

First Annual Survey of New Jersey Business Sustainability

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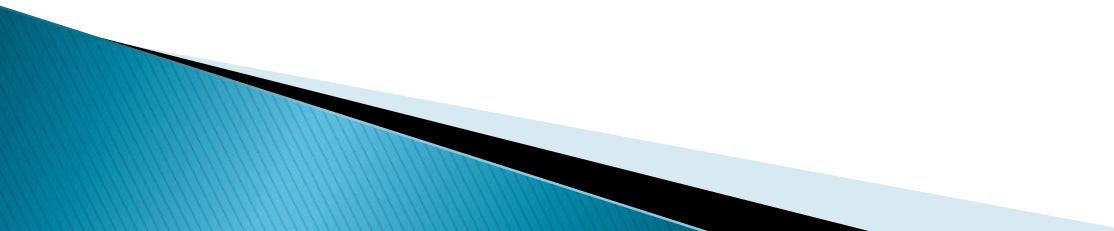
Fairleigh Dickinson University



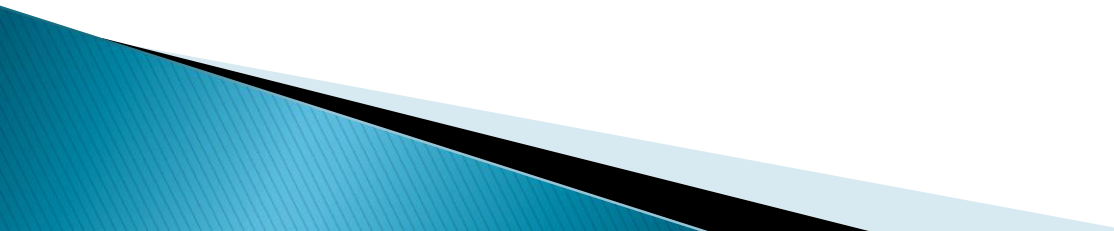
With the support of the
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NJ Department of Environmental Protection



Outline

- ▶ Introduction
 - ▶ The Survey
 - ▶ A Model of How Sustainability Management comes about
 - ▶ Results
 - ▶ Discussion and Implications
 - ▶ Recommendations
 - ▶ Conclusion
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About Sustainability

- ▶ Enduring success
 - Human well being
 - Ecological robustness
 - Financial prosperity
 - ▶ Long-term view
 - ▶ Deep interdependence
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Who Would Have Thought . . .



