

**COMMERCIAL BENEFITS TO SUSTAINABILITY: THE RELATIONSHIPS BETWEEN  
SUSTAINABILITY AND JOB SATISFACTION**

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## **ABSTRACT**

*The case for the commercial benefit of sustainability has gained significant ground in recent years. Businesses are moving away from simply adding Corporate Social Responsibility (CSR) strategies and towards integrating the full gambit of sustainability to gain real commercial value. This paper aims to contribute to this movement by highlighting a number of relationships between sustainability and employee satisfaction, adding to the scenarios in which Vogel proposes a business case for sustainability. Employee satisfaction has previously been extensively researched and this work has shown that increased job satisfaction provides tangible commercial benefits, such as increased productivity and decreased turnover. This dissertation contributes to the subject by exploring the relationship between employee understanding, attitude towards sustainability, as well as the employee's perception of the company's sustainability agenda, and their job satisfaction. The results achieved through a mixed methods approach, single case study, demonstrate that correlations exist between understanding of sustainability and attitude towards it; attitude towards sustainability and job satisfaction; and perception of the company's sustainability agenda and job satisfaction. These relationships suggest that this is an interesting topic of further exploration to add to the general business case of sustainability.*

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## **1. INTRODUCTION**

This introductory chapter sets the scene of this dissertation by establishing definitions and fundamental themes of the research undertaken, concluding with the research topic and question.

### **1.1 Definition of Sustainability**

There is a lack of consensus, an influence of context, and continued debate surrounding the definition of the term sustainability<sup>1</sup>. For the purpose of this paper the term sustainability will be considered to encompass the full gambit of issues, most notably: health and safety; environment; and corporate social responsibility; i.e. all “the areas that make up today’s sustainability movement – the environment, community relations, labour practices, social responsibility, and others”<sup>2</sup>. Corporate Social Responsibility can be broadly defined as “the responsibility of enterprises for their impacts on society”<sup>3</sup>.

Sustainability is not only concerned with the internal functions of an organisation, but also the impact it has externally; the impact on its wider stakeholders from the supply chain to the community. These wider aspects are taken into consideration in addition to profit; “increasingly, we think in terms of a “triple bottom line,” focussing on economic prosperity, environmental quality and...social justice”<sup>4, 5</sup>. Similarly, these impacts and

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<sup>1</sup> Wan Jan, 2006

<sup>2</sup> Savitz & Weber, 2006, p.410

<sup>3</sup> European Commission, 2011, p.6

<sup>4</sup> Elkington, 1997, p.2

effects are adopted with a long-term vision in mind, not just the short-term<sup>6</sup> as Elkington also describes:

[T]he sustainability agenda calls upon companies to adopt longer time scales, to take on board the views of stakeholders, to integrate triple bottom line thinking into every aspect of the business.<sup>7</sup>

## 1.2 Role of Corporate Governance

It is becoming increasingly clear that the more integrated and embedded a sustainability strategy is across a business, the more successful the resulting outcomes are<sup>8</sup>. As Elkington explains:

[T]he best way to ensure that a given company fully addresses the triple bottom line is to build the relevant requirements into its corporate DNA from the very outset and into the parameters of the markets it seeks to serve.<sup>9</sup>

As a result, the organisation's corporate governance is affected, encouraging convergence between corporate governance and sustainability<sup>10</sup>. Clarke explains that,

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<sup>5</sup> Additional definitions can be found in Porter & Kramer, 2011; Savitz & Weber, 2006; Drucker, 2001; Carroll, 1999 p.286; Jones, 1995; Drucker, 1984, p.62

<sup>6</sup> Sneirson, 2009, p.990

<sup>7</sup> Elkington, 1997, p.299

<sup>8</sup> Grayson & Hodges, 2004, p.10

<sup>9</sup> Elkington, 1997, p.277

<sup>10</sup> Gill, 2008, p.455; Sneirson, 2009, pp.1021-1022

“the narrow focus of corporate governance exclusively upon the internal control of the firm and simply complying with regulation is no longer tenable”<sup>11</sup>.

The Stakeholder Model of corporate governance fits most aptly with the sustainability agenda due to its values of taking the long-term and wider stakeholders into account<sup>12</sup>.

As well as the shareholders, the interests of the wider stakeholder groups are also taken into account<sup>13</sup>. An aspect of Kant’s philosophy is adopted, in which stakeholders have the right to be treated as ends in themselves, rather than a means to an end, and therefore all stakeholders should participate in the direction of an organisation<sup>14</sup>.

[T]he ultimate managerial implication of the stakeholder theory is that managers should acknowledge the validity of diverse stakeholder interests and should attempt to respond to them within a mutually supportive framework, because that is a moral requirement for the legitimacy of the management function.<sup>15</sup>

In addition, the long-term effects of the organisation are taken into consideration. Stewardship Theory fits into this model neatly, this theory considers man as a steward of the company, while still serving bias towards the corporation<sup>16</sup>. The implications do not mean that shareholder profit is no longer viable nor fundamental; sustainability and

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<sup>11</sup> Clarke, 2007, p.267

<sup>12</sup> Gill, 2008, pp.459-460

<sup>13</sup> Freeman, 1984

<sup>14</sup> Evan & Freeman, 1988, p.97

<sup>15</sup> Donaldson & Preston, 1995, p.87

<sup>16</sup> Clarke, 2004, p.120



profit are not mutually exclusive concepts<sup>17</sup>, which is the line of thinking that this research endeavours to contribute to.

### **1.3 The Drivers Behind Sustainability**

So why might corporations strive to achieve social good beyond the social advantages of employment? Theories such as Adam Smith's "Invisible Hand" proposes the best way for a business to achieve good is by pursuing its own self-interest<sup>18</sup>. The drivers behind sustainability tend to fall into one of three main categories; those who believe it is commercially driven<sup>19</sup>, ethically driven<sup>20</sup>, or those who propose the motivation being simply for good publicity<sup>21</sup>.

Marketing a company's sustainability strategy is important; it provides transparency, shares best practice and might inspire other directors to improve their business standards. In addition, it can build and enhance a company's reputation internally and externally. Unfortunately, some companies have recognised these positive effects and have attempted to capitalise on them without the solid grounding in their strategies. This practice is commonly known as "green-washing" and has had significantly damaging effects on the credibility of sustainability. A number of companies have publicised their sustainability strategies while actually doing very little. As a consequence their

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<sup>17</sup> Porter & Kramer, 2011, Sneyson, 2009 Savitz & Weber, 2006, Drucker, 2001, Carroll, 1999, Jones, 1995, Drucker, 1984

<sup>18</sup> Smith, 1991

<sup>19</sup> Porter & Kramer, 2006

<sup>20</sup> Mintzberg, 1983

<sup>21</sup> Corporate Watch, 2013; Doane 2004

sustainability strategies are nothing more than a glorified public relations exercise<sup>22</sup>. The negative impact of “green-washing” has served as a smoke screen to the logic of the commercial drivers behind sustainability<sup>23</sup>.

Mintzberg describes the ethical form of CSR to be the purest as it is strived for because it is the right thing to do in itself<sup>24</sup>. He goes onto to describe what he calls “self-interested” CSR, which highlights the commercial advantages behind CSR, under this umbrella he describes three forms<sup>25</sup>:

- “Enlightened self-interest” - brings benefit to society and is advantageous to the business
- “Sound investment theory” - business is less risky and stock prices reflect this advantage
- “Avoiding interference” - by acting now businesses will prevent government regulation

The commercial drivers of sustainability can be drawn from all three of Mintzberg’s “self-interested” CSR drivers, to help form a business case for sustainability beyond ethics and publicity.

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<sup>22</sup> Corporate Watch, 2013; Doane 2004

<sup>23</sup> Savitz & Weber, 2006, p.95

<sup>24</sup> Mintzberg, 1983, p.3

<sup>25</sup> Ibid. p.4

## 1.4 Research Question

This dissertation aims to contribute to the business case for sustainability given its relevance in the current economic climate, it will consider four specific commercial drivers in depth; risk management, efficiency, innovation, and workforce. The purpose of this research is to explore the extent to which sustainability can be considered to add to the commercial value of a business, by researching the relationship between sustainability and employee job satisfaction. Previous research has established a relationship between employee perception of a company's sustainability agenda and job satisfaction, but has not investigated the relationship between employee understanding, and attitude towards sustainability, and job satisfaction. As such the research question of this dissertation is:

Is there a relationship between employee understanding and attitude towards sustainability, their perception of the company's sustainability agenda, and job satisfaction?

Given the effect that job satisfaction has on the bottom line of a business, this research hopes to add to the business case of sustainability, more specifically to Vogel's work<sup>26</sup>. Vogel proposes two scenarios in which there is a business case for sustainability, but if

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<sup>26</sup> Vogel, 2005

sustainability enhances job satisfaction then the majority of businesses and scenarios would benefit from sustainability, in a real commercial sense.

In order to answer this research question the relevant literature will firstly be described and analysed, this chapter will present the theories and research that lead to the subject of interest and the research question at hand. The following chapter will outline the methodology used in order to answer the research question, so the research can be properly understood and repeated. The results will then be presented and analysed in such a way in order to answer the research question. Finally, a conclusion of the study will help in summarising the research but also in presenting suggestions for future research and further topics to explore.

## **2. LITERATURE REVIEW**

The aim of this chapter is to provide a detailed account of previous literature relevant to the topic, to help guide the research. The four commercial drivers behind sustainability will be analysed; risk management, efficiency, innovation and with specific focus on the effect sustainability has on the workforce. The business case will then be summarised, with particular attention paid to Vogel's work, which this research question is directed to add to.

### **2.1 Risk Management**

The Globalisation of companies has meant that their transactions and interactions have expanded across borders; distance has become less important<sup>27</sup>. Distance weakens control and increases uncertainty and, therefore, risk. Managing risk is a key component of an organisation's success. Risk can stem from many sources and can effect various aspects of the business. In addition, due to enhanced technology, international knowledge sharing has become easier, more prevalent and if unmanaged can exacerbate the risk, most particularly from social media<sup>28</sup>. Risk can stem from government regulation, supply chain, health and safety, to name a few examples. All of which can damage corporate reputation and credibility, and can, therefore have an influence over client relationships, customer commitment, as well as employees:

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<sup>27</sup> Held & McGrew, 2000, pp.3-4

<sup>28</sup> Kytte & Ruggie, 2005, p.1

[C]SR programs are a necessary element of risk management for global companies because they provide the framework and principles for stakeholder engagement, can supply a wealth of intelligence on emerging and current social issues/groups to support the corporate risk agenda, and ultimately serve as a countermeasure for social risk.<sup>29</sup>

There is increasing regulatory interference by government, examples include:

- Health, Safety and Environment sector; there are a number of regulations dictating the health and safety of communities and workforces;
- Environmental impact is regulated across a number of sectors;
- Carbon emissions are increasingly being included in taxation, across countries (e.g. UK) and markets (e.g. car industry);
- The full supply chain of a company can no longer be ignored, global labour standards are fundamentally important too.

[F]or many consumer product companies, cheaper labour is necessary for market survival...However, the decision to employ workers in a developing country without full acknowledgement or adherence to international labour standards could cause a company to run foul of labour rights watchdogs, resulting in unwanted public criticism of its value chain practices. They are running a risk—specifically a social risk by doing so.<sup>30</sup>

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<sup>29</sup> Kytte & Ruggie, 2005, pp.1-2

<sup>30</sup> Ibid. p.7

All of these regulations have huge operating costs and consequences. The advantage of accounting for, managing, or preparing for regulations promptly is that it can “reduce the likelihood of more government regulation or place a firm in a better competitive position if and when new regulations emerge”<sup>31</sup>.

Compliance to regulation and standards is not just fundamental in order to avoid fines and manage risk but also for investment. For example, the International Finance Corporation<sup>32</sup> invests in the mining industry. To achieve this investment, mining companies must meet certain environmental, safety and social standards<sup>33</sup>.

The mining sector can also demonstrate the importance of managing social risk and the importance of having a social licence to operate. The relationship that mining companies have with the communities in which they work is fundamental. Without agreement between the two parties, commercial operations can be made extremely difficult and prevented, which adds to tensions with local government<sup>34</sup>.

