

Developing a Shared Environmental Responsibility Vision:

Leveraging Organizational Culture and Internal Stakeholder Engagement


by

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ABSTRACT

Environmentally responsible behavior by corporations has become more than just academic theory, altruistic practice or a public relations activity to protect brand image. It has become a critical consideration to maintain a company's license to operate. External drivers, including regulatory, business, and societal expectations provide a strong business case for implementing environmental responsibility programs. Internal drivers, including an ethical concern for the environment, profit, organizational cultural expectations, and a desire to recruit and retain talented workers are also factors influencing companies today.

The cultural aspects of implementing sustainability programs have increasingly become a focus area in academic studies. Numerous researchers, particularly in the business, business ethics and organizational dynamics fields, have examined how the cultural environment of an organization can either help or prevent the institutionalization of economic, social or environmentally beneficial practices. Understanding these implications and adapting strategies to incorporate or influence the cultural characteristics of an organization is critical to implementing sustainability programs and maintaining their effectiveness over time.

This paper presents a strategy for developing a shared vision of environmental responsibility in a multinational organization with a non-hierarchical, collaborative culture.

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1 Objective

The objective of this Masters Project (MP) is to develop a strategic plan for creating a shared vision of environmental responsibility for W. L. Gore and Associates, a non-hierarchical global manufacturing enterprise.

2 Introduction

The World Business Council for Sustainable Development (WBCSD) defines sustainability as “Meeting the needs of the present without compromising the ability for future generations to meet their own needs.” This definition was published in 1987 in the United Nations report, *Our Common Future*, more commonly known as the Brundtland Report (UNWCED 1987). While in the past sustainability, also referred to as Corporate Social Responsibility (CSR), has been viewed by some as something forced upon them by society (Friedman 1970), or an ethical obligation (Svensson et al. 2010), an effective sustainability program can also provide competitive advantage (Kono 1990; Porter and Kramer 2006).

Carroll traces the development of CSR, with a focus on the past 70 years (1999). In the 1950's, “Social Responsibility” was more theoretical and focused on the moral obligations business had to society. In the 1960's, man's impact on the environment was brought into focus by Rachael Carlson's book *Silent Spring* (1962), which raised awareness of the impact of pesticides on the environment. In the 1970's an opinion survey showed that the majority of people in the United

States believed business had a broader responsibility to society than just profitability (Carroll 1999). Since then, the importance of sustainability has grown from discussions in the living room to planning in the board room. A growing number of companies see sustainability as more than philanthropy, but as an important business issue necessary for future growth. Market leaders, such as GE, Google, Intel and Johnson and Johnson are viewing the nexus between society and corporate performance as an opportunity to create shared value (Porter and Kramer 2011).

3 Background

Socially responsible behavior by corporations has become more than just academic theory, altruistic practice or a public relations activity for protecting brand image. It has also become a critical consideration to maintain a company's license to operate. This has not always been the case. Milton Friedman, who was awarded the Nobel Prize in Economics in 1976, had a very different perspective. In an editorial in *The New York Times*, Friedman (1970) stated that the responsibility of business is to increase profits and that social responsibility in business was "pure and unadulterated socialism" and that "Businessmen who talk this way are unwitting puppets of the intellectual forces that have been undermining the basis of a free society." In the 42 years since Friedman's editorial, attitudes from a corporate, economic, and societal perspective have changed significantly. Today, sustainability has moved beyond academic studies to a globally accepted practice in many organizations.

Traditionally, sustainability was focused on responsible social, economic and environmental behaviors. For many, significant environmental conditions, such as global climate change, have moved environmental responsibility to the forefront.

The need for a standardized approach to managing environmental impacts has led to the development of a number of different management systems. In 1992, the British Standards Institute (BSI) published BS-7750, entitled Specification for Environmental Management Systems. This was followed in 1995 by the European Commission's EU Eco-Management and Audit Scheme (EMAS) and in 1996 by the International Standards Institute (ISO) standard ISO-14001. All three systems apply the Plan-Do-Check-Act (PDCA) quality approach to managing environmental performance. They all rely on the traditional systems approach but do not fully address the cultural aspects of sustainability other than requiring training and awareness of the company's environmental policy and practices.

