

Conference paper prepared for the:

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Sustainable Transformation Conference**
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Sustainability and decision making in organisations

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Defining sustainability

Sustainable development is:

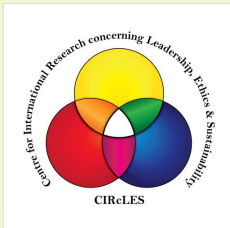
- not a fixed state of harmony
- but a process of change where the exploitation of resources, the direction of investments, the orientation of technological development, and institutional change are made **consistent with future as well as present needs** (UNWCED 1987, 3-30).



Defining sustainability

Three dimensions

- Environmental
- Social
- Economic



Defining sustainability for organisations

1. Sustainability of entity
2. Complexity of impacts



Defining sustainability for organisations

Complex to define

Difficulties in embracing the concept (Kates, Parris & Leiserowitz 2005)

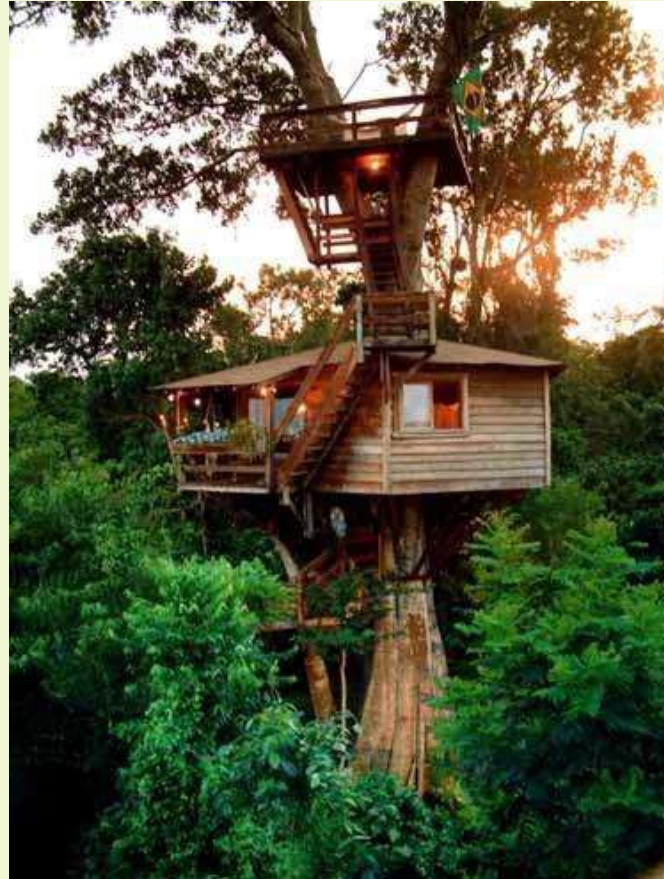
Creative ambiguity or malleability (Collins & Kearins 2010)

Lack of mandatory sustainability reporting requirements (Guthrie & Farneti 2008)



Sustainability for organisations

- Areas of action
- Motivations



Beyond a short term profit focus

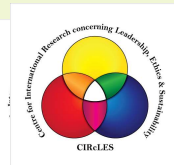
Rising sentiment that capitalism is changing and unsustainable growth is not only damaging to society and the environment but also to companies themselves (Hill 2011).



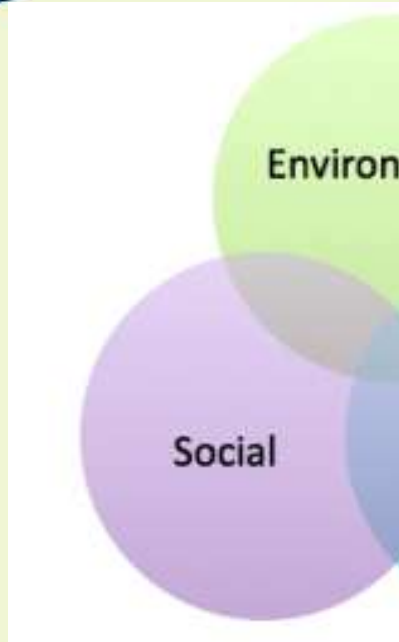
Levels of organisational sustainability

| Level | 1 | 2 | 3 |
|----------------------|--------------------------------------|---------------------------------|------------------------------|
| | Non-sustainability | Weak Sustainability | Strong sustainability |
| Economic | Short-term view | Medium-term view | Long-term view |
| Social | Complete disregard/ Disconnection | Self-serving | High priority |
| Environmental | Complete disregard/ disconnection | Cursory regard/ greenwashing | Highest priority |

