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SUSTAINABILITY & INNOVATION: BUILDING UP THE CULTURE

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ABSTRACT

Sustainability is a reminder of obligations but is also a metaphor for opportunity and progress as well. But business success is measured in terms of profit or how the business creates value. So at the onset integrating sustainability into the business processes might be met with resistance if it does not create any additional value. So it might be better to think of sustainability as a framework for conducting business which can be developed through building up the right culture to integrate the same as an operative and effective one taking into account a holistic view of the business you are in.

KEYWORDS : Sustainability, Innovation, Culture, Business process model.

Introduction

Business enterprises till now have only considered bottom lines for defining their success in the world. But with changing conditions they have to reevaluate their current stand because increasingly different stakeholders are looking at business in a holistic manner. Since corporations are inseparably connected to our daily life they also should carry the responsibility for ensuring the sustainability of our common resources. This paradigm shift from profits to sustainability should be imbibed by the corporate houses in order to become a responsible corporate citizen in this venture we can use innovation as a means to promote sustainability.

Sustainability and Innovation.

In general sustainability refers to the level to which an action which is successful in a given time zone can replicate the success in future time zones too.(Parnell ,2008) when we consider the triple bottom line approach in business we consider sustainability in terms of ecological , social and economic sustainability (Adams , Frost, Webber,2001).In order to attain sustainability as far as these factors are concerned organizations should look at interdependence of dimensions as well as fairness in their dealings towards their existing social , economic and ecological environments.(Gladwin,kennellyand Krause,1995)

McElroy (2004) suggests three different definitions of sustainable innovation, "sustainability of

innovation artifacts relative to meeting financial or business goals… sustainability of innovation

artifacts relative to meeting social and/or environmental goals… and sustainability of innovation

processes relative to the validity of their outcomes and their internal authenticity." His discussion focuses on the innovation process as it relates to learning, epistemology and policy.

Innovation can be broadly defined as "an idea, practice or object that is perceived as new to an individual or another unit of adoption." Thus, sustainable innovation can reasonably be defined as the development of new products, processes, services and technologies that contribute to the development and well being of human needs and institutions while respecting the world's natural resources and regenerative capacity. This definition is consistent with the general definitions of sustainable development that emphasize the integration of ecological, social and economic dimensions along with a sense of responsibility to existing and future generations. (Gerlach 2003).

Drivers of Sustainability

When we examine the literature available on the drivers of sustainability adoption by industries we can see that there is a mix of internal and external drivers which guide corporates to commit , and invest in, sustainable business practices.

Internal drivers include shareholder and employee pressure (Warhurst 2001), organizational identity (Dutton and Dukerich 1991; Sharma 2000), managerial perspective and discretionary slack (Sharma 2000), company size (Hillary 1997; Schaper 2002) as well as human resources and organizational capabilities (Ashford 1993).

External drivers include consumer demand (Ginsburg and Bloom 2004), government regulation (Daly and Portnoy 2004), social activism (Edwards 2005; Makower 2006) and technological advances (Baucus 1994; Costanza et al. 2000; Henderson 2006). CSR initiatives can serve as both internal drivers, encouraging employees to engage in sustainable business practices, and external drivers, raising competitive advantage and threats both within and across industries (Ginsburg and Bloom 2004; Porter and Kramer 2006).

An emerging view of corporate social responsibility (CSR) is based on stakeholder theory, the

premise that commercial enterprises are responsible to a wide range of constituents affected by

the enterprise" s policies, actions and business activities; including not only the owners,

employees, customers and suppliers but also the local community, advocacy groups, government, media and other related constituents (DeGeorge 1986; Weiss 2006). A company

with a CSR view embraces its commitment to sustainable innovation by internalizing practices

that proactively assess and mitigate economic, environmental and social issues in a manner that

minimizes harms and optimizes benefits (Warhurst 2001).

Culture for Sustainability and Innovation.

To sustain competitiveness, organizations need to pursue a strategy of differentiation. Executing this strategy requires a culture of nonstop innovation. Instead of relying on the expertise and creative skills of the few individuals, organization must institutionalize innovation just as any other key process within the organization. Innovation is a people process. It happens when people work together on a challenge that energizes them in an open environment of trust and respect, in which mistakes are considered learning events and everyone understands what value is being created for whom (Miller & Friesen, 1982). An innovative organizational culture is one in which continuous improvement through the generation and implementation of ideas in all parts of the organization is the norm. It is not defined as something that a small minority are charged with doing (e.g. those in R&D) with the results appearing at fixed times. Having an innovative culture should result in all employees being motivated and confident enough to continually try new things out. A prerequisite is that employees should be equipped with the right types of knowledge, skills and motivation to both effectively generate and implement new ideas. Research also has shown that organizations that benchmark their

operations internally and externally, tend to be more innovative (Kotter, 1995).

It follows a five- step approach to fostering an innovative culture:

1 Create the Required Foundation Assess the role innovation currently plays in the organization. Current customs, traditions, and general way of doing things are largely due to what it has done before and the degree of success it has had with those endeavors. It is required to make necessary adjustments to organization goals and culture, and redefine the roles, functions, and responsibilities of the leaders.

2. Enhance Operations to Foster Innovation Create an environment and organization structure that empowers employees and promotes the collaboration required to generate and implement new ideas. A culture consisting of openness, collaboration, trust, authenticity, proactive, autonomy, confrontation, and experimentation is required to make innovation culture operational.

3 Manage the Ongoing Change Create a team to guide and manage the ongoing change process. It will unfreeze inappropriate, irrelevant, inadequateness and move to a new desirable state.

4 Institutionalization and Stabilization By institutionalization is meant making the change a permanent part of an organization, and by stabilization meant making the permanent change part into a natural part of an organization's working style. The former is more structural, and the latter more processual.

