Skills for a Sustainable Economy
The Business Perspective

Research conducted for
Business in the Community/EDF Energy

FINAL 17 June 2010
Summary
Summary

Key Findings

Developing the skills needed for a sustainable economy is already recognised as a critical business issue, at least among the audience for this research (those in companies more engaged in business action on climate change and responsible business practice).

Almost all of our sample (99%) recognise that developing the skills that will be needed for a sustainable economy is important to the future success of the UK economy.

Seven in ten (70%) agree that the gap in skills for a sustainable economy will become one of the most pressing challenges facing UK businesses in the next 5 years.

All of the eight skills we proposed in the survey are likely to be seen as important – while there are clear distinctions made on which skills are most important for different roles.

For senior managers/Board directors, the ability to inspire change in a range of people, and consistently work towards a longer term vision are seen as most important.

For middle managers/function heads, it is sufficient knowledge about sustainability to translate it into successful business strategies, and effective and persuasive communication using clear and accessible language.

For customer-facing staff, by far the most important skills is seen as effective and persuasive communication using clear and accessible language.

There is a perception that not much is yet being done on the issue across business in general. Only 15% think that developing the skills needed for a sustainable economy is well-established or partly established in UK businesses in general.

Nevertheless, there are claims that more is being done in respondents' own businesses, with around half (48%) saying that developing these skills is well-established or partly established in their own organisation.

Around half (45%) say their organisation is engaging with the future workforce on skills for a sustainable economy (31% with schools and 36% with higher education institutions).

There is a high level of demand for more action on the issue, particularly from the Government and businesses themselves, but also from third parties.

Nine in ten (92%) agree that businesses need to do more to prepare their people for the transition to a sustainable economy.

Over nine in ten say more needs to be done to develop skills across each of the three business roles tested: senior managers/Board directors (95%), middle managers/function heads (95%) and customer-facing staff (93%).

And there are signs that engaged businesses are already responding to this call to action – 93% say that their own business is likely to do more to incorporate sustainability skills into its business strategy in the next 5 years.

In particular, two-thirds (64%) are planning to do more with suppliers or business partners on skills for a sustainable economy in the next 5 years.
Recommendations

This research highlights several key success factors for companies looking to launch programmes developing the skills that will be needed for a sustainable economy, both in their existing workforce and beyond.

– At the outset, articulate the business benefits of the programmes and the opportunities for your long term business success through the change to a sustainable economy

– The relevance of the skills programmes is crucial, both to your strategic business objectives and to individuals’ career goals, as is enthusiasm from the top of the company

– The aim should be to embed sustainability thinking in the way different people across the business do their jobs – common provision is general awareness raising and leadership development, as well as tailored programmes targeted to specific business functions

– The fundamentals seem to be providing inspiration, demystifying the issue and rooting programmes in the skills applicable to people’s day-to-day jobs

– Keep momentum by setting targets for the programme as a whole, having periodic check backs with key participants and linking to ongoing support networks. Gain feedback and measure the impacts on participants and the business to further build the business case

There are also recommendations on the sorts of support and resources which should be developed to help more businesses act on this agenda.

– Best practice examples showcasing the success stories and demonstrating the potential impact on the business

– Toolkits, ‘how-to’ guides and ‘train the trainer’ resources to provide practical support to businesses starting out on skills development programmes. Particular areas of focus could include:
  - Champions networks, mentoring and employee engagement programmes
  - Collaborative action with suppliers, with wider businesses and with external bodies such as government agencies, third sector organisations, professional bodies, universities and specialist consultants
  - Function-specific skills development, for those in roles such as marketing/communications, finance, product design, HR, procurement, engineering and logistics/fleet
  - Tools and approaches to measure the impact of programmes on the business

– A vision of what a sustainable future looks like for different industry sectors, and identification of the professions and industries where skills development would make a substantial contribution to a sustainable economy

There are also wider implications for other parties outside business.

– There is a demand for more government involvement, in influencing businesses to act, putting better support in place and prioritising skills development for the future workforce in schools and higher education.

– There is also a clear role for input from trade bodies, professional associations and business advisers to advance the agenda of skills for a sustainable economy.
Introduction
Introduction

Background and Objectives

This research feeds into the inquiry into the leadership skills required for a low carbon economy, led by Vincent de Rivaz, Chief Executive of EDF Energy and HRH The Prince of Wales’s National Ambassador for 2009, in association with Business in the Community.

The aim of this research is to gain a thorough insight into the views of people in business about the current state of play regarding skills for a sustainable economy within business.

- The research investigates perceptions of the leadership skills required for a sustainable economy and the gaps that currently exist between the skills required and the skills currently available within organisations, to identify the priorities for further development.
- Within this, there is a particular focus on the skills requirements of those with different roles within the existing workforce (specifically leadership, middle management and customer-facing employees), as well as future talent.
- In addition, the research explores some examples of programmes already in place in some leading companies across a range of industry sectors and the lessons they have learnt, covering both in-house and external solutions.
- This is with the ultimate aim of identifying programmes which could perhaps be rolled out more widely and help inform the development of some transferable solutions that other businesses could learn from.

Methodology

An online quantitative survey was conducted among member companies of HRH The Prince of Wales's Mayday Network on Climate Change, and also member companies of Business in the Community.

- The survey was dispatched to 4,454 business contacts.
- The main environment/sustainability/responsibility contacts and also Board-level contacts were invited to participate in the survey.
- Overall we received 704 completed responses, representing a 16% response rate.
- Fieldwork was conducted between 1 and 28 March 2010.

In parallel, qualitative depth interviews were conducted with companies which have already developed (or are planning) programmes to develop skills needed for a sustainable economy.

- 12 telephone depth interviews lasting around 30-minutes have been conducted to date.
- The contact(s) best placed to talk about the programmes were interviewed in each case, usually environment/sustainability/responsibility or HR contacts.
- Fieldwork was conducted between 18 March and 29 April 2010.
Who did we talk to? The online survey sample

To some extent, this research was conducted among an audience that we would expect to be at the leading edge of business action on sustainability issues. The companies we invited to participate in the online survey are all engaged in climate change action or responsible business practice more widely, since they are all HRH The Prince of Wales’s Mayday Network and/or Business in the Community member companies. The views highlighted in these findings cannot therefore be said to be representative of a wider business audience.

Having said that, the sample we achieved in the online survey is a broad mix of business people from these more engaged companies. Some (but by no means all) are specialists in corporate responsibility, sustainability or environment (38% say more than half of their job is concerned with these issues). There is also a mix of seniority: one in five (22%) of our sample are Board Directors; around a third (31%) are middle management, being heads of function or non-Board directors; with the remaining half of the sample at other levels.

We also have a mix in terms of company size: around a quarter (23%) are from smaller companies with 1-99 employees; a similar proportion (24%) are from organisations at the other end of the scale, with 5,000+ employees; and the rest are in between. A broad range of industry sectors are also represented.

Who did we talk to? The depth interview participants

The participants in the ten interviews were:

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Organisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Andy Wood</td>
<td>CEO</td>
<td>Adnams</td>
</tr>
<tr>
<td>Richard Ellis</td>
<td>CSR Director</td>
<td>Alliance Boots</td>
</tr>
<tr>
<td>Lucy Carver</td>
<td>Director of The Bigger Picture</td>
<td>BSkyB</td>
</tr>
<tr>
<td>Susan Morgan and Emma Williams</td>
<td>formerly Sustainability Manager</td>
<td>BT</td>
</tr>
<tr>
<td>Michael Sharpe</td>
<td>Corporate Responsibility Team Leader</td>
<td>Legal &amp; General</td>
</tr>
<tr>
<td>Sarah Johnson</td>
<td>formerly Head of Talent and Executive Development</td>
<td>EDF Energy</td>
</tr>
<tr>
<td>Steve Bushnell</td>
<td>Environmental Affairs Manager</td>
<td>IBM</td>
</tr>
<tr>
<td>David Mummery</td>
<td>Head of Sustainability</td>
<td>Lloyds Banking Group</td>
</tr>
<tr>
<td>Paul Turner</td>
<td>Head of Sustainable Development</td>
<td>Marks &amp; Spencer</td>
</tr>
<tr>
<td>Mike Barry</td>
<td>Head of Sustainable Business</td>
<td>Northumbrian Water</td>
</tr>
<tr>
<td>Lorraine Coulson</td>
<td>Corporate Responsibility Team Leader</td>
<td>TUI Travel</td>
</tr>
<tr>
<td>Jane Ashton</td>
<td>Head of Sustainable Development</td>
<td>WSP Group</td>
</tr>
<tr>
<td>Stuart McLachlan</td>
<td>Managing Director, Global Operations</td>
<td></td>
</tr>
</tbody>
</table>

Where respondents gave permission for us to do so, we have attributed their comments in this report.
Setting the context: Definitions used in the research

In order to define our terms of reference for the research and encourage respondents to interpret the context of our questions in a similar way, we provided definitions for respondents at the start of the online survey, as follows. (Depth interview respondents were also read a summary version of these definitions).

In this survey, we will be asking questions about ‘sustainability’, a ‘sustainable economy’ and ‘sustainable business’ – here we refer to the transition to an economy in which all people are able to realise their potential and improve their quality of life in ways which simultaneously protect and enhance the Earth’s life support systems.

In this context, a ‘sustainable business’ is one which supports and thrives in a sustainable economy through adapting the goods and services that it offers, and the way in which it operates.

With the threat of climate change, we are particularly focused on the need for business to minimise greenhouse gas emissions in the production of energy and materials, use them efficiently, and efficiently dispose of or recycle wastes.

After initial questions on sustainability issues in general, we also provided a definition related to the skills issue, as follows.

In this survey we would like to ask about the skills business people will need for the transition to a sustainable economy. We would like to focus on common skills applicable to business people across all levels and functions in an organisation – we are less concerned with technical skills applicable to specialist functions, professions or industry sectors.

Depth interview respondents were asked to consider both common skills applicable to business people across all levels and functions in an organisation as well as technical skills applicable to specialist functions, professions or industry sectors.
Research Findings
The importance of change

Change to a sustainable economy

The vast majority of these business people from engaged organisations accept the need for change to a sustainable economy, and are aware of the critical role of business within that change. Some 85% agree that the UK will experience fundamental change over the next ten years in the transition towards a sustainable economy. Furthermore, nine in ten (94%) agree that businesses will have to take a leading role if we are to build a sustainable economy, with two-thirds (66%) giving the top rating, ‘agree strongly’.

However, there is less consensus on whether this imperative is recognised across business in general. While half (52%) agree that business people in general appreciate the need to prepare their business for a sustainable economy, around a third (32%) disagree with this statement.

