

Employee Engagement for Sustainability

A Survey of Emerging Best Practices at 30 Large, Global Organizations

A Report from Groom Energy Solutions

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Employee Engagement for Sustainability

Executive Summary

Firms are increasingly aware of the benefits of employee engagement programs for sustainability. Groom Energy surveyed 30 U.S. Fortune 500 companies to ascertain best practices for employee engagement. This report identifies emerging best practices and common challenges, with additional analysis for Green Teams initiatives. We conclude that while most firms see the need for initiatives in this area and some initiatives have been effective, many initiatives are experimental with evolving goals and measures of effectiveness. We further believe that experimentation will continue into 2010 with an increased emphasis on measuring results.

Key Findings

- 1) **Programs for employee engagement for sustainability are nascent.** Most initiatives have been in place for only a few years and are often in a trial phase with few, if any, success metrics.
- 2) **Recycling, bicycle racks, Earth Day activities, and posters are the most common initiatives.** These initiatives were used by nearly all companies. Other popular initiatives include employee training, carpooling, and ideas/suggestion programs.
- 3) **Increasing awareness and changing behavior are difficult tasks.** While it is easy to provide evidence of a commitment to sustainability (through posters, bike racks, carpooling parking spots, etc.), actually increasing awareness and effecting and measuring behavior change is more difficult and is only exacerbated when employees are disbursed globally over hundreds of office locations.
- 4) **Few initiatives have metrics and measuring effectiveness is elusive.** Few initiatives had metrics for effectiveness or overall program success. Many firms felt the need to do “something” by experimenting with different initiatives, but few had specific goals (e.g., increasing survey results for awareness or achieving a certain employee participation rate).
- 5) **Small budgets and low participation rates are the most common challenges.** 76% of respondents report lack of budget as their largest challenge. Many corporate sustainability teams are very small compared to the total number of employees.
- 6) **Most firms had Green Teams but 40% of teams did not have written roles and responsibilities.** Many Green Teams are employee-driven with evolving charters.

“Engaged employees are the most important stakeholder to drive sustainability. We want employees to think sustainability at home and at work, and we need to help employees understand that one person can really make a difference”

- VP, large U.S. Manufacturer of Shoes and Apparel

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Authors and Methodology

Authors

Paul Baier is Vice President of Consulting at Groom Energy Solutions, which delivers carbon and sustainability consulting and installs renewable and energy efficiency solutions for corporations such as Budweiser, General Electric, Ocean Spray, Raytheon and Thermo Fisher Scientific. Mr. Baier earned a MBA from Harvard Business School and a B.A. in Economics from Kenyon College. Mr. Baier can be contacted at pbaier@groomenergy.com.

Ben Tomaszewski was a summer Intern at Groom Energy Solutions and is currently is pursuing a B.A. in Communications and Environmental Studies from Hamilton College.

Methodology

An online survey was distributed to 300 large organizations during July 2009. Organizations were chosen from the 2008 list of Fortune 500 companies and the EPA Climate Leaders. The goal was to target influential U.S. organizations and learn from their sustainability initiatives. Initial contact was made via email and follow-up contact was made via telephone and an additional emails.

Respondents were informed of the survey's intentions and were told all answers would remain confidential. In addition, they were told in exchange for their participation, they would receive at no charge this report on key findings.

Over 50 online surveys were completed and the results from 30 major U.S. companies, each with more than 5,000 employees, were used for this report. In general, survey respondents represent a wide cross section of industry.

Examples of companies include:

- Chemical manufacturer, 50 billion revenue
- Telecommunications conglomerate, 20 billion revenue
- Food processor, 20 billion revenue
- Biotech firm, 5 billion revenue

Representative titles of survey respondents include:

- Chief Sustainability Officer
- VP of Sustainability
- VP of Corporate Social Responsibility
- Sustainability Director
- Principal Engineer
- Environmental Engineer
- Marketing Manager

Other respondent Information

- 76% have VP/Dir of sustainability
- 69% publish a GHG inventory
- 66% issue a CSR (corporate social responsibility) report

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Detailed Findings

The detailed findings are divided into 3 areas

- A. Common Initiatives
- B. Top Challenges
- C. Green teams

A. Common Initiatives

The 4 most common initiatives are recycling, bicycle racks, Earth Day activities, and posters.

Companies have experimented with a wide variety of initiatives and we surveyed the more common ones.