5 Periodic Audit and Evaluation Periodic audit and systematic evaluation may be based on continuous feedback. This step is required to know what difficulties people are experiencing in implementing and what results it produces for the organization, so that the necessary supports in this case can be provided.

These are some *characteristics* that, in aggregate, capture the essence of innovative culture.

1 Openness -All the members of organization should feel free to express their ideas, opinions and feelings to each other irrespective of their ranks. They have no barriers to such expression. They are encouraged to express and are heard. People are creative, curious, artistically, sensitive, imaginative, better performers, flexible, willing to listen to new ideas and to change their own ideas, beliefs and attitudes in response to new information. They play for fun and relaxation, rather than to exhibit their superiority at any cost.

2 Collaboration It is the culture, where people become eager to help each other. They are governed by larger goals, humanity and spirit of sacrifice for the sake of each other. Team spirit, group dynamics and cohesiveness are of the high order. Collaborative relationships lead to new and innovative ideas and solutions among the people.

3 Trust A culture, which is built on the basis of trust and trustworthiness, where none will act opportunistically. In this culture, people believe each other and act on the basis of verbal instructions without having to wait for written instructions. Trust develops due to faith in the integrity of the other and the belief that person would act consistently. Integrity denotes total honesty without any underhand activities. Consistency refers to words and actions matching each other. Competence and loyalty are also integral to trust.

4 Authenticity Organization members speak the truth fearlessly and keep up promises made. They do what they say. They never make false promises, just to please others. If they make promises, they put all efforts to implement their promises.

5 Proactive A proactive culture encourages everyone to take initiative and make things happen. New activities and new ways of doing things are encouraged. People are introducing continual changes so as to bring about a better fit between the firm and its environment. They anticipate events, initiate actions and take control of the organization's destiny.

6 Autonomy People are having discretion and control over job-related decisions. There is freedom and independence in scheduling the work and determining the procedures to be used to complete the work. People make their own decisions rather than rely on detailed instructions from boss or procedure manuals. It appears to be fundamental in building a sense of responsibility at work.

7 Confrontation It is the culture, where problems are diagnosed, confronted and solved collectively or individually. Every senior sees developing subordinates as his responsibility, seniors support their subordinates and juniors respect their seniors. Problems, mistakes and difficult situations are handled with learning orientations. Participation is encouraged. Ever incident is treated as a learning opportunity. People have a sense of satisfaction from their work. They feel that they are cared for and have a sense of belonging. They discuss issues with very little fear of hurting each other. Even if one may have to hurt the other, the issue is handled and not put under the carpet.

8 Experimentation It is a kind of culture, where new ideas, new ways of doing things and take new decisions are applied and encouraged to initiating an improving a product, process, or service. Here, success and failure both are rewarded and encouraged, it supports people who try something. This also characterized risk taking culture. No risk no growth and development. Without experimentation, there is very little scope for renewal, rejuvenation of life. Experimentation leads to innovations. This is what OCTAPACE culture consists of , highly oriented towards creativity and innovative culture when institutionalized. Each of these exists on a continuum from low to high. When these are intensely held and widely shared will exhibit high degree of creative and innovative culture.

Till now we have been speaking about innovative culture now integrating Sustainability into the culture requires sensitization of the members towards their moral commitment to the society humanity and environment. Looking into the prior work of Arnaud and Rhoades(2008) we can say that the climate for sustainability has the following dimensions 1.moral sensitivity to sustainability2.moral motivation for sustainability 3.moral judgment for sustainability4.moral responsibility for sustainability

Sustaining an environment that will foster the ongoing creation of new and innovative ideas is a difficult task. Organizations can gain and maintain sustained competitive advantage through creative and innovative culture which is a scarce resource.

Model for *Sustainable and Innovative Culture*

In the following model that has been drawn up after the synthesizing the literature available on sustainability and Innovation in the organization and the culture present we can see that sustainability should provide the basic frame work inside which the innovation process is carried out so that it is an ongoing process feeding into each other for the betterment of all the stakeholders involved.

Here the four main components of sustainability that is 1) Environmental-Use resources responsibly,2)Community-Create Stakeholder Value,3)Individual-Enable sustainable lifestyles 4) Individual - Build Relationships has been considered as the basic frame work inside

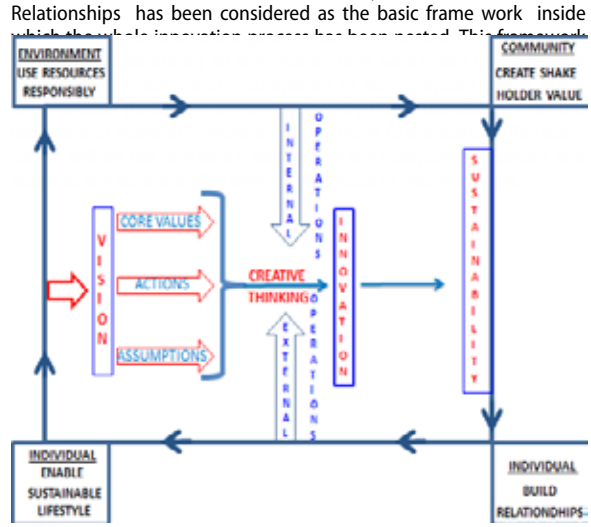


Fig 1. Model for Sustainable and Innovative Culture

Thus we can see that if business concerns consider sustainability as the basic framework holding together every business activity then automatically a culture promoting sustainability will be established. As discussed before since businesses have to differentiate themselves to be profitable innovation becomes an absolute necessity for survival but this should also be integrated to the overall framework of sustainability so that the corporate citizen becomes a model citizen.

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