The importance of change to a sustainable economy

Q How far would you agree or disagree with each of the following statements?

<table>
<thead>
<tr>
<th>Statement</th>
<th>% Agree</th>
<th>% Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Businesses will have to take a leading role if we are to build a sustainable economy</td>
<td>94</td>
<td>3</td>
</tr>
<tr>
<td>The UK will experience a fundamental change over the next 10 years in the transition towards a sustainable economy</td>
<td>85</td>
<td>7</td>
</tr>
<tr>
<td>Business people in general appreciate the need to prepare their business for a sustainable economy</td>
<td>52</td>
<td>32</td>
</tr>
</tbody>
</table>

Base: 704 business people, 1-28 March 2010

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The role of skills in the change to a sustainable economy

Within the wider challenge of change to a sustainable economy, the importance of the skills issue is widely appreciated. Almost all of our sample (99%) recognise that developing the skills that will be needed for a sustainable economy is important to the future success of the UK economy, with three-quarters (76%) giving the top rating and saying it is very important.

Worryingly, Board-level respondents are somewhat less likely to think developing the skills needed for a sustainable economy is very important (70%, compared to the average of 76%). As with the statements on wider sustainable change discussed above, non-CR specialists are somewhat less likely to appreciate the importance of the skills issue than those with more than half of their role dedicated to sustainability/responsibility/environment (71% of non-specialists think it is very important, compared to 81% of specialists).

Overall, seven in ten (70%) agree that the gap in skills for a sustainable economy will become one of the most pressing challenges facing UK businesses in the next 5 years. Again, non-CR specialists are less likely to agree (65%).

The importance of skills in achieving change

Q Some feel that in order to achieve a sustainable economy, business people in all levels and functions of an organisation will need to have the necessary skills to help the development and implementation of sustainable technologies and sustainable thinking and decision making?

Thinking about the future success of the UK economy, how important (if at all) do you think it is to develop these skills in business people?

Q How far would you agree or disagree with this statement?

The gap in skills for a sustainable economy will become one of the most pressing challenges facing UK businesses over the next five years
Skills needed for a sustainable economy

Business people’s views of the most important skills

The survey tested views of a list of eight skills which might be important for the transition to a sustainable economy, when thinking about common skills applicable to business people across all levels and functions in an organisation. This list was compiled by members of the Leadership Steering Committee, and was expressed in the survey in the following terms:

A. Sufficient knowledge about sustainability to translate it into successful business strategies
B. The ability to innovate in sustainable approaches, technologies, products and services
C. Commercial awareness to identify the risks and opportunities presented by a sustainable economy
D. The ability to inspire change on sustainability in a broad range of people within and outside of the organisation
E. The ability to empower a diverse range of people within the organisation to make sustainable business decisions
F. The ability to work collaboratively with different stakeholders (such as other companies, Government, the third sector and community groups) towards a sustainable economy
G. Effective and persuasive communication on sustainability issues, using clear and accessible language
H. The ability to consistently work towards a longer term vision for how the organisation will contribute to a sustainable economy

Note: the wording has been shortened in some of the charts, and just the words in bold type used as references

Before they had seen this pre-determined list, respondents were asked an unprompted question about which two skills they thought were most important for business people to have in the transition to a sustainable economy. This was to ensure we didn't miss any important skills, and the responses to the unprompted question verified that our prompted list did capture all the main ones, since no substantially different skills were mentioned in the common unprompted answers (at most mentioned by 14% of the sample), which were:

- Environmental awareness (covered under the knowledge theme above)
- Communication (covered under the communication theme)
- Adaptability / flexibility / willingness to change (covered under the innovation/inspire/empower themes)
- Understanding sustainability – in general (covered under the knowledge theme)
- Leadership (covered under the empower and vision themes)
- Understanding specific issues (covered under the knowledge theme)
- Awareness – in general (covered under the knowledge theme)
- Long term outlook / vision (covered under the vision theme)
- Innovation (covered under the innovation theme)
- Knowledge (covered under the knowledge theme)
All of the eight skills we proposed in the survey are likely to be seen as important – at least around eight in ten think each of the skills are crucial or very important for business people in the transition to a sustainable economy. The overall importance ratings for all eight skills are fairly similar. If anything:

- five of the skills are seen as slightly more important (commercial awareness to identify risks and opportunities, effective and persuasive communication, the ability to consistently work towards a longer term vision, the ability to inspire change in a range of people, and sufficient knowledge to translate sustainability into successful business strategies),

- while three skills are seen as relatively less important (the ability to empower a diverse range of people within the organisation, working collaboratively with different stakeholders and the ability to innovate in sustainable approaches, technologies, products and services) – although these three skills are still seen as crucial or very important by the vast majority. Perhaps these three skills are seen as less applicable to all roles and levels within a business.

There are largely similar views across the different types of business people included in the survey. CR specialists (those with more than half of their role dedicated to sustainability/responsibility/environment) are somewhat more likely to think empower and communication are crucial skills compared to non-specialists.

**All skills are seen as important by the majority**

Q Now we would like you to think about a list of skills that might be needed for the transition to a sustainable economy. Of course, these are skills that already exist to some extent, but which may need to be promoted more widely or given more training, or applied differently to a sustainability context. How important (if at all) do you think each of these skills are for business people in the transition to a sustainable economy?

<table>
<thead>
<tr>
<th>Skill</th>
<th>% Crucial</th>
<th>% Very important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial awareness</td>
<td>89%</td>
<td></td>
</tr>
<tr>
<td>Communication</td>
<td>88%</td>
<td></td>
</tr>
<tr>
<td>Vision</td>
<td>88%</td>
<td></td>
</tr>
<tr>
<td>Inspire</td>
<td>87%</td>
<td></td>
</tr>
<tr>
<td>Knowledge</td>
<td>87%</td>
<td></td>
</tr>
<tr>
<td>Empower</td>
<td>84%</td>
<td></td>
</tr>
<tr>
<td>Work collaboratively</td>
<td>82%</td>
<td></td>
</tr>
<tr>
<td>Innovate</td>
<td>79%</td>
<td></td>
</tr>
</tbody>
</table>

Base: 704 business people, 1-28 March 2010

**Different skills are prioritised for different roles**

While overall, the eight skills are seen as broadly similar in importance, there are clear distinctions made on which skills are most important for business people in different roles.

For senior managers and Board directors, not surprisingly skills related to motivating others and setting strategic direction are highlighted as most important. The ability to inspire change in a range of people, and consistently work towards a longer term vision are seen as
Skills for a Sustainable Economy April 2010

most important for this group. Less important skills for senior managers are seen to be the ability to **innovate** in sustainable approaches, technologies, products and services (perhaps seen as the preserve of functional experts); and perhaps surprisingly, **working collaboratively** with different stakeholders is also seen as relatively less important for senior management. Among Board-level respondents themselves, they are more likely to prioritise **commercial awareness** as an important skill for people in their role, compared to the average.

For middle managers and function heads, the most important skills are seen as **sufficient knowledge** about sustainability to translate it into successful business strategies, and effective and persuasive **communication** using clear and accessible language. There are some different emphases here in different industry sectors: those working in manufacturing & mining companies are most likely to prioritise **knowledge** as a skill for middle managers, while those in technology, telecoms & media companies and services & retailing companies are more likely to prioritise **communication** for this group. Overall, a less important skill for middle managers is seen as consistently working towards a longer term **vision** – perhaps seen as the remit of more senior management.

For customer-facing staff, by far the most important skill is seen as effective and persuasive **communication** using clear and accessible language. Interestingly, the next most important skills are less clearly related to customer service, being **working collaboratively** with different stakeholders and **sufficient knowledge** about sustainability to translate it into successful business strategies. Again there are some sector differences: **working collaboratively** is prioritised for customer facing staff among those in construction & property companies, but is seen as less important by those in services & retailing companies. Across the board, less important skills for customer facing staff are seen as the ability to **empower** a diverse range of people within the organisation (perhaps more appropriate for senior leadership) and the ability to **innovate** in sustainable approaches, technologies, products and services (perhaps seen as more appropriate for technical roles).

### Different priorities for those in different roles

Q Thinking about organisations in general, which two or three of these skills do you think are most important for xxxx in the transition to a sustainable economy?

<table>
<thead>
<tr>
<th>Senior managers / Board directors</th>
<th>Middle managers / Function heads</th>
<th>Customer-facing staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inspire</td>
<td>Knowledge</td>
<td>Communication</td>
</tr>
<tr>
<td>Vision</td>
<td>Communication</td>
<td>Work collaboratively</td>
</tr>
<tr>
<td>Commercial awareness</td>
<td>Work collaboratively</td>
<td>Knowledge</td>
</tr>
<tr>
<td>Empower</td>
<td>Commercial awareness</td>
<td>Commercial awareness</td>
</tr>
<tr>
<td>Knowledge</td>
<td>Empower</td>
<td>Inspire</td>
</tr>
<tr>
<td>Communication</td>
<td>Commercial awareness</td>
<td>Vision</td>
</tr>
<tr>
<td>Work collaboratively</td>
<td>Innovate</td>
<td>Inspire</td>
</tr>
<tr>
<td>Innovate</td>
<td>Inspire</td>
<td>Vision</td>
</tr>
</tbody>
</table>

53% 49% 42% 38% 35% 33% 26% 17% 13% 75% 44% 42% 30% 29% 22% 14% 6%

Base: 704 business people, 1-28 March 2010

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Clearly, senior managers have a particularly important role to facilitate skills development across the organisation, ensuring that the business has the requisite skills and that people have opportunities to use those skills. As one of the depth interview participants put it:

“Business leaders don’t have to have an intricate working knowledge of how a power station works, people in the business might be ‘experts’ in that. But at the top, you have to have the right management skills to allow the business to flourish and thrive ... At the top it’s about how you utilise that knowledge from further down the business.”

Richard Ellis, CSR Director, Alliance Boots

Why these skills are important

The companies participating in the depth interviews have made strong commitments to the development of the skills needed for a sustainable economy, and this speaks to the importance of the overall agenda.

“We have set sustainability criteria, we are looking to embed this agenda in product and proposition development. We are serious about it as a business.”

Technology/media/telecoms company

“We’re the first to embark on this training programme in the UK, we have funded its development.”

David Mummery, Head of Sustainability, Legal & General

It is clear that transferable skills from other areas of business will be key to enabling people to embed sustainability in their work.

