Putting Organizational Culture at the Heart of Industrial–Organizational Psychology's Research Agenda on Sustainability: Insights From Iberoamerica

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Ones and Dilchert (2012) make a very pertinent and urgent call: Industrial–organizational (I–O) psychology has the potential to make a significant contribution to a research and practice agenda that helps organizations foster environmental sustainability. In this commentary, we will argue that, in this quest, I–O psychology should give significant attention to an issue that is only marginally mentioned in

Ones and Dilchert's article: the creation of *organizational cultures*. Here, we will develop the idea of how culture, value creation, and competitive advantage are linked to environmental sustainability. We will briefly illustrate our arguments with findings from our case-study research in the hospitality industry in 13 Iberoamerican countries.[1]

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1. Ours is research in progress, based on qualitative and mixed research methods. It aims to analyze the role of sustainability in the hospitality sector in Iberoamerica: Spain, Portugal, and Latin America (concretely, in Chile, Brazil, Peru, Argentina, Mexico, Colombia, Venezuela, Uruguay, Costa Rica, Nicaragua, and the Dominican Republic).

Sustainability and Organizational Culture

There is a nascent body of literature that aims to understand how companies can embed sustainability in their organizational cultures (Howard-Grenville & Bertels, 2012). For these authors, culture has been conceptualized as *shared norms or values* (reinforced through the role of leaders and ''champions,'' the allocation of resources, the use of incentives, and the existence of corporate policies), as a *frame or filter* (that is, as recursive connections between people's day-to-day actions and the meanings associated with them), and as a *toolkit* (made malleable by individual actors who use cultural resources in new ways).

Among the myriad of conceptualizations available, Ulrich and Brockbank (2005) offer a useful definition of organizational culture: ''the collective mindset of the company, shared ways of thinking and cognitive patterns that define the way people behave'' (p. 50). So, the identification and classification of behaviors aiming to promote sustainability should be part of a much needed exercise to make multiple expressions of culture—language, artifacts, and behaviors—more explicit (Howard-Grenville & Bertels, 2012). Making behavioral expressions observable and explicit is an extended practice among sustainability-committed firms, as noted by Ones and Dilchert. For example, in our research in the hospitality sector in Iberoamerica, we have seen how environmental sustainability has been translated into concrete actions in employee induction programs and into many people management practices, from the chefs' oil recycling and cooking practices to executive performance appraisals (e.g., at Meliá Hotels in the Dominican Republic). Sustainability has been incorporated in some way or another in most job descriptions, incentive programs, and employee performance appraisals (e.g., at Lapa Rios Hotel in Costa Rica, and at the Hilton in Santiago de Chile). For City Express at Puebla (Mexico), all kinds of behavioral measures have been established internally, including waste management, pest control, maintenance, light pollution, temperature control mechanisms, water use, energy efficiency, and acceptable behaviors concerning employee mobility, among others. Executives interviewed have also told us how new sustainability tasks and values form part of their new code of conduct, how internal competitions have been established to find new ideas to improve daily operations from an ecological standpoint (e.g., at NH Hotels in Spain), and how multidisciplinary teams and committees have been formed (e.g., at Starwood Resorts).

Many of the initiatives we have seen involved external stakeholders such as *customers* (e.g., creating environmental awareness campaigns for current customers and targeting new environmentally conscious customers) as well as *providers* (with whom innovative solutions and eco-efficient supplies have been jointly designed) and *shareholders*, for whom all kinds of environmental measures have been included in organizational sustainability reports. In the most advanced cases, sustainability was fully integrated into the culture of the organization. As the general director and head of HR in the aforementioned hotel in Mexico told us: ''We have the commitment to consider all consequences, economic, social and environmental, in the decisions that are taken both in construction and equipment of our hotels, as well as in our daily operations.''

