knowledge
priorities 2010

For Business Sustainability

Network for
Business Sustainability

Business. Thinking. Ahead.

To inspire new
research and innovate
new solutions

introduction

Global economic, environmental, and societal shocks highlight the need for resilient businesses that do more than just generate profits. To integrate sustainability into the fabric of business, managers need rigorous and relevant knowledge to inform their decision-making.

This report describes the key areas where businesses have requested better knowledge. The issues have been identified by a council of managers from leading organizations across major sectors of the economy. The purpose of this report is to **inspire new research** in these issues. Armed with this knowledge, researchers, managers and others can collaborate to **innovate new solutions.**

The Network for Business Sustainability funds systematic reviews on the top issues, or knowledge priorities, identified by these managers. A systematic review identifies and synthesizes the most rigorous knowledge from academic and practitioner sources on a particular question in a replicable, transparent way. It draws on the entire body of existing research to provide a robust foundation to inform decision-making and future research. The systematic reviews conducted each year

also form the basis for other Network activities including topic pages, Research Insights, and events. Four systematic reviews were completed in past years, and two new studies are underway on the top two priorities described below.

We hope this report galvanizes researchers to study the questions posed and inspires industry and funding agencies to support these efforts. By collaborating to address these important issues, we can improve business in Canada and around the world.

If you are interested in undertaking or supporting research relating to one of these priorities, contact us.

info@nbs.net

knowledge priorities

Seven questions define our
Knowledge Priorities in 2010.

1

How can we measure
and value a firm's
ecological impacts
(e.g. ecological
footprint)?

2

How can we build a
durable, enduring
sustainability
corporate culture?

3

How can we
promote and ensure
sustainability within
our supply chains?

4

How can we incorporate
sustainability into
employee incentives?

5

What business risks
are associated with
water quality and
water shortage?

6

What is the aboriginal
perspective on business
sustainability
and what are the
best approaches to
constructive
engagement?

7

Are the concerns
of NIMBY-ism
borne out?

How can we measure and value a firm's ecological impacts (e.g. ecological footprint)?

There is much debate about the measures that could or should be used to measure a firm's ecological impacts. Much of the recent emphasis has been on the carbon footprint, such as through the Carbon Disclosure Project. But, there are numerous ambiguities, inconsistencies and inaccuracies with such measures. There needs to be greater understanding of the implications of each measure and the context to which each applies.

The Network is funding a project to systematically review the literature to identify measures of the firm's ecological impacts. To the extent that the information is available, an effort will also be made to describe the different ways impacts have been valued.

More and more companies are talking about their footprint but they're all talking about different impacts.

FURTHER QUESTIONS

• What are the key ecological impacts of businesses in different sectors?
• How have these impacts been measured, both by researchers and by business? In what contexts are the different measures most appropriate?
• How are measures scaled up through the supply chain?
• Have these impacts been valued, and if so how?

How can we build a durable, enduring sustainability corporate culture?

Sustainability initiatives are often embedded in the firm by a few key individuals, often in leadership positions. When these people leave, the firm's sustainability initiatives begin to atrophy. However, in firms with strong sustainability cultures, the initiatives endure over time.

The Network is funding a project to systematically review research that explores how sustainability is embedded within a corporation's culture, so that it endures beyond the departure of key individuals.

FURTHER QUESTIONS

- Can we learn anything from the safety movement, which is now seen as part of the core culture of most extractive and manufacturing firms?
- How is sustainability different from other types of organizational culture?
- What tools or practical devices can be used to embed culture, such as organizational design, incentives systems, etc?
- How can we measure our progress towards a culture of sustainability?

It starts at the top and leaves as soon as the top changes. How can we ensure that sustainability endures beyond the tenure of the person leading the initiatives?

How can we promote and ensure sustainability within our supply chains?

Supply chain sustainability involves responsibly purchasing inputs for the firm's operations—from office supplies to raw materials for manufacturing. Ensuring the safety, security and sustainability of supply is key to organizations who are aiming to manage their risks and maintain their existing markets. Not only does this mean that businesses must choose their suppliers well, they also have to ensure that suppliers comply with the standards they claim to meet.