Initiative	Frequency
Recycling program (paper, metal, plastic)	100%
Bicycle racks	95%
Earth Day activities	88%
Posters to increase educational awareness	88%
Employee training via classes or workshops	74%
Formal ideas program / suggestions box	73%
Carpooling program	71%
Bicycle storage & changing rooms	63%
Work at home program	62%
Vendor fairs	59%
Preferred parking for hybrid vehicles / carpool	58%
E-waste recycling program	57%
IT help for PC power management	50%
Reimbursement for public transportation	38%
Energy dashboards	37%
Employee pledge program	35%
Trash audits	28%
Company van / shuttle	25%
Distribute watt meters	19%
Trayless dining	18%
Hybrid vehicle incentive program	12%

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Effectiveness of most initiatives is inconclusive. While organizations frequently have numerous initiatives, the effectiveness of any particular one is rarely measured or understood. For instance, many firms did not know how many employees used bike racks, if posters increased awareness or if recycling rates were increasing or decreasing (or even if all offices had recycling).

“We found that posters are less effective. Over time they tend to seem to fade in to the scenery and employees look past them” – Manager, Global Firm

Unclear goals. Many initiatives did not have specific goals. Often if an initiative had a goal, such as increasing awareness or improving the culture, the initiative did not have any measurement mechanism. Moreover, very little work has been done around segmentation of employee base around age (employees in 20s vs 50s) or by function.

“We don’t have any specific goals for employee engagement” –Manager, Telecommunications Firm

Some initiatives are working. Respondents reported satisfaction with and a sense of effectiveness for initiatives that required very little employee behavior change. Initiatives such as occupancy sensors, web conferencing options, and telecommuting were frequently cited.

Senior management leadership is critical. Numerous respondents mentioned senior management leadership as an essential element for initiative success and for credibility with employees.

Participation rates were rarely measured but seemed to be in the 10-15% range. While participation rates were not always measured, anecdotal information seemed to suggest that participation rates ranged from 10-15% on average (but much higher for recycling programs). One firm reported a participation rate of 40% for its energy pledge program that is in its fifth year with strong management support and friendly inter-office competition.

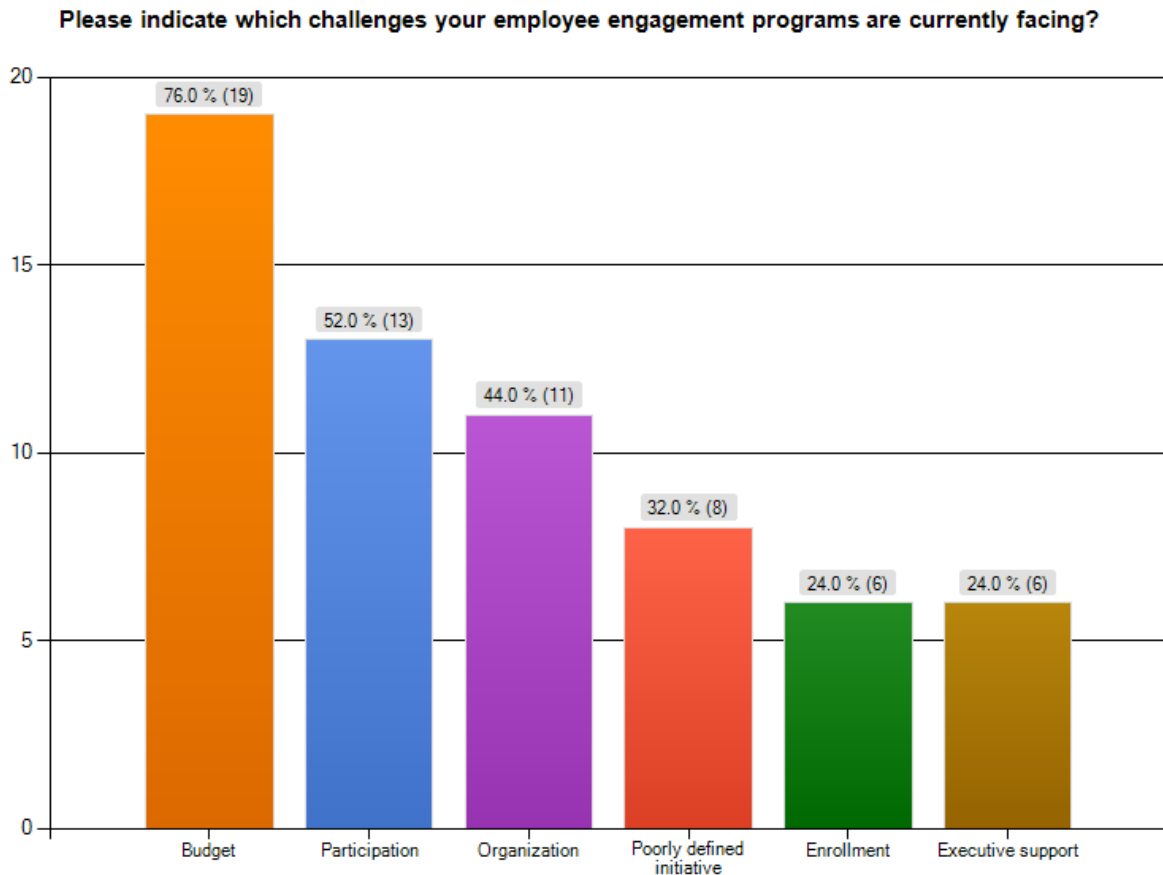
No common budget ownership. Budget ownership for employee engagement programs varied widely from sustainability office, to HR, to EHS, to Facilities, and on to senior management.