Adding to these regulations are an increasing number of self-regulatory bodies for some industries, which can become so influential they become fundamental to company reputation, for example the Forrest Stewardship Council<sup>35</sup>. Although these membership bodies are voluntary, maintaining membership and following these voluntary standards,

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<sup>31</sup> Vogel, 2005, p.16

<sup>32</sup> IFC, 2013

<sup>33</sup> i.e. Equator Principles, 2013

<sup>34</sup> Pike, 2012

<sup>35</sup> FSC, 2013

can become vital<sup>36</sup>. If a membership body dominates a sector then it tends to enhance company reputation so much that by not being a member there is a negative connotation for the business. Good examples include the International Council of Mining and Minerals (ICMM)<sup>37</sup>, which set regulations and standards for its members in the mining industry and the Principles for Responsible Investment (PRI)<sup>38</sup> for the financial industry.

Regulations and membership bodies are likely to increase in number, be broadened and intensified, and aspects of sustainability that aren't included in the regulatory sphere already, should not be disregarded. There are certain issues that NGO's take under their wing, striving for certain standards outside of governmental and industry regulation. A common tactic to bring about change is to attack the company reputation. A great example is Greenpeace's pursuit of Asian Pulp and Paper (APP)<sup>39</sup>. APP supplied paper and packaging to companies such as KFC and Mattel, but at the cost of the Indonesian Forrest. The campaign led by Greenpeace targeted the reputations of APP's clients, most successfully by appealing to their customers. As Greenpeace targeted the end users as the audience, APP's clients suffered significant damage to their reputation amongst their customer base, so the clients were forced to cut APP as a supplier. Having damaged and lost a number of their key accounts, APP have now committed to stop cutting down the Indonesian Forrest. This example highlights the importance of reputation not just for a customer driven organisation but also for the client

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<sup>36</sup> UNEP, 2005, p.8

<sup>37</sup> ICMM, 2013

<sup>38</sup> PRI, 2013

<sup>39</sup> APP, 2013



relationships of a business-to-business organisation<sup>40, 41</sup>. The use of these campaigns highlights the importance of compliance, membership of voluntary industry bodies, and adhering to standards beyond just the monetary incentive of avoiding fines<sup>42</sup>.

Touching on these potential sources of risk highlights how “risk management by global companies should be adapted to include corporate social responsibility programmes”<sup>43</sup>.

Ernst & Young recently produced a report that outlined “Six growing trends in corporate sustainability”. One of those trends highlighted that companies have started “to connect the dots” between risk management and corporate sustainability<sup>44</sup>.

In conclusion, regulations and standards increasingly incorporate issues that can be managed through the sustainability agenda. Complying with governmental and industry regulation is fundamental and expected. With the combination of social media, business relationships and customers it is also important to go beyond and meet industry expectations, and in some instances voluntary standards, to protect company reputation. It is, therefore, in the commercial interest of the company to incorporate principles of sustainability into strategy and risk management.

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<sup>40</sup> Maitar, 2013

<sup>41</sup> Further examples of such boycotts, the effects on reputational risk and the potential of CSR helping manage this risk to increase competitive advantage can be found in Smith’s paper *Corporate Social Responsibility: Whether or How?* 2003, pp.61-63.

<sup>42</sup> An additional example is Greenpeace’s campaign against Shell Oil at this years Grand Prix (Ecotube, 2013)

<sup>43</sup> Kytte & Ruggie, 2005, p.15

<sup>44</sup> Ernst & Young, 2013

## 2.2 Efficiency

Governments can affect a company's bottom line through taxation, which now includes carbon emissions taxation. In order to help meet the legally binding European Union's carbon emission reduction targets, the UK government has introduced the Carbon Reduction Commitment taxation scheme. Resource efficiency targets are one of the seven flagship initiatives of the European Union's (EU) 2020 strategy. The "Organisation for Economic Cooperation and Development (OECD) and the United Nations Environment Programme (UNEP) also promote resource efficiency in their campaign for "green growth" and a "green economy"<sup>45</sup>.

In some countries public access to resources are unreliable, South Africa, is one example where power cuts are a regular occurrence. This can have significant impacts, in particular for manufacturing sites; as power ceases, it stops production and, therefore, impacting the bottom line of the business. In addition, this risk is outside the organisation's control, so managing this instability is challenging. Power is very important for an organisation and resources are a major source of power<sup>46</sup>.

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<sup>45</sup> Bleischwitz, 2011, p.644

<sup>46</sup> Pfeffer, 1992, p.89

[T]o survive, organisations require resources. Typically, acquiring resources means the organisation must interact with others who control those resources. In that sense, organisations depend on their environments.<sup>47</sup>

Given that resources are a fundamental source of power, the distribution, accessibility, and cost of energy and materials are subject to politics<sup>48</sup>. Companies recognise that “core business objectives” might be “affected by natural resource shortages”<sup>49</sup>. The most comprehensive solution is independence from public energy sources.

Resources cost money and the amount that a company spends on its resources naturally has significant impacts on its commercial viability. Being resource efficient, and enhancing those efficiencies, is a critical discipline. There is an ever-growing demand on our resources with the world population growing and markets expanding to include the poor; commodity prices are rising. The cost of resources is going to continue to rise and so will the importance of resource efficiency. As Prahalad explains:

[T]he poor as a market are 5 billion strong. This means that solutions that we develop cannot be based on the same patterns of resources use that we expect to use in developed countries. Solutions must be sustainable and ecologically friendly.<sup>50</sup>

Reducing waste can be cost effective, as dealing with waste takes time and incurs cost, especially if there are hazardous substances involved.

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<sup>47</sup> Pfeffer & Salancik, 1978, pp.258

<sup>48</sup> Bleischwitz, 2011, p.645

<sup>49</sup> Ernst & Young, 2013, pp.22-24

<sup>50</sup> Prahalad, 2006, p.5

[T]aking a tactical look at a firm's waste management can create sustainable commercial opportunities alongside significant resource efficiency improvements.<sup>51</sup>

Gone are the days when you could dump waste into landfills and rivers with little regard to the consequences or cost. Savitz and Weber explain that we are now entering an "Age of Accountability" where companies are increasingly held responsible for suppliers, communities and wide stakeholders.<sup>52</sup>

A flagship example is Ray Anderson's work at InterfaceFlor, where his pioneering designs led to industry-wide changes that influenced not only direct competitors but inspired many companies across multiple industries. InterfaceFlor changed their business model to leasing carpet tiles rather than selling. This benefited the customer as it gave them flexibility, single tiles could be replenished, and they installed, maintained and reclaimed the carpet at a fixed monthly fee, which could be paid from operating costs rather than capital<sup>53</sup>. Ray Anderson also explains how they are:

[M]aking more of our carpets from recycled materials, too; at last count we've kept 175 million pounds of carpet out of landfills and trimmed the scrap we generate and send to the landfills by 78 percent. Now, what used to be waste for the landfill goes back into our factories as feedstock.

Valuable organic molecules are salvaged to be used again and again.<sup>54</sup>

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<sup>51</sup> Chambers, 2007, p.30

<sup>52</sup> Savitz & Weber, 2006, pp.79-80

<sup>53</sup> Anderson, 2009, p.179

<sup>54</sup> Ibid. p4

Closed-loop, or cradle-to-cradle<sup>55</sup> materials and supply chains are the ultimate goal for a sustainable practice but also make sound economic sense:

[O]ur war on waste – like our pursuit of efficiency – has freed up hundreds of millions of hard dollars. This money now funds research and development, renewable energy, recycling, and new products...it is a virtuous circle where you, your company, your customers, your stockholders, and the earth all come out ahead”<sup>56</sup>

In summary, by cutting emissions, enhancing efficiencies, and reducing waste, a significant impact on a company’s bottom line can result, in addition to contributing to independence, control and reputation.

### **2.3 Innovation**

Designing solutions for waste, enhancing efficiencies, and overcoming changes in regulation can often lead to collaboration and innovation. “To eliminate the concept of waste means to design things – products, packaging, and systems”<sup>57</sup>. Sustainability can encourage product innovation. For example, dry shampoo is a product that appeals to a market ultimately because of its convenience. An additional impact of increasing the use of dry shampoo, however, is that it reduces water consumption<sup>58</sup>. The evidence

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<sup>55</sup> Braungart & McDonough, 2009

<sup>56</sup> Anderson, 2009, p.45

<sup>57</sup> Braungart & McDonough, 2009, p.104

<sup>58</sup> Karunakaran, 2012

suggests that sustainability is not market led yet<sup>59</sup>, the influence of sustainability might increasingly become ignored, therefore, and motivations such as convenience and cost appealed to instead. This makes customers more sustainable not just through behaviour change but by default, because of the product<sup>60</sup>.

Prahalad proposed creating positive social impact on the incredibly large market at the Bottom of the Pyramid (BOP) by innovating products, which combine social and monetary value, in his book entitled *The Fortune at the Bottom of the Pyramid* (2009). Prahalad argues that by selling to the BOP, the market will grow and develop, according to the principles of a free market, and so a prosperous society will start to grow<sup>61</sup>. While invigorating prosperity by making markets accessible, companies can tap into a vast and unsaturated market, creating huge potential commercial value<sup>62</sup>:

[I]f we stop thinking of the poor as victims or as a burden and start recognizing them as resilient and creative entrepreneurs and value-conscious consumers, a whole new world of opportunity can open up.<sup>63</sup>

A great success story from this principle is Unilever's 'Lifebuoy Soap', which Unilever made cheap and accessible to the BOP. This positive social impact has generated and contributed to preventing unnecessary deaths in children due to diarrhoea. This can also

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<sup>59</sup> Smith, 2003, p.62

<sup>60</sup> Karunakaran, 2012

<sup>61</sup> Prahalad, 2006, p.125

<sup>62</sup> Ibid. p.35

<sup>63</sup> Ibid. p.25

be attributed to the fact that they ran a campaign in educating their customers on how to wash their hands, when, and why<sup>64</sup>.

Prahalad's theory has been met with debate, most notably by Karnani who accuses Prahalad of "over-romanticising the poor". Karnani argues that the market size at the Bottom of the Pyramid (BOP) is grossly exaggerated and that "poor people are often not in a position to take advantage of market opportunities and might even be vulnerable to exploitation"<sup>65</sup>. Karnani suggests that the best way for organisations to help the poor is "by creating more employment opportunities in labour-intensive industries and investing in upgrading the skills and productivity of poor people, thus increasing income potential"<sup>66</sup>.

Davidson also demonstrates a potential conflict between the environmentalist and ethicist based on the potential products sold to the BOP market. Soap causes no issue but what about tobacco and alcohol companies encouraging the market to sell single cigarettes for example? Or even cosmetic products, any product that could potentially take funds away from the essentials in life will pose an ethical question<sup>67</sup>. An infamous example of a company ignoring these ethical considerations was Nestlé's baby milk scandal<sup>68</sup>. Davidson goes on to question the ethics behind the advertising, marketing,

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<sup>64</sup> Lifebuoy, 2013

<sup>65</sup> Karnani, 2009, p.43

<sup>66</sup> Ibid. p.43

<sup>67</sup> Davidson, 2009, p.25

<sup>68</sup> Ibid. p.29

and pricing of these products to poor consumers<sup>69</sup>. Additional environmental issues result from the concept of selling a larger quantity of smaller products creates a huge amount of waste<sup>70</sup>, the wrapping of the Lifebuoy soaps for example. Davidson argues that in order to sell to the BOP successfully, the business plan cannot simply consider profit but must incorporate CSR, in order to engage and contribute to its society as well as creating returns for shareholders and getting the right equilibrium between charity and business.

[I]t requires that the firm be a good global citizen, and good citizenship demands that the firm fulfil not only its economic responsibilities but its ethical and social responsibilities as well. In short, the firm must integrate all the principles of CSR along with its business planning for the BOP if it is to be truly successful.<sup>71</sup>

With increasing globalisation and an increasingly competitive market, the opportunity of sustainability and leading the market cannot be ignored. If businesses stagnate they will fall behind; if not innovating, being an early adopter is essential:

[T]he ability to innovate and exploit those innovations globally in a rapid and efficient manner has become essential for survival and perhaps the most important source of a multinational's competitive advantage.<sup>72</sup>

There is huge scope for design and innovation in sustainability with products, but also within materials and strategy, as well as with management and employee engagement.

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<sup>69</sup> Davidson, 2009, pp.25-27

<sup>70</sup> Ibid. p.28

<sup>71</sup> Ibid. p.31

<sup>72</sup> Bartlett & Ghoshal, 1990, p.499



This benefit of sustainability is explained by Jo Confino when describing Unilever following its second sustainability progress report:

[O]ne reason the company is more comfortable integrating its social and environmental responsibilities with finance is because it believes it is now able to show that sustainability is driving innovation, which in turn is helping the company become more profitable and resilient.<sup>73</sup>

In conclusion sustainability can help drive innovation, which is fundamental to enhancing competitive advantage.

