



INSIGHT BRIEFING 1

Integrating Corporate Responsibility into your Corporate Culture.

Issue: After setting their sustainability direction, organizations need to invest in implementation measures to achieve success.

This short guide provides an overview of the top implementation strategies to ensure an organization can achieve its sustainability goals.

Corporate Responsibility & Sustainability Institute



About the Corporate Responsibility & Sustainability Institute

The Corporate Responsibility & Sustainability Institute was established by The Conference Board of Canada in 2016, after an extensive consultation revealed the need for a professional body to help practitioners excel in their roles. The Institute brings together business, industry, government, academia, and civil society as partners to envision a sustainable future and identify corporate responsibility and sustainability challenges and

opportunities. We offer independent research and thought leadership that support collaboration, knowledge transfer, innovation, monitoring, and evaluation of contemporary corporate responsibility and sustainability issues. Our collaborative program of research, education, information dissemination, and engagement accelerates and scales next-generation practices in Corporate Responsibility & Sustainability in Canada.

Critical Success Factors

Four imperatives underpin the successful implementation of sustainability goals. They are foundational requirements and must be in place to enable sustainable progress.

Four Imperatives

Organization-Wide Definition

There is no universal definition of sustainability, as it is a relatively recent business phenomenon. It is essential that employees understand the organization's unique terminology and definition—particularly as they relate to the organization, its business model, and sector—in order to engage internal stakeholders in implementing sustainability. If staff have different interpretations of sustainability they will have difficulty communicating and coordinating their efforts. A communicated sustainability policy or set of organizational commitments can help with this. Trade associations may have adopted sustainability definitions for their sector and can be a good resource.

Business Case and Rationale

For staff to play their part in advancing sustainability in the organization they need to understand the rationale for investing in sustainable measures—the business case, value proposition, and drivers. It is important to answer “why?” when asking staff to assume new or different responsibilities. Staff should understand why and how the sustainability plan connects to the business and the corporate strategy. Increasingly, sustainability risks and opportunities that will affect the organization's viability in the medium to long term are becoming important drivers.

Training and Competency Development

Many employees will need training and competency development to understand how sustainability relates to their particular job, role, and function. Few employees received sustainability education in their formal schooling. Organizations can either provide this training in-house or engage educational and professional institutions to support their staff's sustainability competency development. Experiential learning, temporary assignments, and secondments are also ideal routes to build sustainability capacity.

Incentives and Scorecards

The organization's system of formal and informal rewards must signal the importance of sustainable behaviours and results to employees. If the reward and incentive structures only value financial performance, employees will be disincentivized to pursue sustainable outcomes. For a sustainability plan to work, the organization needs to set and communicate its sustainability priorities and success measures (metrics) and embed them in the corporate scorecard.

Measurement

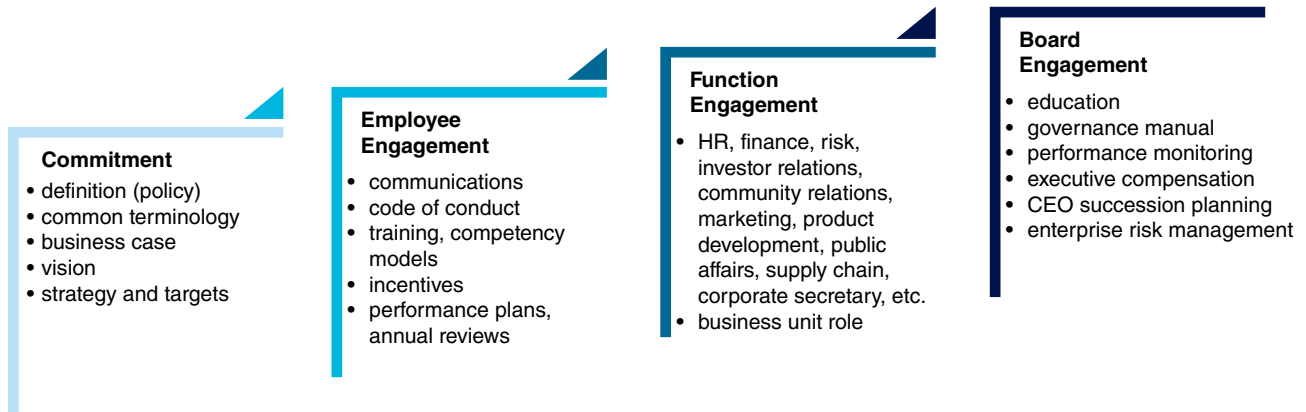
Leading organizations find that sustainability progress requires a strategic and orchestrated set of cultural activities. Embedding sustainability must be managed like any other business activity: it requires leadership commitment, targets, objectives, resources, leads, an action plan, and a way to measure success. It is necessary to understand and follow a change management process to engage employees, overcome resistance to change, and advance sustainability in an organization.