When trying to reduce an organization's environmental footprint, it's tempting to focus upon the well defined procedural or technical aspects, or what Epstein and Buhovac referred to as "hard" systems (2010). But over the past decade, numerous studies have suggested that the foundation of meaningful and sustainable environmental responsibility programs is built upon the soft systems of a company's culture.

The effect of organizational culture on establishing sustainability programs has increasingly become a focus area for academic studies. Numerous researchers, particularly in the business (Deshpande and Parasuraman 1986; Linnenluecke and Griffiths 2010; Linnenluecke et al. 2009), business ethics

(Payne and Joyner 2006) and organizational dynamics fields (Andrew J 2010; Andrew M 2003; Mirvis et al. 2010), have examined how an organization's culture can either help or hinder the institutionalization of economically, socially or environmentally beneficial practices. Understanding these implications and adapting strategies to incorporate or influence the cultural characteristics of an organization is important to implementing sustainability programs and maintaining their effectiveness.

a) Organizational Drivers

Although the formal systems, such as Environmental Management Systems (EMSs), focus on the "how", there are a variety of reasons "why" companies should implement sustainability programs.

Government regulations place requirements on companies and provide incentives for them to reduce their environmental footprint. In the United States, regulations such as the 1970 Clean Air Act and the 1977 Clean Water Act impose limits on the release of industrial pollutants into the air and water. Some standards provide an incentive for businesses to conserve energy. In the U.K. emissions are being taxed under the DECC Emissions Trading Scheme (UKDECC 2012a). Under this scheme, the predicted price of carbon almost doubles between 2012 and 2020. The 2012 price of carbon is 14.5 GBP (28.02 USD) per metric tonne. It is predicted to increase to 31.8 GBP (50.48 USD) per metric tonne in 2020 (UKDECC 2012b). The remainder of the European Union is considering implementing similar taxes in the near future. Although a carbon tax is unlikely to be applied broadly in the United States in the near future, it would be reasonable to assume that at some point, either a cap and trade scheme or a carbon tax will be implemented.

Business drivers range from customer requirements, company cultural expectations, recruiting and retaining talent, protecting brand value, and reducing expenses. Customer expectations and requirements are a strong driver for suppliers to implement sustainability programs. To drive sustainability into the value chain, a number of influential consumer electronics companies formed the Electronics Industry Citizenship Coalition (EICC 2011a). This organization is attempting to influence their supply chain by requesting transparency of carbon emissions, water consumption and minerals extraction information. Using supplier's environmental performance as a consideration in purchasing decisions can help drive environmental improvements. The EICC provides a self-assessment tool for suppliers to evaluate their environmental performance (EICC 2011b). This trend is also reflected in the automotive industry by the requirement for key suppliers to achieve and maintain ISO-14001 certification (González et al. 2008).

Perhaps one of the most significant initiatives in the retail industry is WalMart's drive to build a more environmentally and socially responsible supply chain. Under this initiative, WalMart will require first-tier suppliers to source their goods from factories that have been assessed for environmental and social performance (Allen 2008). Environmental and social requirements also drive improvements in small and midsize enterprises (SMEs) by disqualifying suppliers who don't comply with sustainability purchasing requirements (Freisleben 2011). These industry initiatives have the potential to have far reaching effects, given the globalization of value chains, particularly in developing economies (Gereffi et al. 2005). A company's ethical concern for society and the environment, economic profit, organizational cultural expectations, and a desire to recruit and retain people in an increasingly competitive talent market (Ohlrich 2011) are also important drivers.

A number of studies have examined the competitive advantages that a sustainability program offers. An article in the *Harvard Business Review* proposed that if companies used the same frameworks that guide their business, sustainability "...can be a source of opportunity, innovation, and competitive advantage" (Porter and Kramer 2006).