Certainly, in order to understand, consolidate, and foster practices such as these, and to consolidate sustainability integration into the firm's culture, I–O psychology's body of knowledge should be of significant help. However, in our view, I–O psychology should treat cautiously some of the *inner- and input-oriented* moves that seem to underlie Ones and Dilchert's claims about ''focusing on what organizations do'' and ''shifting attention from environmental impact and outcomes to processes involving employees.'' Instead, we believe that I–O psychology requires an approach focused on outcomes and value creation for multiple stakeholders.

From ''Eco-Efficiency'' to Competitive Advantage and Shared Value

We believe that I–O psychology's contribution to sustainability and organizational culture should go beyond the ''eco-efficiency'' approach that Ones and Dilchert often seem to portray. Although the authors certainly assume that there is a linkage between sustainability, economic value, and strategy, most of their text depicts an image of sustainability centered on impact reduction and noncore business-connected activities. Its connection with the creation of competitive advantage seems to us unclear or absent.

In this respect, I–O psychology's focus on sustainability should be based more closely on research that is already showing that firms can generate true economic value through the simultaneous creation of societal and environmental value (Haugh & Talwar, 2010). Most sustainability ''champion'' firms are engaged in initiatives that are carefully identified and prioritized to embed social and environmental sustainability into the value chain of the firm, its day-to-day operations, and its culture (Bertels, Papania, & Papania, 2010). As shown by Porter and Kramer (2006), firms can re-design components of the business model to foster the productivity and competitive advantage of the firm and simultaneously advance (significantly) the economic, environmental, and social conditions of the communities in which they operate. For us, these and similar approaches go far beyond green rhetoric, good corporate citizenship and (merely) mitigating harmful value chain impacts. They are not ''eco-efficiency'' centered, but output-oriented approaches, ''engineered'' as competitive drivers.

Michael Porter's recent work on the creation of ''shared-value'' (Porter & Kramer, 2011) is one of the most promising frameworks that I–O psychologists should consider. From their perspective, organizations can pursue three main strategies that we illustrate here from our research in the Caribbean:

(a) *Organizations can identify opportunities to redefine their value chain and operations so that environmental issues are re-addressed to offer competitive advantage.* For example, consider Grupo Punta Cana in the Dominican Republic. They have made the disposal of waste a profitable source of income. Having created and distributed waste management facilities in one the most international airports of the Caribbean (Punta Cana Airport) and throughout their hospitality facilities, now they do not only massively recycle plastic, paper, cans, and other materials but have also made waste management a service that other organizations all over the country are using (and paying for). Their reputation as a responsible company has grown dramatically.

(b) *Firms can find new markets and redefine their customer value proposition.* For example, CCBH, a small boutique hotel in the depressed Zona Colonial of Santo Domingo, is now able to attract environment-conscious high-end customers, outperforming most of the other ''traditional'' boutique hotels in the city.

(c) *Companies can create and strengthen local clusters* with supporting organizations, such as suppliers, non-profit organizations, institutions, and even competitors. For instance, the province of Samaná, after engaging in significant infrastructure and environmental investments, is about to obtain the Biosphere certification. Thanks to the efforts of the Cluster Turístico de Samaná, the province has significantly increased the quality of major ecosystems and is now successfully attracting customers from all over the world as well as the neighboring provinces, and increasing its attractiveness as a *destination*, not just for the ''isolated-and-competing'' hotels currently based in the province.

In all these organizations, we have seen sustainability as one of their key cultural pillars, reinforced through workplace and people-management practices: information, recruitment, performance, compensation management, and so forth. Initiatives such as these are closely linked to the companies' core business—they result in competitive advantage for the firms and create value for concrete segments of society or ecological systems.

As argued by Schneider, Ehrhart, and Macey (2012), in the quest to help organizations foster their competitive advantage, I–O psychology may need to reconsider the tradition of individual differences that it has inherited (which assumes that relevant individual and ''aggregated'' strategic knowledge, skills, and abilities are at the center of a firm's competitive advantage) and to explore in more detail how managerial practices and policies help in building organizational cultures.

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