Once the foundation is built, or as it's being built, there are a number of additional measures organizations should pursue to ensure their sustainability strategies are successfully implemented:

- Departments, business units, and subsidiaries develop sustainability mandates.
- Sustainability is incorporated into personal performance plans, job descriptions, and performance appraisals.
- Leadership development and competency models include sustainability.
- Company policies, procedures, and decision tools include sustainability.
- Code of conduct includes sustainability.
- Sustainability is included in internal communications and storytelling.
- Sustainability training includes both generic and tailored elements.
- Cross-functional senior leadership team advances organization-wide sustainability.

Exhibit 1

Most Valuable Internal Leverage Points



Source: Coro Strandberg Consulting.

As these steps show, it is important to take a strategic approach, build internal capacity, and formally embed sustainability responsibilities in functional mandates.

Measurement (cont'd)

A top way to measure success is to measure the progress of the sustainability strategy. The greater the progress, the greater the buy-in, engagement, and capacity. Other ways to measure sustainability culture include surveying staff on the degree to which they believe the organization's actions are consistent with its sustainability commitments, the degree to which staff understand their role in implementing sustainability, and how supported they are to do so. Another option would be to measure how much of the business (e.g., products, procurements, decisions, functions) advances the company's sustainability goals.

Table 1
Sustainability Integration Continuum

Integration level	1.0 Operational	2.0 Strategic	3.0 Integrated	4.0 Social Purpose
Focus of integration	Operations	Corporate strategy	Governance and management	Core purpose and business model
Philosophy	"Sustainability saves money and improves compliance."	"Sustainability helps us achieve our corporate priorities."	"Sustainability is a factor in how we govern and manage the company and conduct business day-to-day."	"Our vision of being a sustainable company determines our corporate priorities."
Relationship to strategy	Sidelined	Component of corporate strategy	Component of all business plans	Central to/inseparable from corporate strategy
Leadership	Sustainability manager	Chief sustainability officer	Executive committee	CEO
Marketing	Paid advertising tells the story	Earned media/cause marketing tells story	Customers tell story	Everything you do tells story
Timeline	< 1 year	Multi-year	Medium term	Long term
Business value	Good will and cost savings	Reputation and revenue growth	Profitability and risk management	Long-term viability and value creation

Source: Coro Strandberg Consulting.

Resources

Checklists

Embedding Project Self-Assessment

An online tool sponsored by the Embedding Project to help organizations self-assess 60 practices for designing and implementing a sustainability strategy and advancing a sustainable culture.

<https://embeddingproject.org/resources/embedding-sustainability-self-assessment>

CSR HR Checklist

A checklist of ideas to embed sustainability into the employee experience from recruitment and onboarding to career and succession planning.

<http://corostrandberg.com/publication/csr-hr-checklist/>

Competencies

Sustainability Talent Management

A short paper that summarizes global research into the competencies business leaders will need to steward their firms and society to a sustainable future. The five competencies are designed to be embedded into organizational competency models and inform leadership development and succession planning.

<http://corostrandberg.com/publication/sustainability-talent-management-the-new-business-imperative/>

Next-Generation Practices in Sustainability Governance and Culture

Sustainability Governance and Culture Transformational Quality

A brief guide on next-generation practices in sustainability governance and culture from The Qualities of a Transformational Company, a project by Canadian Business for Social Responsibility.

<http://cbsr.ca/transformationalcompany/wp-content/uploads/2015/11/6-sustainability-governance-and-culture.pdf>

Additional Resources

Embedding Project Portal

A curated hub of resources, tools, and guidelines to help with sustainability implementation and embedment.

www.embeddingproject.org/resources

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