Sense and Sustainability

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Introduction

Understanding how managers in organisations make sense of corporate sustainability (CS) is an essential, but mostly overlooked, component for embedding sustainability-related behaviours in organisations. CS is a complex, subjective topic about which people have multiple, different interpretations and understanding. These interpretations are developed through sense-making; a process which draws on storytelling, conversations and written narratives. It is this thinking process which people engage with to find meaning and to create a subjective world reality which is meaningful to them (Weick, 1995; Balogun & Johnson, 2004).

Organisational sense-making has been identified as being fundamental to the development of organisational consciousness (Weick, 1995). Furthermore, conversations facilitate change in organisations and through conversations sense-making plays a central role in shifting organisational thinking patterns and collective stories (Balogun & Johnson, 2004).

Through drawing on new research this chapter addresses the role of middle managers in terms of how they make sense of, and therefore enact, their organisation's collectively espoused sustainability principles. Readers are invited to consider the multiple interpretations of CS, and the existence of multiple 'world realities' which are equally valid and real to individuals. This chapter discusses how people make sense of their organisations' expectations of them to deliver on CS aspirations, it is therefore critical to understand how their sense-making and interpretation impacts on what they do.

The Role of Middle Managers

There was a time, not so long ago, when business managers understood their daily responsibilities in the context of their role. When people are employed in specific roles because of their skills, knowledge and experience related to that role this makes sense, and managers can understand what their organisation expects them to do.

This changed at the turn of the millennium when high profile corporate crashes such as Enron and Worldcom placed a global spotlight on corporate responsibilities towards the environment and society. This brought new expectations of responsibility for employees, on all levels, to be the guardians of their organisations' responsible conduct and image in society.

As well as conducting daily decision making and actions necessary for carrying out role related duties and objectives, these days managers are also expected to volunteer in the community, recycle waste, reduce energy and water consumption and a host of other environmental and community related activities.

Generally organisations expect managers to contribute to espoused sustainability aspirations, however the role of middle managers as change agents is frequently undervalued in terms of their role as connecters between an organisation's strategic and operational levels (Balogun & Johnson, 2004). Also overlooked is managers' contribution to shifting organisational conversations, and shared organisational interpretative systems necessary to create change (Balogun & Johnson, 2004) – and very necessary for collective understanding of the meaning of CS.

Gaps Between Good Intentions and Actions

In terms of embedding sustainability in an organisation, there can be a general, simplistic assumption that a well constructed sustainability aspiration, with polished and attractive marketing materials, will lead to managers engaging in the aspiration, and through their decisions and actions contribute to a sustainable business culture. If this assumption were correct, how then can we explain the behaviour of some managers in (for example) some UK banks with espoused commitments to CS, acting in a way that was at odds with the publically stated CS aspirations – so much so that their daily operational behaviour nearly destroyed the UK banking sector in 2008.

Further examples of this apparent disconnect between intent and action can be seen in the news all too frequently. Globally dominant energy and extractives companies, for example, publically espouse CS principles as being vital to their 'licence to operate', yet many are repeatedly at the centre of allegations of commercial espionage, bribery and overlooking health, safety and maintenance short cuts leading to human injury and environmental damage.

In my own work helping organisations to engage managers in embedding their CS aspirations, I have seen many examples of organisations boasting sustainability awards and CS network membership affiliation, yet inside the organisation has existed a culture which does not enable truthful conversations or space for any form of reflective organisational learning. One example being a global information communications technology (ICT) business which appeared to be unaware of how its 70-hour a week work culture was resulting in exhausted managers who spent very little time with their families or paying attention to their own health.

The managers proudly told me about their latest award as an ethical company to work for, so I asked them how this aligned with the 70-hour work culture they had discussed with me earlier. The response was;

"If we do not put in the hours we will get overlooked for promotion."

I asked how many hours they planned on working after promotion… reflective silence followed.

What is happening here?

- Do these managers have a professional blind-spot?

- How could they not realise the incongruence between the concept of a good place to work and an exhausting working week which kept them from their families?

- With such incongruence, how can managers make sense of what they are expected to do in terms of their organisations' commitment to society and the environment?

