

A Sustainable Environment: Our Obligation to Protect God's Gift

by
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Corporations Are Too Slow to Integrate Sustainability

In a recent global survey by McKinsey, the results show that executives at all levels see an important business role for sustainability, meaning how to operate a successful business without having a negative impact on the environment and society. But when it comes to mastering the reputation, execution, and accountability of their sustainability programs, many companies have far to go.

Company leaders are rallying behind sustainability, and executives overall believe the issue is increasingly important to their companies' strategy. But as it continues to grow into a core business issue, challenges to capturing its full value lie ahead. These are among the key findings of the August 2014 survey on the topic which asked respondents about the actions their companies are taking to address environmental, social, or governance issues, the practices they use to manage sustainability, and the value at stake.

One of the reasons that it is not happening as expected is that the companies struggle with the execution of integrating sustainability. They indicate that it is being imbedded in the culture of the company, but that will not happen unless these people, from top to bottom, are trained in the field to understand fully what is sustainability and what are the benefits. It is rare today to find a relatively large company that does not have someone responsible for integrating sustainability in the company. But the question is whether this person has the proper background for that role. In any event, the responsibility of sustainability for a company should not be given to a person or a department, but should be imbedded throughout the company. But how can that be done without giving employees some training in this so important concept?

On several occasions, I have offered to assist a company to integrate sustainability throughout its operations. Quite often, I would be introduced to the CSO (Chief Sustainability Officer) or equivalent, and invariably the response would be that this goal has been addressed and no assistance is needed. The reason for this kind of response is that the CSO has been given that responsibility by the CEO, and there is no way that a CSO without the proper background will admit to his superior that he needs help to implement his responsibilities. After all, he is the sustainability "expert" in the company. For the company to really become a sustainable company, it must admit that the expertise is not in-house and needs to be obtained.

There have been other situations where the person responsible for sustainability may be at a lower level like a Sustainability Coordinator. In this case, the person could have a problem in introducing sustainability into the company because fellow employees don't understand the goals of the concept. Again, what is required is training of the employees to understand the benefits of this so important concept.

The McKinsey survey clearly states that the single biggest problem experienced by the companies is the failure for proper execution of their sustainability goals. They can say that sustainability has become part of their culture, but that doesn't mean anything unless the employees truly understand what is sustainability, how it can benefit the company, how it can benefit the environment, how it can benefit society, and most important to the company, how it can improve the company's shareholder value. This can all be done with proper training of the key employees.

Since executives are mostly concerned with the sustainability benefits on shareholder value, there is a method to determine exactly which sustainability factor will impact the shareholder value. That sustainability factor will vary from one industry to another, but these can be identified and the impact can be calculated. There is no question that sustainability has a definite benefit to the environment while it enhances the shareholder value of a company.