Source: Adapted from Robinson & Boulle (2012)



Strong sustainability



Triple bo



Source: Sustainable Aotearoa New Zealand (SANZ, 2009):
<http://nz.phase2.org/what-is-strong-sustainability>



Role of management in sustainability

CEO characteristics felt throughout organisation (Giberson et al. 2009)

Proactive and exemplary social performance more strongly related to the characteristics of the CEO (Manner 2010)



Role of management in sustainability

Management focus

1. Narrow fixation on profit and short term results will filter down the line (Ferrell & Ferrell 2011).
2. And adversely affect CEOs ability to adapt and come up with creative and sustainable solutions (Ferrell & Ferrell 2011).
3. Adaptation may require cultural shift at the top of the organisation (Giberson et al. 2009)



CEO priorities

1. What will be the three key themes from your sector next year?
2. What are your top three priorities?
3. If you had the ability to make one change to the nation what would it be?

Source of survey: Durie (2011) Weekend Australian

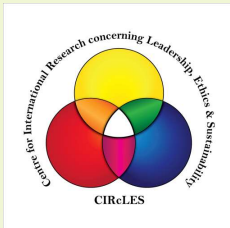
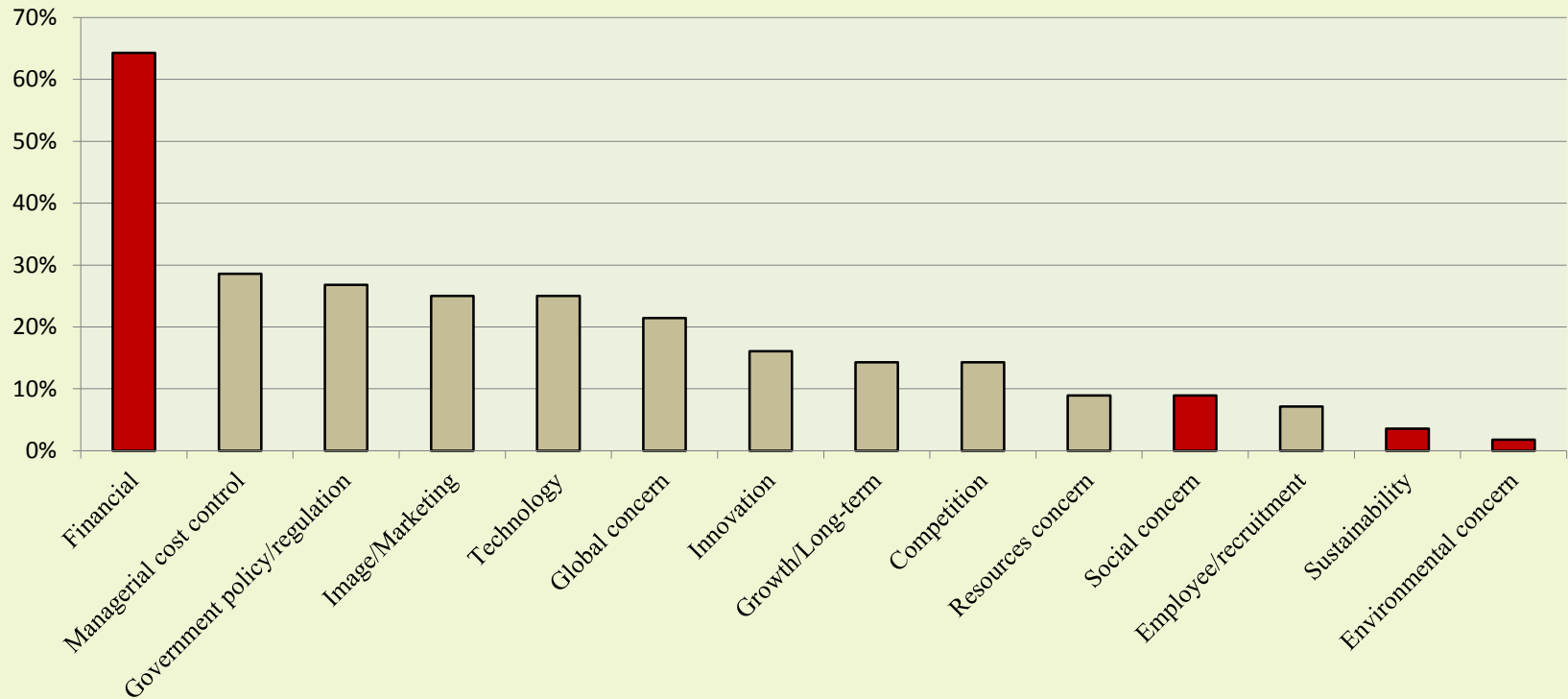