An effective sustainability program can help contribute to organizational profits. In a survey conducted by MIT's Sloan Business School and Boston Consulting Group, of nearly 3,000 executives, a third of the respondents reported that they believed that sustainability activities contributed to their profitability (Kiron et al. 2012). The survey showed that the number of times sustainability topics appeared on business agendas increased from less than 500 in 2001 to over 2,200 in 2011. Despite the poor economy of the past several years, many companies are increasing sustainability initiatives (Kiron et al. 2012).

The Corporate Social Performance (CSP) of an organization may play a role in talent management, or recruiting and keeping employees. A study by Turban and Greening (1997) indicated that "...independent ratings of CSP are related to firms' reputations and attractiveness as employers". A follow-up study indicated that social performance of an organization is "of interest and concern" to potential job seekers, particularly when deciding to accept a job offer (Backhaus et al. 2002). As recent as 2011, a study continued to suggest that "...organizations with higher levels of corporate citizenship are more likely to be viewed favorably by job applicants" (Evans and Davis).

Having a powerful brand can result in drawing attention of Non-Government Organizations (NGO's) attempting to drive environmental agendas. Having a good environmental record helps to

minimize negative perception and the risk of being singled out. Activist NGO's have also targeted successful companies to draw attention to an issue, sometimes when the companies have had little to do with the problem (Porter and Kramer 2006).

Societal expectations have also become significant drivers. Over the years, numerous environmental incidents, from Three-Mile Island to the Deepwater Horizon disaster, have raised the public's awareness of the impact industry can have on the environment. In April, 2010, the BP Deepwater Horizon accident killed 15 people and resulted in what is being called the largest environmental disaster in U.S. history. As one newspaper put it, the crisis "runs a pipeline into our collective unconscious" (Brown 2010). This incident damaged BP's reputation, and impacted their profits (Prettitore 2010). The cost to BP, the environment and the U.S. Gulf Coast economy are estimated to amount to \$36.9 billion (Ashcroft et al. 2010). In response to these types of incidents, civil society has developed higher expectations of corporations and their environmental and social performance.

4 W. L. Gore and Associates Inc.

W. L. Gore and Associates (Gore) is a privately held, multi-national technology enterprise with a diverse product portfolio. The product range includes GORE-TEX® textiles, electronic products, industrial filters and sealants, and surgical and implantable medical devices. Gore employs almost 10,000 associates (the term used to describe employees) worldwide and has annual sales over \$3B (WLG 2011a). The organization has manufacturing facilities in the United States, United Kingdom, Sweden, Germany, South Africa, Japan and China.

a) Business Objectives

As a company that prides itself on innovation, Gore recognizes the importance of continuously developing unique products. Being recognized as a world class company is also important. The company website states “We take our reputation for product leadership seriously, continually delivering new products and better solutions to the marketplaces of the world” and “We resolutely live up to our product promises, and our associates address technical challenges with innovative, reliable solutions” (WLG 2012a). With ever increasing attention being paid to a product’s environmental footprint, environmental responsibility plays a key role in maintaining this position. Another key objective of any organization is to be able to recruit and retain talented workers. How people perceive an organization may play an important role in their decision to join and remain with that organization.

b) Business Drivers

The three most significant drivers for the environmental initiative at Gore are customer requirements, associate expectations and the cost of energy.

A number of market sectors have focused efforts to drive environmental improvements up their supply chain. Three of these sectors, automotive, electronics and apparel, are important to Gore. As mentioned earlier, the automotive and electronics industry sector has been focusing on the environmental performance of their supply chain. This is also true in the outdoor apparel industry where market leaders, such as Nike (Epstein et al. 2010b) and Patagonia (Rarick and Feldman 2008) are also striving to improve the environmental performance of their supply chains.