## **2.4 Workforce**

By including sustainability into business practice, companies include the considerations of all stakeholders, including its employees. The connection between sustainability and employee attraction, motivation, and commitment has been proposed before. The clear advantage of attracting a workforce with such attributes is in its commercial value; an engaged workforce is central to a company's commercial success. Recruitment is expensive and employees form a fundamental part of an organisation's identity and ability to deliver its objectives. A motivated workforce is an effective strategy in developing a productive workforce. Companies recognise:

[T]he importance of attracting and retaining highly skilled, quality employees as a necessary component of their competitive advantage...The

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<sup>73</sup> Confino, 2013

effective management of human resources can provide competitive advantage to a firm.<sup>74</sup>

By increasing employee attraction, retention and reducing employee turnover a company will “experience reduced agency costs, transaction costs, and costs associated with team production”<sup>75</sup>. There are two ways in which sustainability affects employees; directly and psychologically, both of which will now be discussed in turn.

### **Direct Impact**

Placing emphasis beyond simple human capital, human resource management (HRM) of a firm, tends to be superior and, therefore, employees tend to have enhanced benefits, management and training. All three of which contribute to attraction, motivation and commitment<sup>76</sup>. As explained by Brammer et al. in *The Contribution of Corporate Social Responsibility to Organisational Commitment*; “Beneficial actions directed at employees create a reason for employees to reciprocate with their attitudes and their behaviours”<sup>77</sup>. As Bauman and Stitka explain; employees:

[T]herefore, infer from CSR that a company holds certain values and norms that are likely to affect working conditions and the overall job environment... CSR indicates to employees that their organisation is generally committed to

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<sup>74</sup> Greening & Turban, 2000, pp.254-256.

<sup>75</sup> Jones, 1995, p.422

<sup>76</sup> Clegg et al, 2008, pp.197-205; Pfeffer, 1994, pp35, 45-46

<sup>77</sup> Brammer et al., 2005, p. 10

social justice across stakeholder relationships and can be trusted to provide them with the outcomes they deserve.<sup>78</sup>

Training is a commercial investment, the result of which creates value for a company. Training assists in attracting potential employees to the company. Learning and development will also enhance employee commitment. Taking Maslow's Hierarchy of Needs, learning and development would classify as a "higher need", which will, therefore, contribute to self-actualisation. Employees will place significant value upon assets that contribute to self-actualisation<sup>79</sup>. Holding such value will, therefore, enhance employee commitment and loyalty. In addition to these advantages, well trained employees contribute to a company's assets: "the successful firm must be able to take advantage of such talent, develop it into skills that are valuable, rare, nonsubstitutable, and unable to be easily imitated by competitors"<sup>80</sup>. Well-trained employees form a part of a company's competitive advantage, this is in line with a resource-based theory of the firm<sup>81</sup>.

In short, by going beyond the salary of employees and taking into account other benefits such as training, the company will realise value from a loyal, motivated and productive workforce.

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<sup>78</sup> Bauman and Stitka, 2012, p.8

<sup>79</sup> Maslow, 1954, pp.57-59

<sup>80</sup> Greening & Turban, 2000, p. 256

<sup>81</sup> Pfeffer, 1994, pp.16-21

## Psychological Impact

Dawson originally highlighted the relationship between ‘the workforce’s perception of an organisation’s values and ethics within society’ and ‘employees’ job performance<sup>82</sup>. This was in contrast to Taylor’s Scientific Management, which is based on the “rational-economic man”, and his claim that economic gain is the only motivation behind working<sup>83</sup>. Building on Maslow’s hierarchy of needs and theories behind motivation<sup>84</sup>, however, Dawson explains, that “job performance is influenced by a far wider range of attitudes and beliefs than is represented in [the employees’] feelings towards working conditions, superiors and pay level”<sup>85</sup>.

[D]awson's contention, which was supported by his survey findings, was that jobs may be performed in a rather perfunctory manner by the "new generation" of workers who are disenchanted with the hard-line profit motive of business.<sup>86</sup>

Sustainability contributes to the image of a company, and if carried out correctly should enhance that reputation positively. “CSR is an important contributor to overall firm reputation”<sup>87</sup>. As a result identification with a firm that has a positive sustainability agenda will make that identification more attractive.

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<sup>82</sup> Dawson, 1970

<sup>83</sup> Taylor, 1967

<sup>84</sup> Maslow, 1943

<sup>85</sup> Dawson, 1970, p.54

<sup>86</sup> Gavin & Maynard, 1975, p.378

<sup>87</sup> Bauman & Stitka, 2012, p.10

In order for the commercial advantages of sustainability and the positive impact of an enhanced reputation to be realised it is important for the employees across the business to not just be aware of the sustainability agenda but also to understand it:

[T]ransparency is the primary contemporary virtue for all responsible businesses. It is crucial to share knowledge within the company so that social and environmentally responsible behaviour can be mandated as part of every job.<sup>88</sup>

In addition, the understanding of employees will ensure the integration of sustainability across the business and engage the workforce to be innovative, motivated and committed. The understanding of a subject helps form the attitude towards that subject. One of the main components of an attitude is cognitive understanding; “attitudes are acquired, not innate” and individuals learn through a number of ways; such as observation or being told various beliefs, which “form the cognitive foundation” for our response and attitudes towards the world<sup>89</sup>. Thus, the greater the understanding of the positive effects of sustainability the more likely it is that the attitude towards sustainability will be positive.

Maslow’s Gratification Theory highlights that it is important to gratify basic needs. When someone holds a positive attitude towards something, they will hold it in higher value. This will, therefore, increase motivation so one is “keener” and “more efficient”. It can also effect character traits and interpersonal effects including “morality, ethics

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<sup>88</sup> Chouinard & Stanley, 2012, p.85

<sup>89</sup> Ajzen & Cote, 2008, p.290

[and] values”<sup>90</sup>. What’s more, psychologists have repeatedly established a relationship between attitudes and behaviour<sup>91</sup>. It is, therefore, important for the employees to understand their company’s sustainability agenda to help form a positive attitude towards not only sustainability but the company too, which should enhance their feeling of satisfaction in their job and arguably their personal investment in the company.

Instrumental stakeholder theory goes on to propose that the moral behaviour of a corporation will address any of the employees concerns that the company might take advantage of them or treat them unfairly. As a result, employees will have a sense of security and safety, which will enhance their commitment, motivation, and loyalty<sup>92</sup>. Jones’ “instrumental theory of stakeholder management”<sup>93</sup> proposes that by dealing with contracts ethically, the contracts are more efficient and binding. Consequently, the contracts are formed “on the basis of mutual trust and cooperation” resulting in “a competitive advantage over firms”.<sup>94</sup>

The perception of an organisation is drawn significantly from the media and reputation. In addition, “a firm’s reputation and image is influenced by knowledge of the firm’s actions regarding developing social and political issues and their associated stakeholders”<sup>95</sup>. As Bauman and Skitka<sup>96</sup> propose “actions that demonstrate corporate

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<sup>90</sup> Maslow, 1943, pp.42-45

<sup>91</sup> Ajzen & Cote, 2008, pp.296-298; Bohner & Wanke, 2002, pp.219-242; Triandis, 1971, pp.14-16

<sup>92</sup> Bauman & Skitka, 2012, p.8

<sup>93</sup> Jones, 1995

<sup>94</sup> Ibid. p.422

<sup>95</sup> Greening & Turban, 2000, p.258

<sup>96</sup> Bauman & Skitka, 2012

social responsibility represent a fairly rare opportunity to positively influence how individuals – especially employees and prospective employees - perceive firms.” They go on to explain how actions that “indicate a pro-social rather than an instrumental orientation ... elicit attributions of morality” which strengthens social ties and commitment to the organisation<sup>97</sup>.

Reputation and image has a significant effect on attracting employees; “people often assume that actor’s behaviour in one situation is indicative of their underlying traits and stable behavioural tendencies”.<sup>98</sup> Companies have recognised that an advantage of promoting their sustainability practices is that a larger number of quality employees are attracted to working for the firm<sup>99</sup>. Given the image and reputation of the firm, employees imagine what it would be like to work for the company. Turban and Greening go on to suggest that sustainability will:

[P]ositively affect the attractiveness of an organisation as a potential employer because prospective applicants will experience positive outcomes, such as enhanced self- concept, from being employed by firms that engage in more socially responsible actions.<sup>100</sup>

Signalling theory also goes some way in explaining an increase in applicants as “they interpret information they receive as “signals” about the working conditions”<sup>101</sup>. A company’s sustainability strategy goes some way in “signalling” an organisation’s values

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<sup>97</sup> Bauman & Skitka, 2012, p.2

<sup>98</sup> Ibid. p.5

<sup>99</sup> Greening & Turban, 2000, p.254

<sup>100</sup> Ibid. p.258

<sup>101</sup> Ibid. p.258

and norms<sup>102</sup>. It is presumed by employees that if the company is treating society fairly and “fulfils its societal ‘obligations’” then they will also be treating the employees “fairly” in terms of rewards<sup>103</sup>. By including sustainability into a business agenda, a company acts in a more ethical domain and employees assume that if the company is ethical then they will be treated ethically in turn, which, therefore, increases employee commitment<sup>104</sup>. As Peterson discovered the affects of which to be:

[A] Company’s reputation on social issues influences workers’ attitudes.

More specifically...that favourable perceptions of corporate citizenship were associated with higher organisational commitment... organisational commitment is known to be related to a number of positive outcomes, including higher worker motivation, reduced absenteeism, and lower turnover rates.<sup>105</sup>

Social Identity Theory also contributes to the reasoning behind a company’s environment and social footprint impacting the workforce. This theory “suggests that employees’ self-image is influenced by the image and reputation of their employers”<sup>106</sup>. When in full time employment, individuals spend the majority of their time working for the organisation they are contracted to, and they are committed to that organisation. As a result, one identifies oneself to that organisation, as does society; it becomes a form

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<sup>102</sup> Greening & Turban, 2000, p.259

<sup>103</sup> Gavin & Maynard, 1975, p.385

<sup>104</sup> Peterson, 2004, p.314

<sup>105</sup> Ibid. p.313

<sup>106</sup> Greening & Turban, 2000, p.258



of self expression<sup>107</sup>. “Group membership is a fundamental part of the way people define themselves and understand their social environment”, which forms a part of self-categorisation theory<sup>108</sup>. If an individual approves of this identity then that individual would be proud to be identified with it:

[I]t is also reasonable to expect that identification would be associated with loyalty to, and pride in, the group and its activities... social identification enables individuals to conceive of, and feel loyal to, organization or corporate culture<sup>109</sup>.

Ashforth and Mael also explain how people categorise social identities in order to help explain, process, and define<sup>110</sup>. Organisational identification is similar to cognitive identification, as a consequence; “identification also may engender internalization of, and adherence to, group values and norms and homogeneity in attitudes and behavior”<sup>111</sup>. In addition:

[P]eople find a perceived organizational identity more attractive when it matches their own sense of who they are (i.e their self-concept) simply because this type of information is easy to process and understand...When members associate with organizations that have an attractive perceived identity, it enhances their self-esteem as they acquire a more positive evaluation of self.<sup>112</sup>

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<sup>107</sup> Dutton et al, 1994, pp.244-245

<sup>108</sup> Bauman & Stitka, 2012, pp.9-10

<sup>109</sup> Ashforth & Mael, 1989, p.26

<sup>110</sup> Ibid. pp.20-21

<sup>111</sup> Ibid. p.26

<sup>112</sup> Dutton et al, 1994, pp.244-246

In contrast, if one identifies oneself as a member of an organisation with contrasting values, one can get cognitive dissonance, which can result in discomfort and unhappiness and, therefore, a lack of motivation and commitment<sup>113</sup>. “CSR may promote organisational identification because it can influence the amount of similarity or dissimilarity people perceive between themselves and the organisation”<sup>114</sup>.

