organisations, even if the bar is raised from time to time. As such, it is widely feasible, and environmental good practice may lead to legislation (which tends to underpin the expectations of society).

Best practice, at its best, can unlock major performance improvements, which may eventually become widely feasible (resetting the bar for good practice). However, it may also be restricted to a small number or organisations or situations (e.g. limited feasibility due to cost and practicality). The aphorism "the best is the enemy of the good" refers to when inordinate attention to non-scalable best practice sidelines more prosaic, but possibly much more impactful, good practice. This may be significant, for example, when government is looking for environmental improvements at scale, or when an organisation seeks performance improvements across its supply chain.

Footnotes:

ISO 26000:2010 Social responsibility enables organisations to bring together good/best practice for managing social and environmental issues and stakeholder interactions, in support of sustainable development and corporate responsibility.

BS 8900:2013 Managing sustainable development of organisations provides guidance on managing sustainable development and a framework that can help organisations to enhance performance. It provides a framework for embedding sustainable development management into decision making. It includes a 'maturity matrix' to help assess progress, clarify next steps and incorporate the principles of managing sustainable development.

AccountAbility's AA1000 Series of Standards are principles-based Standards and Frameworks to help organisations demonstrate leadership and performance in accountability, responsibility and sustainability. The Standards provide guidance on sustainability strategy, governance and operational management, and are supported by Guiding Principles of AccountAbility, along with guidance on sustainability assurance and stakeholder engagement.

ISO 20400:2017 Sustainable procurement – Guidance outlines what sustainable procurement is, and how organisations can implement sustainable procurement in their supply chain.

IS0 14001:2016 Environmental Management Systems is the globally recognised management systems Standard for environmental and wider sustainability management. It allows organisations to take – and if need be demonstrate – a strategic approach to managing environmental and social issues, and it includes lifecycle thinking and supply chain engagement.

IEMA: Future Megatrends is a practical tool to help organisations understand which future trends are relevant to them, and how to integrate these practically into a management system. Free to view at: https://goo.gl/gvg8oc

IEMA Transforming the world to sustainability

This series of articles, written in conjunction with IEMA, introduces key drivers, principles and practice behind sustainable development and corporate responsibility, as an integral contribution to achieving positive economic, social and environmental transformation.

The audience includes those at the beginning of their IEMA membership journey and, more widely, students and managers in all types of organisation, such as the private and public sector, and NGOs.

About the Author

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About IEMA

We are the worldwide alliance of environment and sustainability professionals, working to make our businesses and organisations future-proof.

Belonging gives us the knowledge, connections and authority to lead collective change, with IEMA's global sustainability standards as our benchmark.

By mobilising our expertise we will continue to challenge norms, drive new kinds of enterprise and make measurable progress towards our bold vision: transforming the world to sustainability.

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