

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

by
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Why is Sustainability Being Imbedded So Slowly?

In a September 2009 article in Harvard Business Review by prominent management thinkers including C.K. Prahalad, they state that “sustainability is the key driver for innovation. In the future, only companies that make sustainability a goal will achieve competitive advantage”. In addition, according to a report by Accenture for the 2010 United Nations Global Compact study of chief executive officers, 93% of the global CEOs believe sustainability issues will be critical to the future success of their business, and 96% believe sustainability issues should be fully integrated into the strategy and operations of a company. Sustainability is any activity that protects the environment in such a way that we can meet the needs of today without sacrificing the rights of future generations to meet their needs.

Many companies have followed this advice and have appointed a Chief Sustainability Officer (CSO) or a person with a similar title or duties. But among the few companies that have a CSO, that person was promoted to this position from a loosely related discipline like real estate, facilities or energy. In a September 2011 study by the Weinreb Group of 7,000 publicly held companies in the NYSE and NASDAQ, only 29 had a CSO, and 25 of the 29 were promoted from within the company with an average of 16 years experience, but not in sustainability. The following year a similar survey revealed that the number of CSOs increased to 34 – not much of an increase.

A few years ago, a person from a Fortune 500 company contacted me to ask about sustainability courses. He was with the company for over 20 years and was just promoted to Director – Sustainability and Energy. After I told him that it was great, he related that he knew nothing of either area. The company believed that with a person in the position of sustainability, it was meeting its needs.

There is consensus that sustainability must be integrated in a company's strategy, but it is not happening – at least not as quickly as it could or should. Sustainability should not be the responsibility of the CSO or someone else with sustainability in his/her title. Sustainability should be a culture embedded in the company. So it is critical that managers in all departments must have knowledge of sustainability in order to develop, extend or maintain a competitive advantage. What is the answer? Companies must consider corporate training of its employees starting with its top management, department leaders, and eventually all the employees.

Similarly, students are not given the opportunity to learn about sustainability in business schools. A few schools have specialty programs focusing on the environment and sustainability, but that is not enough. Sustainability is not a discipline like marketing, sales, operations or accounting, but rather it is a concept that should be imbedded in all appropriate courses. I had made this recommendation to the director of an MBA program, but this didn't happen because the faculty, mostly older tenured professors, did not want to change the syllabus of the course they had been teaching for many years.

Business schools should look at all courses in which sustainability has some applicability and offer a few modules showing how it fits in the course. For example, in a marketing course the professor should teach something about marketing green products. In an operations course, sustainable strategies should be introduced to show how to gain a competitive advantage without having a negative impact on the environment. Sustainability can also be introduced into organizational behavior, accounting, and finance courses. Every student graduating from a business school should have an appreciation of sustainability. Eventually, the same will happen in other programs such as engineering, architecture and even liberal arts. Further, I see it being introduced in all undergraduate programs, high schools and even elementary schools. This concept should eventually become a part of life just like speaking English.