“It’s the use of skills that are already effective [in other areas] – you don’t have to suddenly invent new skills ... It’s applying what is great in business to the green agenda”

Technology/media/telecoms company

“There are two distinct areas – firstly there will be new skills, new areas, new industries that will come about with the transition to a sustainable economy. But it’s also about how we build skills [into existing roles] – what low carbon skills mean if you’re a call centre manager or a marketing manager, for example. The economy will look profoundly different. It tends to be the new industries that are talked about. But if you look at the Government targets from the Climate Change Committee [and the timescales], it will actually be not the new industries, but energy efficiency which will make the most contribution [in the shorter term]. So it will be doing existing things differently.”

Technology/media/telecoms company

In terms of the specific skills thought to be most important, strong leadership skills are mentioned by several companies. The importance attributed to strong leadership – in different guises – stems from the need for people to drive through change. Vision and innovation or adaptability are highlighted here, as well as the ability to inspire change. Many of the changes that are needed in the transition to a sustainable economy require a shift in working culture and therefore need someone to make sure that not only are the changes implemented, but that employees are also carried along through the change process.
“Change management skills are important. By that I mean the ability to win trust, build a vision for the future, and develop a culture that is comfortable with change”

Andy Wood, CEO, Adnams

A theme through the interviews is making sustainability commercially relevant and highlighting the business benefits. This relates to having sufficient knowledge of the issue to translate it into successful business strategies and also involves commercial awareness in identifying the risks and opportunities presented by a sustainable economy.

“It’s about showing leadership and understanding the link between the change in the economy and the need to develop skills to keep competitive”

Banking/professional services company

There is also a focus on the persuasive power of communication, with leaders using their influence and their softer skills to work collaboratively with others.

“Leadership skills – being brave, having foresight, convening power, influence in convincing people.”

Banking/professional services company

“Influencing skills, building relationships, all the usual soft skills are relevant as it’s about selling the idea and getting buy-in, particularly if getting investment is involved. Also creativity and innovation.”

Services/retailing/utilities company

Wider communication is seen to have a role in engaging people in sustainability issues, starting the conversation and making the area accessible to them.

“It’s about how we communicate ... Unless we do the comms and engagement, we can’t do the rest of the embedding and up-skilling ... [The most important thing to get right is] the engagement piece, giving a clear understanding and need for that skill.”

Technology/media/telecoms company

Some also say that empowering people to apply sustainability knowledge to their own fields is key to success in this area.

“Those that drive lorries are best-placed to come up with ideas on how to make their job more sustainable. Good management is enabling those ideas [to become reality] ...Someone needs to act as a catalyst for this – they can come from CSR, they can come from senior management. It’s about getting [sustainability] embedded – it’s about good management.”

Richard Ellis, CSR Director, Alliance Boots

“We can’t tell them how to produce energy-efficient [products], they’re the experts, but it is about raising skills or awareness. We want to mainstream [sustainability] – it’s not a flash in the pan, this will never go away ... [So it’s about understanding] how the organisation works and where it intersects with the environment. How you can improve is then about improving the skills levels.”

Technology/media/telecoms company
Where business is at

Skills already in evidence in the existing workforce

For all of the eight skills, the majority say these skills are already in evidence among people in their own organisation. This suggests that the skills gap is perhaps not as extreme as might have been feared, but since our respondents are from engaged businesses, we might expect these skills to be less in evidence among UK businesses as a whole (and indeed this pattern is suggested by other findings in the survey where the perception is that awareness and action on sustainability and skills is not widespread among UK businesses as a whole).

The skill most widely in evidence is the ability to work collaboratively with different stakeholders towards a sustainable economy, which 72% think is currently in evidence in their organisation (a great deal or a fair amount). This is followed by effective and persuasive communication on sustainability issues using clear and accessible language, and commercial awareness to identify the risks and opportunities presented by a sustainable economy – around two-thirds think each of these skills is currently in evidence in their organisation. The skill least in evidence is the ability to empower a diverse range of people within the organisation to make sustainable business decisions – although still just over half think this is currently in evidence in their organisation.

In each case there is a gap between the proportion thinking the skill is crucial/very important, and the proportion saying it is currently in evidence in their organisation (a great deal/fair amount). The gap is largest for two skills: the ability to empower a diverse range of people within the organisation to make sustainable business decisions and the ability to consistently work towards a longer term vision for how the organisation will contribute to a sustainable economy.

Skills already in evidence in business to some extent

Q And thinking about the same list of skills, how far (if at all) would you say each of them is currently in evidence among people in your organisation?

<table>
<thead>
<tr>
<th>Skills</th>
<th>% A great deal / fair amount</th>
<th>Gap importance – currently in evidence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work collaboratively</td>
<td>72</td>
<td>-10</td>
</tr>
<tr>
<td>Communication</td>
<td>65</td>
<td>-24</td>
</tr>
<tr>
<td>Commercial awareness</td>
<td>64</td>
<td>-25</td>
</tr>
<tr>
<td>Inspire</td>
<td>62</td>
<td>-25</td>
</tr>
<tr>
<td>Knowledge</td>
<td>61</td>
<td>-26</td>
</tr>
<tr>
<td>Vision</td>
<td>60</td>
<td>-28</td>
</tr>
<tr>
<td>Innovate</td>
<td>60</td>
<td>-19</td>
</tr>
<tr>
<td>Empower</td>
<td>56</td>
<td>-28</td>
</tr>
</tbody>
</table>

Base: 704 business people, 1-28 March 2010
Compared to the average, Board-level respondents are more likely to think several skills are in evidence in their organisations, namely communication, commercial awareness, inspire, knowledge, vision and empower. Those in smaller companies (1-99 employees) are more likely to think four of the skills are in evidence in their organisations: communication, inspire, knowledge and empower; whereas those in larger organisations (5,000+ employees) are more likely to think collaborative working is in evidence in their organisations. There are few significant differences by sector: innovate is a skill more likely to be in evidence in technology, media & telecoms companies, as well as construction & property companies, while those in transport & utilities companies are more likely than average to say that commercial awareness is in evidence in their organisations.

**Extent of business action on skills for a sustainable economy**

There seems to be fairly widespread action on skills for a sustainable economy in the more engaged businesses we included in this research. Around half (48%) say developing these skills is well-established or partly established in their own organisation.

**Skills programmes becoming established in own company**

Q Currently, at what stage do you think your own organisation is / organisations in your sector are in developing the skills needed for a sustainable economy?

A similar proportion (45%) agree that addressing the skills needed for a sustainable economy is currently integrated into their organisation’s strategic priorities (see chart overleaf). In both cases, smaller companies (1-99 employees) are more likely to report that their company is developing skills for a sustainable economy (59% say this is well or partly established in their organisation compared to the 48% average, and 57% agree that it is integrated into their strategic priorities, compared to the 45% average). This could be because the survey is among member companies of the Mayday Network and BITC – smaller companies who are engaged in these forums are perhaps particularly active compared to their non-member peers, and if the survey was conducted among a representative sample of businesses we might expect larger companies with more resources to be more engaged in developing skills for a sustainable economy than smaller companies. (Board-level respondents are also more likely to say their company is active, but this is probably because a higher proportion of Board level respondents are from smaller companies.)
Around a third (35%) say developing skills for a sustainable economy is well-established or partly established in their industry sector (see slide on previous page). Those from professional services companies are most likely to express this opinion, as well as those in public sector, education & health organisations. Those in services & retailing companies are less likely than average to think their sector is active on the skills issue.

**Around half have integrated skills challenge into strategy**

Q How far would you agree or disagree with this statement?
Addressing the skills needed for a sustainable economy is currently integrated into my organisation’s strategic priorities

![Pie chart showing the distribution of responses to the question.]

- Strongly agree: 11%
- Strongly disagree: 6%
- Tend to agree: 34%
- Tend to disagree: 24%
- Neither/nor: 24%
- Don’t know: 6%

Base: 704 business people, 1-28 March 2010

However, across business in general, there is a perception that not much is yet being done on the issue. Only 15% think that developing the skills needed for a sustainable economy is well-established or partly established in UK businesses in general. We would perhaps expect member companies of networks and organisations such as HRH the Prince of Wales’s Mayday Network on Climate Change and Business in the Community to be leading the way on this issue – but the findings could also indicate that companies aren’t yet communicating to their peers the priority they place on the issue and what they are doing about it (since respondents are largely unconvinced that it is being tackled by UK businesses in general).
But action less recognised in businesses more widely

Q  Currently, at what stage do you think UK businesses in general are in developing the skills needed for a sustainable economy?

UK businesses in general

- 40% in the early stages
- 15% partly established
- 16% well established
- 23% being planned, not yet in action
- 6% not something that is being worked on
- 6% don’t know

Not something that is being worked on

Those who rate skills development as well established or partly established in their own companies are most likely to have built the issue into their strategy, be conducting training programmes or have established a dedicated team to work in this area.

Action taken on developing skills for a sustainable economy among the existing workforce

<table>
<thead>
<tr>
<th>% of those where skills is well/partly established</th>
<th>equivalent % based on total sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base: Those who say developing skills for a sustainable economy is well- or partly-established in their organisation</td>
<td>339%</td>
</tr>
<tr>
<td>We have strategies/policies in place / have set targets</td>
<td>25</td>
</tr>
<tr>
<td>Training / education / development of staff – or consultation/ engagement about this</td>
<td>21</td>
</tr>
<tr>
<td>Established a dedicated team / department / have staff with specialist skills</td>
<td>19</td>
</tr>
<tr>
<td>Developed / delivering sustainable/efficient working methods / training products</td>
<td>16</td>
</tr>
<tr>
<td>Have implemented more/better communications / awareness raising</td>
<td>13</td>
</tr>
<tr>
<td>Working together with suppliers / clients / selecting sustainable suppliers</td>
<td>12</td>
</tr>
</tbody>
</table>

Source: Ipsos MORI
What kind of programmes are in place?

Overall, most active companies we talked to in the depth interviews are looking at a range of skills development options delivered across the business, recognising that some employees will need much more in depth training than others, but often with the philosophy that sustainability issues can be relevant to a wide range of employees working across very different roles:

“It’s everything from specialist courses to the day-to-day basics. We go and give department talks. At the other end of the spectrum [from the specialist courses] is the induction training – everyone gets an update on health and safety, and on the environment.”

Technology/media/telecoms company

“All parts of the business will need to be targeted, but targeted in different ways … We need this mix of specific job skills and general awareness – everyone will need skills development, but some will need 1 hour of training whereas others will need 3 days”

Services/retailing/utilities company

While most companies we spoke to want to make clear that they are embedding the necessary skills development into ‘business as usual’, one organisation in particular does not provide separate training for skills needed in a sustainable economy but rather combines the development of those skills with other business skills. By doing this they believe that staff members incorporate behaviours and attitudes that are important for a sustainable economy into their everyday work processes.

“It’s about encouraging people to own the processes they do every day and embed sustainability so that they come up with suggestions of how to make those processes more sustainable.”