FURTHER QUESTIONS

- What are the key criteria for assessing sustainability in supply chains?
- How do we select and work with suppliers?
- How can we compare whether one product is greener than another?
- How do we ensure compliance?
- Is there a difference between managing suppliers in developing countries, relative to developed countries?

Everyone just pushes compliance down the supply chain. How do we as a business create incentives for suppliers to become sustainable?

How can we incorporate sustainability into employee incentives?

Often the firm's sustainability policy is articulated at the top of the organization. However, it is only as strong as the practices on the ground. If an organization's practices don't align with its policies, it risks being accused of greenwashing. Firms need to invoke systems and structures to ensure that all their people practice sustainability. Sustainability managers need to know which employee incentive plans are most likely to result in the implementation of their firm's sustainability policy.

FURTHER QUESTIONS

- How do you incorporate sustainability targets into employee incentives?
- To what extent does context influence the effectiveness of a given approach?
- How can existing employee incentive plans connect to the organization's sustainability policy?

How do you move incentives down to the troops? What works and what doesn't?

What business risks are associated with water quality and water shortage?

As the climate changes, so does the hydrological cycle. Many businesses are dependent on a clean, abundant supply of water. For example, agriculture requires water for irrigation, manufacturing requires it for cooling, and retail requires water to maintain healthy communities and employees. Managers need to understand how changing water quality and abundance could affect their business.

FURTHER QUESTIONS

- How can we evaluate the risks of poor water quality and quantity?
- How do the risks differ in different contexts?
- What can we learn about water management within businesses operating in other countries?

Is water the next climate change? We have to evaluate water risks and develop the right strategies.

What is the aboriginal perspective on business sustainability and what are the best approaches to constructive engagement?

Many businesses have experienced very positive interactions with aboriginal groups, resulting in benefits to both parties. Other businesses—sometimes operating in the same regions—have had negative interactions. Yet, it is not clear what approaches yield the most positive outcomes.

By building a more robust understanding of the aboriginal perspective of sustainability, the relationship between the developer and the aboriginal community can be built on mutual respect and trust, which is more likely to lead to positive engagement. Furthermore, this understanding of the aboriginal perspective of sustainability may inform the business community of new approaches to sustainability and stakeholder engagement, both within the aboriginal communities and outside of them.

FURTHER QUESTIONS

- What are the best and worst practices for working with aboriginal groups?
- Do the best practices vary by sector or by aboriginal group, and if so how?

Aboriginal groups have unique perspectives on sustainability. What can our business learn from them?

Are the concerns of NIMBY-ism borne out?

NIMBY ('not in my backyard') groups can substantially impede the progress of projects. Although we are aware of the real risks associated with NIMBY-ism, we have very little understanding of whether NIMBY claims are justified. Is there an economic value that we can assign to NIMBY-ism? And, how would valuations be made?

FURTHER QUESTIONS

• Is there a correlation between NIMBY activism and subsequent economic impacts (positive or negative)?

We sometimes proceed with projects despite opposition. Is the local apprehension justified?

about the network

Business sustainability is about resilient businesses creating value, healthy ecosystems and strong communities. To make businesses sustainable, we must move beyond disciplinary, industry and professional silos. We must innovate to deliver new models that are relevant to both business and society. We believe rigorous knowledge is the tool that can bridge these silos and unlock a sustainable future.

The Network for Business Sustainability is comprised of over 300 researchers and reaches over 1000 practitioners from different sectors in English- and French-speaking Canada and beyond.

We seek to realize three objectives:

Build Community

We facilitate relationships between researchers, managers, policy-makers and students:

- Our People database includes all the researchers in our Community and their expertise
- Our Events bring them together to build relationships and learn
- Our Leadership Council's Knowledge Priorities build a common research agenda

Exchange Knowledge

Different people bring different perspectives. We attempt to share different perspectives and knowledge through:

- Our Knowledge database of industry reports and Research Insights provides rigorous knowledge in accessible formats
- Our Knowledge Projects (systematic reviews) reveal what we know and what we don't know based on the best evidence available

Spur Innovation

Collaboration will lead to more innovations. We spur innovation by:

- Identifying collaborations between researchers and managers
- Recruiting the brightest students in Canada to share their visions for sustainability in different sectors

For more information, please visit nbs.net

Leadership Council Members

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