RioTinto



What will be the three key themes from your sector next year?

As a % of total surveyed

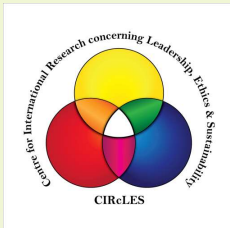


What will be the three key themes from your sector next year?

Examples of sustainability concerns:

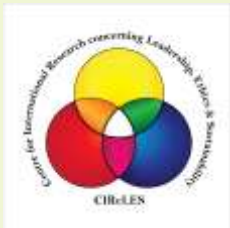
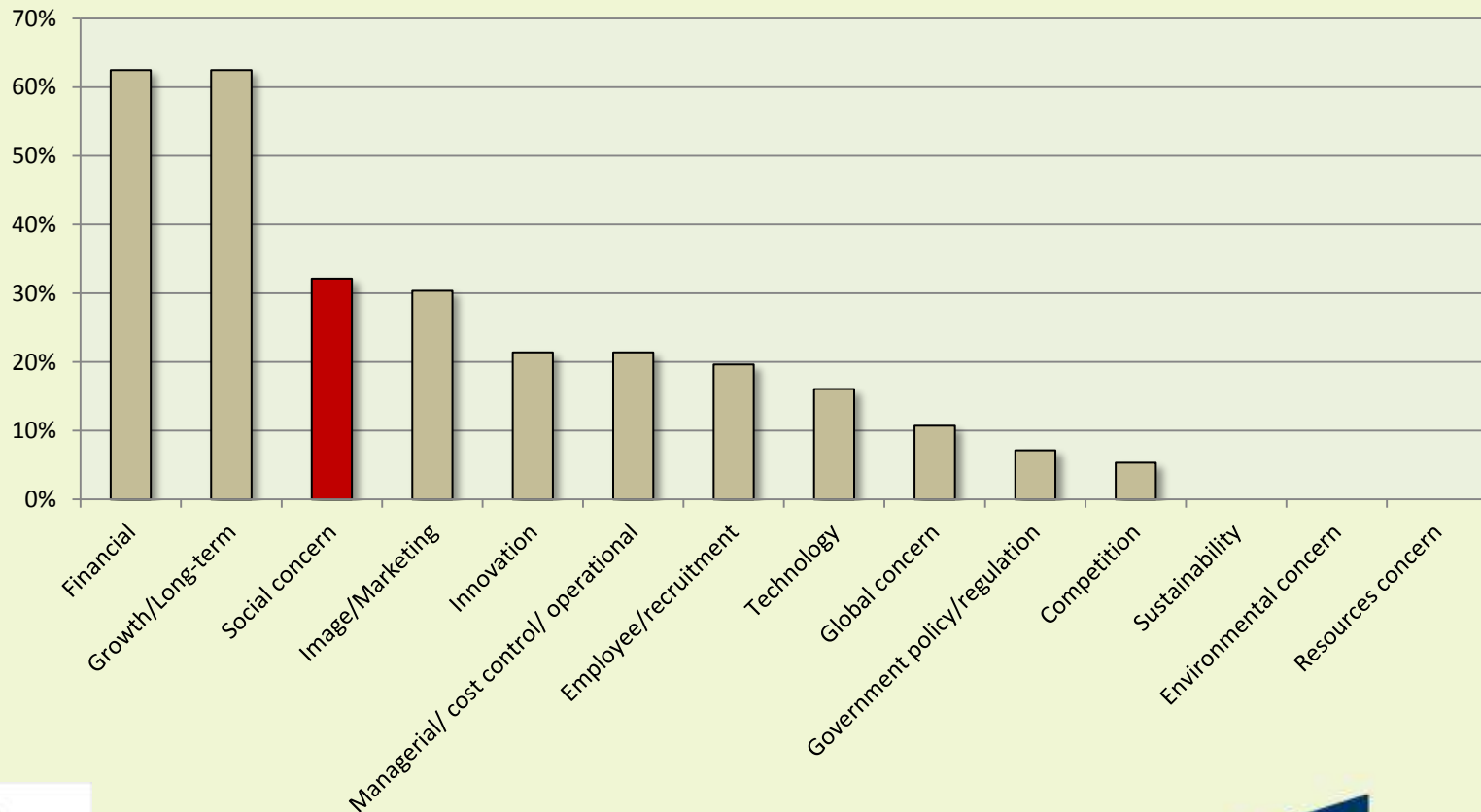
‘Ensuring sustainable production’