When I asked the managers at the ICT firm to give examples of CS in their organisation their response was:

- The company provides free coffee, day and night

- On hot days the boss gives ice creams to employees in return for business ideas

This is the managers' own world view, their own interpretation of CS in their organisation – these were the 'cues' that they noticed and interpreted as being CS. However, as an outsider I noticed different 'cues'. I noticed that this organisation fosters (probably unconsciously) a culture, from the CEO down, of an implicit expectation for managers to work 70-hours a week for a 40 hour a week salary, justified by the promise of promotion in the future. I came to my own interpretation about why this organisation provides free coffee (caffeine) to its employees. The managers and I had completely different interpretations of exactly the same scenario. Herein lays the fundamental difficulty in making sense of sustainable business or CS.

The Doughty Centre for Corporate Responsibility defines a responsible business as a business which has a commitment to deliver sustainable value to society at large built in to its purpose and strategy. Many companies state similar definitions and a commitment to this definition. Yet, somehow, in the ICT firm what we actually have is volunteering outside the organisation and free coffee inside. In my own view of reality, these tactical activities are far from 'purpose and strategy' and simply not enough if we are to truly embed sustainability in corporations.

The contemporary challenge organisations are facing is how to integrate their espoused sustainability aspirations in to their mainstream business strategy and how to truly engage their managers in doing so on a daily business, operational basis (Grayson, 2008).

We have come to an important time in organisational learning where it is essential for managers, of all levels, to be honest about the gap between rhetoric and action around sustainable business and to face up the tectonic shift in thinking patterns and behaviour change which is necessary to create truly sustainable businesses.

Bridging the gap between intent and action

A fundamental problem to overcome is that the notion of a shared meaning of CS is hard to communicate through a strategy or policy without losing the 'spirit' of the aspirations. The difficulty then arising is how managers, who are expected to enact these intentions, interpret the espoused aspirations. An added complexity is answering why people should do anything more than the daily roles that they are paid for, measured and rewarded against.

British Telecom has been a global leader in responsible telecommunications, however, a BT manager said recently;

> *"One of our biggest challenges is overcoming why should our employees be interested in doing any of our CS?"*

I have heard this refrain many times in organisations which appear to genuinely want to be a good corporation at all levels.

A starting point to help managers make sense of their organisations' sustainability aspirations is to understand how the aspirations have been crafted, whether the managers have been involved and if the messaging is congruent with what the business does. If the sustainable business intentions have been written by an external marketing and communications firm it is highly unlikely that managers will feel connected to the espoused aspirations.

Congruent narratives

Alignment of language used in an organisation's guiding sustainability principles and internal identity is a critical factor in enabling congruent sense-making and interpretation. Where the language is considered to be 'woolly' and the messages do not fit, managers follow their own 'script' of interpretation aligned with their own tacit knowledge and experience.

Sustainability can start to have shared sense and meaning when it is explicitly linked through narratives and labels which connect with a collective identity that people in the company passionately associate themselves with.

Panasonic, for example, has a deeply embedded 70-year business philosophy emanating from its Japanese founder. Today this philosophy is congruent with the organisation's sustainability aspirations and has been highly influential in creating a shared organisational interpretive system and collective identity. This appears to impact on manager's individual sense-making, in that, when managers talk about Panasonic's sustainability aspirations they tell similar stories and subconsciously refer to similar information. They tend to refer to 'labels and cues' from their underlying organisational culture to make sense of sustainability in a daily context.

Research suggests that managers try to find a meaning of sustainability which is aligned with the organisation's culture and prevailing organisational sense-making systems (Jackson, 2009). They select information from the dominant organisational narratives, story-telling and language used in daily conversations. Conversely, where the language and messages around sustainability is not aligned, managers struggle to make sense of what is expected of them.

Patterns emerging through a growing body of research suggest that managers enact their organisation's sustainability intentions when their *individual sense-making is aligned with the collective organisational sense-making.* This means that managers' sense-making of sustainability must create a 'story' which is aligned with the prevailing organisational narratives and stories.

When this alignment does NOT happen, managers' own sense-making process can draw on a different set of personal sense-making influencing factors to create an alternative story, which is plausible in their own world reality. This could be described as managers 'reading a different script' from the collective organisational sense-making script. This can lead them to a different view of reality, or interpretation of the organisation's sustainability aspirations, which impacts on what they do, or do not do.