r's Office shows flooding and damage



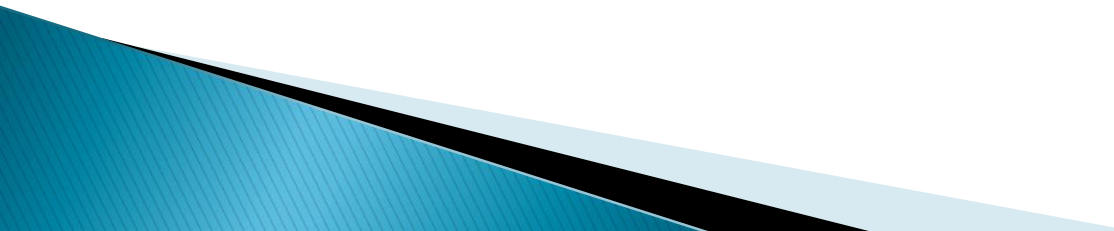
Workplace



Community



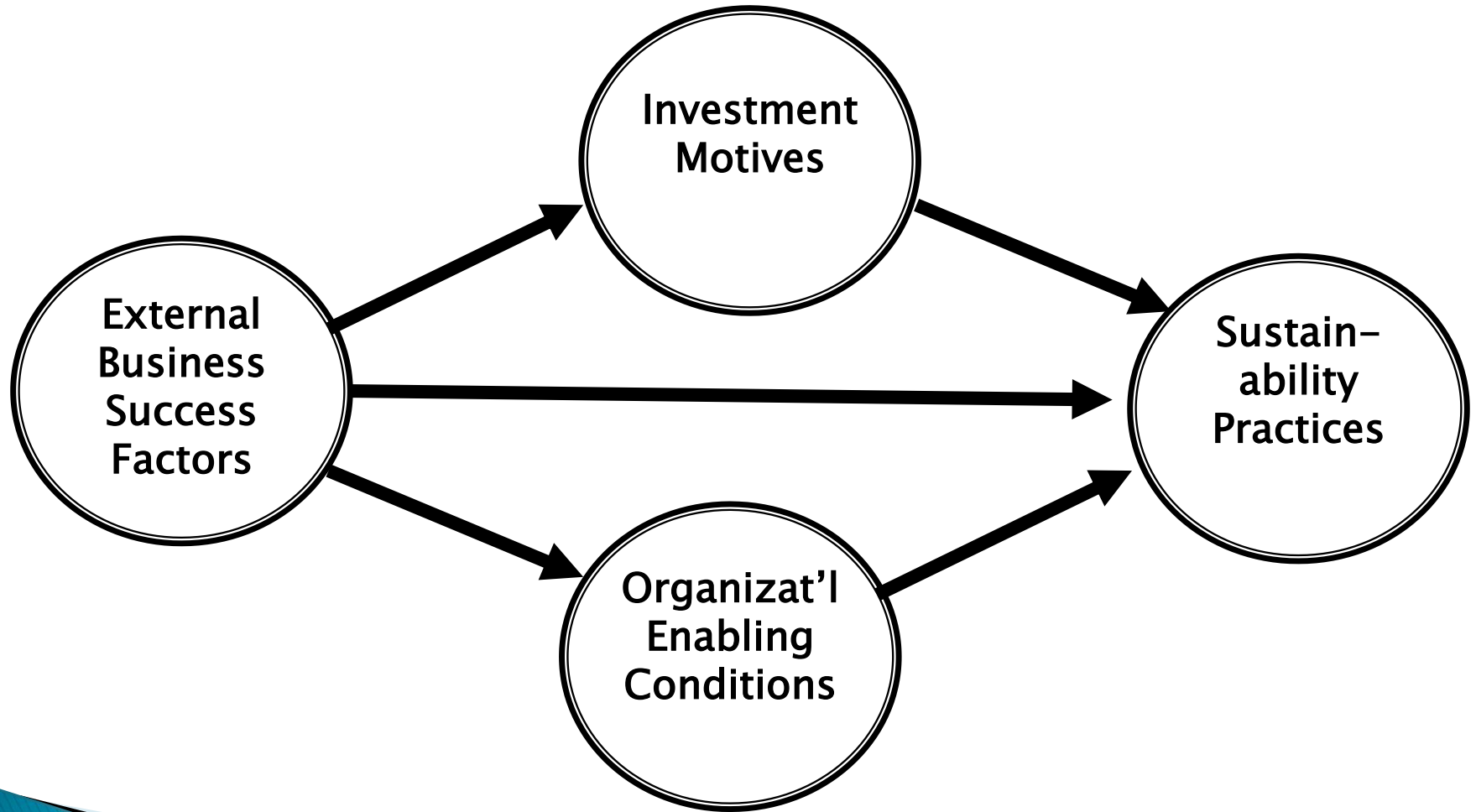
The Survey

- ▶ Distribution through business organizations
 - ▶ Asked about Sustainability Practices
 - Motives
 - Internal Organizational Enabling Conditions
 - External Factors Important to Success
 - ▶ Responses = c. 300
 - ▶ Balanced representation
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- ▶ Size
- ▶ Industry
- ▶ Region
- ▶ Scope



What Leads to Sustainability Management



RESULTS -- Practices

	Mean
Recycling	4.03
Improving energy efficiency	3.37
Reducing paper use	3.36
Supporting volunteering	3.23
Applying lean manufacturing	2.98
Reducing greenhouse gases	2.92

Practices – Least Used

	Mean
Assessing financial payoffs	2.70
Creating metrics	2.65
Constructing green buildings	2.36
Using renewable energy	2.28

Susty-Related Investment Motives

	Mean
The “right thing to do”	3.79
Potential cost savings	3.71
Satisfying customer interests	3.69
Improve image & reputation	3.54
Foster healthy/thriving society	3.49
Satisfying legal/reg. demands	3.43