In conclusion:

[A]ccording to social identity theory, corporate social performance may be expected to contribute positively to the attraction, retention, and motivation of employees because they are likely to identify strongly with positive organisational values.<sup>115</sup>

Bauman and Stitka’s four psychological aspects summarise the impact of sustainability on employees neatly:

[(a)]reassure concerns about safety and security, (b) provide positive distinctiveness and enhance social identity (c) symbolize commitment to important values and engender a sense of belongingness, and (d) add meaning and provide a greater sense of purpose at work.<sup>116</sup>

The relative merits of having satisfied workers rests in the relationships found between job satisfaction and motivation, job performance, absenteeism and

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<sup>113</sup> Festinger, 1957

<sup>114</sup> Bauman & Stitka, 2012, p.10

<sup>115</sup> Brammer et al., 2005, p.5

<sup>116</sup> Bauman & Stitka, 2012, p.3

turnover. "It is important to consider the satisfaction level that exists in organisations... satisfaction is important because it has the power to influence both absenteeism and turnover."<sup>117</sup> Cain-Smith also described how "organisations measure job satisfaction primarily because of its presumed direct relationship to the short-term goals of cost reduction through increased individual productivity and reduced absences, errors, turnover, and so on."<sup>118</sup> As the psychologist Nelson explains:

[C]ompanies that effectively appreciate employee value enjoy a return on equity & assets more than *triple* that experienced by firms that don't. When looking at *Fortune's* '100 Best Companies to Work For' stock prices rose an average of 14% per year from 1998-2005, compared to 6% for the overall market.<sup>119</sup>

In conclusion, by adopting good sustainable business practice, the company has an affect on employee psychology, which enhances job satisfaction, motivation and commitment. Alongside nurturing a productive workforce, the company will attract top talent and reduce turnover, thus improving the company's bottom line and ability to meet its objectives.

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<sup>117</sup> Lawler & Porter, 1967, p.216

<sup>118</sup> Cain-Smith, 1992, p.6

<sup>119</sup> Cooper, 2012

## 2.5 Business Case Conclusion

As this literature review has outlined there are core areas to sustainability that can bring about commercial value to a business. One has to recognise that profit is *the* key driver for a commercial organisation, without a profitable business there can be no sustainability agenda, as described by Dicken:

[T]he basic rules of capitalism, the most fundamental of which is the drive for profit. Of course, business firms may well have a variety of motives other than profit, such as increasing their share of a market, becoming the industry leader, or simply making a firm bigger. But, in the long run, none of these is more important than the pursuit of profit itself. A firm's profitability is the key barometer to its business 'health'; any firm that fails to make a profit at all over a period of time is likely to go out of business...At best, therefore, firms must attempt to increase their profits; at worst, they must defend them.<sup>120</sup>

By incorporating sustainability in to the business plan from a commercial perspective it is more likely to be valued and maintained across the company and, therefore, succeed. The inclusion of a sustainability agenda does not mean losing sight of profit; in fact it can signify the goal of long-term profit.

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<sup>120</sup> Dicken, 2011, p.110

The business case behind sustainability has been proposed before and has been expressed in many different ways, from the triple bottom line<sup>121</sup> to shared value<sup>122, 123</sup>. The philanthropic lens of CSR is quite outdated, as is Friedman's socialist stance, in which he claims that donating to charity should be done on an individual basis and companies should simply "stay within the rules of the game"<sup>124</sup>. The potential of approaching sustainability in a strategic manner is seen as an opportunity to create commercial, competitive advantage by many<sup>125</sup>. One company that claims great business success through their sustainability agenda is Unilever; as Paul Polman (CEO) explains:

[S]ustainability is contributing to our virtuous circle of growth. The more our products meet social needs and help people live sustainably, the more popular our brands become and the more we grow. And the more efficient we are at managing resources such as energy and raw materials, the more we lower our costs and reduce the risks to our business and the more we are able to invest in sustainable innovation and brands.<sup>126</sup>

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<sup>121</sup> Elkington, 1997, p.2

<sup>122</sup> Porter & Kramer, 2006, p.80

<sup>123</sup> Others include Carroll, 1979; Drucker, 2001; Orlitzky et al., 2003; Savitz & Weber, 2006; Sneider, 2009; Eccles et al., 2013

<sup>124</sup> Friedman, 1970

<sup>125</sup> Savitz & Weber, 2006, p.35

<sup>126</sup> Confino, 2013

Orlitzky et al.<sup>127</sup> conducted a meta-analysis, which resulted in confirming a consistently positive relationship between Corporate Social Performance (CSP) and Corporate Financial Performance (CFP):

[T]he causation seems to be that CSP and CFP mutually affect each other through a virtuous cycle: financially successful companies spend more because they can afford it, but CSP also helps them become a bit more successful.<sup>128</sup>

It was found, however, that the degree of this positive relationship varies due to contingent variables<sup>129</sup>. More recently the working paper by Eccles et al. also indicates that companies, which incorporate sustainability into their business agenda, benefit from increased performance in the stock market and long-term business success<sup>130</sup>.

The issues that affect each industry vary considerably, for instance the extractives sector needs to focus on human rights while the consumer goods industry pays particular attention to securing an ethical supply chain. There are no hard and fast rules to sustainability, there are a number of variables that affect the issues and strategies such as location, industry and company structure. In turn, it is extremely difficult to be able to construct rigorous methodologies to research the effect Corporate Social Performance

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<sup>127</sup> Orlitzky et al., 2003,

<sup>128</sup> Ibid. p.424

<sup>129</sup> Ibid. p.423

<sup>130</sup> Eccles et al. 2013, p.24

has on Corporate Financial Performance<sup>131</sup>. It is suggested that instead the individual parts of the phenomena should be investigated<sup>132</sup>.

Vogel's book *The Market for Virtue: The Potential and Limits of Corporate Social Responsibility* analyses the business case in depth. Vogel proposes that there is a business case for firms to be virtuous but it "is not sufficiently important to make it in the interest of all firms to behave more responsibly"<sup>133</sup>. His suggestion is that CSR should not be "defined as a necessary condition for business success " but that it is "better understood as one dimension of corporate strategy"<sup>134</sup>. Vogel's claim is that it cannot be said that the more responsible firms are, the more profitable they are, but that "CSR does make sense for some firms in specific circumstances"<sup>135</sup>. Vogel goes on to describe two circumstances in which he claims it makes sense to be virtuous. One is when CSR forms a part of the firm's identity, so CSR distinguishes them from the market, (for example, InterfaceFlor). Or the second scenario is if the firm is targeted, or likely to be targeted by activists, (for example, Shell), CSR provides a way in which to avoid becoming distinguished as a competitive disadvantage<sup>136</sup>.

As this literature review has outlined, however, there are further commercial drivers for why companies might incorporate sustainability beyond these two scenarios. The one area that will be pertinent to most organisations is the effect sustainability has on its

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<sup>131</sup> Rowley & Berman, 2000, p.415

<sup>132</sup> Ibid. p.416

<sup>133</sup> Vogel, 2005, p.17

<sup>134</sup> Ibid. p.34

<sup>135</sup> Ibid. p.45

<sup>136</sup> Ibid. pp.73-75

workforce. The examined theories indicate that employees with a better understanding of sustainability should hold a more positive attitude towards sustainability<sup>137</sup>. By holding a more positive attitude towards sustainability employees should possess a more positive attitude towards the organisation and experience heightened job satisfaction<sup>138</sup>. These theories also indicate that employees who have a positive perception of a company's sustainability agenda should feel more secure and positive towards working for the company<sup>139</sup>. In turn, given the discussed theories, employees should be more satisfied, committed, and motivated<sup>140</sup>. To possess a workforce with such attributes is a commercial asset to any organisation<sup>141</sup>.

This dissertation aims to further Vogel's work, to explore whether most businesses, in most scenarios, would find a business case for sustainability. This is drawn from the concept of sustainability creating a stronger, more commercial workforce, which is a key attribute to any company, their business plan, and profit. To achieve this the research will explore the extent to which the employee understanding of sustainability, attitude towards sustainability, and perception of the company's sustainability agenda affect the satisfaction of the workforce. The research will explore the relationship between sustainability and employee job satisfaction looking specifically at the following relationships:

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<sup>137</sup> Ajzen & Cote's work, 2008, p.290

<sup>138</sup> Maslow, 1943, pp.42-45

<sup>139</sup> Dawson, 1970; Greening & Turban, 2000; Jones, 1995

<sup>140</sup> Peterson, 2004

<sup>141</sup> Cooper, 2012



- Understanding of sustainability and attitude towards sustainability<sup>142</sup>
- Attitude towards sustainability and job satisfaction<sup>143</sup>
- Perception of a company sustainability agenda and job satisfaction<sup>144</sup>

The question that this research poses is as follows: “is there a relationship between employee understanding and attitude towards sustainability, their perception of the company’s sustainability agenda, and job satisfaction?”

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<sup>142</sup> Ajzen & Cote’s work, 2008, p.290

<sup>143</sup> Maslow, 1943, pp.42-45

<sup>144</sup> Dawson, 1970; Greening & Turban, 2000; Jones, 1995

### **3. METHODOLOGY**

The adopted methodology and rationale behind the research methods used to answer the research question will be outlined in this chapter. This will be done by reiterating the research questions, the resulting assumptions explained and by providing a detailed account of the research design, data collection and analysis that ensued. This is so the research can be understood in greater depth and be replicated if desired.

#### **3.1 Research Aims & Questions**

After having conducted the literature review the focus of this research paper was refined to explore the relationship between sustainability and employee job satisfaction, as such the Research Question was:

- Is there a relationship between employee understanding and attitude towards sustainability, their perception of the company's sustainability agenda, and job satisfaction?

The following sub-questions being:

- What understanding, attitude and perception do employees hold towards sustainability and the company's sustainability agenda?

- Is there a relationship between employee understanding of sustainability and their attitude towards sustainability?
- Is there a relationship between employee attitude towards sustainability and their job satisfaction?
- Is there a relationship between employee perception of sustainability at their company and their job satisfaction?

The variables in this study included understanding of sustainability, attitude towards sustainability, perception of a company's sustainability agenda, and job satisfaction. The independent variables were understanding of, and attitude towards sustainability, and perception of a company's sustainability agenda. The dependent variable was job satisfaction. The aim of this study was not to explore a causal relationship but to discover whether there is a relationship at all. If a relationship is discovered then the causal nature of that relationship could be further researched, i.e. is it a direct, non-direct, spurious or a combination?<sup>145</sup>

In order to answer these questions the aim of the research was to establish the employee's knowledge of sustainability, their attitude towards sustainability, perception of their company's sustainability agenda, and finally job satisfaction.

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<sup>145</sup> DeVaus, 2001, pp. 43-45

### 3.2 Assumptions & Philosophies

Given that this research study aimed to explore an area, which has not previously been studied, it is explorative in nature. The research aims to gather data in order to reach a greater understanding of the topic; as a consequence, it is adopting an inductive approach<sup>146</sup>. As Gray describes:

[T]hrough induction, the researcher moves towards discovering a binding principle, taking care not to jump to hasty inferences or conclusions on the basis of the data...the inductive approach does not set out to corroborate or falsify a theory. Instead, through a process of gathering data, it attempts to establish patterns, consistencies and meanings.<sup>147</sup>

The Research Question of this study aims to explore a relationship outside of science and natural laws; instead it is exploring human nature and social science. This study is not experimenting hard external facts, instead it is examining subjective phenomena in order to explore and understand human behaviour. The researcher will, therefore, be a part of the research process as a part of the observations<sup>148</sup>. The study will be exploring interpretations of the social world and by the very nature of this type of exploration it will *not* be adopting a Positivist approach. Positivists argue that:

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<sup>146</sup> Devaus, 2001, p.11

<sup>147</sup> Gray, 2004, p.6

<sup>148</sup> Collins & Hussey, 1997, p.48

[F]irst, an ontological assumption, that reality is external and objective; and second, an epistemological assumption, that knowledge is only of significance if it is based on observations with reality.<sup>149</sup>

Given the interpretive nature of the research, this study will assume an idealist paradigm, which considers human interest to be the driver of the research, in order to understand the social phenomena. The purpose of the research is not to make a generalisation but in order to understand the particular case in question. This “approach stresses the subjective aspects of human activity by focussing on the meaning, rather than the measurement, of social phenomena”<sup>150</sup>. Van Maanen also describes:

[T]he aim of most qualitative studies is to produce a more or less coherent representation, carried by word and story...of certain truths or meanings it may contain...qualitative work that is usually most interested in coming to terms with specific instances of social phenomena and how broad principles or theoretical suppositions work out in particular cases.<sup>151</sup>

The epistemological implication of adopting an idealist paradigm means that the constructivist standpoint is proposed. Knowledge is, therefore, not an objective reality independent of human discovery, truth does not equal scientific fact like positivism would espouse. Instead truth and meaning are “created by the subject’s interactions

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<sup>149</sup> Easterby-Smith et al., 1995, p.57

<sup>150</sup> Collins & Hussey, 1997, p.53

<sup>151</sup> Van Maanen, 1998, pp.11-12

with the world. Meaning is *constructed* not discovered”<sup>152</sup>. Another consequence of adopting the Idealist Paradigm is that it is more compatible with an ontological proposal of idealism. This means that reality is subjective, in which meaning is related to human perceptions and constructions:

[W]hat kind of world is there before conscious beings engage with it? Not an intelligible world, many would want to say. Not a world of meaning. It becomes a world of meaning only when meaning-making beings make sense of it.<sup>153</sup>

Given that the research is focussed on social science and exploring human nature, human participants will be involved. As a consequence it is imperative that ethical considerations be incorporated throughout the research process and rigorously followed. Birkbeck’s guidelines meant that all participants were requested to agree and sign a consent form at the beginning of their participation and were clearly told:

- The purpose of the research, the background of the researcher and why they were chosen in the sample
- That they could withdraw from the process at any stage and that they could refuse to answer any question
- Their identities would be kept confidential and anonymous

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<sup>152</sup> Gray, 2004, pp.16-17

<sup>153</sup> Crotty, 1998, p.574

- They can request for a summary of the results and a copy of the dissertation at the end of the research process

These measures were duly adhered to in order to ensure that the rights of the individuals included in the study were respected throughout.