It is very important that sustainability aspirations make sense to managers in the context of the business.

Here follows three examples.

IAG – Australia

Directors of IAG realised a direct correlation between climate change and the 'health' of the insurance industry. From the start, they used clear messages, endorsed by the CEO both inside and outside the organisation saying business sustainability must be the intended outcome of a successful business strategy, not as a separate initiative or something that is discretionary.

IAG were co-founders of the climate change round-table which lobbied Australian government to introduce climate change policies. Then, IAG moved proactively beyond climate change advocacy to definitive action which focused on mitigation and adaptation to ensure the resilience of IAG business, customers and the communities in which IAG operates. For example, as a major car insurer, IAG drew significant insights from their claims data that was used to improve road safety. IAG refined itself as more than just an insurance business.

M&S – UK, Plan A

Described as 'the way we do business', M&S gives (verbally and in communications) clear links between Plan A and most areas of the business. This initiative has been endorsed by a high profile CEO.

Plan A is based around 5 pillars of action, each with a branding and 'lables' with congruent messaging integral to the core business operation. Each pillar has clearly defined objectives and outcomes, including for example a customer-focused 'do you need a bag' campaign with targets for bag use reduction, and innovative transportation 'tear-drop' designed trailer to reduce fuel consumption by 20% and a 10% gain in load space.

InterfaceFlor - USA

InterfaceFlor has redefined itself as more than a carpet- tile business, as *'the first company that, by its deeds, shows the entire industrial world what sustainability is in all its dimensions - and in doing so we will become restorative through the power of influence'*, Lead by its figurehead founder and CEO, Interface communicates internally and externally its mission to 'climb Mount Sustainability' to achieve zero waste by 2020. This message has become a very strong commercial differentiator, a platform for innovation and cost saving.

Interface puts organisational learning at the core of its sustainability journey, for example by engaging teachers and thought-leaders in sustainability to educate the management, challenge their thinking and create a culture of reflective practice of accountability.

These three examples have sustainable business aspirations which are driven by different reasons, however, the outputs are similar in that all three organisations achieved broad engagement of managers enacting the aspirations in daily operational roles.

The leaders of all three businesses have a strong commitment and the story-telling and messaging in each firm is congruent from the top through into daily, routine narratives. The communications demonstrate a clear link between sustainability aspirations and business success, therefore contributing to aligned sense-making.

Common elements in the three examples are:

- Sustainability aspirations aligned with the business objectives
- Congruent leadership messaging
- Investment in organisational learning
- Communications story is congruent and makes sense

Whilst I am not suggesting that these three organisations have everything right, they do appear to be on a committed and congruent journey towards a model of sustainable business which makes sense, inside and outside the organisation. To summarise the similarities in these examples, Figure 1 illustrates the impacts on making sense of CS.

Figure 1: Impacts of sense-making
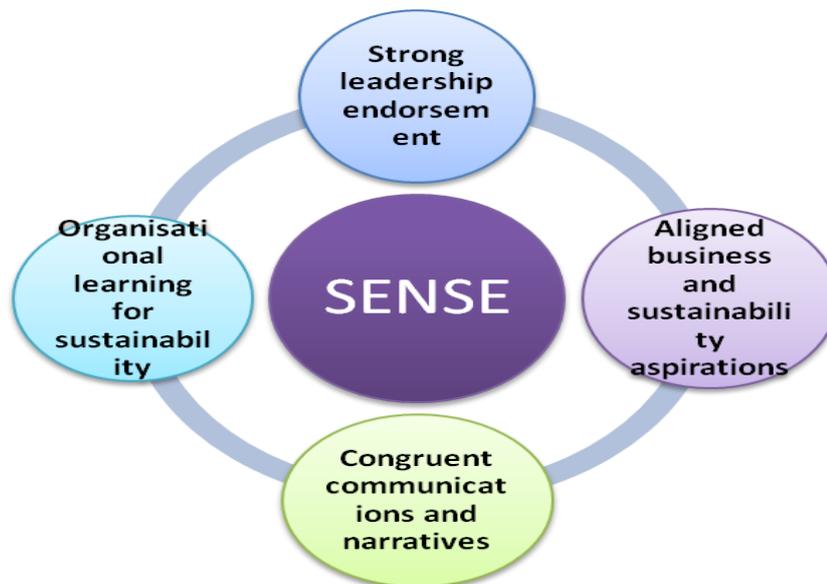
When Sense gets Derailed

To understand more about joined-up sense-making between 'intent and action', we need to understand how sense-making can become derailed so that action is not aligned with espoused intent.