Talent management, including recruiting and retaining associates, can also benefit from a sound environmental reputation, as pointed out by several authors (Backhaus et al. 2002; Evans and Davis 2011; Turban and Greening 1997).

c) Culture

Although Gore has had significant financial success, their culture is what makes the organization unique. Gore has been recognized numerous times for its innovative and effective culture. One non-financial measure of the effectiveness of an organization's culture is how the employees relate to their company. A number of organizations survey employee satisfaction and rank employers. *Fortune Magazine's* "100 Best Companies to Work For" in the United States is one. For 14 consecutive years, Gore has been listed in FORTUNE's list (WLG 2011b). Gore has also been recognized as a best place to work in by organizations in the U.K., Germany, Italy, France and Sweden.

d) Sub-Cultures

Although there may be a dominant organizational culture, most organizations have multiple sub-cultures (Howard-Grenville 2006; Linnenluecke et al. 2009). Understanding sub-cultures is important to successfully implementing an environmental strategy (Howard-Grenville 2006).

Culture influences how things get done, how information is communicated, the language used and the behavior of individuals and the organization. Culture also helps individuals to recognize groups within their organization that they identify with.

Numerous studies have examined the relationship between corporate culture and strategy.

Deshpande and Parasuraman linked the ability of a company to adjust their business strategy closely with the organizational culture (1986). There is also a strong connection between leadership in an organization and the successful implementation of a sustainability program (Epstein et al.2010a; Linnenluecke and Griffiths 2010).

Gore recognizes its unique culture as a competitive advantage. Since being founded in 1958, Gore has avoided the traditional hierarchical structure. For over 50 years, the organization has operated with a decentralized, team-based structure that promotes direct person-to-person communications. There are no titles or the authority that comes with them. Instead of bosses, there are leaders. Leaders are associates who, through technical knowledge, skills, experience and credibility, have gained followers. Replacing authority is influence, which also is earned through technical knowledge, skills, experience, and credibility. The organizational structure that allows this is referred to as a lattice (Pearce and Manz 2005). Gore defines their organizational structure as "... a team-based, flat lattice organization that fosters personal initiative. There are no traditional organizational charts, no chains of command, nor predetermined channels of communication." (WLG 2012a). At Gore, "the culture takes the place of traditional formal operating systems like titles, job descriptions and hierarchy." (Cawood 2011).

In Gore's lattice structure, there is no hierarchy, few organizational charts, directives or policies. Policies are viewed as rigid and limit the flexibility and agility necessary for innovation. Replacing policies are practices and guidelines. Practices and guidelines are viewed as being flexible, can adjust to different situations and don't lock people into rigid requirements. In the absence of a rigid

structure and hierarchy with policies and directives, Gore's culture operates within a set of core values that all Associates are expected to follow.

e) Core Values

Core values are intended to help guide decisions and to "...uphold the reputation of the enterprise, strengthen communications among associates and promote the development of innovative new products" (WLG 2012b). The core values that relate to environmental performance include:

- *High ethics and integrity:* "Having a high standard for ethics and integrity helps enhance our reputation, whereas unethical behavior can swiftly destroy it."
Having environmentally responsible practices and reducing an organization's impact on the environment directly relate to being an ethical company with high integrity.
- *Lattice:* "Our flat, or lattice, organizational structure is non-hierarchical and fosters personal initiative, encourages innovation and promotes direct communications between individuals." The lattice organizational structure offers both benefits and challenges to implementing an environmental responsibility program. The benefits include encouraging personal initiative and innovation. The challenge is the absence of the ability to centrally direct activities and set priorities, characteristics that are present in a hierarchical organizational structure.

- *Innovation and creativity:* “We are committed to deliver a continuous stream of innovative products.” As more customers are requiring conformance with environmental performance standards, such as a reduced carbon footprint, innovation and creativity are necessary to identify and create new capabilities and technologies.
- *Fitness for use:* “We make, and stand behind our commitment to customers that our products do what we say they will do.” Customer requirements for particular environmental characteristics become “fitness for use” criteria.

These values can easily be applied to implementing environmental responsibility practices. Having high organizational ethics and integrity are directly related to an organization’s reputation. The environmentally responsible design and manufacture of products and environmentally efficient design and operation of facilities can directly influence both internal and external stakeholders’ perception of an organization.

By encouraging personal initiative and innovation the lattice organizational structure can help institutionalize environmentally responsible practices. They provide opportunities for associates to implement environmentally responsible practices without having to work against the inertia of a hierarchal culture.