### **3.3 Research Design**

The research strategy in this study was to use a single case study in order to gain a rich and deep understanding of this particular case. There is no attempt of generalisation with this study; “the distinctive need for case studies arises out of the desire to understand complex social phenomena”<sup>154</sup>. At the early exploratory stages of research into a subject area case studies add value to discovering “relevant features, factors, or issues”<sup>155</sup>. The particular company chosen was of interest because of the inclusion of sustainability into the organisation’s business strategy. Sustainability is considered important right at the top of the business with the Founder and CEO driving the agenda. The sustainability agenda is at the beginning stages and not engaged throughout the business with a consistent and extensive communications strategy, however, so the knowledge and attitude towards sustainability was expected to vary throughout the company. The company will be referred to as “The Company” throughout the paper from here on.

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<sup>154</sup> Yin, 2003, p.2

<sup>155</sup> Myers, 2009, p.229

The research design followed Yin's six-step approach<sup>156</sup> in order to strive for greater validity and reliability. Yin proposes this approach because it provides a clear design and plan before any data is collected, in order to increase its rigour and avoid criticism from positivist researchers<sup>157</sup>. "His approach also stresses bringing the concerns of validity and reliability in experimental research design to the design of case study research"<sup>158</sup>. While allowing for processes to continuously overlap the approach suggests to conduct a comprehensive literature review in the first instance, in order to establish the Research Question. The case study was then selected and the methodology, including how the data was to be collected was prepared for. Following from this, the data was then gathered, described, critically analysed, and evaluated. Finally, the findings were written and presented in an easy to understand and interpret manner.

### **3.4 Data Collection & Analysis**

Preliminary research was conducted by discussing the subject area with experts in the field including a member of senior management from The Company. A mixed methods approach was utilised in which both interviews and a survey was conducted to collect the data from the employees. This method, known as triangulation, collects data by using a combination of methods to gather data. By using both methods the strength and

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<sup>156</sup> Yin, 2003

<sup>157</sup> Easterby-Smith, et al. 1995 p.97

<sup>158</sup> Eisenhardt, 1989, p. 534



reliability of the data is heightened<sup>159</sup>. “So not only does the use of multiple methods assist in data triangulation, it helps to balance out any of the potential weaknesses in each data collection method”<sup>160</sup>. The ability to utilise more than one source of evidence is a major strength of the case study research strategy and it is likely to make the conclusion “much more convincing and accurate”<sup>161</sup>. The quantity a survey can reach compliments the richness and depth of the interview, resulting in a strong combination of primary data, “utilizing the strengths of both qualitative and quantitative research”<sup>162</sup>.

Before conducting the interviews and distributing the survey’s pilot tests were used on a sample of 20 for the survey and 5 for the interviews. Pilot tests were a fundamental part of the process, in order to ensure the comprehension of the questions involved<sup>163</sup>.

In order to understand the subjective meaning employees ascribed to sustainability and job satisfaction semi-structured interviews were held. To get a cross sectional representation of the organisation and variation in knowledge the chosen participants were at various hierarchies within the organisation. The participants were purposefully selected to best help understand the research question<sup>164</sup>. For practical reasons the face-to-face interviews were conducted with London employees, in their office, which were pre-arranged to take place in an afternoon. The interview questions were pre-

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<sup>159</sup> Yin, 2009, p.224

<sup>160</sup> Gray, 2004, p.33

<sup>161</sup> Yin, 2009, pp.91-92

<sup>162</sup> Creswell, 2009, p.203

<sup>163</sup> Oppenheim, 1966, pp.47-50

<sup>164</sup> Creswell, 2009, p.178

prepared in order to prevent interviewer bias, thus making the method more replicable and, therefore, more reliable<sup>165</sup>. The questions can be found in Appendix 1.2. At the beginning of each interview the ethical guidelines were clearly outlined, permission to record was gained, and the participant's consent was sought through their signing the consent form found in Appendix 1.1. The interviews were recorded and the duration of the interviews was roughly half an hour.

The survey was conducted among all employees in The Company, apart from contractors and factory workers. As the interviews were conducted in The Company's London office the survey allowed the data collection to reach the international employees and gain a broader outlook. As many employees as possible were included in the sample so to provide a representative sample of the population because "the accuracy of conclusions drawn from a sample depends on whether it has the same characteristics as the population from which it is drawn"<sup>166</sup>. According to a Krejcie and Morgan's table determining sample size, a sample of 291 is adequate to represent a company of 615<sup>167</sup>, which are the relevant figures in this case study.

The concept of job satisfaction was operationalised in order to translate it into more measurable and observable variables<sup>168</sup>. In order to increase the validity, the process of operationalisation was helped by looking at previous surveys researching job

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<sup>165</sup> Gray, 2004, p.248

<sup>166</sup> Easterby-Smith et al, 1995, p. 213

<sup>167</sup> Krejcie & Morgan, 1970, p.2

<sup>168</sup> Easterby-Smith et al, 1995, p.58

satisfaction<sup>169</sup>. The survey included a combination of question types but the majority were based on an ordinal scale, based on opinion and attitudinal scales<sup>170</sup> ensuring an “undecided” (or equivalent) option was included. Other key tips to designing questions were followed such as making the wording easy to read and understand, avoiding multiple questions, and double negative questions<sup>171</sup>. The survey questions can be found in Appendix 2.2. The survey was constructed online and sent to all participants work email accounts through The Company’s IT Department. The accessibility of incorporating as much of the workforce as possible through the method of using their work email accounts renders this a case of “convenience sampling”<sup>172</sup>. In addition to the survey an introductory email explaining the background of the researcher and the purpose of the research was included, which can be found in Appendix 2.1. In order to increase the response rate a reminder was sent to all participants after a week from when the survey was originally sent, and the length of the survey was kept to a minimum. In addition, the applicable guidelines from Oppenheim’s *Questionnaire Design, Interviewing and Attitude Measurement*<sup>173</sup> as well as the guidelines set in *Management Research*<sup>174</sup> were also adopted.

The analysis of the data started with representing the data and then centred on understanding the meaning behind the participants answers so that the deeper and larger meaning could be interpreted. Creswell compares the process to peeling back the

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<sup>169</sup> Creswell, 2009, p.149

<sup>170</sup> Oppenheim, 1996, p.174

<sup>171</sup> Fowler, F.J., 2002, pp.76-103

<sup>172</sup> Easterby-Smith et al., 1995, p.217

<sup>173</sup> Oppenheim, 1996, pp.103-106

<sup>174</sup> Easterby-Smith et al., 1995, p.214

layers of an onion<sup>175</sup>. Analysis of the participants' responses to the questions formed the basis of interpretation, utilising a narrative analysis<sup>176</sup>.

In order to help guide this analysis the method outlined in Saunders et al.<sup>177</sup> was utilised. This methodology firstly outlines the importance of formatting the data in such a way that makes it easier to comprehend<sup>178</sup>. Having done this one can classify the "data into meaningful categories, which may be derived from the data or theoretical framework ... these categories are in effect codes or labels" which are used to group the data<sup>179</sup>. Beyond this point one can use sentences or phrases to "unitise the data" in which one "attaches relevant 'bits' or 'chunks' of the data...to the appropriate category or categories"<sup>180</sup>. Thus, the relationship between categories could be explored "key themes and patterns or relationships" the data was reorganised according to the categories<sup>181</sup>.

Having followed these research methodologies for the data collection and analysis the results from the interviews and survey could be evaluated and the research question answered.

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<sup>175</sup> Creswell, 2009, p. 183

<sup>176</sup> Easterby-Smith et al., 1995, pp.182-183

<sup>177</sup> Saunders et al., 1996

<sup>178</sup> Ibid. p.479

<sup>179</sup> Ibid. pp.479-480

<sup>180</sup> Ibid. p.480

<sup>181</sup> Ibid. p.481

#### 4. ANALYSIS

This chapter describes and discusses the results of the research conducted, in addition to analysing these in line with the theories examined in the literature review. This is to present and understand the answer to the research question “is there a relationship between employee understanding and attitude towards sustainability, their perception of the company’s sustainability agenda, and job satisfaction?” In order to answer this question the following sub-questions were explored:

- What understanding, attitude, and perception do employees hold towards sustainability and the company’s sustainability agenda?
- Is there a relationship between employee understanding of sustainability and their attitudes towards sustainability?
- Is there a relationship between employee attitude towards sustainability and their job satisfaction?
- Is there a relationship between employee perception of sustainability at their company and their job satisfaction?

Following the planned data analysis methodology, the interviews were recorded, transcribed, and themes were highlighted. The survey data was organised in Excel and the appropriate descriptive statistics were conducted. This included calculating the average scores of employee attitude towards sustainability and their job satisfaction, using the results from the ordinal scales of each employee. In order to gain an overall

picture, and to make the survey data more comprehensible, the responses were also colour coded.

Having organised and presented the data in this manner meant the data was grouped in such a way that the meaningful categories were clearly highlighted. There were four categories, which framed the data:

- Understanding of Sustainability
- Attitude towards sustainability
- Perception of the sustainability agenda within The Company
- Job satisfaction

Each of these categories will now be discussed in turn, followed by the analysis of how they relate to one another.

#### **4.1 Understanding of Sustainability**

The initial questions of the survey were designed to get an understanding of the employee's perception of sustainability, what aspects they believed to be included in the term, and which they believed to be the most important (Appendix 2.2).

Very few respondents considered none (3%), or all (5%), of the selection of terms provided to be included in the definition of sustainability. The majority of answers

considered energy efficiency (85%), the environment (86%) and resource efficiency (83%) to be included in the term. Only 28% of respondents believed that profit should be included in the term sustainability. The summary of results can be found in Table 1, in Appendix 3.

The survey results support the interview data in which the questions were similar but open ended without a selection to choose from (Appendix 1.2). The open-ended question of defining sustainability, unsurprisingly, resulted in various definitions, but there was a common theme of efficiency and responsibility. Phrases such as “try not to waste products”, “don’t waste any energy”, and “protecting future resources” were used. Three participants made reference to the long-term business case, using phrases such as “business sense, putting processes and procedures in place”; “cost saving” and “long-term view of the most efficient business methods and on-going business”. A broader societal view, such as CSR and community, were also understood to be a part of sustainability, with a couple describing that sustainability “can apply to society” and “acting responsibly to stakeholders inside and outside the business”.

The survey results indicate that the majority of respondents consider resource efficiency (60%), the environment (55%), and energy efficiency (51%) the most important aspects of sustainability, while only 13% selected profit. The summary of responses can be found in Table 2, Appendix 3.

Three of the interviewees pinpointed “efficiency” as the most important aspect to sustainability. The other responses indicated “responsibility to the environment” and “resources” as the most important.

Drawing from the literature review, and its outline of sustainability, these results indicate a good understanding of efficiency as a part of the sustainability agenda. The measures a business takes to achieve increased efficiency, and a decreased impact on its environment, are very tangible and commonly understood to be a part of sustainability.

Although only one participant included innovative aspects into their definition of sustainability in the interviews, innovation was recognised more strongly in the survey. 73% of respondents included innovation in the term sustainability, and 41% selected it as one of its’ three most important aspects. It is worth noting that The Company is a design business, so innovation is highly relevant to the employees.

