



Crossing the Green Divide

Ways to channel your team's passion for greening
into actions for your bottom line





What was once regarded as a passing trend has now become a business imperative. People care about the impact they make on the environment, but their actions at work are not always aligned. Companies that can tap into this passion and cross the divide between greening attitudes and actions in the workspace stand to reap sizeable benefits.

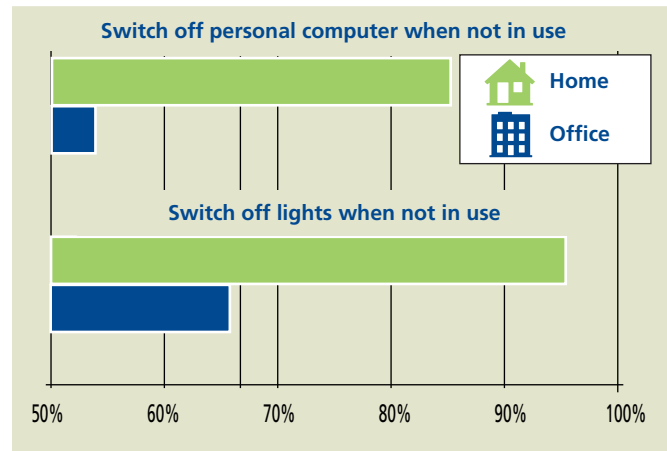
The divide between attitudes and actions

Most people today believe their actions contribute to our changing environment, and they have started to make changes at home to reduce the impact of their actions. Surprisingly, most people are not exhibiting similar behavior changes at work. This disconnect between greening attitudes and actions represents a very real and significant opportunity for companies that are able to effectively harness the growing environmental awareness and passion of their people.

Recent surveys underscore the concern people have for the environment. The Gallup Environmental Poll, conducted in April 2008, found most Americans believe “global warming has already begun.”¹ Further data from this poll shows that Americans believe global warming is “very important” (52%) and that Americans favor “protecting the environment” even at the expense of slower economic growth.² This survey, conducted each year since 2000, has returned consistent results, suggesting sustainability is a real concern and not a passing fad.³

How do these attitudes translate into actions? According to the 2008 Gallup Environmental Poll, a majority of people say they have made at least “minor [lifestyle] changes” (55%) to protect the environment over the last five years and 28% say they have made “major changes” in their lifestyle.⁴ While this data suggests people are increasingly making changes at home, this trend has not emerged in the workplace. A recent survey found that at home 94% of those people surveyed switch off lights when they are not in use and 85% switch off their home PC after use but only 66% and 53%, respectively, carry out these simple green practices in the office.⁵

Why does this gap exist? We believe it is straightforward—information overload without clear direction for action. People are inundated with countless articles, advertisements, and reports on environmental change and greening. This information overload has raised people’s awareness and concern, but has also generated confusion on where and how to start making positive environmental changes. With people spending a large percentage of their waking hours at work, companies who play a role in helping identify actions their employees can take are able to help the environment and their bottom line.⁶ People need a platform with clear guidance on how they can engage in greening their workplace.



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Crossing the divide: a methodology for creating a green workplace



While more people want to “live green,” there is still a divide between attitudes at home and actions in the workplace. At home, people have a greater sense of ownership over greening actions. For example, they can see the impact of turning out the lights on their utility bills. At work, most people do not see the utility bills and do not feel ownership over the energy use in the office. This divide presents an opportunity for organizations to educate their employees with ways to be environmentally conscious at work. Companies that have succeeded in these efforts have found that a green workplace results in more productivity, increased employee engagement, and reinforces a more socially responsible workplace.^{7,8}

One challenge of creating a green workplace is the finding that traditional methods of communicating messages are not effective. Research has shown that centralized greening plans distributed from the top down have little or no effect on what people or businesses do.⁹ One reason this type of plan may be less effective is because it fails to engage those in the organization and tap their ideas and thinking.