The lattice structure, core values, guiding principles, and lack of titles provide a unique environment to institutionalize a sustainability program. Recognizing and understanding the culture at Gore is critical to designing and implementing an effective environmental responsibility program. In one

study of a high technology company, Howard-Grenville (2006) examined how the organization's culture, specifically underlying sub-cultures, influenced how environmental issues are interpreted and acted upon. In this study, the author proposes that lack of congruence in problem setting and strategies between subgroups can result in "divergent interpretations and actions," This can introduce significant challenges in driving implementation.

Despite Gore's common organizational culture, multiple regional, business and functional subcultures exist. Howard-Grenville focuses on differences in power and position contributing to the formation of sub-cultures. Although power and position are absent in the Gore organization, some associates have more influence and credibility than others, or have different functional objectives which may result in different sub-cultures. For example, the goals and priorities of marketing will be different than R&D, facilities, logistics and manufacturing.

At Gore, influence and credibility replace authority as a driver of organizational change. To realize an environmental responsibility business transformation, there needs to be congruency between statements and actual practices. Failure to implement practices that support the sustainability vision, mission and values can damage the credibility of the initiative within the organization and potentially harm the brand (Mirvis et al. 2010).

Beyond understanding organizational subcultures, the need for both formal and informal systems is also necessary for effective implementation of an ER strategy. The more traditional, formal systems to measure success and define accountability are important. Equally important are the informal systems of leadership, culture and people, and the need for alignment between these systems

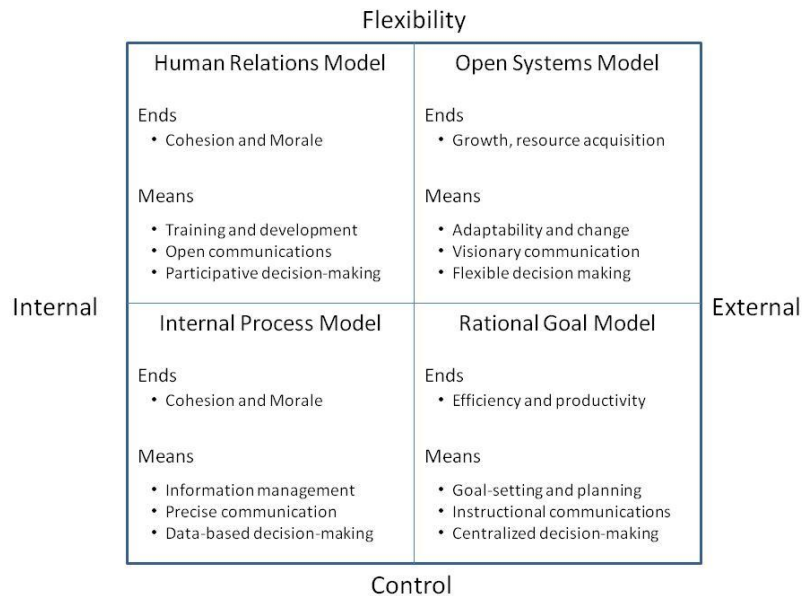
(Epstein and Buhovac 2010). Informal systems are the primary mechanism to drive change at Gore.

In their 2009 paper, Linnenluecke et al. argue that companies need to adopt a sustainability-oriented organizational culture to fully respond to societal changes (Linnenluecke et al. 2009). Using the competing values framework (CVF) of organizational culture, they identify barriers and opportunities that corporate sustainability initiatives face in different cultural orientations. These barriers and opportunities provide valuable insight when creating an organizational environmental responsibility vision.

Using the CVF model, the Gore culture has aligns with Flexibility. There are elements from both the Human Relations, and Open System models. From the Human Relations model, training and development, open communications and participative decision-making are present. Gore also has adaptability and change from the Open Systems model. These characteristics can be valuable when trying to develop a shared vision of environmental responsibility. Adaptability and change provide a dynamic environment where new concepts can be introduced. Training and development encourage new skills to be developed within the organization. Open communications are valuable in collecting information and values from different sub-cultures, and participative decision-making creates an environment where associates can be involved and feel a sense of ownership.

