



The Sustainability Dilemma Manager

What does it need to successfully implement
Corporate Sustainability Strategies?

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Due to increasing relevance of corporate sustainability companies start its integration...



- Corporate Sustainability Barometer 2012* on the state of integration of sustainability in 152 major German companies:
- **Almost all companies state that they integrate sustainability into their core business**
- Focus on: goods & services provided and efficient production processes



...but do not involve relevant departments and...



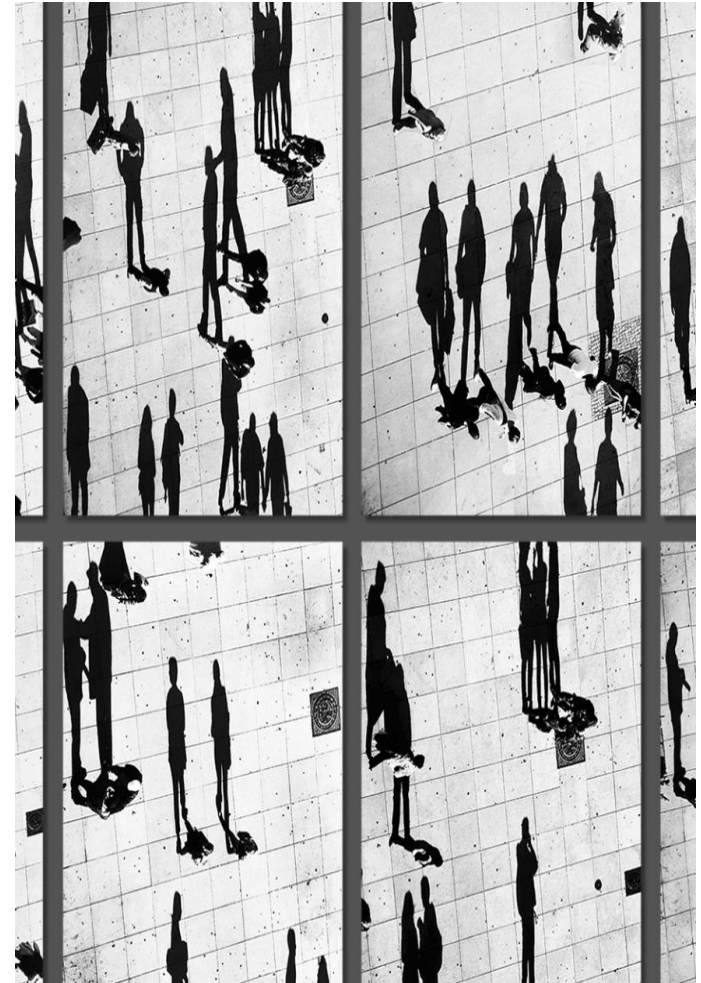
- Alongside the **CSR / sustainability department, public relations/ communication and top management** are often involved
- Involvement of accounting, management control and finance still marginal



...company staff does not possess the right skills...



- **Personal competencies are considered to be the most important** for implementing sustainability but **company staff** is not adequately **trained**
- **Full integration of CS in strategy and core business in most cases not given**



Lacking implementation is due to implementation barriers...



- **United Nations Global Compact CEO Survey 2010*** shows the following barriers:
 1. Complexity of implementing strategy across functions
 2. Competing strategic priorities
 3. Lack of skills / knowledge of middle-senior management



..as conflicts are rather the rule than the exception.



Many of the latter are owed to:

- **Conflicting economic rationalities** (efficiency vs. sustainability) and
- **conflicts between the dimensions of sustainability** (economic, environmental and social aspects)*



Conflicts result in a variety of dilemmatic decision-making situations..



- Conflicts result in multifaceted sustainability dilemmas to be decided on during implementation.
- A dilemma is a decision-making situation that requires a choice between two or more targets that are or seem equally (un)favorable and which both need to be fulfilled in the long-term.*



..decision makers need to decide on.

- Given that people feel uncomfortable when being confronted with conflicts they often ignore them.
- As a result **decision makers' competences play a crucial role in identifying, accepting and coping with dilemmas** and in the end in successfully implementing sustainability strategies.



Delphi study with 79 German sustainability experts in companies and consultancies.



- **Main questions:**
 - Which dilemmas occur? How often? Are they identified?
 - Relevant competencies to cope with the dilemmas?
 - Further relevant conditions to successfully implement CS strategies?
- **Two step Delphi approach***
 - **Step 1:** qualitative telephone interviews with 10 experts in 2012
 - **Step 2:** quantitative online survey with 79 experts in 2013
- **Experts:** Corporate Sustainability (CS) Managers / CEOs and CS Consultants on different management levels
- **Companies dealing with CS with the industries:** textile, automotive, consumer goods, retail (all company sizes)

Sustainability Dilemmas occur frequently* when implementing CS strategies.



The most frequently occurring dilemmas are:

- Sustainability vs. efficiency (i.e. costs/resources (time/personnel/budget))
- Ecological sustainability vs. Efficiency
- Social sustainability vs. efficiency
- High vs. low transparency: communication dilemma
- Strategy vs. implementation: complexity dilemma
- Social and economic sustainability vs. efficiency
- Sustainable quality vs. conventional quality
- Individual vs. industry initiatives
- Social sustainability vs. ecological sustainability

Top 10 competences for coping with Sustainability Dilemmas



1. **Persistence / patience** (in particular actively pursuing goals on a long term basis despite of any barriers or resistances)
2. **Credibility** (esp. based on competences and authenticity)
3. **Ability to communicate** (in particular eloquence and openness)
4. **Systemic / holistic thinking**
5. **Interdisciplinary CS expertise / comprehension of complexity**
6. **Conflict management / ability to agree on compromises** (in particular recognizing and managing conflicting interests and dilemmas)
7. **Relationship management** (esp. involvement of and mediation between different stakeholder groups to cooperate)
8. **Entrepreneurial / strategic thinking**
9. **Capacity for innovation / openness to change**
10. **Will to create and shape** (despite conflicting goals and information)

Top 10 requirements within a company for successfully implementing CS strategies



1. Authentic board support (active board / committee)
2. Clearly defined CS strategy, targets and priorities
3. Integrated CS strategy
4. CS is being measured and used as value driver
5. Set decision making premises (e.g. for procurement decisions)
6. Internal and external communication of CS strategy
7. Provision of resources (budget / time /personnel)
8. Management with CS knowledge and competences
9. Ethical fundament (critical mass favors CS)
10. Open company culture

Recommendations



Drawing conclusions from the results the following aspects are to be considered:

- Raise awareness to actively identify and monitor dilemmas
- Systematically train managers involved in sustainability decisions
- Use competency framework to employ people providing the necessary surrounding conditions within the company (e.g. board support)
- Raise awareness of the differing internal and external perspectives on the state of implementation.





Questions?

Further readings



Hahn, T. et al. (2010): Trade-offs in corporate sustainability: you can't have your cake and eat it. *Bus. Strat. Env.*, 19: 217–229. doi: 10.1002/bse.674

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Juretzek, S. (2015): Coping with Sustainability Dilemmas when implementing Corporate Sustainability Strategies - A Delphi-study on competencies and surrounding conditions for coping with Sustainability Dilemmas. [Full text](#) (German only)

Müller-Christ, G. (2010): Nachhaltiges Management: Einführung in Ressourcenorientierung und widersprüchliche Managementrationalitäten.

Schaltegger, S. et al. (2012): Corporate Sustainability Barometer 2012. Praxisstand und Fortschritt des Nachhaltigkeitsmanagements in den größten Unternehmen Deutschlands.