Richard Ellis, CSR Director, Alliance Boots

More detailed examples of skills programmes in place or in development are provided in the later sections. As an overview, the programmes focus on the following main areas.

Existing workforce

The depth interview feedback covers examples in the following areas (see section on ‘Laying the foundations’):

- Mass education and awareness raising;
- Employee engagement activities to encourage a group of active ‘champions’;
- Leadership and management skills
- Functional specific programmes (for staff in functions ranging from product development, engineering, waste management, property/facilities and energy management, to procurement)

Future workforce

The depth interview feedback covers examples in the following areas (see section on ‘Supporting the future workforce’):
Incorporating sustainability into schools and higher education volunteering, mentoring and engagement programmes

Encouraging students to consider careers in their industries due to sector-specific skills shortages, using sustainability as a ‘hook’ to engage them in industry issues.

Sponsorship of PHD courses, providing placements and internships for higher education students

Provision of case studies and information to higher education students to help with their studies.

In addition, the online survey responses from companies already active (or planning activities) with schools and higher education institutions focus on the following areas:

<table>
<thead>
<tr>
<th>Action taken or planned on developing skills for a sustainable economy among schools and higher education institutions</th>
<th>% of those active or planning to do more with schools / higher education</th>
<th>equivalent % based on total sample</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Base:</strong> Those in organisations already active or planning to do more with schools / higher education to develop skills for a sustainable economy</td>
<td>(407) %</td>
<td>(704) %</td>
</tr>
<tr>
<td>Collaborative working with educational institutions</td>
<td>48</td>
<td>28</td>
</tr>
<tr>
<td>Reducing carbon emissions / renewable energy / low energy designs</td>
<td>26</td>
<td>15</td>
</tr>
<tr>
<td>Workshops / site visits / placements / practical experience with schools</td>
<td>13</td>
<td>7</td>
</tr>
<tr>
<td>Business awareness within schools</td>
<td>11</td>
<td>6</td>
</tr>
<tr>
<td>Environmental awareness / education</td>
<td>10</td>
<td>6</td>
</tr>
<tr>
<td>Promote / support STEM (Science, Technology, Engineering, Maths) skills</td>
<td>8</td>
<td>5</td>
</tr>
<tr>
<td>Graduate training/education programmes</td>
<td>8</td>
<td>4</td>
</tr>
</tbody>
</table>

*Source: Ipsos MORI*

**Suppliers and partners**

The depth interview feedback covers examples in the following areas (see section on ‘Working with suppliers/business partners’):

- Programmes to share best practice with suppliers and other business partners, particularly on reducing carbon emissions
- Working in partnership with high impact suppliers and business partners to take collaborative action
- Aiming to influence suppliers to take action on sustainability through procurement practices
What has prompted action?

A variety of triggers to action are discussed in the depth interviews among those companies which have taken action on developing skills for a sustainable economy. For several companies, the factors persuading them to build sustainability into their business strategies are also those that by extension cause them to start thinking about the skills that will be needed in their workforce in order to embed sustainability successfully into their businesses.

“One leads to the other. The recognition that we need to change our business model [to be more sustainable] leads us to ask whether we have the skills to effect that change.”

Services/retailing/utilities company

“We’re a leading player in the sector, and we’re moving to greener and more sustainable [products]. Having made that commitment to a greener, more sustainable portfolio, we need our leaders and our staff to understand what that means and how they can help the company achieve those objectives.”

Services/retailing/utilities company

“It’s part and parcel of what prompted us to address sustainability as a strategic business issue. None of it will happen unless our colleagues are engaged – it’s a ‘no-brainer’.”

Services/retailing/utilities company

Several drivers can act on the same company, of course, forming both an “external and internal imperative”, as Andy Wood, CEO of Adnams put it.

“Customer expectation, stakeholders redefining the essence [of what business should focus on] … As well as our customers, our employees want to work for a good business. The commercial opportunities to save money. The market opportunities and business opportunities”

Services/retailing/utilities company

The expectations of customers play a role for some organisations in beginning their sustainability journey, and therefore in getting them thinking about how to develop the skills that will be needed in the transition to a sustainable economy.

“Customers want it and it’s a business opportunity to increase customer and employee loyalty”

Technology/media/telecoms company

Calls to action also come in the form of a strong business case for more sustainable practices. Commercial opportunities in terms of financial savings and market opportunities are cited as encouraging long term investment in sustainable business practices and in developing the skills needed to make them successful.

One interviewee also pointed to new leadership of the organisation being a spur to action, and of course the personality and priorities of the person at the top of the organisation can potentially have a big impact on how easy or difficult it is to drive through new skills development programmes.
A recurring theme through the in-depth interviews is that increased understanding of the future implications of a sustainable economy is often the key to unlocking business action on sustainability and the skills development of its people that entails. A greater understanding of the impacts of sustainability on the business and its customers prompts organisations into action. This can be linked to an awakening sense of an “ethical imperative” to act, with some businesses reporting that with increased understanding of sustainability comes a greater feeling of responsibility to contribute to the transition to a sustainable economy. One interviewee also mentioned the role of published commitments in keeping the organisation focused on the agenda and driving continual improvement.

“It seeps into the culture of the organisation – we’re not just profit driven, we have a responsibility to the society and to the planet, so sustainability is a ‘no-brainer’ for us.”

Services/retailing/utilities company

“It goes back to] the fact that we defined our organisational values in 1999, including business and environmental sustainability. It’s important to staff”

Andy Wood, CEO, Adnams

“It’s morally the right thing to do ... We’re very committed to it – we have ten public targets, so we need to change behaviours”

Technology/media/telecoms company

Is enough being done?

The demand for further action

The online survey shows that there is a demand for more action on the issue of developing the skills needed for a sustainable economy. Nine in ten (92%) agree that businesses need to do more to prepare their people for the transition to a sustainable economy, and 84% think there is an urgent need to put more programmes in place to develop business people’s skills for a sustainable economy.

Again there are signs that senior management may need more convincing of the case for action on this issue – Board-level respondents are somewhat less likely to agree that businesses need to do more to prepare their people for the transition to a sustainable economy (85% agree, compared to the 92% average – although they are no more likely to disagree, it is just that they are more neutral than other groups). Specialists in sustainability (those with more than half of their role dedicated to sustainability/responsibility/environment) are more likely to agree that there is an urgent need for more programmes to develop skills for a sustainable economy (89% agree, compared to 80% of non-specialists).

Half (53%) reject the idea that it is too early to identify where the gaps are in UK business skills for a sustainable economy, more than double the proportion which agree with the statement (23%).
There is a demand for more action

Q How far would you agree or disagree with each of the following statements?

Businesses need to do more to prepare their people for the transition to a sustainable economy
- % Agree: 92
- % Disagree: 2

There is an urgent need to put more programmes in place to develop business people’s skills for a sustainable economy
- % Agree: 84
- % Disagree: 4

It’s too early to identify where the gaps are in UK business skills for a sustainable economy
- % Agree: 23
- % Disagree: 53

Base: 704 business people, 1-28 March 2010

Who should do more, and for whom?

There is a high demand for more action from several parties. Nine in ten (91%) think that the Government needs to do more on this issue, with a similar proportion (90%) saying that businesses themselves need to do more. In each case, around two-thirds say that Government (66%) and businesses (63%) need to do a lot more on this issue. The majority (84%) think that third parties such as not-for-profits/business associations need to do more.

Those in smaller companies (1-99 employees) are somewhat less likely to think Government needs to do more (86%, compared to the 91% average), as are Board respondents (87%).

Is enough done by Government, businesses & 3rd parties?

Q Thinking about different parties who could provide programmes to develop business people’s skills for a sustainable economy, do you think each of the following is already doing enough or do they need to do more on this issue?

- % Need to do a lot more
- % Need to do a little more
- % Already doing enough

- The Government (through publicly funded programmes)
  - % Need to do a lot more: 66
  - % Need to do a little more: 25
  - % Already doing enough: 5

- Businesses (through in-house programmes)
  - % Need to do a lot more: 63
  - % Need to do a little more: 27
  - % Already doing enough: 2

- Third parties (including not-for-profits and professional bodies)
  - % Need to do a lot more: 41
  - % Need to do a little more: 42
  - % Already doing enough: 7

Base: 704 business people, 1-28 March 2010

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There is a demand for more programmes on skills for a sustainable economy targeted to people across several different roles within businesses. Over nine in ten say more needs to be done to develop skills across each of the three business roles tested: senior managers/Board directors (95%), middle managers/function heads (95%) and customer-facing staff (93%), with the majority in each case saying a lot more needs to be done.

Board-level respondents themselves are no more likely than average to think that more needs to be done on senior management skills, but those in smaller organisations are more likely to think that a lot more needs to be done for this group (77% among those in companies with 1-99 employees, compared to the average of 69%). On the other hand, it is those in larger companies (5,000+ employees) who are most likely to think that more needs to be done for customer-facing staff (97%, compared to the average of 93%).

### Is enough being done for different roles?

Q And thinking about the different sorts of employees that might need to develop skills for a sustainable economy (and regardless of who provides the programmes), do you think for each of the following enough is being done, or does more need to be done to develop their skills?

<table>
<thead>
<tr>
<th>Role</th>
<th>% A lot more needs to be done</th>
<th>% A little more needs to be done</th>
<th>% Enough is being done</th>
</tr>
</thead>
<tbody>
<tr>
<td>Middle managers / function heads</td>
<td>72</td>
<td>23</td>
<td>1</td>
</tr>
<tr>
<td>Senior managers / Board directors</td>
<td>69</td>
<td>26</td>
<td>2</td>
</tr>
<tr>
<td>Customer-facing staff</td>
<td>68</td>
<td>24</td>
<td>2</td>
</tr>
</tbody>
</table>

Base: 704 business people, 1-28 March 2010

### Where are the challenges?

Even among the active companies, challenges and gaps are recognised in the depth interviews, with a common feeling being there’s still a way to go on skills development.

“We are reasonably well advanced in this, but there is still a lot more to do.”
Services/retailing/utilities company

“We’re very committed to it, but we’ve not worked out what that means for us yet. We’re committed to developing a strategy, but it’s been low on action to date.”
Services/retailing/utilities company

Often it is simply the scale and complexity of large organisations which makes it difficult to engage the workforce at large on sustainability and develop relevant skills.
“The challenge is the size of the business, to change the level of awareness in all those people – and it is thousands of people! I remain ever hopeful, though.”

Technology/media/telecoms company

“We’re a large organisation with lots of different parts. I’ve been here for 25 years and even I still don’t get how it all fits together. In the Environmental team, we have mapped the intersections between all our business groups and environmental issues.”