Incorporating cultural considerations is important in complex, highly dynamic, less hierarchical and team-based knowledge work systems with self and shared leadership (Pearce and Manz 2005), such as Gore.

Figure 1 Competing Values Framework



Source: Linnenluecke and Griffiths, 2010

Gore's distributed leadership model presents both challenges and opportunities for developing a shared environmental responsibility vision. In a hierarchical organization, senior executives establish organizational priorities, allocate resources and dictate conformance. In the Gore model, support for an environmental responsibility initiative by senior leaders, such as the CEO and Board of Directors, is essential, but does not in itself drive implementation. Implementation is dependent upon support, buy-in and participation by divisional leadership, functional teams and individual

associates. Incorporating cultural aspects into an environmental initiative is essential for institutionalizing environmentally responsible practices and for maintaining an effective, long term program.

Gore has two statements related to sustainability, the Responsible Enterprise Statement, and the Environmental Responsibility Statement, both published in 2010. These statements are intended to provide context and to guide daily decisions regarding sustainability.

Responsible Enterprise Statement

"Gore is a uniquely creative, technology-driven Enterprise focused on discovery and product innovation. Gore has served a variety of global markets for more than 50 years and has thrived by providing its customers with high-value products that enhance the quality of life. Associates take great pride in being part of a strong global Enterprise and in the broad contributions we make to society.

We believe Gore's success is a direct result of the values that are the foundation of our company's culture. This culture is built on a deeply held belief in Associates and in the innate drive of each person to reach his or her full potential. We are collectively committed to fostering a safe and healthy work environment where all Associates can develop their talents, enjoy their work, and responsibly direct their activities.

Gore's culture exerts a strong and steady influence on each of us to act with the highest integrity and responsibility. We are committed to meeting the needs of customers through our innovative, reliable products and to improving the communities in which we work and live. We have a continuing commitment to our legacy of taking a long-term view, and seek to make decisions that are consistent with this principle."

Environmental Responsibility Statement

"Gore's respect for the environment is a natural outgrowth of our legacy of responsible innovation. Throughout our history, we've applied the principles of sound science to create products that improve the quality of life, including products that solve difficult environmental problems.

As a company and as individuals, we are committed to achieving a positive economic impact while being environmentally responsible. We will use the best scientific understanding available to guide us in our actions.

Throughout our history, we've applied the principles of sound science to create products that improve the quality of life, including products that solve difficult environmental problems.

At Gore, we have an ongoing commitment to meeting all applicable health, safety, and environmental regulations and standards. We carefully consider the effects of our products and operations on the environment, as well as on the health and well-being of people. We strive to be good stewards of air, water, and energy resources, and in our management of waste.

As an innovative company, we are often in the forefront of technological breakthroughs where we assume added responsibilities. We will draw upon our unique knowledge, and the knowledge of others, to advance the understanding of the interaction of our products and processes with the environment. In all of our efforts, we will take a holistic approach that considers both the short- and long-term implications of our decisions and the prosperity of future generations."

5 DEVELOPING A SHARED VISION

The objective of this paper is to define a plan for developing a shared vision of environmental responsibility that can be institutionalized into organizational practices and procedures. To accomplish this, the vision must be consistent with the Gore culture and support business objectives. The primary strategy is to evolve a shared environmental responsibility vision is by engaging associates in a process to materially improve environmental performance, demonstrate business value and acquire, refine and share gained knowledge. Sustainability is often viewed from the three different aspects of benefits to society, to the economy, and for the environment. Although the Brundtland Report (UNWCED 1987) provided the most common definition of sustainability, a total of 37 definitions exist today (Dahlsrud 2008). To avoid confusion and minimize individual perceptions as to the meaning of sustainability or social responsibility, the term environmental responsibility will be used for the environmental initiative at Gore.