While there is not one specific approach that works for every organization, all greening success stories contain the following elements:

- Provide transparency into green performance
- Create a platform that provides support
- Communicate the message in a “green” way
- Create rewards and incentives that align program intents with actions

Case Study

Recently, Deloitte launched “Greening the Dot,” a sustainability initiative to connect with our employees’ interest in greening. Established as an opt-in program, offices chose from among 37 different greening projects. To assist in execution, each office was given a “Greening Toolkit” that included implementation instructions and communication tools for each project. The result was an overwhelming success that engaged over half of the workforce, resulted in the implementation of over a thousand greening projects across nearly 100 offices in just the first six months, and has led to reduced energy, water, and paper use, reduced travel, and increased recycling. Feedback from employees has been overwhelmingly positive.

The 37 projects spanned the following categories:

- Energy Consumption
- Paper Consumption
- Daily Product Consumption
- Waste Reduction and Recycling
- Travel
- Awareness Building

1. Knowing your position

The exercise of measuring current green performance is important because it establishes a baseline from which to monitor, manage, and celebrate future improvements. It can also uncover potential improvement areas. Furthermore, people usually change their behaviors when they know their performance is being measured.

While many people feel they are environmentally responsible and live green lives, most people find they can readily improve their greening efforts when they are compared to their neighbors.¹⁰ People are competitive by nature, and this competition can be a powerful and healthy lever to aid in corporate sustainability efforts. Studies have shown that people are able to radically improve their greening performance when their behavior is measured against a larger group's results.

A recent experiment was conducted in California to test the power of "social norms" in energy consumption.¹¹ Households were sent electric bills detailing their energy consumption relative to the average of their neighbors. Each electric bill was attached with a message detailing the household's level of consumption relative to the mean consumption of the neighborhood.

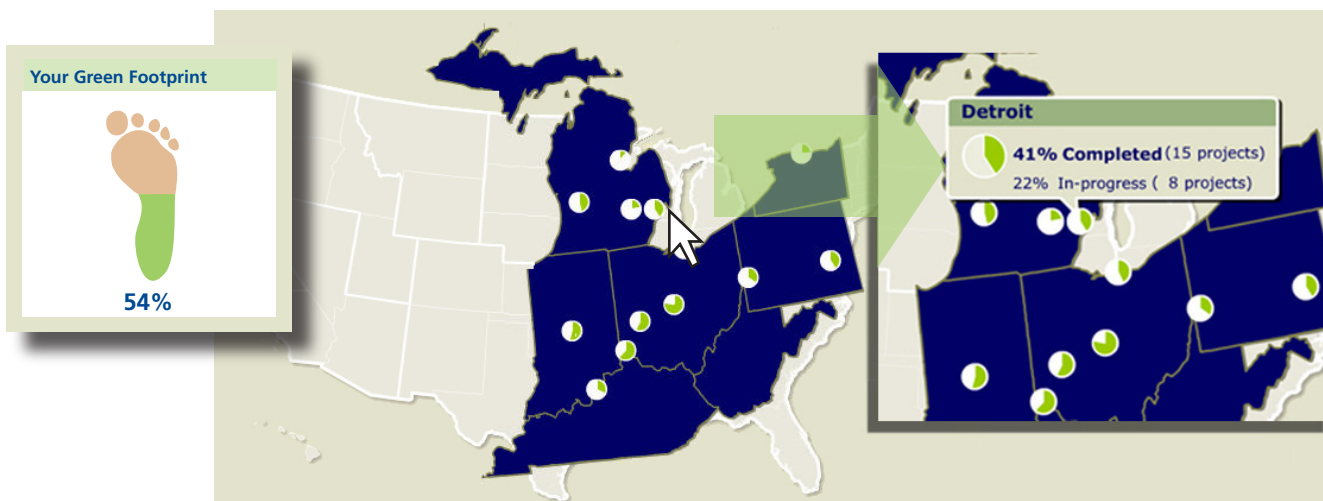
Households with lower energy consumption, relative to the mean, received a positive message highlighted by a smiley face (☺) on their bill. When households realized their energy consumption was higher relative to their neighbors, they dramatically changed their behavior and reduced their consumption within four weeks. A month after the test concluded, those changed behaviors were still being demonstrated.

The previous experiments worked because the tests created visibility in energy consumption among neighbors, provided timely performance feedback to encourage the behavioral change, and educated households in a non-threatening way. Friendly competition in a California neighborhood can have significant results, but how would this work in the workplace?

