

Moving Forward – Giving Back: Redefining Organizational Wellbeing

By Deborah Connors & Chris Freimond

It's no secret that people like to work for organizations they feel good about. And while attractive compensation packages are important in the recruitment process, research indicates that they are becoming less important when it comes to retention.

Increasingly, employees want their employers to not only treat them well, but also have a genuine commitment to corporate citizenship that extends well beyond the workplace.

Part of the reason, of course, is the increasing global attention on issues that are negatively impacting the planet. Organizations are seeing fundamental shifts in employee attitudes and consumer preferences and adapting accordingly. But equally important is the impact of individuals who are modifying their own behaviour and expecting the organizations they work for to change as well.

What's happening is not just an extension of corporate social responsibility (CSR). It's more like a move to go well beyond CSR to a point where organizations are a true part of the broader communities in which they operate.

Evidence of how important it is for employees to feel good about the organizations they work for was provided in the Towers Perrin Global Workforce Study 2007-2008 published in October last year.

The company's research showed that while competitive base pay was the top driver for attracting employees, the organization's reputation as a great place to work was number one in retaining them.

An important part of earning a reputation as a great place to work is being seen as an organization that cares for all its stakeholders: employees, customers and the community. In essence, it needs to give back in order to move forward.

In an employees' market this makes more sense than ever before. There's little point in spending time and resources attracting top talent, only to see it enticed away by a competitor that has a better reputation as a good corporate citizen.

By the same token, attracting and retaining customers takes more effort than ever before. People are generally better informed - and more sceptical - than just a few years ago. Corporate insincerity is becoming easier to detect and is often severely punished, while genuine commitment is rewarded.

This is driving many organizations to strive for levels of performance that were unimaginable 10 years ago. For example, Vancouver's Vancity Credit Union announced recently that it has become "carbon neutral" – the first North American financial

institution to do so - as part of its commitment to taking meaningful action to address climate change.

What it means is that the CO₂ emissions Vancity creates are now equal to the emissions it has reduced or offset elsewhere.

It's worth noting that it took Vancity 10 years to reach its goal, which shows that it takes time and effort to achieve success. Over that time, Vancity cut its energy use by 50 per cent, reduced incidents of staff commuting to work by driving alone by 13 per cent, and cut its paper consumption by 30 per cent saving well over \$2 million in energy costs alone.

What it couldn't reduce it offset by investing in high-quality, verified emission reduction projects in British Columbia and beyond. But then it went even further and is now helping other organizations shrink their carbon footprints. It is doing so by paying for 25 small-to-medium-sized businesses to participate in Ecotrust Canada's Climate Smart Workgroups launched last year in partnership with the Pembina Institute and the David Suzuki Foundation to help organizations calculate and reduce their CO₂ emissions.

Another organization that has set a precedent for corporate action to make a real difference in reducing its footprint is the Atlanta-based international carpet and fabric manufacturer, Interface Inc.

Interface has positioned itself as a leader in "industrial ecology". With manufacturing locations on four continents and annual sales revenue of over \$1-billion, its vision is to become the world's first "environmentally restorative" company. It has pledged to eliminate any negative impact the company may have had on the environment by 2020.

What makes the Interface story noteworthy is that carpet manufacturing is typically perceived as a process involving toxic, non-degradable petro-based materials.

Interface Chairman Ray Anderson, says sustainability is more about companies thinking about what they do before they do it, than about what they actually do.

"The heart of sustainability is found by making informed choices on all three fronts, and gaining the knowledge to act in a way that doesn't jeopardize the future," he says on the company's website.

He also warns that sustainability is hard work, and likens it to climbing a mountain. "For many companies, the first and most difficult step on that climb is not on the mountain itself, but rather admitting that the mountain exists."

In essence, Interface has adopted a seven-step model starting with the elimination of waste and ending with a new business model that demonstrates and supports the value of sustainability-based commerce. The step of eliminating waste, on its own, has saved the company so much money it has paid for all the other steps.

The Interface story is all the more remarkable because the company is publicly traded (NASDAQ: IFSIA) and therefore subject to intense scrutiny and critical analysis of its business practices. But judging by market reaction so far, investors like what they see. With a market capitalization of \$1-billion in early August, Interface shares have doubled in value over the past two years to \$20, proving, some might say, that profitability and sustainability are not mutually exclusive.

Interface and Vancity are just two of many examples of organizations that are pioneering a new approach to societal interaction. They are reinterpreting what it means to be a truly sustainable organization.

They demonstrate that sustainability means far more than just cutting down on waste and being environmentally responsible. While those elements are important, organizational endurance demands far more. It calls for a culture of sustainability that shapes the way organizations operate, the way they treat staff and stakeholders, *and* the way they interact with the environment.

When measured against these criteria, it's clear that successful organizations share common cultural attributes: they have caring and compassionate leaders and people strategies that value individual worth; they communicate openly and often with all key stakeholders; they try to limit the size of their organizational footprint, from the design of their offices to addressing employees' transportation needs; they see corporate social responsibility in its broadest sense and give back in a meaningful way to the communities in which they operate so that those who work for them can feel proud. The health and wellbeing of their employees is their highest priority.

What this means is that success – and sustainability – have been redefined. A new breed of organization is emerging; one that understands that *moving forward* and *giving back* go hand in hand. At a time when retention and recruitment are paramount to global competitiveness, nothing could be more important to organizational endurance.

Deborah Connors is the President of Health Work & Wellness™. This year's Health Work & Wellness Conference will be in Calgary on October 15-17, 2008 and will focus on "Moving Forward...Giving Back."

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