Technology/media/telecoms company

Time and resourcing are also cited as obstacles to setting up skills programmes, both in terms of organising the programmes as well as employees finding time to go on training courses. Employees do not have unlimited time to spend developing their skills and sometimes other skills can take priority.

“Time is a limiting factor – there’s only so much time people can spend on developing their skills. If we allow a certain number of hours per employee for training and development, of course there are also core skills people need to spend time developing. There is a finite amount of training time”

Services/retailing/utilities company

Other challenges are raised in terms of getting buy-in from senior management to address the issues of developing skills for a sustainable economy in the first place. A commonly mentioned obstacle is the short term view often taken by organisations that prevent them from investing in longer term projects. In order for this to be overcome, usually a clear case is put forward on the relevance of sustainability to the organisation’s future success, highlighting the business opportunities and cost benefits to decision makers.

“Most organisations are driven by the short term. By using case studies and business strategies you have to demonstrate how [moving to a sustainable economy] is of value”

Banking/professional services company

“Companies are not taking the long term view. Although they might have higher upfront costs, it needs courage to get through.”

Andy Wood, CEO, Adnams

Linked to this, some raise the challenge of measuring the impact of skills development and more general sustainability programmes in quantifiable terms that will persuade the business of the resulting financial savings or return on investment. This is mentioned in the online survey as another skills gap which is a priority to address, albeit by a minority (2%). It is also highlighted in a couple of the depth interviews as a skill which needs further development.

“We don’t probe to the next level – the contribution that awareness and training makes to the [environmental] impact in-store – that is not there.”

Services/retailing/utilities company

“That’s an area where we’ll need to be applying existing skills in a different way. For example, looking at the investment needed to become more energy efficient ... You can look at a model of some different scenarios, it’s clever stuff ... It gives senior management [a steer] ... It’s about making sure those skills are harnessed when they exist elsewhere in the company”

Technology/media/telecoms company
Some also mention the problem of overcoming scepticism within the organisation, citing blockages occurring in the form of people who do not understand the sustainability issues, do not appreciate why changes are needed, and therefore do not accept the need for action. Some suggest overcoming this obstacle by taking the time to sit down with the sceptics and explain to them the important issues, how they affect their business and again present a business case for the necessary changes. Other suggested incentives are making a compelling vision of a sustainable future to inspire people, and having awards schemes:

“You need a compelling vision to ignite their interest – that’s usually easy to do with sustainability.”

Services/retailing/utilities company

“A shared vision of a low carbon future is needed for people to see and work towards. We need to make it cool!”

Banking/professional services company

“There is always going to be an element of suspicion from some elements of the workforce. Getting everyone on board is the biggest challenge. One way of getting people on board is through holding “skills awards” events.”

Services/retailing/utilities company

For some organisations, the ‘obvious’ internal candidates have already been engaged in sustainability, so the challenge is now to extend their skills development programmes into functions where the importance and relevance of sustainability is not yet appreciated. One interviewee feels that some disciplines are particularly resistant to development and training since “skills integration is not valued”.

A variety of functions are highlighted as potential targets for future skills development, most commonly marketing/communications, finance, product design, HR, procurement, engineering and logistics/fleet.

“The more obvious ones like manufacturing, chemicals, wet processes, where you might be creating pollution – they all got the message and the religion [some time ago]. It’s the less obvious ones [that we now need to engage], so for example HR ... it’s about what’s going to get young fresh people to want to work with the company? ... [Other less obvious ones might be] procurement, design ... Going forward, we’ll need other skills. Perhaps Finance people are still in the ‘What’s that got to do with us’ [phase].”

Technology/media/telecoms company

“Those that should be tackled earlier might include technology/technical functions – most companies have innovation or development departments. The HR function [to embed sustainability in the people aspects of business]. The marketing and comms function to connect with consumers. Finance to help measure the business case.”

Services/retailing/utilities company

"I expect there to be a greater need in the future for people with both carbon/energy understanding and accounting understanding, if you look at developments like the WRI Greenhouse Gas Protocol and the Climate Disclosure Standards Board ... Accountancy is one of the first areas our HR team are looking at [for the leadership skills programme].”

Technology/media/telecoms company
Laying the foundations/best examples

Examples of skills programmes with the existing workforce

Participants in the in-depth interviews were asked to detail some of the existing and future programmes that their organisations are embarking on to develop the skills that will be needed in the transition to a sustainable economy. Below are a few examples of the sorts of programmes in place or being developed.

Mass education and awareness raising

There are several examples given in the depth interviews of programmes designed to provide general awareness and basic information on sustainability issues to staff across the business. These programmes range from having toolkits on the company intranet to holding training sessions open to all levels (or available online or in a roadshow format) explaining the important sustainability issues and how they affect the business. Other companies point to the role of induction training as a useful first step to ensure that all employees are aware of basic commitments to sustainability issues at the point of entry to the organisation.

EDF Energy: Online learning tool for all staff

EDF Energy is launching an e-learning tool with the objective of providing all staff with information on sustainability and how it relates both to the company’s strategy and to their own lives. Delivered mainly online, the idea is to maximise its reach across the business.

“This is an education piece to help people understand the challenges we are facing and what sustainability means for the company. It takes them through our commitments and provides key facts and information. It also encourages employees to make positive sustainable changes in the ways they live and work.”

The success of the programme will be measured through the sustainability measures in EDF Energy’s employee engagement survey, which has established a baseline of staff views on relevant issues over the last 2 years.

Employee engagement activities

As well as general education programmes, several companies have activities to further engage staff in sustainability issues and encourage a network of active ‘champions’. Sometimes the aim of these activities is to encourage further participation in training, or other action as part of their sustainability programme, such as reducing carbon emissions or cutting business travel. Other programmes focus instead on giving employees who are passionate about sustainability issues a forum to discuss their ideas and help inspire action in their own lives.

Engagement activities for training

Alongside its sustainability training, this company is planning an engagement campaign, using video as well as a new award in its established employee recognition scheme. The objective is to publicise the new training programme and provide new incentives for people to embed sustainability thinking into their day-to-day jobs.

“We’re featuring lots of different people around the business. It’s great to have senior management support, but you need to show a mix. When you’re targeting a
practitioner audience, people want to hear from other practitioners who have done the training and believe in it.”

There are no formal measures of the success of the engagement programme, beyond the number of people who get involved in the training programme itself.

Technology/media/telecoms company

Other companies nominate local representatives across the business, giving them specific responsibilities or objectives related to sustainability and providing them with resources in the form of ‘toolkits’ or support networks.

“You can also give people specific objectives within their yearly appraisal, giving them a focal point of responsibility, making them the person people go to for advice and guidance. So we have environment contact points by business line and by geography – that’s another important factor, to understand local requirements.”

Technology/media/telecoms company

Marks & Spencer’s Climate Champion Network

As part of its Plan A commitment, Marks & Spencer has appointed a climate champion in each of its stores, providing awareness training and skills support as well as: “a toolbox of things to help them green their store”

Feedback from champions is used to evaluate the usefulness of the training, and the overall outcomes are also monitored in terms of energy and waste reductions in their stores.

Mike Barry, Head of Sustainable Business, Marks & Spencer

Leadership and management skills

Several companies are developing skills programmes specifically targeted at their current and future leaders, aiming to develop skills such as empowerment, courage and foresight. Leadership can be a fairly broad term in these cases, covering everyone from team leaders to senior Board directors. Often led by the HR function, external providers are also commonly involved in devising and sometimes also delivering these types of programmes. Two companies also incorporated process reviews with these training programmes to ensure sustainability is incorporated into the objectives, job descriptions and performance management of the top ranks.

EDF Energy: Leadership capabilities programme

EDF Energy is devising a new holistic leadership programme, in which sustainability has a prominent role linking to the company’s strategic objectives. It includes a revised competency framework, skills development activities and a new 360º performance review process.

“We have just reviewed all our leadership programmes and we have revised our leadership framework so that sustainability is built in. We are building a programme of development activities, aimed at all levels of management, from the building blocks of management to the senior executive teams. The aim is to build in sustainability so that it is seen as part of what the roles of our leaders are.”

The success of the programme will be judged from the performance appraisal results for leaders, which includes a behavioural measure on being ‘a sustainable leader’.
As well as in-house programmes, several companies talked about partnering with external providers of skills development training. The University of Cambridge Programme for Sustainability Leadership was mentioned by several participants as a partner, not only on its external programmes but also feeding into in-house programmes, as well as other universities and business schools.

**Lloyds Banking Group develops training in conjunction with University of Cambridge Programme for Sustainability Leadership (CPSL)**

The corporate banking arm of the Lloyds Banking Group has created a training programme for managers who support its business customers to develop their knowledge and understanding of environmental issues like natural resource depletion and climate change and the impact that these could have on their customers. Although this programme is being run internally, Cambridge University approved the design, content and delivery of the training programme.

“We've worked closely with Cambridge University to create this training programme. The programme has been designed to develop a detailed awareness of environmental issues and policies so that our customer facing relationship managers can gain a better understanding of what these business risks and opportunities mean for our customers. We have successfully piloted it, and are now rolling it out across the business”

**Northumbrian Water: Masters Degrees for Managers**

Northumbrian Water is piloting courses for its managers including BA (Hons) and Masters in Leadership & Management. These courses have been developed with Newcastle Business School, part of Northumbria University, and include modules on corporate responsibility.

“We have a number of managers studying towards qualifications at masters and degree level. The programmes look at the behaviours and qualities NWL leaders can bring to the business and the impact they can make towards our corporate responsibilities.”

Lorraine Coulson, Corporate Affairs Team Leader

**Functional specific programmes**

Several examples were given of specialist skills development programmes targeted to employees in certain functions, ranging from product development, engineering, waste management, property/facilities and energy management, to procurement professionals. One company also mentioned using secondments to academic institutions for some technical functions to keep them up-to-date with the latest thinking and sustainability developments.

**E-Learning programme for marketeers**

Building on this company’s sustainable marketing programme which is in place across the services it offers to consumers, an e-learning course is in development with the objective of raising awareness of sustainability issues among staff in the marketing, sales and product development functions. It is designed to be a 20-30 minute course delivered online at people’s desks.

“It is targeted to sales professionals, product managers, etc and it outlines what we expect from them. Before a new product comes to market, we’re asking them to
evaluate it from a social, environmental and economic perspective. We're also providing support, telling them why we're asking and how to do it. It will be complete by end of March and rolled out in April.”

The success of the programme will be measured initially through the take-up of the training, which will be monitored via a web portal. A more informal evaluation criterion, the ultimate test of the training will be the impact of sustainability analysis on the company’s new product development process.