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B. Top Challenges

Budget and participation are largest obstacles. Both in the online survey and in follow-up interviews, firms mentioned that tight budgets and low participation rates are their largest challenges. Both dropped with the recession and associated downsizing.

Top Challenges (Frequency of Response)



30 respondents, multiple responses allowed

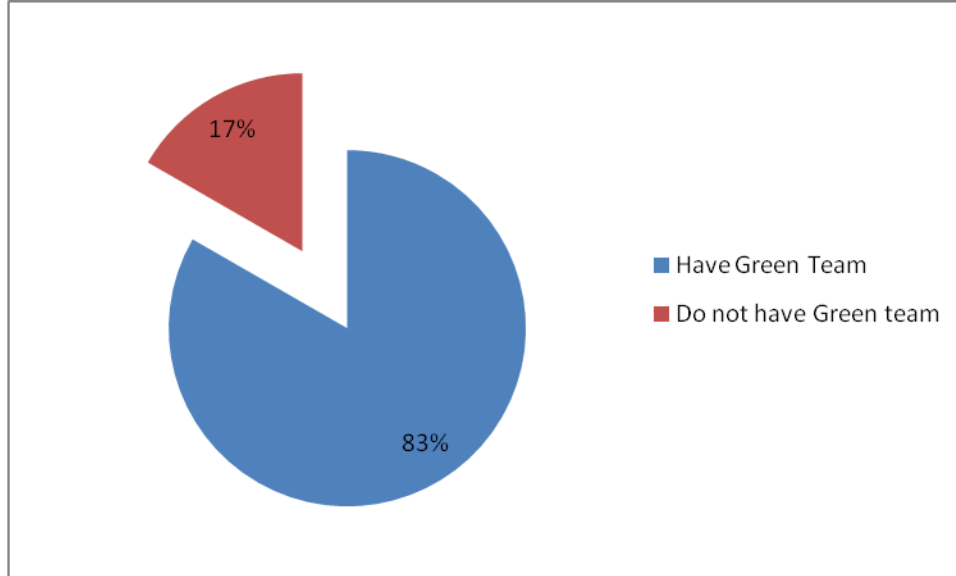
“We are understaffed. The team is me! I meet daily, but we have 17,000 employees”
– Director, Large Manufacturer

“Particularly in the recession, many viewed participation in our Eco Team as of secondary importance and potentially damaging to their “day” job” -- Director, Global Manufacturer

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3. Green Teams

83% of respondents reported having a Green Team. While the name varied (Green Team, Eco-Team, Energy Team, etc.), most large companies have at least one cross-functional team to work on sustainability issues.



N=30

86% of “green teams” meet 1-6 hours per quarter and half of the Green Teams report meet monthly. Representation from different functional departments (for example, from EHS, Facilities, or Communications) varies considerably. A number of organizations had teams which originated in Facilities and EHS.

How often does the team meet?					
	We don't meet	Weekly	Biweekly	Monthly	Quarterly
Please Choose	13.0% (3)	13.0% (3)	0.0% (0)	52.2% (12)	21.7% (5)

60% of Green Teams programs have written roles and responsibilities. While teams were united by a common interest in sustainability, many teams are refining their mission. While 60% of the respondents reported that teams had written roles and responsibilities, many of these responsibilities are directional (e.g., “sustainability advocate”).

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“We just started a Green Team within the past few months. It is completely employee driven and a little less than 10% of the employees volunteered for the team” – Manager, Printing and Packaging firm

Budget and clear goals are challenges for Green Teams. During the recession, some employees have viewed Green Teams as an unpaid commitment of personal hours that may or may not translate into positive results for their career. Recognition and better visibility are needed to maintain employee commitments.

Conclusion

Organizations see the merits of employee engagement for sustainability. Many initiatives have been experimental and budget and participation rates were affected by the recession. While many firms have Green Teams, the roles and activity level varies. From our interviews, companies consistently stressed the importance of creating a culture of sustainability and the need to “walk the talk”, and we expect firms to continue to refine programs in 2010.