The softer side of sustainability; CSR, Employee Engagement, Charity and HR, were recognised to be included in the term sustainability (CSR: 67%; Employee Engagement: 36%; Charity: 21%; HR: 27%) but were generally not determined to be the most important (CSR: 23%; Employee Engagement: 18%; Charity: 3%; HR: 9%). The interview results mirror the survey findings; 3 out of 7 interviews indicated these aspects of sustainability in their definitions.



Roughly a third of people included aspects of risk management; branding and communications in the term sustainability, but very few considered them to be the most important (Branding: 5% & Communications: 15%). Surprisingly this angle of sustainability was not touched on at all during the interviews.

Only 28% of the survey sample included profit in the term sustainability and only 13% of people included profit to be the most important. This signifies that the overall picture of the business case behind sustainability is not widely recognised, this is further supported by only 5% of survey responses selecting all the terms provided in the term sustainability. During the interviews only 1 participant mentioned profit, 2 others did allude to the long-term business case but this was in the context of resources and efficiency.

In conclusion, employees have a good grasp of sustainability, their understanding is limited to certain silos of sustainability, namely energy and resource efficiency, but they understand key aspects of the agenda. The overall picture of how sustainability can contribute to a company's profit and bottom line for the long-term business case is not widely understood, however, with very few participants attributing this commercial aspect to the concept.

## 4.2 Attitude towards Sustainability

There were a number of questions incorporated into the survey to get an understanding of the employee attitude towards sustainability. Questions focussed around where employees placed the value of sustainability, why sustainability might be included into business strategy, and included categorical questions surrounding their opinions. Interview questions also included similar questions but were left open ended and asked participants to explain their answers to get a deeper context and understanding.

78% of survey respondents believed reputation would be positively impacted by sustainability and 77% believed the long-term success of the business could be positively impacted. The environment (60%), energy efficiency (58%) and resource efficiency (55%) were all popular answers once again. With 50% of the respondents selecting profit, the commercial impact sustainability can have on a business is clearly considered by a significant number<sup>182</sup>.

All participants during the interviews answered the corresponding questions positively and believed sustainability to be important. Similarly to the survey, resource efficiency, the environment, and reputation were all explained to be areas in which sustainability could be advantageous as well as a couple recognising the benefit to profit and long-term success.

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<sup>182</sup> The summary of these results can be found in Appendix 3, Table 3

Most of the survey responses signify a positive attitude towards the commercial reasons as to why sustainability might be included in business strategy; including Reputation (82%), Client Attraction (82%) and the Long-term Success of the Company (78%). Other positive aspects to the business case outlined in the literature review are also well recognised in the results including Innovation (64%) as well as Employee Commitment (44%) and Employee Satisfaction (41%)<sup>183</sup>.

The interviews demonstrated that the employee's hold a positive attitude towards sustainability as all participants said that they would invest in sustainability. In addition, the survey resulted in 98% of people said that they would invest in sustainability, and 98% of respondents agreed that they would incorporate sustainability into business strategy. Interview participants highlighted that, with time, sustainability can "create cost savings", "enhance reputation", and "makes good business sense due to government regulations and grants, efficiency and compliance". Again, this attitude was mirrored in the survey with 54% of participants strongly agreeing with the idea that sustainability can contribute to a company's profit and 50% strongly agreeing with it being valuable for a successful business<sup>184</sup>.

Both the interview and survey results indicate an overall positive attitude towards sustainability. The majority of employees recognise the positive impact sustainability can have on The Company's reputation, as well as assisting in client attraction, profit,

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<sup>183</sup> The summary of these results can be found in Appendix 3, Table 4

<sup>184</sup> The summary of these results can be found in Appendix 3, Table 5

and long term business success. This line of thought is similar to a part of the business case outlined in the literature review, other parts such as the effect sustainability has on innovation and employees, also outlined in the business case have been recognised too.

### **4.3 Perception of the Sustainability Agenda within The Company**

During the interview participants were asked whether sustainability was included in The Company's strategy. In order to get a more in-depth understanding of their perception, they were also asked how The Company included sustainability and why. These questions resulted in a mixed response, the general consensus, however, was that there are some good projects being conducted in the manufacturing arm of the business, based internationally. These projects are focussed around achieving enhanced resource and energy efficiency, for example the input of solar panels. This goes some way in explaining the previous results surrounding employee understanding and attitude towards sustainability being more focussed on the energy efficiency aspect of sustainability. The interview responses to The Company's sustainability strategy fell into two main categories, one of which believe sustainability to be important to strategy. These respondents listed certain projects in the manufacturing arm of the business such as solar energy, resource efficiency, and product innovation. The second category of people recognised the work towards sustainability in the manufacturing arm, but not across the business globally. These individuals explained how sustainability was "not apparent in the day to day" and that it is "not executed in the business well". They explained how sustainability is "not built into peoples key performance indicators" and

it is “not considered from a strategic point of view”. That it is “not built into client services so no one owns it, picks up the design and integration of sustainability to build it into case studies”. Reasons as to why there is a lack of integration were considered to be due to “no one focussing on the area”, a “lack of understanding, which department it sits with, whose responsibility it is and a lack of foresight”, and because of the intangible nature of sustainability making it “difficult to figure out how it could contribute”.

The survey results reveal similar perceptions across the business in which the majority believe The Company to include sustainability into their business strategy (79%). Whether The Company holds this to be important or not creates a mixed opinion across the sample, however, with 38% agreeing strongly that they do, 31% agreeing and 21% neither agreeing nor disagreeing<sup>185</sup>.

#### **4.4 Job Satisfaction**

Naturally the interview responses to the questions surrounding job satisfaction were mixed, but the key themes were that employees enjoy their positions and work. A common positive point focussed around The Company’s work environment and the employee relationships, three participants made the simile of it being like a family. The majority of people felt that their workload was too intense and demanding in order to be able to enjoy a good work life balance but overall the participants were generally satisfied in their positions, to varying degrees. The survey results to the job satisfaction

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<sup>185</sup> The summary of these results can be found in Appendix 3, Table 6

questions were again, generally positive, to varying degrees, the summary of which can be found in Table 7, Appendix 3.

#### **4.5 The Relationships between Categories**

As outlined in the literature review the aim of this research was to explore whether there is a relationship between employee understanding, attitude towards sustainability, and perception of sustainability at The Company, with job satisfaction. As a result, the analysis will now explore whether there are any relationships between the discussed categories.

##### **i) Understanding of Sustainability & Attitude towards Sustainability**

As previously outlined, the general understanding of sustainability was well recognised by employees. The business case, however, was less apparent with only 28% of the survey respondents including profit in the term sustainability, and only 13% considering profit to be the most important aspect of sustainability. In general, attitude towards sustainability was, again, positive. The benefits of sustainability were considered to be the impact on reputation, client attraction, long-term business success, and profit.

There are variations amongst the survey results; however, trends do emerge between employee's understanding the business case and their attitudes towards sustainability. Of those who selected all the terms included in sustainability signifying a broad

understanding, including its business case, all agreed with sustainability's contribution to profit. Additionally, those who agreed with the value of sustainability for a successful business, 30% included profit in the definition of sustainability. 38% of those who *strongly* agreed with the value of sustainability for a successful business included profit in the term sustainability. On the other hand, no one included profit in the term sustainability from those who did not agree with sustainability contributing to the value of a successful business. Again, all respondents who selected all terms included in the definition of sustainability agreed with the value of sustainability. The average attitudinal score of the employees who included profit in the term sustainability was 5, a very positive attitude towards sustainability. In contrast, those that did not include profit in the term scored an average of 4, so had a slightly less positive attitude towards sustainability.

All respondents, bar one, if in charge, would include sustainability into business strategy; this one respondent did not include profit in the term sustainability. Similarly, only one respondent would not invest in sustainability and this respondent also excluded profit from the term.

While all interview participants held positive attitudes towards sustainability the variations in the data does support the findings from the survey. The participants that focussed on certain silos of sustainability, such as resource and energy efficiency, could not really pinpoint or envisage how sustainability could contribute to a business commercially. The same participants held the reason for investing in sustainability to be

more philanthropic and focussed on conservation of resources. The three participants who did have a broad understanding of sustainability, however, did recognise the commercial contribution of sustainability quite clearly. For example, one participant's definition of sustainability was the "long term view of the most efficient and on-going business". When the same participant was asked of the potential sustainability may have in contributing to a business commercially the response was "yes. It is commercially wise for long-term profit margins and consistency". In addition, the participant's answer to whether they would invest in sustainability was "Yes. It just makes sense. It holds a broader view, and is more holistic, so one can fix the bottom line and play with margins."

These trends across the data do highlight an emerging correlation; *employees with a broad understanding of sustainability, including profit, tend to have a more positive attitude towards sustainability*. This is in-line with the arguments put forward by Ajzen & Cote's<sup>186</sup>, suggesting that understanding of a subject helps form the attitude towards it: a more positive understanding of the benefits of sustainability is likely to be correlated with positive attitudes.

This pattern may be due to the fact that employees with a more positive attitude towards sustainability also have a greater awareness of how sustainability might bring value and contribute to the business and its bottom line profit. The correlation between these two categories cannot be considered to be a causal relationship, however; and

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<sup>186</sup> Ajzen & Cote, 2008, p.290



gathering further data to determine the validity of other explanations would be an interesting topic for further study. The limited variation in attitudes across the sample has rendered it difficult to draw more from the data. This has highlighted a limitation in this research, which a larger sample would have helped mitigate, to help draw more variation in which to draw comparisons. A second limitation surrounds the definition of sustainability in the survey and the terms respondents were given to select from. In hindsight, it might have been better to determine the respondent's definition of sustainability with an open question, so to get a deeper understanding of their perception.

## **ii) Understanding of Sustainability & Perception of The Company's Sustainability**

### **Agenda**

Exploring a connection between the employee's understanding of sustainability and the perception that they hold towards The Company's sustainability agenda was not a research question or aim of this study. No apparent emerging themes arose from the interviews or the survey, which suggest that this would not be an area of interest to further explore. There was one interesting descriptive statistic, however, from the survey data. Those who agreed sustainability to be important to The Company, 32% included profit into their definition of sustainability. Of those who did not agree that sustainability is important to The Company, only 16% included profit into the definition. The other areas of concern and relevance to this relationship did not lead to any trends, however, suggesting that there is no relationship in this data.

### iii) Attitude towards Sustainability & Perception of The Company's Sustainability

#### Agenda

Again, the relationship between attitude towards sustainability and the perception of The Company's sustainability agenda was not an area that the literature review led to, nor the aim of the research question. There were no trends in the interview data and having analysed the data resulting from the survey, there are no clear relationships between these two categories. There is scope for further research, however, as there does seem to be an emerging trend: *those who believed that sustainability is included and is important to The Company held, on average, a relatively more positive attitude towards sustainability.* The participants who believe The Company includes sustainability into their business strategy scored, on average, 4 in attitude towards sustainability. Those who answered 'no' or 'not sure' to the same questions scored an average of 3, so have a less positive attitude towards sustainability. In addition, those who strongly agreed that The Company considered sustainability to be important also held a very positive attitude towards sustainability, with an average attitudinal score of 5. This is in contrast to those who strongly disagreed with the statement who scored an average of 3, so have a less positive attitude towards sustainability.

Putting these trends together suggests that this could be a topic worth exploring. In order to establish whether there is a relationship between attitude towards sustainability and the perception of a company's sustainability agenda, additional data

would need to be gathered, in which there should be more variation in employee attitude towards sustainability.

#### **iv) Understanding of Sustainability & Job Satisfaction**

There was no expectation for the understanding of sustainability to have a relationship with job satisfaction directly, having analysed the survey results there are no emerging trends between the two either. As previously mentioned it is difficult to fully distinguish the understanding of sustainability between the results, but by pinpointing those with the broadest understanding and those with a commercial sense of sustainability, there is no pattern or relationship with job satisfaction within the survey data. The interview data does portray the relationship in a different light. The three participants who described sustainability in a commercial sense, as an agenda that can contribute to saving cost and the long-term business case, all answered that they were very satisfied in their job. Whereas the participants who did not recognise the commercial aspects of sustainability all answered that they were satisfied in their positions. There are no known theories that would support this relationship, however, and given that this result was not reflected amongst the majority in the survey, there is no reason to suspect a relationship between the understanding of sustainability and job satisfaction.