My own management research into how managers make sense of sustainability in their organisation suggests that managers, subconsciously, expect someone else to enact sustainability (Jackson, 2010). The following observations provide new insight into the sense-making dynamics associated with engaging managers to enact sustainable business ambitions.

We will do it in 5 years time…

The following examples from my research illustrate a subconscious sense-making process which can result in an interpretation that 'we will do it in 5 years time'.

During a 90 minute research focus group, ten managers, all representatives of their organisation's green initiatives, mentioned ten times that there were too many lights on in the room. They all agreed that their organisation expected them to reduce energy consumption and CO_2 emissions as a commitment to reduce their impact on climate change. *Yet not one person turned off the extra lights.* The group discussed how 3 years ago nobody would have noticed that there were too many lights on and that in 5 years time someone would turn them off. *They discounted the thought that they could act to turn off the lights today!*

The managers appeared to be unaware that through their conversations and story-telling they 'deselected' the reality of present day action. Two weeks after the focus group the participants were interviewed one-on-one and asked why they thought nobody had turned off the lights. They were not aware of what they had said, which suggest that sense-making is subconscious process which is only noticed through retrospective reflection.

One of the quotes from the interviews;
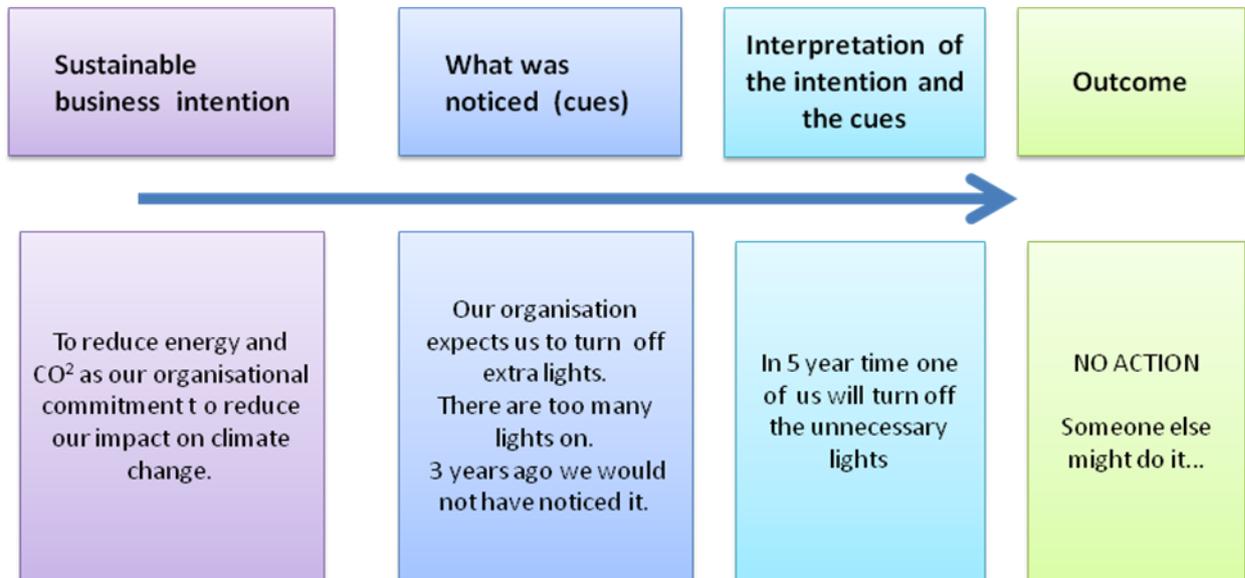
> *"That is quite interesting actually isn't it…? It kind of shows that although we are thinking about it we are not actually doing anything about it."*

Sense-making theory (Weick, 1995) suggests that to find their own meaning of reality, people notice and select different 'cues' to build a story of interpretation which impacts on their behaviour. Figure 2 illustrates how

