
Expanding the Vision of Industrial–Organizational Psychology Contributions to Environmental Sustainability

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Citing a range of serious environmental challenges, Ones and Dilchert (2012) make a compelling *moral* case for

industrial–organizational I–O psychologists to contribute to organizations' environmental sustainability efforts. We offer an expanded range of considerations regarding why and how I–O psychologists can engage with the opportunities and challenges presented by environmental disruptions. Whereas Ones and Dilchert primarily focus on the impacts organizations have on the environment, we consider the impacts

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the natural and social environments have on organizations. We underscore the compelling *business* reasons why organizations are embedding environmental sustainability into their business models and missions, and integrating sustainability throughout their organizations. We also build upon Ployhart's (2012) recent call to strengthen I–O contributions to organizational strategy and competitive advantage. In doing so, we make the case for why sustainability is highly relevant to the broader membership of SIOP.

Sustainability as Current Organizational Context

Sustainability increasingly impacts an organization's capacity to create competitive advantage. Key contextual factors driving sustainability strategies include insufficient natural resources, escalating stakeholder demands for "green" products and processes, and growing transparency of organizational information to other organizations and to the public; these factors are redefining how organizations create value (Laszlo & Zhexembayeva, 2011). *Fortune* 1000 companies have widely adopted sustainability strategies (Gibbs & Soell, 2011), yet they face significant challenges in embedding sustainability thinking and behavior at all levels of their organizations. Embedding sustainability requires a cascading series of changes that touch every employee in the organization. Sustainability strategies require adjustments in organizational culture, work systems, generalized employee behavior at work, as well as how every employee thinks about the organization and their work.

Porter and Kramer (2011) describe how a "shared value" perspective (i.e., creating organizational value while simultaneously adding value to society and to the environment) is reinventing capitalism. This new shared value/embedded sustainability business model moves beyond tradeoffs that pit organizations, society, and the environment against one another; it enhances company competitiveness while attending to

social and environmental conditions that for decades have accrued as problematic externalities. They point out that companies like Google, Intel, Johnson & Johnson, and Unilever have begun to make business decisions through the lens of shared value by reconceiving products and markets, redefining productivity and the value chain, and enabling local cluster development. "This will drive the next wave of innovation and productivity growth in the global economy. It will also reshape capitalism and its relationship to society. Perhaps most important of all, learning how to create shared value is our best chance to legitimize business again" (p. 4). Because this paradigm shift requires employee systems changes that impact employees at all levels, success in speeding the trajectory and quality of change can be fueled by I–O research. As such, sustainability provides a compelling case for I–O to address how context changes organizational needs.

A shared value perspective on environmental sustainability poses issues that challenge organizational leaders and members to broaden their perspective toward a whole systems view (Bertalanffy, 1968). It also inspires conversations across functional areas and levels of employees in new ways and toward common goals. As such, a whole systems perspective pervades the ideas we present here. Similarly, environmental sustainability solutions benefit from design thinking, an optimistic, constructive, and experiential process of gleaning constituent insights to generate innovative solutions (Brown & Wyatt, 2010). Architects and engineers are familiar with design charrette processes, which are more open and creative than are the traditional, convergent design processes used by I–O psychologists. This shift to more holistic and creative thinking can inspire a whole new era of I–O psychology work.

Strategic HRM for Embedded Environmental Sustainability

Truly embedding environmental sustainability into the core of an organization

requires featuring sustainability in an organization's strategic plan, and marshaling the collective efforts of organizational members to accomplish sustainability-related objectives. This whole systems design challenge requires strategic human resource management (HRM), which employs both vertical and horizontal alignment of HRM practices and spans both transformational and traditional HRM practices (DuBois & DuBois, 2012).

Transformational HRM

The imperative for engaging the whole organization in embedding sustainability within organizations *elevates* the need for transformational employee HRM practice, including the development of HRM strategy, leadership and management alignment, and organizational culture and work systems. The HRM function is ideally positioned to lead the sustainability embedding process because it touches all employees and all work systems. But to play at this level, the top HR leader must be highly skilled in all six HR competencies proposed by Ulrich, Brockbank, Johnson, Sandholtz, and Younger (2008), from credible activist to operational executor. In pioneering companies such as the Sherwin-Williams Company (DuBois, 2012), senior HRM executives are successfully leading organizational environmental sustainability transformation processes.

Further, executives often comment on how sustainability both stimulates and requires innovation throughout the organization. We know a lot from I–O research about how to create workplace conditions to support innovation, but do we know what it takes to *rapidly* create a culture of innovation or to adapt to the contextual changes imposed by changing environmental conditions and regulatory requirements? The whole systems perspective inherent in sustainability challenges us to better specify how to create a culture of design thinking capable of expanding the boundaries of incremental innovation. Laszlo and Zhexembayeva (2011) emphasize that

environmental sustainability presents opportunities to develop and implement “blue ocean” strategies (Kim & Mauborgne, 2005) and address whole new markets at the base of the economic pyramid (Hart & Christensen, 2002). We know very little about the conditions necessary to support such radical innovation across whole systems.

Traditional HRM

I–O psychology expertise has provided the nuts and bolts of traditional HRM practices. The strategic HRM literature has clarified the value of horizontal alignment of HRM practices, from recruiting and selection to onboarding to performance management and reward processes. Horizontal alignment across traditional HRM practices can create whole system synergies that speed environmental sustainability goal accomplishment. For example, operationalizing an organizational goal of reduced energy consumption requires an integrated set of HR practices that will support attraction, retention, and motivation of employees who will not only comply with energy-related task performance requirements but will also generate energy-related organizational citizenship behaviors and refrain from energy-related counterproductive work behaviors. I–O research can address optimal ways to integrate sustainability-related HRM practices across HRM domains to leverage employee engagement.

Generating Knowledge That Drives Change

Environmental sustainability challenges comprise an increasingly critical aspect of the constantly changing environment within which organizations currently operate. Mohrman and Lawler (2012) recently called for scholars to engage in relevant research that can be used to guide organizational adaptation to change. They suggest that scholars extend beyond our comfort zone to connect with practitioners and experts in other disciplines, which is consistent with

our call for a whole systems approach to sustainability issues. Further, they suggest that scholars align ourselves with organizations that are undergoing change and expand our focus from identifying “best practice” to understanding and shaping “next practice.” In doing so, we can both learn from these organizations and help them design innovative solutions. We would be wise to adopt a positive deviance approach, such as that taken by behavioral and social scholars in solving community problems (e.g., Wishik & VanDerVynck, 1976). This approach makes use of the collective intelligence of a diverse set of group members and assumes that they have the capacity to generate successful solutions.

Conclusion

Fundamentally, sustainability concerns how well organizations respond to broad, dynamic, and sometimes disruptive changes to the natural and social contexts in which they function. In response, organizational leaders have begun the processes of adapting their vision, missions, and business models. Yet that journey has just begun. So although over 80% of the largest U.S. companies may engage in and report on specific programs to address these issues (D’Mello, Ones, Klein, Wiernik, & Dilchert, 2011), very few of them have formally institutionalized sustainability in their business models and HR functions. As a result, the opportunities available to I–O psychologists to assist these organizations are legion and much needed.

These opportunities do not require a strong environmental orientation or passion. They do require a basic understanding of why and how markets have changed due to environmental and social pressures, and an appreciation of how effective adaptation to these changes offers organizations opportunities to create added business value and competitive advantage. I–O psychologists who invest time in understanding this dynamic context and developing new skills

to help organizations adapt to it are likely to be rewarded for their efforts.

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