At Deloitte, visibility into green performance was achieved through two innovative online tools: the *Green Footprint Registry* and the *Green Dot Scorecard*. The *Green Footprint Registry* helped individuals understand how their actions impact the environment and the *Green Dot Scorecard* helped offices see how well they were performing against other offices.

Through the *Green Footprint Registry*, people were asked to take three minutes to measure their "green footprint" in an online survey. In the process, employees learned about their impact to the environment, saw how their scores compared to others in their office and in their region, and were given customized tips on ways to improve their performance. The *Green Footprint Registry* creates visibility into individual performance and also motivates behavior changes through friendly competition with others.

At the office level, the *Green Dot Scorecard* highlighted each office's progress against the 37 projects in the office greening program. As the office completed more projects, the "dot" for their office became greener. Similar to the study in the California neighborhood, the initiative has been successful because it created a friendly, competitive atmosphere that increased visibility into individual and group level performance and it enabled the measurement and celebration of improvements against a baseline.



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2. Providing a platform

Shining the light on performance can motivate people to change their behavior, and providing appropriate guidance and support for engaging in greening efforts can channel this motivation in a productive manner. In the absence of a structured program or platform, companies could see many isolated grassroots efforts pop up around the company and may miss the opportunity to efficiently share knowledge and lessons learned, rally employees around a common cause, and achieve common benefits on a large scale across the organization. However, local ownership, customization, and implementation are equally important.

Why is it important to provide top-down direction and support in sustainability efforts? Greening efforts should align with the company's vision, mission, and strategy. Leadership must visibly demonstrate support for the program. In a recent corporate responsibility and sustainability communications study conducted by several academic and nonprofit organizations, researchers concluded that, "for a company corporate responsibility mandate to have teeth and be integrated with company values, senior management must demonstrably support and encourage corporate responsibility efforts."¹² According to one executive in the study, corporate support for sustainability efforts "sets the tone of the seriousness of the problem."

Additionally, providing direction for the sustainability platform is important because there are many misconceptions about greening. The term "sustainability" can mean different things to different people; it is important to keep sustainability efforts marching in the same direction. For example, sustainability has been defined within the context of "corporate social responsibility," "corporate responsibility," "sustainable development," "environmentalism," and "corporate citizenship." It is important to determine the efforts and deliver the framework on a platform that makes sense for the company. Providing direction is also necessary because it aligns sustainability initiatives within the context of current business practices. New boundaries can be defined, but the framework must "fit" with the company's way of doing business.

The challenge is balancing top-down guidance with ownership and customization at the local level. Each department or office is different, and their interests and concerns may vary considerably. For example, the water conservation efforts in Arizona may vary significantly from water conservation efforts in Michigan because each region may have different levels of awareness and concern for water conservation. A pure top-down implementation approach is unlikely to capture the subtleties by office.

In the *Greening the Dot* program, Deloitte offices were permitted to choose from a variety of greening projects. As office teams reviewed their current state performance, they could customize a greening strategy by incorporating elements from the 37 different projects. Offices were then given the flexibility to identify and implement new ideas. Deloitte created a platform for greening the workplace that provided support and direction but empowered employees to own the programs locally. A recent environmental research publication noted that local ownership and empowerment is a "powerful and flexible tool for educating, inspiring, and empowering employees around sustainability."¹³ One researcher concluded that, "it's amazing to see what happens when employees enlist their peers in an endeavor rather than being told they must participate in a program."¹⁴ Environmental psychologists have called these types of sustainability platforms, "community-based social marketing" initiatives.¹⁵

"It's amazing to see what happens when employees enlist their peers in an endeavor rather than being told they must participate in a program."

—Judah Schiller
Executive Vice President
Act Now



3. Communicating with authenticity

How a company chooses to communicate internally and externally about greening can determine the success or failure of the program. Credibility and authenticity are essential; effective communications can enlist the involvement of employees, attract top talent, and win support from customers and investors.