'we will do it in the future' became the outcome of the managers' sense-making process, as observed through their conversation.
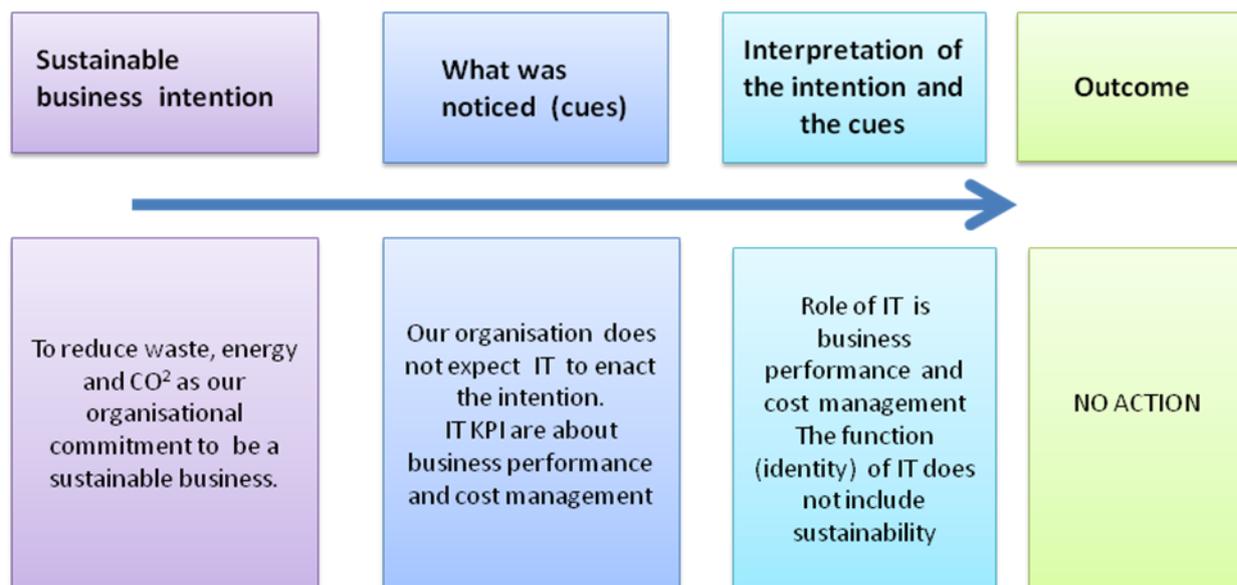
Figure 2: 'We will do it in 5 years'

Sustainable business intention	What was noticed (cues)	Interpretation of the intention and the cues	Outcome
To reduce energy and CO² as our organisational commitment t o reduce our impact on climate change.	Our organisation expects us to turn off extra lights. There are too many lights on. 3 years ago we would not have noticed it.	In 5 year time one of us will turn off the unnecessary lights	NO ACTION Someone else might do it...

Not my responsibility...

The same group were asked how they enact their organisation's sustainability intensions in their daily role. The IT Manager said "*in IT we do not have any influence on sustainability*". Her interpretation was that her role was strictly around business performance and cost management. Her colleagues had an alternative interpretation that the IT function could make a significant contribution to the company's reduction in energy use targets. The IT Manager 'deflected 'every comment from her colleagues and stuck very firmly to her interpretation of what was expected of her in her role and the key performance indicators she was measured against.

Using the theoretical sense-making model, Figure 3 illustrates how the IT Manager's sense-making process resulted in an interpretation of 'it is not my responsibility'. The manager did not process her interpretation of the organisation's espoused sustainability into action relevant for her.

Figure 3: 'Not my responsibility'

Sustainable business intention	What was noticed (cues)	Interpretation of the intention and the cues	Outcome
To reduce waste, energy and CO_2 as our organisational commitment to be a sustainable business.	Our organisation does not expect IT to enact the intention. IT KPI are about business performance and cost management	Role of IT is business performance and cost management The function (identity) of IT does not include sustainability	NO ACTION

Managers struggle to find meaning about who is expected to do what in terms of sustainability when the messages are conflicting. It is very important that communication is clear about *who* is expected to be 'doing sustainability' in an organisation.