Lowest-Ranked Motives

	Mean
Satisfy shareholders / investors	3.24
Innovate, develop new prodts.	3.24
Reduce risk (legal, embarrs't)	3.10
Satisfy community groups	2.97
Using external funding (NJ, Federal grants, incentives)	2.94

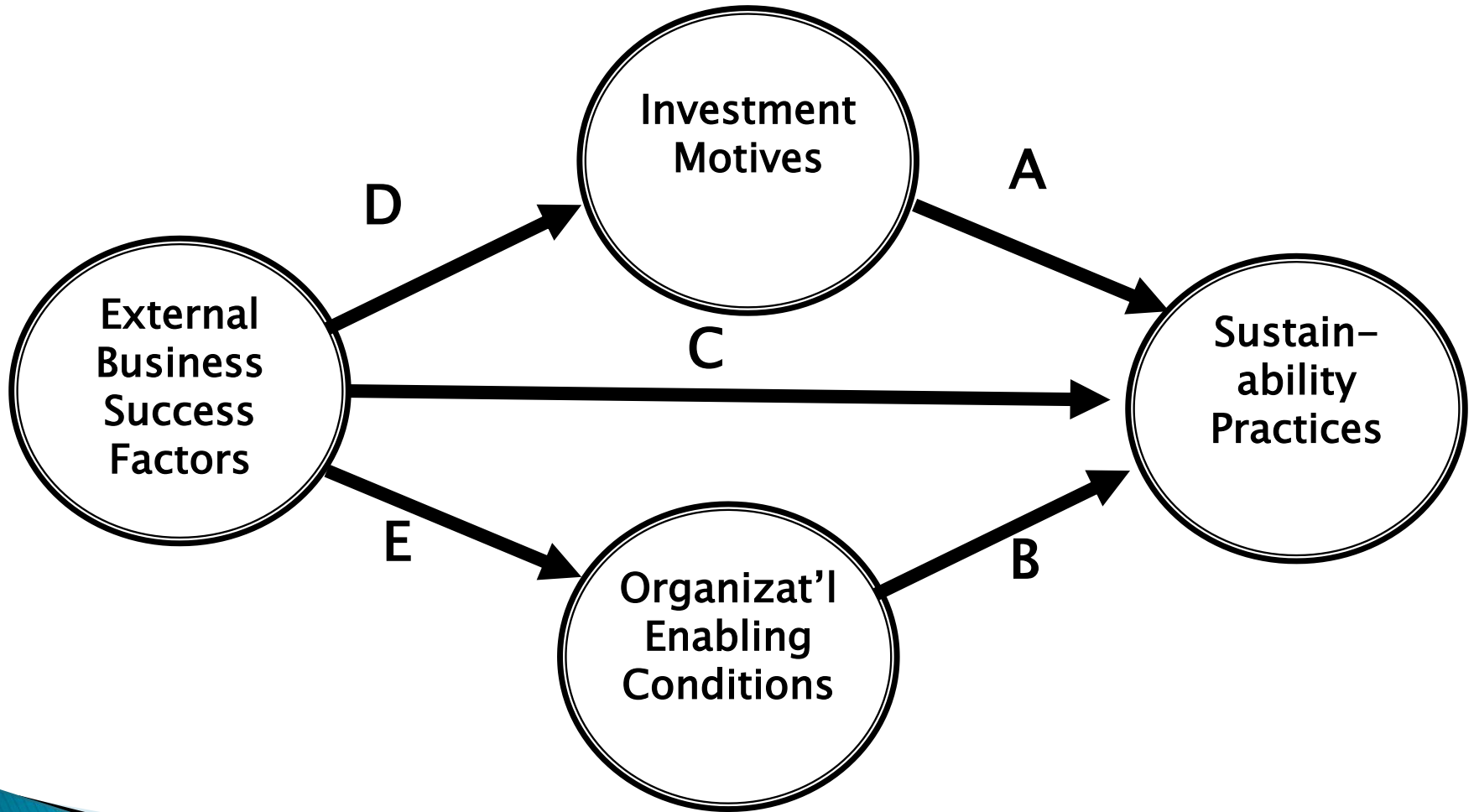
Organization Conditions Enabling Sustainability

	Mean
Top management support	3.79
Awareness of susty. issues	3.71
Deeply held company values	3.69
Concrete ideas for actions	3.54
Clear business case for susty	3.49
Employee engagement – susty	3.43

Susty-Related External Factors Important to Business Success

	Mean
Energy affordability & reliability	3.84
Social stability	3.65
Water quality & availability	3.42
Air quality	3.35
Climate change (e.g., sea level)	3.10
Food quality & security	3.09
Trusted certification programs	2.81
Open space, wetlands, diverse species	2.77

What Accounts for Sustainability Practices?