Many organizations are failing to communicate environmental responsibility effectively. In a corporate environmental responsibility survey, "59% of workers think their company should do more to be environmentally friendly and a majority of adults (68%) believe what most companies say in regard to environmental initiatives doesn't always match their actions."¹⁶

Companies interviewed for the survey regarding their greening efforts agreed "unequivocally" that the most important audience for corporate responsibility is current employees.¹⁷ Certainly, current employees can benefit from hearing about their company's green efforts, but research has shown this can also increase employee satisfaction and their identification with the organization. In one report, it was noted that, "employees [engaging in greening efforts] can increase the sense of community as well as employee engagement in the company...the passion can spill over to existing projects, infusing more productivity."¹⁸ In another study, 45% of companies surveyed cited "demonstrating corporate social responsibility" as primary means of building trust among employees.¹⁹ Communicating a meaningful and authentic green message can bolster morale and enlist support for greening, but failing to send a genuine message can have negative consequences. In one company, as part of a corporate greening program to encourage employees to bring their own reusable mugs, the management team decided to stop providing disposable coffee cups. The disposable cups were removed without notifying employees in advance. When workers arrived to find that the disposable coffee cups were gone, employees were understandably upset (and severely under-caffeinated). Employees brought in their own mugs, but the action was perceived as negative – the opposite of its intent.

Communications strategies can fail when inaccurate or exaggerated messages are sent. Customers are increasingly skeptical when it comes to green marketing. "Greenwashing" is a term used to describe instances when corporations knowingly embellish their sustainability efforts in an attempt to enhance their brand image. The result of making false green claims can be devastating to the program and harmful to the company's reputation in the marketplace.²⁰ One company experienced the backlash associated with greenwashing when it aired an advertisement claiming that its CO2 waste was used to grow flowers.²¹ In fact, only 0.325% of the company's carbon emissions were used to grow flowers. As a result, a record number of complaints were filed with the Advertising Standards Authority and the company quickly pulled the ad, but not after the damage had already been done.^{22,23}

Prospective employees are also taking notice of environmental responsibility and a recent survey conducted by MonsterTrak (an arm of Monster.com) indicated that 80% of respondents are "interested in a job that has a positive impact on the environment" and "92% would choose working for an environmentally friendly company."²⁴ Being able to attract and retain the top talent can be a significant competitive advantage; communicating a demonstrated and credible commitment to environmental responsibility is becoming a powerful imperative in the battle for talent.

Investors are also keen on sustainability practices. UBS investment bankers have commented that, "Environmental performance indicators appear to be a good indicator of strong operational performance."²⁵ The proof is also in performance as the share prices of companies listed in the Dow Jones Sustainability Index have outperformed various other indexes.²⁶ Goldman Sachs introduced a "Sustain Focus" list of companies that lead their industries on such criteria as cash returns and sustainability. The stocks have outperformed those in the Morgan Stanley Capital International index of global stocks.²⁷ Investors are demanding greater transparency into environmental and social performance. Companies that are not successful in communicating to investors their commitment to greening risk negative publicity and shareholder activism. The Carbon Disclosure Project, for example, which represents over \$41 trillion USD in invested assets, calls on a larger pool of companies each year to disclose their environmental performance and carbon emissions.²⁸

Genuine, transparent, and meaningful communication of greening activities and performance can boost morale and engagement of employees, enhance recruiting and retention of top talent, and bolster brand image and reputation with investors.