‘Environmentally sustainable efficiencies’



What are your top three priorities?

As a % of total surveyed



What are your top three priorities?

Examples of social concerns:

“Long term client interests, invest in our teams, family”

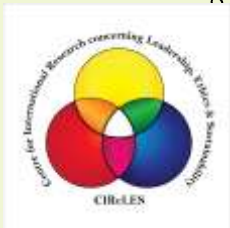
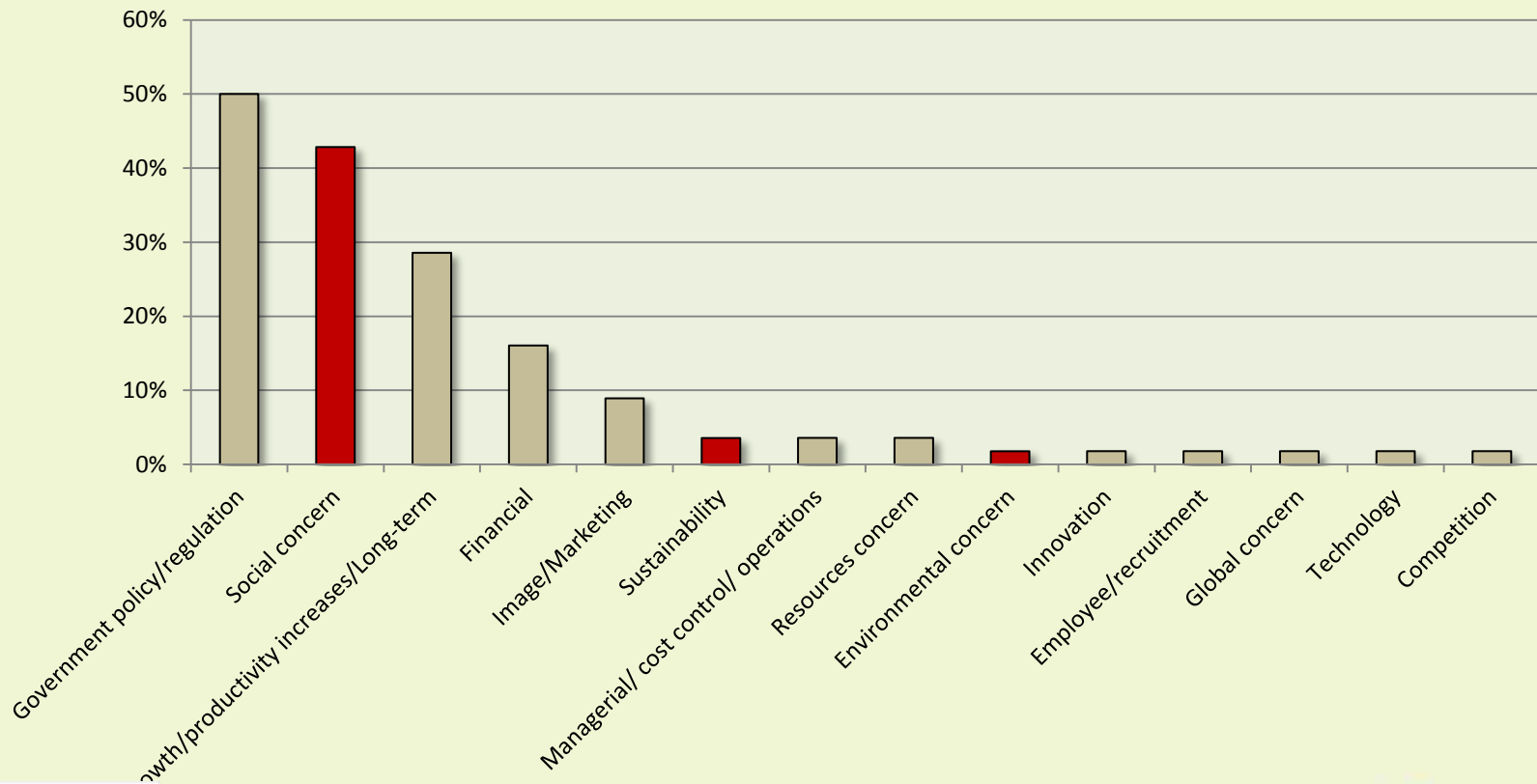
“Participate in public debate”