Sense-making starts with asking *'what is the story here'* and congruent messaging across the origination is essential to avoid everybody thinking someone else is doing 'it'. Otherwise 'no action' can often be taken by managers, because their sense-making process leads them to 'deselect' information of their present day personal responsibility.

This story of the lights and the IT manager may seem small and unimportant, but referring to both examples – the one above and the ICT company – a poignant issue is that the managers from both firms were passionate about their organisation's responsible business reputation and awards for ethical business and were proud to be the 'good guys'. These two research examples deselected the 'elephant in the room' as not relevant to CS and instead, free coffee and 'not my responsibility' were the preferred, noticed 'cues'.

Implications for Organisational Learning

Practitioner and academic writing suggest in order to create sustainable businesses the operational managers of organisations need to enact the espoused sustainability aspirations through their daily decisions and actions (Grayson, 2008). However, the examples in this chapter suggest that in many companies this may not actually be happening. The noticing and deselecting process of sense-making can create an 'out of sight- out of mind' world reality. In many organisations there is reluctance for managers to have honest, organisational wide conversations about the congruence between publicly-stated sustainability intentions and what is actually happening in daily business activities.

Identifying chasms between rhetoric and action through noticing which cues managers are selecting and deselecting should be the first step in enabling many to make sense of, and therefore act sustainably. However, this requires new skills and a new organisational approach which embraces the notion of multiple world realities. Currently, most managers are, in general, not required to operate in this area and therefore for this new approach to happen more investment in management development training is required which covers fundamental skills in reflective learning, communication and organisational change in the specific context of sustainability and CS (Gribben & Woudstra-Van-Grondelle, 2007).

Conclusion

Sense-making is a human process of finding meaning which is reached primarily through narratives (Weick, 1995). People seek meaning through conversations and stories which fits with their own interpretation of reality, even though their reality may be different from the organisation's intended collective reality. Because

this is a subconscious phenomenon, 'sense-making fault-lines' (Balogun & Johnson, 2004) go unnoticed, un-discussed and remain unchallenged in organisations.

This chapter gives some insight into the existence of multiple interpretations of sustainability, depending on an individuals' sense of reality. The challenge is to find the alignment between managers' frames of sense-making and the collective interpretations of sustainability to capture a shared meaning and action.

This requires a new approach to organisational learning and individual reflective learning to overcome sense-making fault-lines. It is necessary to raise managers' awareness of their own sustainability sense-making process in terms of what information they notice and deselect.

Suggested steps forward:

1. Become aware of and accept the problem of incongruent sense-making about corporate sustainability.

2. Train managers in new skills for recognising sense-making fault lines.

3. Develop new skills and techniques for addressing sense-making fault lines.

4. Develop a very clear 'story' about what CS means in the company to assist with the sense-making process… and repeat the story, linking more real examples of senior management behavioural leadership, middle manager 'best practices' to help mangers with their sense-making.

5. Encourage collaborative discussion and exchanges around the key story as to what that can mean for each business unit, team etc.

6. Encourage bottom-up initiatives and projects, to allow those with useful contributions to be able to create new stories within the organisation.

For the radical and the brave…

In my view much of the marketing gloss has taken the sense out of sustainable business from a daily organisational perspective, leading to a gap between rhetoric and operational action. To address this, organisations could:

- Be prepared to intervene and change someone's misaligned sense-making interpretation.

- Encourage challenge within the ranks to enable re-evaluations of sense-making by those in power within the organisation's hierarchy.

- Take an honest look at their sustainable business/ CR department. If it is simply an extension of a marketing function then EITHER upgrade the budget, investment in skills training and increase the empowerment of the people, OR close the department (be sure to re- employ your loyal people in a different roles).

- Pull sustainability and CR sense-making away from an elite few by allowing space and time for more collaborative cross-functional reflective conversations.

- Bring volunteering back into the organisation through employee, self- managed committees.

And finally, not for the faint hearted:

Throw away the glossy CR reports written by marketing consultants and start again with a fresh approach. There used to be a raw passion and authentic feeling around sustainable business, but sterile identical reports are less than inspiring. It is no wonder that research shows that managers do not read them (Starbuck & Milliken, 1988).

I hope this makes sense to you.

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