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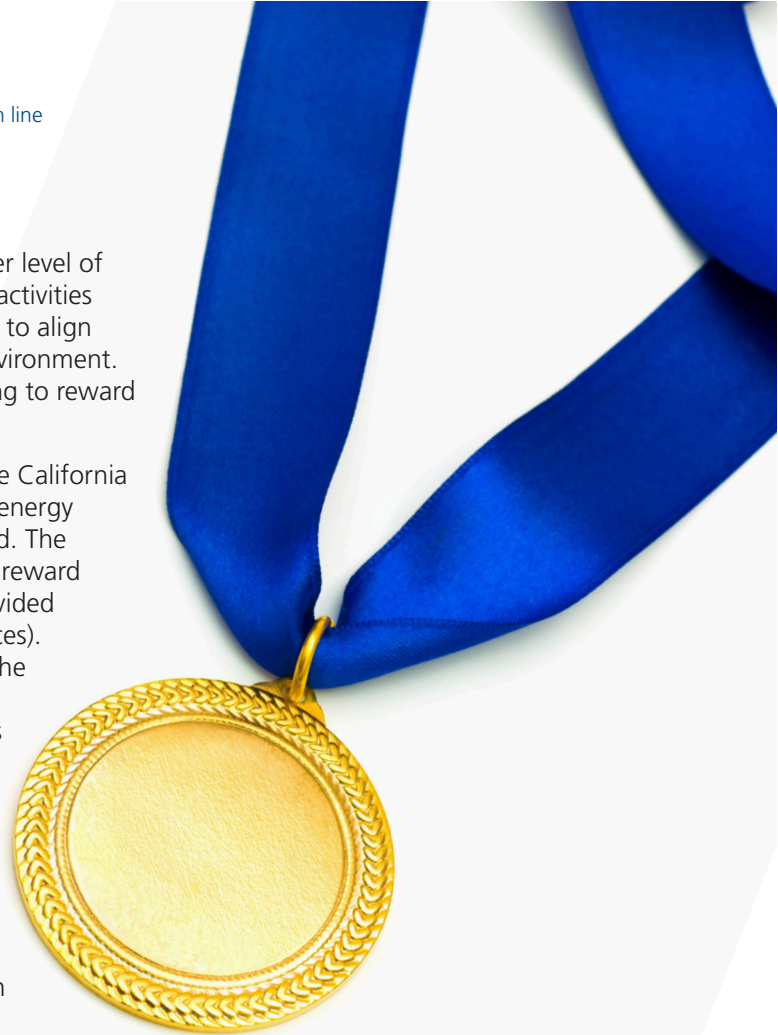
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4. Creative and credible rewards

Creative and credible rewards and incentives can ignite a higher level of green passion and performance. Simply engaging in greening activities at work can be intrinsically rewarding because it allows people to align their actions with their personal values and concern for the environment. Supplementing these intrinsic rewards is important, while failing to reward desired behaviors can backfire.

In the experiment conducted to test energy consumption in the California neighborhood, households were shown to radically alter their energy consumption to adapt to the social norms of the neighborhood. The results of the experiment also illustrate the effects of *failing* to reward desired behaviors. In the first group of households, testers provided letters with positive/negative reinforcement (smiley and sad faces). However, for a second group of households, testers removed the faces and simply sent households electric bills with messages detailing the household's consumption relative to other houses in the neighborhood. Researchers observed a pronounced "boomerang effect" for these households. The boomerang effect is a term used to describe a situation where households that scored well relative to the mean initially (indicating a lower level of energy consumption) changed their behavior to adapt to the mean. In other words, these households increased their energy consumption levels to align more closely with the neighborhood average. Rewarding green behavior can drive positive results, but failing to reward green behavior can have negative "boomerang" consequences.

So how do companies reward employees to adopt more green behaviors? Credibility is key and tapping into grassroots enthusiasm and creativity can yield some interesting and effective reward mechanisms. Rewards for green behaviors should involve minimal, if any, incremental resources and waste. There is an environmental cost to buying new products, and employees may never reach the environmental break-even point with rewards like new ceramic mugs. People may view such rewards as hypocritical. Rewards like recognition on an internal website or newsletter, or gift certificates for downloadable music are examples of rewards with a small environmental footprint. At one company, the "green teams" took it upon themselves to create rewards such as preferred parking for hybrid cars and funky mug contests.²⁹ The company's Environmental Program Manager noted that these efforts "captured the imagination" of its employees who are interested in learning and taking action.³⁰ Companies can tap into the creativity of their employees to identify incentives and rewards most appropriate and valuable to them.



Conclusion

The tide has changed. What was once regarded as a passing trend has now become a business imperative. People care about the impact they make on the environment, and companies that can tap into this passion and cross the divide between attitude and actions in the workspace stand to reap sizeable benefits.

Crossing this divide requires companies to understand their green performance, provide a platform with guidance for ways employees can engage in greening at work, communicate greening with credibility and authenticity internally and externally, and reward green behaviors in a creative and credible way.



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