“Work closely with local communities in development of Australia’s CSG resources”



If you had the ability to make one change to the nation what would it be?

As a % of total surveyed



If you had the ability to make one change to the nation what would it be?

Examples of sustainability responses:

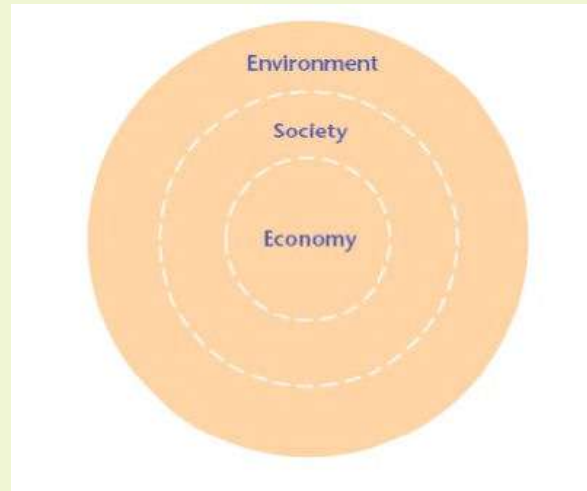
“A sustainable plan for the Murray Darling Basin”

“A genuine debate on population, infrastructure, taxation and the model by which we govern ourselves”

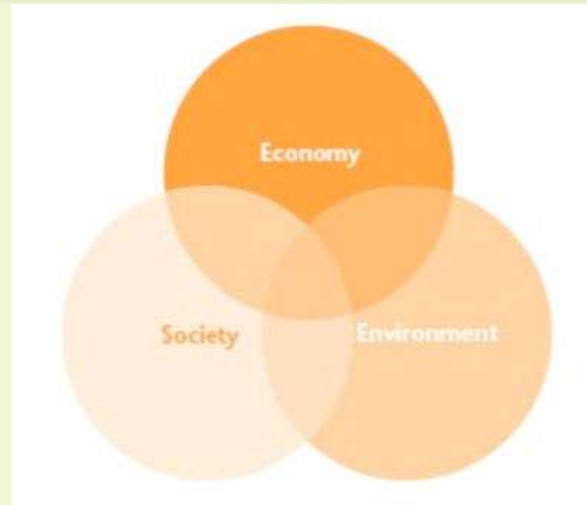


Level of sustainability?

Strong
sustainability



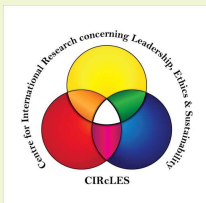
Weak
sustainability



Value in sustainability

‘Sustainability is the single biggest business opportunity of the 21st century’

- Will Day, Chair of the Sustainable Development Commission (UK)



The bottom line of sustainability

- improve operations, attract talent
- promote positive public relations
- enhance transparency and accountability and streamline regulatory compliance
- inspire supply chain partners
- draw investors,
- energize stakeholders,
- heighten competitiveness
- and ultimately boost the bottom line

(Hespenheide, Pavlovsky & McElroy 2010)



How do we get there?

1. Develop a corporate vision that includes sustainability with engaged leadership
2. Articulate the values underpinning the vision
3. Assess and adapt current policies and practices
4. Monitor adherence and manage performance accordingly





*We welcome engagement
with industry and
prospective Research
students*

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