**IBM: Equipping procurement to extend its global supply chain programme**

IBM announced a new supply chain programme on 21 April 2010 requiring 28,000 global first tier suppliers to define, deploy, and sustain a management system that addresses corporate responsibility, including supplier conduct and environmental protection; measure performance and establish voluntary, quantifiable environmental goals and publicly disclose results associated with these voluntary environmental goals and other environmental aspects of their management systems. In addition, IBM requires its first tier suppliers to communicate these new requirements to their own suppliers which perform work that is material to the products, parts or services being supplied to IBM.

IBM’s Global Supply staff member’s involvement in these programmes will vary, depending on their individual job responsibilities, and suitable education modules have been prepared and are being rolled out, to help explain the objectives of the new programme to the relevant Global Supply staff and provide them with the skills to engage suppliers in performance improvement.

Steve Bushnell, Environmental Affairs Manager, IBM

One company we spoke to particularly emphasised the need for training focused to different job roles. Rather than generic awareness raising, this company provides tailored programmes for different groups of employees across their diverse business:

**TUI Travel UK: Tailored programmes for different functions**

TUI Travel UK provides a range of development programmes tailored to different roles within the diverse organisation:

- **Training needs for engineers** are currently being assessed under the introduction of a certified environmental management system into the engineering division. Toolbox talks to familiarise engineers on environmental processes and legislation have been provided, as well as refresher training to our quality auditors.

- **All customer-facing staff** are trained in the impact of their industry on their local environment, so that they can include local sensitivities in welcome talks with customers as well as in their contact with other stakeholders and industry peers.

- **An online webinar** has been provided for purchasers, featuring an in-house sustainability specialist covering how to sell in sustainability to suppliers, following the introduction of a sustainable contract addendum specifying suppliers conduct environmental audits and monitor performance.
Retail outlet managers are trained to reduce the environmental impact of their site, and automatic meters are being rolled out to all sites to enable the outlet managers to monitor and account for their electricity usage.

“The messages are developed for the role. There is lots of different training, it depends what people are doing – otherwise it is too generic and not useful”

The success of these programmes is ultimately measured through tracking employee engagement on environmental issues in regular employee surveys, in terms of how responsible they feel the company acts towards the environment and communities. Jane Ashton, Head of Sustainable Development, TUI Travel UK

In-house vs. external providers

By and large companies seem to be using a mixture of both in-house and external providers for their training programmes to develop the skills needed for a sustainable economy.

“We use mostly on-the-job learning, we don’t send great cohorts of people on external courses – it’s not a blanket approach, we might identify 5 or 10 people [to send on an external course]. So it’s probably 80% internal skills development and 20% external training, and I would expect that ratio to continue”

Services/retailing/utilities company

“It’s a combination of external and in-house. We do internal courses on general awareness [of sustainability] – we have [in-house] specialists who are well-qualified to do that. We use some external courses for specialists, but we can do a lot of the training internally – for example, our maintenance people and our line operators are trained internally”

Technology/media/telecoms company

These different routes are seen as most appropriate in different situations. In-house training programmes are seen as particularly useful because they can be tailored to the specific needs of their organisation.

“With internal training it is applicable to the day job, it’s a great opportunity to show people how their day-to-day decisions can contribute to a sustainable future”

Services/retailing/utilities company

“With in-house schemes, you can tailor them to your own message and objectives... in-house programmes allow us to link [our] objectives and make it more relevant to people”

Services/retailing/utilities company

However, internal programmes can be “narrow” and participants can be disadvantaged by not being “exposed to external thinking”. Also, internal course mostly do not come with the benefit of a certification of the level of skills achieved.

“If you look too internally all the time, it’s your naval – you know it’s there but you don’t see what’s on the horizon!”

Technology/media/telecoms company
“It’s difficult to quantify [what people have learnt on internal courses], there’s no way to evaluate that people have suitably moved on.”

Services/retailing/utilities company

Despite not being tailored to the specific needs and objectives of individual companies external providers are used with some success, in particular there is seen to be a role for external courses in senior management development in terms of “the immersion of business leaders in the world of sustainability”. External programmes also give participants the opportunity to meet people from other organisations and learn from their experiences.

“With external courses, they’re generic courses, but you do get to see what other companies are doing [and talk to other people informally] – it’s that personal and individual learning and networking.”

Services/retailing/utilities company

Given the pros and cons of both approaches, some organisations seek to use a ‘hybrid’ programme which is developed and/or administered in-house, but with the input of experts from external organisations. (On the other hand, other companies use their in-house sustainability experts to write the content of courses and enlist the assistance of roster agencies to help deliver the programmes.)

The external partners most commonly mentioned by companies on developing skills for a sustainable economy include: Cambridge Programme for Sustainability Leadership, used by several companies, as well as other organisations such as the Henley Centre for Sustainable Leadership, WWF’s One Planet Leaders programme and Forum for the Future. Universities are also mentioned as partners by some companies, as well as professional bodies and industry-specific educational institutions – these range from the University of East Anglia, the College of Estate Management (CEM), the Institute of Refrigeration to the Scottish Agricultural College. Trade associations and industry groups such as CBI and the Green Building Council are also mentioned, as well as local bodies such as an RDA and local authorities.

Success factors

For some, the most important thing to get right on a programme seeking to develop the skills needed for a sustainable economy is communicating its benefits and business relevance.

“It’s got to be business relevant. It has to be value-added, both to the business and the individual”

Banking/professional services company

“It’s communicating the benefits to individuals, the ‘what’s in it for us as a business’, and the ‘what’s in it for you as part of your career’. People move around, and sustainability could be one of the core transferable skills.”

Technology/media/telecoms company

Several companies said that in order to succeed, the development of sustainable skills needs to be something that becomes second nature to employees by embedding these skills into the way they go about their work on a daily basis and getting them to ‘own’ sustainability issues. Participants in the interviews often stressed the importance of not making sustainability something separate from what people normally do.
“Its [success] is if we can embed sustainability in people’s day-to-day jobs … It’s all about creating the culture, so that the people who own the processes come up with [sustainable] ideas and solutions”

Richard Ellis, CSR Director, Alliance Boots

“It needs to be embedded – it’s not just a short ‘shot in the arm’, it needs to touch staff at all times. You need to build sustainability into these programmes, they are not separate skills”

Andy Wood, CEO, Adnams

“It’s about facilitating ownership. Where it works best is where you have given teams elementary training and they work through the issues themselves to come up with appropriate responses, tailored to that department.”

Services/retailing/utilities company

Often they are trying to create a work culture where sustainability issues are understood by everybody and relevant to what they do in their work, rather than people seeing it as a separate area managed by specialists.

“Making skills relevant to the day-to-day job: saying to them ‘We’re a unique business, here are the unique skills needed to do your job in a more sustainable way’”

Services/retailing/utilities company

“At first it’s a question of ‘What the hell’s it got to do with us?’ … It’s like ISO 9001 – the whole organisation is responsible [for sustainability], no one person can carry the can.”

Technology/media/telecoms company

Making sustainability issues more accessible to people also comes across as an important success factor by “demystifying” sustainability. This helps people to engage and not see sustainability as an alien concept which they should treat differently to other parts of their work. A greater awareness of the issues is seen to increase the buy-in of those who are developing their skills.

“Awareness of the issues is key. It’s so complicated an area for business execs – it’s about making it relevant”

Banking/professional services company

“Unless you’re able to distil this huge and amorphous sustainability agenda into something specific to the business agenda, and relevant to people’s everyday roles [it won’t be meaningful] … We need to ensure that the business is able to bridge the gap between the technical/CR specialists [and the rest of the company]”

Technology/media/telecoms company

In addition, giving people usable skills applicable to their daily work is also important.

“You need to get beyond the rhetoric and equip people with design, operational and functional skills”

Banking/professional services company
“The key as always is making it transferable when people are back in their day-to-day life. How do you ensure that people go away with something they can start using immediately? You need to make it real for people and give them something tangible.”

Services/retailing/utilities company

Some also see it as important to get ‘buy-in’ from all levels of managers, involving them in increasing awareness and understanding for all employees. It is also seen as imperative for the most senior Board members to be enthusiastic about programmes, since they will stand a better chance of succeeding if Board directors are being seen to promote and endorse them as well as overseeing their implementation and regulation.

“The top leadership has to be involved, the CEO has personal accountability and regularly discusses progress against targets in Steering Group meetings”

Technology/media/telecoms company

Another success factor is to take steps to keep up the momentum of the skills development following the initial engagement and training. Laying down overall targets which shape the progress of programmes is important to continue to drive action. Some suggest that periodic checks are needed to make sure that people are implementing the skills they have learnt and continuing to make changes in their day-to-day work. One participant believes that “tenacity” is important in overcoming barriers since people can become disheartened once the easy sustainability changes have been made and the more difficult choices and changes need to be implemented. This is where ongoing support networks for sustainability champions embedded through the business can be useful.

A variety of other factors were mentioned specifically (by one company in each case):

“You need to provide space for people to try it out, a supportive culture”

Andy Wood, CEO, Adnams

“You need to have the desire to make change and to understand what that means – don’t go chasing lost causes”

David Mummery, Head of Sustainability, Legal & General

“Of course it’s about technical skills, which widget to turn left or right, but the thing that’s often forgotten [with sustainability is that it’s also about] the hearts and minds.”

Services/retailing/utilities company
Scalable programmes/moving forward

Most useful resources for businesses

In the online survey, the most useful resources for businesses on developing the skills needed for a sustainable economy are seen as in-company programmes for champions, mentoring or other types of employee engagement, practical ‘how-to’ guides and best practice examples. These are followed by training programmes, sector-specific advice from professional bodies and trade associations and practitioner networks. Articles in any type of media are generally seen as less useful. Two types of resources that were mentioned in addition to the prompted list (albeit by a small proportion of respondents) are financial incentives/government funding and industry benchmarking tools.

Those in larger companies (5,000+ employees) are most likely to think in-company champion, mentoring and employee engagement programmes would be useful, probably since internal communication is a key challenge for organisations of that size. Smaller companies (1-99 employees) are more likely than average to think tailored expert advice via consultants would be useful. Those who are themselves Board members are more likely than average to say articles in national business media such as the FT would be useful, although even among this group it is not one of the highest rated resources.

### Most useful resources for businesses

Q Which two or three of the following do you think would be most useful to provide for businesses to help them skill the people already in the workforce for a sustainable economy? And which others?