## **v) Attitude towards sustainability & job satisfaction**

The data from the research suggests that *employees who held a more positive attitude towards the commercial benefits of sustainability were generally more satisfied in their job, compared to those who did not believe in the commercial benefits.*

When distinguishing the attitudes into commercial and non-commercial attitudes there are trends for a variation in job satisfaction. As previously described, while the attitudes of the interview participants were all positive towards sustainability, there was variation in their attitude towards sustainability in a commercial sense. Those who believe that sustainability includes a commercial sense were all *very* satisfied with their position. In contrast to those who did not recognise these commercial benefits who answered that they were just satisfied in their positions. This finding is also reflected in the survey; the employees who considered sustainability to positively impact the profit of the business, only 2% were generally dissatisfied in their job. Of those who excluded profit, however, 10% were dissatisfied. Further to this, when the sample was split between those who believed The Company to include sustainability for the long-term success of the business, 4% were dissatisfied. In contrast, 19% of the sample that excluded the long-term business success, for why The Company included sustainability into their strategy, were dissatisfied with their job.

These results support Maslow's assertion that when someone has a positive attitude towards something they will hold it in higher value. This will, therefore, lead to

increased motivation and enhance the gratification of employee's basic needs, which according to the Gratification Theory will enhance employee's satisfaction<sup>187</sup>.

The limited variation in the results, more specifically the limited number of participants who held negative attitude towards sustainability, is also apparent in this section. Again, gathering further data would help mitigate this. In addition further research would help establish whether the relationship is casual and whether the relationship can be generalised or not.

#### **vi) Perception of The Company's Sustainability Agenda & Job Satisfaction**

Following the literature review the relationship between perception of The Company's sustainability agenda and job satisfaction was anticipated, due to the theories outlined by Dawson<sup>188</sup>, Turban and Greening (Social Identity Theory)<sup>189</sup> and Jones (Instrumental Stakeholder Theory)<sup>190</sup>. This relationship was not found in the interview results but the survey data does further support the suspected correlation: *with a more positive perception of The Company's sustainability agenda employees were more satisfied in their job.*

The relationship between perception of The Company's sustainability agenda and job satisfaction was not apparent in the interview data. The participants who answered that

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<sup>187</sup> Maslow, 1943, pp.42-45

<sup>188</sup> Dawson, 1970

<sup>189</sup> Greening & Turban, 2000

<sup>190</sup> Jones, 1995

they were satisfied in their positions, of which there were four, two did not perceive The Company to include sustainability. The other two participants, however, did consider The Company to include sustainability in the agenda. Of the three participants who answered very satisfied only one recognised sustainability in The Company, which according to the theories would be expected. The other two did not consider sustainability to be included across the business, though, they did recognise that there were projects, in the manufacturing arm of the business, incorporating sustainability.

The data from the survey, however, highlights the correlation in a number of ways. The analysis of the answers to whether sustainability is included in The Company's business strategy or not highlighted variations in job satisfaction. Participants who believed sustainability to be included in The Company's business strategy scored, on average, 4 for their job satisfaction, which is the equivalent to satisfied. In comparison to those who did not believe sustainability to be included in business strategy, whose average job satisfaction score was 3, the equivalent to neither satisfied nor unsatisfied. In addition, 29% of the sample that answered yes to the adoption of sustainability by The Company said that they enjoyed going to work everyday. In contrast to those who said no, or that they were not sure in answer to the same question, only 13% said that they enjoyed coming to work everyday. 90% of those who look forward to coming to work everyday agreed that sustainability was included into The Company's business strategy. The respondents' answers to the question of "are you generally satisfied with your job?" also varied according to their perception of The Company's business strategy. The table (Table 1) below summarises the responses, but the most interesting statistic is that 50%

of those who do not believe sustainability to be included answered dissatisfied, whereas only 4% answered dissatisfied from the sample who agreed sustainability to be included.

**Table 1: Comparison of employee “general” job satisfaction with their varied perception of The Company’s sustainability agenda**

<b>Is sustainability included in The Company’s business strategy?</b>	<b>Generally very satisfied in their job</b>	<b>Generally satisfied in their job</b>	<b>Generally neither satisfied nor dissatisfied in their job</b>	<b>Generally dissatisfied in their job</b>	<b>Would rather not answer the question</b>
<b>Yes</b>	29%	44%	14%	4%	1%
<b>Not sure</b>	18%	36%	27%	0%	18%
<b>No</b>	25%	25%	0%	50%	0%

Breaking these down further in the table below (Table 2) highlights the correlation again; the percentage of satisfied employees decreases with a more negative perception of The Company’s sustainability business strategy.

**Table 2: Comparison of summarised employee “general” job satisfaction with their varied perception of The Company’s sustainability agenda**

<b>Is sustainability included in The Company’s business strategy?</b>	<b>Generally very satisfied and satisfied in their job</b>	<b>Generally neither satisfied nor dissatisfied, or dissatisfied in their job</b>
<b>Yes</b>	73%	18%
<b>Not sure</b>	54%	27%
<b>No</b>	50%	50%

Turning this around by comparing the sample, which was very satisfied and satisfied in their position, 86% agreed that sustainability was included in business strategy, while

only 4% disagreed. On the other hand those who were neither satisfied nor dissatisfied, and dissatisfied, only 68% agreed that sustainability was included in business strategy while 13% disagreed.

Adding to the support of this correlation, the varied response in how important sustainability is to The Company also saw a variation in job satisfaction. The participants were grouped into 2 categories; those who agree sustainability to be important and those who neither disagreed nor disagreed, and disagreed. The average job satisfaction scores resulted in a variation from good (4) for those who agreed, and neither good nor bad (3) for those who disagreed. In addition, 76% of those who agreed said they looked forward to going to work most or everyday, in contrast to only 60% from the group who disagreed. On average, those who look forward to going to work everyday agreed with sustainability being important to The Company, whereas those who answered some days, neither agreed nor disagreed with its importance. Again, comparing the results between these two groups highlights a variation in the employee's general job satisfaction. As the table (Table 3) below highlights there is a vast difference in general job satisfaction between those that believe sustainability is important to The Company and those that don't.



**Table 3: Comparison of employee "general" job satisfaction with their varied perception of the importance of sustainability in The Company**

<b>"Sustainability is important to The Company's"</b>	<b>Generally very satisfied in their job</b>	<b>Generally satisfied in their job</b>	<b>Generally neither satisfied nor dissatisfied in their job</b>	<b>Generally dissatisfied in their job</b>	<b>Would rather not answer the question</b>
<b>Strongly agree / agree</b>	39%	41%	9%	5%	2%
<b>Neither agree not disagree / disagree / strongly disagree</b>	8%	43%	26%	9%	9%

By summarising the results again into the table (Table 4) below the correlation is further demonstrated by the contrast in percentages.

**Table 4: Comparison of summarised employee "general" job satisfaction with their varied perception of the importance of sustainability in The Company**

<b>"Sustainability is important to The Company's"</b>	<b>Generally very satisfied and satisfied in their job</b>	<b>Generally neither satisfied nor dissatisfied, or dissatisfied in their job</b>
<b>Strongly agree / agree</b>	80%	14%
<b>Neither agree not disagree / disagree / strongly disagree</b>	51%	35%

On the same note, employees who answered that they are either very satisfied or satisfied in their position, on average, agreed with sustainability being important to The Company. In contrast those who answered that they were neither satisfied nor dissatisfied or dissatisfied, on average, neither agreed nor disagreed that sustainability was important to The Company.

In conclusion data gathered from the survey supports what was outlined in the literature review, in that there is a relationship between employee perception of sustainability and their job satisfaction. The correlation from the data suggests that *with a more positive perception of The Company's sustainability agenda the employee has increased job satisfaction*. This can be explained by the psychological impact that sustainability has on employees, as proposed by Dawson<sup>191</sup>, Turban and Greening (Social Identity Theory)<sup>192</sup> and Jones (Instrumental Stakeholder Theory)<sup>193</sup>. Again, there are other possible explanations to the relationship that have not been eliminated in this research, and this pattern cannot be generalised, as such further research into this subject would be worthwhile.

#### **vii) Holistic Conclusion of the Interaction of all Three Categories**

This data analysis has answered the Research Question by establishing the employee understanding and attitude towards sustainability, their perception of The Company's sustainability agenda and employee job satisfaction. Also by establishing the following three correlations:

- Employees with a broad understanding of sustainability, including profit, tend to have a more positive attitude towards sustainability.

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<sup>191</sup> Dawson, 1970

<sup>192</sup> Greening & Turban, 2000

<sup>193</sup> Jones, 1995

- Employees who hold a more positive attitude towards the commercial benefits of sustainability are generally more satisfied in their job.
- Employees with a more positive perception of The Company’s sustainability agenda are generally more satisfied in their job.

There are also trends that suggest value in further exploring the following pattern:

- Employees who hold a more positive attitude towards sustainability have an enhanced perception of The Company’s sustainability agenda

The summary of these patterns can be found in Table 5, below.

**Table 5: Summary of the patterns between the 4 categories**

<b>Category</b>	<b>Understanding of sustainability</b>	<b>Attitude towards sustainability</b>	<b>Perception of The Company’s sustainability agenda</b>	<b>Job satisfaction</b>
<b>Understanding of sustainability</b>	X	Relationship	No relationship or trends	No relationship or trends
<b>Attitude towards sustainability</b>	X	X	Trends	Relationship
<b>Perception of The Company’s sustainability agenda</b>	X	X	X	Relationship
<b>Job satisfaction</b>	X	X	X	X

Based on the data and the resulting correlations, at a holistic level one can infer that there is a relationship between sustainability and job satisfaction, as of the following correlations:

- With increased understanding of sustainability, employees hold a more positive attitude towards sustainability
- Given the relationship between attitude towards sustainability and job satisfaction, this increased attitude towards sustainability leads to an increase in employee job satisfaction
- Adding to the effects on job satisfaction the perception of the sustainability agenda has also been shown to enhance job satisfaction

Without further research eliminating other explanations these relationships cannot be understood as causal and they cannot be generalised, so this would be a valuable topic for additional enquiry. Another interesting area to explore further could be the relationship between attitude towards sustainability and the perception of the agenda, as this would tie another link between sustainability and job satisfaction.

## 5. CONCLUSION

To conclude this paper the research findings will be summarised in conjunction with the literature review. The limitations of the research and areas of possible interest to research in more depth will also be suggested.

After completing the literature review, an opportunity to add to the research was apparent in Vogel's work from *The Market for Virtue: The Potential and Limits of Corporate Social Responsibility*<sup>194</sup>. This opportunity rested in contributing to the literature surrounding the business case for sustainability. With increased job satisfaction businesses enjoy a positive impact on their bottom line, subsequently, there is an additional driver behind the business case of sustainability. Three areas of research lead to the relationship between sustainability and job satisfaction. These relationships were between the understanding and attitude towards sustainability, attitude towards sustainability and job satisfaction, and perception of a company's sustainability agenda and job satisfaction. The two former relationships had not been explored in the context of sustainability beforehand. The aim of this research was, therefore, to explore whether "there is a relationship between employee understanding and attitude towards sustainability, their perception of the company's sustainability agenda, and job satisfaction?"

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<sup>194</sup> Vogel, 2005

Given the explorative nature of this research question a single case study was conducted, in order to get as rich an understanding as possible, both interviews and surveys were conducted. It was not the intention of this study to generalise from the results but to understand this particular case in-depth to add to the current literature and to help the direction of future research.

The results and analysis of the data gathered from this case suggest that, at The Company, there is another worthwhile driver behind incorporating sustainability beyond the two reasons that Vogel suggests - in order to heighten job satisfaction. The relationships established from the data suggest that the employee's understanding and attitude towards sustainability, and the perception of The Company agenda, all effect job satisfaction. This can be explained by the correlations between the variables. With increased understanding of sustainability, the employee's positive attitude towards sustainability is enhanced. Following from this, employees with a more positive attitude towards sustainability enjoy an increased sense of job satisfaction. Confirming previous research, a positive perception of The Company's sustainability agenda was also found to positively impact job satisfaction.

As described in the analysis there were two main limitations to the study. One limitation was found in the survey, as it provided terms for the respondents to select from to define sustainability. This gave participants cues and meant that the variation in their definitions were not as varied as the answers would have been with an open question, like in the interviews. If repeating the study, the suggestion would be to accept the

addition to length of time to complete the survey and to ask respondents to define the term sustainability in their own words. The second limitation was the limited amount of participants who held a negative attitude towards sustainability meant too small a cohort to gain a more robust and detailed understanding of the relationships between the other variables. For future research perhaps larger samples are necessary, or research needs to be conducted at companies where there is little to no sustainability agenda in place.