Motives Most Associated with Practices

- ▶ Right thing to do
- ▶ Satisfying shareholders and investors
- ▶ Assuring availability of key natural resources



Other Powerful Motives

- ▶ Potential for innovative product development
- ▶ Improve image/reputation
- ▶ Foster healthy, thriving society



Organizational Enabling Conditions Associated with Practices

- ▶ Awareness of sustainability issues
- ▶ Measures for assessing progress
- ▶ Concrete ideas about actions to take
- ▶ Deeply held values



External Business Factors Associated with Practices

- ▶ **Trusted certification programs**
- ▶ **Energy affordability/reliability**
- ▶ **Climate change**



Larger Companies Do More

- ▶ Those with $>1,000$ employees do more on 11 of 16 practices
- ▶ Virtually no size difference
 - Motives
 - Enabling conditions
 - External success factors

Sustainability Management and Performance Differences

- ▶ “Doing better than peers” companies doing more
- ▶ Using less Practices = those “Doing *same* as peers”

Operational Scope Differences

Irrespective of size:

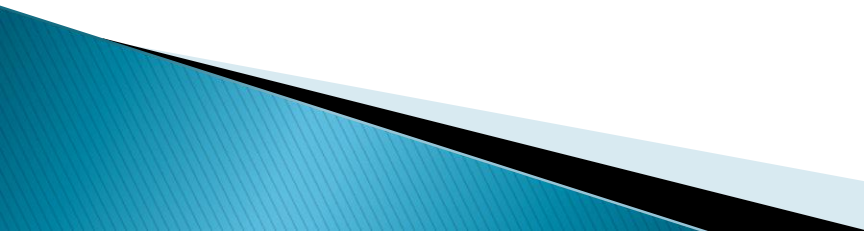
- ▶ **Firms with Ops in New Jersey and elsewhere in US or abroad → Stronger motives and enabling conditions**

[practices too but probably due to size]

- ▶ **Weaker for New Jersey-only firms**



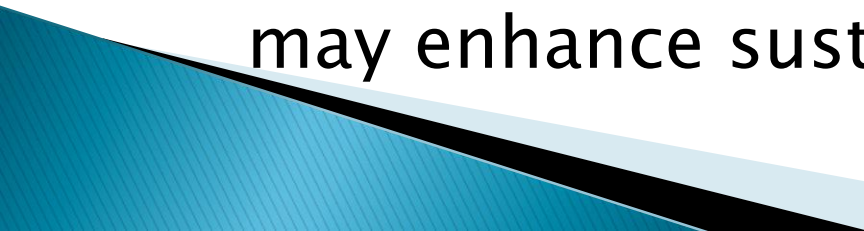
Implications and Conclusion

- ▶ Many NJ results similar to national and international findings
 - ▶ Some distinctive results
 - Values-Based Motives strong – NJ different? Sample bias?
 - High Enabling Conditions in place – Well positioned for expansion? Sample bias?
 - Metrics not widespread but correlated to high Practices
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Implications & Conclusion (cont.)

- ▶ **External Factors seen as important, related to Practices, Motives, Enabling Conditions**
 - Certification
 - Energy cost & reliability
 - Air quality
 - Climate change
 - Open space/wetlands
- ▶ **Educate more about these issues?**
- ▶ **Trusted certification programs – Cause or effect of Practices?**

Recommendations

1. Pay attention to need for greater sustainability management.
 2. Don't be afraid to go beyond "business case."
 3. Educate more businesses on importance of key sustainability issues.
 4. Consider expanding certification programs.
 5. Emphasize susty. benefits beyond cost savings & compliance.
 6. Attracting national and multinational firms may enhance sustainability practices.
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Sustainability Matters – and lots of people are doing it, and are ready for more