<table>
<thead>
<tr>
<th>Resource</th>
<th>% 2/3 most important</th>
<th>% Others important</th>
</tr>
</thead>
<tbody>
<tr>
<td>In-company champions/mentoring/employee engagement programmes</td>
<td>79%</td>
<td></td>
</tr>
<tr>
<td>Practical ‘how-to’ guides / toolkits</td>
<td>79%</td>
<td></td>
</tr>
<tr>
<td>Best practice examples</td>
<td>78%</td>
<td></td>
</tr>
<tr>
<td>Training programmes</td>
<td>72%</td>
<td></td>
</tr>
<tr>
<td>Sector-specific advice via professional bodies and trade associations</td>
<td>63%</td>
<td></td>
</tr>
<tr>
<td>Networks / practitioner groups</td>
<td>55%</td>
<td></td>
</tr>
<tr>
<td>Web resources/online signposting to resources and useful info</td>
<td>50%</td>
<td></td>
</tr>
<tr>
<td>Tailored, expert advice via consultants and other external organisations</td>
<td>44%</td>
<td></td>
</tr>
<tr>
<td>Conferences/events</td>
<td>36%</td>
<td></td>
</tr>
<tr>
<td>Authoritative articles in national business media e.g. FT</td>
<td>27%</td>
<td></td>
</tr>
<tr>
<td>Authoritative articles in trade press</td>
<td>23%</td>
<td></td>
</tr>
<tr>
<td>Authoritative articles in specialist sustainability media</td>
<td>10%</td>
<td></td>
</tr>
</tbody>
</table>

Base: 704 business people, 1-28 March 2010
Replicability of programmes

Overall, those interviewed in the depth interviews are positive about the scope for developing replicable resources to share knowledge and encourage the development of skills programmes in more organisations. They did not necessarily name specific programmes which could be rolled out across other businesses, but tended to talk more generally about the types of resources which might be suitable to produce. Some of the examples discussed focus on best practice examples and case studies:

“Case studies of what others have done, and there needs to be a link to the business results.”

Andy Wood, CEO, Adnams

“There needs to be wider availability and more exposure, but there needs to be practical demonstrations, like ‘Seeing is Believing’. There needs to be both a sectoral and a cross-sector approach.”

Banking/professional services company

Other ideas include toolkits with generic content or ‘train the trainer’ resources, for companies lacking the resources or the confidence to develop in-house programmes for mass education and awareness raising on sustainability.

“Maybe there is a need for a generic pack or an online resource – a ‘train the trainer’ resource, [where a small number of people could be trained to go back and] drive the message through their own organisations.”

Services/retailing/utilities company

“Looking through the outline [of our online learning tool for all staff], it’s very generic. It covers [issues] that everybody would be interested in. There’s a section on domestic energy use. So it’s transferable.”

Services/retailing/utilities company

Another suggestion is a more targeted collaborative programme, focusing on developing the skills of particular key professions or industries.

“For example, the British Government could retrain 1,000 engineers in low carbon refrigeration in partnership with the food industry, so there is a consistent set of skills. There may be areas like that running across the economy where groups of people are linked in trying to [solve a particular sustainability challenge]. But it’s a question of targeting – which are the key skills or sectors? It might be refrigeration, it might be helping people green their own homes with loft and cavity wall insulation, it may be developing a smart grid for the future. These areas enable the whole economy [to be more sustainable], they have a disproportionate importance. So it’s about targeting our limited resources, not a scattergun approach.”

Services/retailing/utilities company

However, a few interviewees are also keen to stress the limitations of generic programmes and highlight the importance of tailoring, making them relevant to the business needs of each organisation. While they realise the benefits of sharing best practice and learning points, it is felt that organisations need to tailor skills development to their own business and culture if it is to be successful, and for the organisation itself to foster an internal culture where
sustainability issues are prominent for employees. Another point raised is that the audience might be different sorts of businesses (e.g. smaller companies) where corporate examples are not always applicable.

“Others need to develop things themselves. The context, the organisational culture is critical to its success – it has to be tailored.”

Andy Wood, CEO, Adnams

“It is good for small businesses – we’ve done small business clubs, for example. But it’s not always a straight comparison between what we would do in this company and what others would do. They say ‘we don’t have the resources, we would have to do it differently’. So we have to be careful if we go out preaching.”

Technology/media/telecoms company

Opportunities for future collaboration

Several participants say they would be happy to take part in further collaboration on skills for a sustainable economy, and some are already collaborating in this way.

“I’d be happy to help as you go forward because I think it’s important to have a proper debate about these things”

Richard Ellis, CSR Director, Alliance Boots

“We would share a case study. Once it’s successful we can identify tips and advice”

Technology/media/telecoms company

However, many participants also express reservations about the time commitment required in these collaborative activities and one is also unwilling to disclose information which could be seen by competitors.

“The challenge is always time and resource. The business has had a difficult time in the last 18 months. Yes in theory, but in practice we would have to look at it case by case.”

Technology/media/telecoms company

“We try to engage with other companies, but you can spend a lot of time doing it. With the best will in the world, we are happy to share learning, but you have to keep it in proportion, there are only so many hours in the day.”

Technology/media/telecoms company

“It’s possible up to a point, but it takes up so much time. It is important to work with suppliers, but we’re not going to give our secrets to [our key competitors]”

Technology/media/telecoms company

Some see a role for a wide variety of third parties to help roll out replicable programmes across businesses and professions. These range from government agencies and third sector organisations, to professional bodies, universities and other specialist consultants.

“I see potentially a role for the Learning and Skills Councils, or professional bodies like the Institute of Engineering to do continuing professional development stuff on sustainability. With the Chartered Institute of Marketing sustainable marketing is on the curriculum ... [But] I know someone who is doing an Accountancy course, and
[sustainability] is not mentioned. There is a mismatch in how quickly sustainability has been taken up [by the professional bodies in different professions].”

Technology/media/telecoms company

“[Universities] - that's where the thinking happens, and ideas are generated. It is sometime troublesome in interpreting academic language into business language, but it is well worth it.”

Andy Wood, CEO, Adnams

“I would like to work with organisations skilled in large scale change management, not necessarily in the sustainability field. You also need a mix of commercial and third sector organisations.”

Services/retailing/utilities company

Supporting the future workforce

The survey suggests that there is a similar level of action among the future workforce as that among the existing workforce to develop the skills needed for a sustainable economy – 45% say their organisation is engaged with schools and/or higher education institutions.

Extent of action with schools

Some 31% say their organisation is currently engaging with schools on skills for a sustainable economy, and 41% say they are planning to do more on this in the next 5 years. It is larger companies (5,000+ employees) that are doing more currently (38%) and planning to do more (48%), and transport & utilities companies are also more active than average.

Engagement with schools on skills

Q Does your organisation currently engage with schools to help the future workforce develop the skills needed to move towards a sustainable economy?
Q And is your organisation planning to do more to engage with schools to help develop the skills needed to move towards a sustainable economy in the next five years?

% saying yes to each

Currently engages on skills for a sustainable economy 31

Plans to engage on skills for a sustainable economy in next 5 years 41
Example programmes with schools

Examples of schools programmes tend to cover either incorporating sustainability into schools engagement programmes or focusing on sector-specific skills gaps. Several companies mention programmes where employees volunteer to help educate young people about sustainability issues facing their sector in the classroom, or mentor groups of children on sustainability-related projects on e.g. water conservation. Two companies focus their programmes on encouraging young people to consider careers in their industries due to looming skills shortages, using sustainability as a ‘hook’ to engage them in industry issues.

Incorporating sustainability into activity-based learning

This company is planning to incorporate sustainability in its ongoing involvement in an off-site event for schools, in which young people can participate in activity-based learning. Supported by an online learning tool, the aim is to raise awareness of sustainable business practices and prompt students to consider sustainability in their decision-making.

“Over 50,000 schoolchildren in the last nine years have participated in this event. There is huge potential to incorporate sustainable business practice into this learning experience.”

School visits to address skills shortage: Freedom Group

To address the need to encourage more students into the sector, Freedom Group (provider of engineering services primarily to the utility sector) is planning to develop a programme of schools visits in partnership with its clients, covering issues such as new skills requirements for technology advances in the low carbon economy, smart metering and smart grids, as well as renewable energy sources.

“Our sector must engage with the 14-19 years olds to ensure that we attract future employees into a sector which is going through a major resource renewal programme. We intend working with our clients to visit schools in all the communities where our infrastructure investments take place.”

Gareth Spinner, Sustainability & Development Director, Freedom Group

Extent of action with higher education

There is a slightly higher level of action with higher education institutions such as universities and business schools, with 36% currently engaging with higher education on skills for a sustainable economy (compared to the 31% engaging with schools). Around two in five (39%) say they are planning to do more on this in the next 5 years (similar to the proportion planning to do more with schools).

As with schools activities, larger companies (5,000+ employees) are more likely to be currently active with higher education (45%, compared to the 36% average) and transport & utilities companies are also more active than average. Public sector, education & health organisations are also more likely to be active here, while manufacturing & mining companies and services & retailing companies are less active than average. It is again transport & utilities companies which are most likely to be planning to do more with higher education in the next five years, while manufacturing & mining companies and services & retailing companies are less likely to be planning action with this group.
Engagement with higher education on skills

Q Does your organisation currently engage with higher education (e.g. universities and business schools) to help the future workforce develop the skills needed to move towards a sustainable economy?

Q Is your organisation planning to do more to engage with higher education to help develop the skills needed to move towards a sustainable economy in the next five years?

% saying yes to each

Currently engages on skills for a sustainable economy 36

Plans to engage on skills for a sustainable economy in next 5 years 39

Example programmes with higher education

Several organisations run programmes where employees go into higher education institutions and lecture on sustainability and management topics. Some also sponsor PHD courses and provide case studies and information to students to help with their courses. Graduate placements within the business are also commonly offered as well as internships in order for students to gain work experience, sometimes using the skills needed for careers in sustainability. Two more structured programmes were discussed in the depth interviews:

Adnams & University of East Anglia and Cambridge University
Adnams runs a programme through which MBA students at University of East Anglia have placements in the business, providing input on its sustainability issues. This exchange of experience has benefits for both parties. Adnams has also worked with Cambridge University student placements.

“This programme allows us to make the most of the ideas coming from academia on sustainability issues while the students themselves get to see how things are being done in practice within business”

Andy Wood, CEO, Adnams

EDF Energy: Mentoring university entrants
EDF Energy runs a programme mentoring prospective university entrants as they make the transition to university life. Sustainability is not the main focus of the programme, but industry issues related to sustainability are covered as part of the careers planning element.

“We work with a small number of universities, to help prepare young people entering university for the difference between school life and university life. It’s targeted at science and engineering graduates.”
Working with suppliers/business partners

Extent of action with suppliers/business partners

Two in five say their organisation is currently engaging their suppliers and/or business partners on skills for a sustainable economy (41%). This is an area where the majority are planning to increase their activity in the future, with two-thirds (64%) planning to do more on this in the next 5 years.