The results indicate that there is much more to further explore. The relationship that could add to the topic, and link neatly with the research question and business case for sustainability, is the relationship between employee attitude towards sustainability and their perception of company sustainability agenda. It would also be valuable to research into whether the established relationships are casual, this can be accomplished by excluding alternative explanations to the correlations. In order to be able to generalise that sustainability can contribute to the business case, due to its impact on job satisfaction, further case studies should be conducted. This could be achieved by conducting multiple, typical case studies in order to get a general representation of the results, to establish whether sustainability has an impact on job satisfaction for the majority of businesses.

If these topics of interest are explored in more depth the research will significantly add to the debate surrounding the business case for sustainability. As the research from this dissertation suggests; there is a relationship between sustainability and job satisfaction.

This relationship has multiple facets and positive correlations involving the understanding, attitude and perception of sustainability. Increased job satisfaction positively contributes to any company commercially as it increases commitment, motivation and retention. Further research could establish whether these relationships are casual, if there are any additional relationships and whether these relationships can be generalised. The results of which would have a significant impact on the commercial arguments for sustainability.



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## 7. APPENDICES

### Appendix 1: Interviews

#### 1.1 Interview Consent Form



#### Postgraduate Dissertation Consent Form Department of Management

Please read the following before participating in this research:

- I have read the Information Sheet and have had the details of the study explained to me. My questions have been answered to my satisfaction, and I understand that I may ask further questions at any time.
- I understand I have the right to withdraw from the study at any time and to decline to answer any particular questions.
- I agree to provide information to the researcher(s) on the understanding that my name will not be used without my permission. (The information will be used only for this research and publications arising from this research project.)
- I agree/do not agree to the interview being taped.
- I agree/do not agree to the interview being video-taped.
- I understand that I have the right to ask for the audio/video tape to be turned off at any time during the interview.
- I agree to participate in this study under the conditions set out in the Information Sheet

Signed by:

The researcher: .....

Date: .....

The interviewee: .....

Date: .....

## 1.2 Interview Questions

1. How would you define sustainability?
2. What do you include in the term? Which out of these do you think are the most important?
3. Do you think sustainability is important within business? Why - what are the potential advantages / disadvantages?
4. Do you think sustainability has the potential of contributing to a business commercially?
5. If you were a shareholder would you invest in sustainability? Please briefly explain your answer.
6. How does sustainability sit with your values and what you practice at home?
7. Does The Company include sustainability into their strategy? How do you think they have/haven't? Why do you think they have/haven't?
8. Do your responsibilities in your position challenge you? Do you enjoy using the skill sets required of you? What key skills don't you use in your day-to-day?
9. Tell me more about the work environment at The Company? Facilities, interactions with others (team and manager) culture, feelings?
10. Do you feel valued by The Company and that your work gets recognised? Please explain your answer.
11. Do you have a reasonable workload and work-life balance? Do you feel appropriately supported to manage it by the team at The Company?
12. Are you happy with the level of communication and transparency that The Company operates? Do you feel like you can communicate internally too?
13. How often do you look forward to coming to work?
14. What is most satisfying about your job? Generally speaking how satisfied are you with your job? (Very Satisfied | Satisfied | Neither Satisfied or Dissatisfied | Dissatisfied | Very Dissatisfied | Rather not say) - Why?

## **Appendix 2: Survey**

### **2.1 Introductory email**

Hi Team,

We have agreed to assist a person from the University of London in completing a questionnaire on "Sustainability". Mary is currently completing a Postgraduate Masters Degree in Corporate Governance and Business and Ethics.

As part of this degree she is conducting a dissertation exploring the effects of sustainability, please help her by completing this survey.

Some key things to establish are:

- Participation is voluntary and you may withdraw at any point.
- The survey is independent from The Company.
- All responses will remain completely anonymous and confidential.
- It should not take long; I have timed it to take roughly 5 minutes.

The completed dissertation will be available at The Company when completed, any questions please feel free to email.

Many thanks,

## 2.2 Survey Questions

**1. Which office are you based in?**

South Africa | London | New York | Brazil | Singapore

**2. What is your job title?**

**3. Which, out of the selection below do you consider to be included in the term sustainability:**

Branding | Charity | Communications | Corporate Social Responsibility | Employee Engagement | Energy Efficiency | Environment | Human Resources | Innovation | Profit | Resource Efficiency | None of these

**4. Which, if any, from the list above, do you think are the three most important?**

**5. What areas of the business might sustainability policies positively impact?**

Charity | Communications | Employee Engagement | Energy Efficiency | Environment | Human Resources | Innovation | Long term success | Profit | Reputation | Resource Efficiency | None of these

**6. Is sustainability included in The Company's business strategy?**

Yes | No | Not Sure

**7. "Sustainability is important to The Company".**

Strongly Agree | Agree | Neither Agree or Disagree | Disagree | Strongly Disagree

**8. For what reasons might The Company include sustainability into their business strategy?**

Client Attraction | Employee Commitment | Employee Satisfaction | Energy Efficiency | Ethically Right | Long term success | Regulations | Health & Safety | Innovation | Reputation | Risk Management | None of these

**9. "Sustainability contributes to a companies profit"**

Strongly Agree | Agree | Neither Agree or Disagree | Disagree | Strongly Disagree

**10. "Sustainability is valuable for a successful business"**

Strongly Agree | Agree | Neither Agree or Disagree | Disagree | Strongly Disagree

**11. If you were in charge would you incorporate sustainability into business strategy?**

Yes | No | Rather Not Say

**12. If you were in charge would you invest in sustainability?**

Yes | No | Rather Not Say

**13. How does sustainability align with your values and what you practice at home?**

Very Well | Well | Not Well | Not all well | Rather not say

**14. In your job are you challenged by your responsibilities?**

Yes, a lot | Yes | No | No, not at all | Rather not say

**15. Roughly how many of your professional skills and abilities do you feel like you use on a daily basis at work?**

0% | 25% | 50% | 75% | 100% | Rather not say

**16. How well does your job align with you passions and interests?**

Very Well | Well | Not Well | Not all well | Rather not say

**17. How is your relationship with your manager and team?**

Excellent | Good | OK | Bad | Very Bad | Rather not say

**18. How well does your work get recognised?**

Very Well | Well | Not Well | Not all well | Rather not say

**19. How reasonable is your work-life balance?**

Excellent | Good | OK | Bad | Very Bad | Rather not say

**20. Do you feel well supported by The Company?**

Very Well | Well | Not Well | Not all well | Rather not say

**21. What is The Company's work environment like?**

Excellent | Good | OK | Bad | Very Bad | Rather not say

**22. Are you well communicated to from within the business?**

Very Well | Well | Not Well | Not all well | Rather not say

**23. Do you feel secure in your position?**

Yes, a lot | Yes | No | No, not at all | Rather not say

**24. How often do you look forward to coming to work?**

Everyday | Most Days | Some days | Few days | Never | Rather not say

**25. Are you generally satisfied with your job?**

Very Satisfied | Satisfied | Neither Satisfied or Dissatisfied | Dissatisfied | Very Dissatisfied | Rather not say

### Appendix 3: Survey Results

**Table 1: Survey responses to the question; “Which, out of the selection below do you consider to be included in the term sustainability?”**

<b>Term</b>	<b>Response %</b>
Branding	30%
Communications	27%
Corporate Social Responsibility	67%
Employee Engagement	36%
Energy Efficiency	85%
Charity	21%
Human Resources	27%
Profit	28%
Environment	86%
Resource Efficiency	83%
Innovation	73%
None of these	3%
Selected all the terms	5%
Left Blank	3%

**Table 2: Survey responses to the question; “Which, if any, from the list below, do you think are the three most important?”**

<b>Term</b>	<b>Response %</b>
Branding	5%
Communications	15%
Corporate Social Responsibility	23%
Employee Engagement	18%
Energy Efficiency	51%
Charity	3%
Human Resources	9%
Profit	13%
Environment	55%
Resource Efficiency	60%
Innovation	41%
None of these	0%
Left Blank	3%



**Table 3: Survey responses to the question; “What areas of the business might sustainability policies positively impact?”**

<b>Term</b>	<b>Response %</b>
Reputation	78%
Communications	22%
Long term success	77%
Employee Engagement	32%
Energy Efficiency	58%
Charity	12%
Human Resources	18%
Profit	50%
Environment	60%
Resource Efficiency	55%
Innovation	50%
None of these	1%
Selected all the terms	6%
Left Blank	1%

**Table 4: Survey responses to the question; “For what reasons might The Company include sustainability into their business strategy?”**

<b>Term</b>	<b>Response %</b>
Reputation	82%
Client Attraction	82%
Employee Commitment	44%
Employee Satisfaction	41%
Energy Efficiency	67%
Ethically Right	73%
Long term success	78%
Regulations	46%
Health and Safety	49%
Risk Management	36%
Innovation	64%
None of these	0%
Selected all the terms	0%
Left Blank	14%

**Table 5: Summary of Survey responses to questions surrounding employee attitude to sustainability:**

Question	Answer	Response %
Sustainability can contribute to a company's profit	Strongly Agree	54%
	Agree	27%
	Neither agree nor disagree	15%
	Disagree	3%
	Strongly Disagree	1%
Sustainability is valuable for a successful business	Strongly Agree	50%
	Agree	38%
	Neither agree nor disagree	8%
	Disagree	3%
	Strongly Disagree	2%
If you were in charge would you incorporate sustainability into business strategy?	Yes	99%
	No	0%
	Rather not say	2%
If you were in charge would you invest in sustainability?	Yes	98%
	No	2%
	Rather not say	0%
How does sustainability align with your values and what you practice at home?	Very Well	37%
	Well	35%
	Neither well or not well	23%
	Not well	4%
	Not at all well	0%

**Table 6: Summary of Survey responses to questions surrounding employee perceptions of The Company's sustainability agenda:**

Question	Answer	Response %
Is sustainability included in The Company's business strategy	Yes	79%
	No	5%
	Not sure	14%
	Left Blank	1%
Sustainability is important to The Company	Strongly Agree	38%
	Agree	31%
	Neither agree nor disagree	21%
	Disagree	8%
	Strongly Disagree	3%

**Table 7: Summary of Survey responses to questions surrounding employee job satisfaction:**

<b>Question</b>	<b>Answer</b>	<b>Response %</b>
In your job are you challenged by your responsibilities?	Yes, a lot	36%
	Yes	36%
	Yes and no	18%
	No	8%
	No, not at all	1%
	Left blank	1%
Roughly how many of your total professional skills and abilities do you feel like you use on a daily basis at work?	100%	19%
	75%	49%
	50%	22%
	25%	8%
	0%	3%
How well does your job align with you passions and interests?	Yes, a lot	31%
	Yes	28%
	Yes and no	33%
	Not well	4%
	Not at all well	1%
	Left blank	1%
How is your relationship with your manager and team?	Excellent	63%
	Good	24%
	Ok	12%
	Bad	1%
	Very bad	0%
How well does your work get recognised?	Very Well	28%
	Well	41%
	Neither well or not well	18%
	Not well	8%
	Not at all well	4%
	Left blank	1%
How reasonable is your work-life balance?	Excellent	14%
	Good	27%
	Ok	47%
	Bad	8%
	Very bad	3%
	Left blank	1%
Do you feel well supported by The Company?	Very much so	40%
	Yes	28%
	Yes and no	23%
	No	8%
	Not at all	1%

What is The Company's work environment like?	Excellent	44%
	Good	37%
	Ok	14%
	Bad	1%
	Very bad	1%
	Left blank	3%
Are you well communicated to from within the business?	Very Well	26%
	Well	38%
	Neither well or not well	27%
	Not well	8%
	Not at all well	1%
Do you feel secure in your position?	Yes, a lot	33%
	Yes	36%
	Yes and no	23%
	Not well	4%
	No, not at all	3%
	Left blank	3%
How often do you look forward to coming to work?	Everyday	27%
	Most days	44%
	Some days	19%
	Few days	1%
	Never	1%
	Rather not say	5%
	Left blank	3%
Are you generally satisfied with your job?	Very satisfied	29%
	Satisfied	42%
	Neither satisfied or dissatisfied	15%
	Dissatisfied	6%
	Very dissatisfied	0%
	Rather not say	3%
	Left blank	2%