Compared to the average, manufacturing & mining companies are less likely to be active with suppliers, while transport & utilities companies are less likely to be planning more action in this area in the next five years.

Engagement with suppliers and business partners

Q Does your organisation currently engage with suppliers and/or business partners to help develop the skills needed to move towards a sustainable economy?

Q Is your organisation planning to do more to engage with suppliers and/or business partners to help develop the skills needed to move towards a sustainable economy in the next five years?

% saying yes to each

Currently engages on skills for a sustainable economy

Plans to engage on skills for a sustainable economy in next 5 years

Example programmes with suppliers/business partners

Working with business partners and suppliers tends to be seen as a crucial element in the development of skills for a sustainable economy. Several companies have set up programmes through which they share best practice with suppliers, particularly on reducing carbon emissions and encouraging low carbon solutions. Some organisations are taking a tiered or priority approach, for example identifying their most carbon-intensive suppliers, and focusing their attention on these suppliers first. Here organisations tend to be working in partnership with suppliers to help them identify areas where reductions can be made and take collaborative action. Other organisations are aiming to influence suppliers to take action on sustainability through their procurement practices – there are alternative approaches here, with different emphases on persuasion and compulsion.
“Our 50 most carbon-intensive suppliers have been identified and we’re making them drive down their impact as part of our procurement – they must reduce their carbon impact if they are going to continue having a relationship with us”

Technology/media/telecoms company

“We’re saying to our suppliers, ‘you don’t have to comply, but take a look at ISO 14001 [the environmental management standard] – we think it’s a good idea, it’s helped us, we think it could help you too’”

Technology/media/telecoms company

Alliance Boots: Beacon days to share knowledge with suppliers

Alliance Boots runs Beacon Day events for its suppliers, where people from different companies meet on-site to see first hand what a best-practice company is doing to address a particular issue. The aim is to share their experiences with suppliers to make their supply chain more sustainable.

“We hold Beacon Days, which are like the [BITC] Seeing is Believing Days … Suppliers are made aware of solutions which have worked in other areas. For example, we work with suppliers to understand how necessary is transit packaging, is it always necessary?”

Richard Ellis, CSR Director, Alliance Boots

Marks & Spencer: Supply Chain Sustainability Skills

Marks & Spencer is working to develop the skills of a range of suppliers on sustainability issues, focusing on particular high-impact areas across its diverse supply chain. The aim is to help plug gaps in suppliers’ knowledge of environmental and social impacts and the programme has involvement from some relevant external bodies (professional associations such as the Institute of Refrigeration and training providers such as the Scottish Agricultural College) to help suppliers act on these issues.

“It is partly what we are doing in partnership, and partly suppliers’ own programmes. It is ad hoc skills development work with suppliers across the business – because the issues in our farmer supply chain will be very different to our refrigeration supply chain. We are looking to manage our supply chain more sustainably in the future.”

Mike Barry, Head of Sustainable Business, Marks & Spencer

There are also the following examples of Legal & General and TUI Travel working in partnership with other types of business partners (tenants and accommodation providers) to improve sustainability performance.

Legal & General / Better Buildings Partnership / Green500

Working with the Better Buildings Partnership and Green500, Legal & General is engaging with several of its high-profile tenants in a collaboration between landlords and occupiers to work together to improve the sustainability of its buildings.

“We are prompting occupiers to make changes, showing them how to save energy and cost. We’re on our sixth building.”

David Mummery, Head of Sustainability, Legal & General
TUI Travel/ABTA Travelife Auditing for Accommodation Suppliers

In order to address one of its major impacts (other than its airline emissions), TUI has worked with ABTA to develop the Travelife Sustainability System for auditing hotel accommodation providers. The Travelife criteria encourage hotels to look after the environment, their employees and local communities, for example by reducing energy and water consumption, introducing waste reduction measures and recycling, meeting local employment legislation and having suitable child protection and animal welfare policies in place.

“There is a dearth of understanding in the hotel accommodation sector. We have put a lot of energy with our industry body into developing guidelines and standards and self-audit procedures – we have made the Travelife programme available to our industry peers through ABTA. For our biggest suppliers, we have had consultants go and do environmental impact assessments – we have stringent guidelines.”

Jane Ashton, Head of Sustainable Development, TUI

Looking forward

Likelihood to do more on skills for a sustainable economy

As we have seen, business people overwhelmingly accept the need to do more to develop the skills needed for a sustainable economy – indeed, 93% say their own business is likely to do more to incorporate sustainability skills into its business strategy in the next 5 years, including half (52%) who say it is very likely to do so.

Likelihood to do more on skills in their strategy

Q In the next five years, how likely (if at all) is your organisation to do more to incorporate sustainability skills into its business strategy?

![Likelihood to do more on skills in their strategy](image)
In several areas we have found that the types of companies already active in a particular area are also the companies most likely to be planning to do more, and the pattern holds true here. Compared to the average, smaller companies (1-99 employees) are not only more likely to say the issue of skills for a sustainable economy is currently integrated into their strategic priorities, they have a higher likelihood of doing more to incorporate this issue into their business strategy in the next five years (64% very likely, compared to the average of 52%). (As before, Board-level respondents are also more likely to say they will do more on this, but again this is probably because a higher proportion of Board-level respondents are from smaller companies.)

This suggests that once an organisation has started to engage in this skills agenda, they are encouraged to go further and broaden their future involvement rather than settling for their current level of activity. This chimes with the feedback from the depth interviews – many of these organisations, although already active, are planning to do more to develop skills for a sustainable economy, either further developing training and adding more bespoke or in-depth courses, or expanding into areas such as engaging their suppliers. Several of the programmes discussed are in the early stages of development or just about to be rolled out, so several companies are planning further refinements and to scope next steps once feedback from the initial programmes has been received. (Nevertheless, there are a couple of organisations which are planning to continue with the programmes they have in place for the foreseeable future rather than embark on new elements.)

“Phase two of the training will be more bespoke, offline – the measures of success will be completely different.”

Technology/media/telecoms company

“The skills piece will continue to grow. Once we have the initial e-learning programme, we will be looking at the outcomes and deciding what more needs to be done. So it’s very much a starting point. Once we’ve passed the first hurdle of initial education, we will determine what else is needed.”

Services/retailing/utilities company

In the online survey, a mixture of both internal and external levers are thought the most likely factors to encourage their own organisation to do more on the issue of developing the skills needed for a sustainable economy. The top answers are senior management prioritising the issue, along with pressure from Government/regulators and customers, followed by increased internal awareness of the risks involved and competitive pressure.

There are differences in the likely drivers for different sizes of organisation – while those in larger companies (5,000+ employees) are most likely to say senior management views would encourage their organisation to do more, smaller companies (1-99 employees) are more likely than average to mention the availability of suitable training and support as a driver of action in their organisation.
Factors encouraging action on skills

Q In the next five years, which two or three of the following factors do you think would be most likely to encourage your organisation to do more to ensure that it has the right skills available for a sustainable economy?

<table>
<thead>
<tr>
<th>Factor</th>
<th>% selecting each</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior management prioritising the issue</td>
<td>44%</td>
</tr>
<tr>
<td>Pressure from Gov’t or regulators to change</td>
<td>44%</td>
</tr>
<tr>
<td>Pressure from customers to change</td>
<td>43%</td>
</tr>
<tr>
<td>Increased awareness/understanding of the risks</td>
<td>30%</td>
</tr>
<tr>
<td>Competitors/other implementing changes</td>
<td>25%</td>
</tr>
<tr>
<td>Increasing requirements for transparency</td>
<td>19%</td>
</tr>
<tr>
<td>Pressure from other external stakeholders</td>
<td>16%</td>
</tr>
<tr>
<td>Availability of suitable training/support for skilling employees</td>
<td>14%</td>
</tr>
<tr>
<td>Pressure from investors to implement changes</td>
<td>13%</td>
</tr>
<tr>
<td>Commitment of dedicated internal resources / people to address skills needs</td>
<td>12%</td>
</tr>
<tr>
<td>Pressure from employees to implement changes</td>
<td>9%</td>
</tr>
<tr>
<td>Already doing as much as possible</td>
<td>2%</td>
</tr>
</tbody>
</table>

Base: 704 business people, 1-28 March 2010

Other recommendations for future action

To end the in-depth interviews, participants were asked to look forward and offer advice and encouragement for other organisations starting to develop the skills needed for a sustainable economy. For several participants it goes back to making the business case for sustainability, and therefore for investing in the necessary skills development.

“Businesses haven’t connected with the commercial [benefits of sustainability]. It’s seen as cost and only cost ... There are other benefits from looking for what positives can come out. It’s ‘what’s in it for me’ – small and medium sized organisations need to understand why they should invest in it and what they’re going to get [out of it].”

Services/retailing/utilities company

“It’s an information issue: your [business] ambitions are constrained by lack of skills”

Banking/professional services company

“You need to see it as a long term risk. If you’re not doing something now, it will come back and bite you.”

David Mummery, Head of Sustainability, Legal & General

It is not just about businesses, though – it is felt that in order to succeed there needs to be a greater push on this agenda coming from government, trade bodies and professional advisers. Government action is highlighted both in terms of encouraging businesses to act on sustainability, providing training grants and also promoting skills in universities and schools.
“There needs to be pressure from government to encourage change”
Andy Wood, CEO, Adnams

“Trade bodies like the CBI need to promote this more aggressively. The UK government needs to do more to promote skills in universities and schools. Professional service advisers and consultants need to challenge organisations more on the risks and opportunities of sustainability”
Banking/professional services company

“It’s about incentives, making training and grants for training available – it would help to kick start or give a boost to companies in these hard times ... So it’s about building capacity and making it easy for businesses to reduce their carbon footprint and incorporate sustainability into their products.”
Services/retailing/utilities company

The final words go to companies underlining the need for collaborative action in order to push the agenda forward. The need to tell compelling success stories is highlighted, alongside the need to provide accessible tools, and also to create a vision of what success might look like in the contexts of different industry sectors.

“We need examples of business success with sustainability at the core”
Technology/media/telecoms company

“Collaboration – encourage especially the larger organisations to roll out [generic content from their programmes] for those less able to afford it. If something was already prepared or developed, their time would be the only investment needed.”
Services/retailing/utilities company

“Many businesses don’t understand where they are trying to get to on sustainability. There is a need to show each industry sector what a sustainable future looks like – and then they can ask ‘do we have the skills we need to get there?’ Otherwise it gets very foggy – ‘Where do we start? What do we do?’ This lack of clarity on the direction of travel makes it difficult to see what kind of training [will be needed].”
Services/retailing/utilities company