This case study will present a strategic plan and tactics to be used to develop a shared vision of environmental responsibility and to guide organizational and individual behaviors at Gore. In one study, the authors examined organizational subcultures in the context of the Competing Values Framework to develop a hypothesis related to how subcultures' understanding of corporate sustainability (Linnenluecke et al. 2009). They hypothesize that in the open-system quadrant (see

table 1), employees could best relate to a company's sustainability program if more emphasis was placed on a "...holistic understanding of corporate sustainability." In open-system, non-hierarchical Lattice organization used at Gore, innovation and direct communications are encouraged. In this environment, cross-functional collaboration is natural. This approach also brings in multiple perspectives and diverse backgrounds and skills. The approach of including cross-functional groups in problem-solving, decision making and improvement initiatives has been effective at Gore in the implementation of ISO-14001 EMS.

6 ENVIRONMENTAL RESPONSIBILITY

For the purpose of this paper, environmental responsibility consists of the institutionalization of processes, practices, and behaviors used to identify and mitigate environmental impacts during the design, construction, operation, and disposal of facilities, processes and products. The implementation of an enterprise wide environmental responsibility program will evolve over a period of years and is beyond the scope of this project.

7 STRATEGY

This project will focus on developing a shared vision by focusing on three key areas: 1) associate engagement, 2) knowledge management, and 3) legitimizing environmental activities.

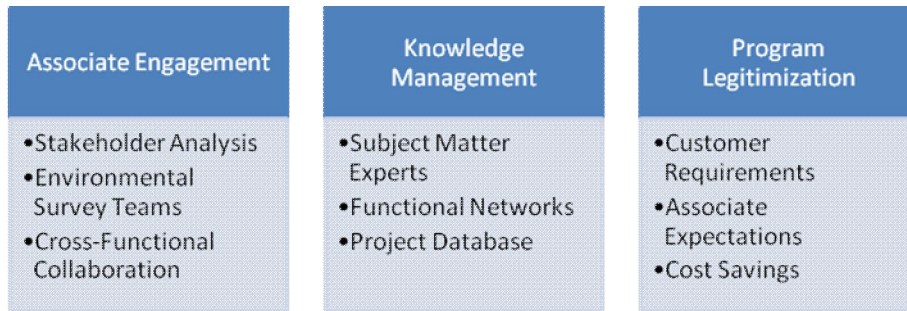


Figure 2

Business alignment is essential when implementing a sustainable environmental responsibility program. Developing a shared vision where a lattice structure replaces a hierarchy, and leadership and influence replace titles and authority requires a strategy that incorporates these unique organizational characteristics. Long-term strategic plans may be ineffective in an innovative organization that quickly adjusts to changing market needs and opportunities. The environmental responsibility program should co-evolve with changing organizational and business needs.

This strategy will be used in one facility to test the concept, refine the model and demonstrate the value for subsequent implementations.

a) Associate Engagement

Developing a “sustainability-oriented organizational culture” (Linnenluecke and Griffiths 2010) is necessary to ensure long term program effectiveness. To accomplish this, engaging Associates is essential. The importance of identifying internal stakeholders and understanding their values and beliefs has been identified by numerous authors. Howard-Grenville explored the existence of sub-

cultures within an organization and how the balance of power and the importance of congruence between subcultures can positively or negatively influence the implementation of environmental programs. (2006). Another study showed how different values and beliefs of subcultures within an organization directly influenced their understanding of corporate sustainability (Linnenluecke et al. 2009).

Participatory methods of associate engagement also have the potential to “enhance legitimacy and quality of decision-making processes, especially under conditions of uncertainty.” (Hage et al. 2010).

The implementation of an effective, lasting environmental responsibility program relies upon both formal and informal systems. Epstein and Buhovac suggest that the absence of the informal systems at BP contributed to the *Deepwater Horizon* accident, Texas City Refinery explosion and the Prudhoe bay oil spill (2010). Companies such as Nike, P&G, The Home Depot, Inc., and Nissan Motor Co. have focused on informal systems and have been very successful at incorporating sustainability into their business models. Involving cross-functional groups of internal stakeholders in the development of environmental programs will help provide diverse perspectives and help develop a sense of ownership.

i) Current State

The value of Gore’s organizational culture is recognized and valued as being a competitive advantage (WLG 2012a). The presence of subcultures and the importance understanding their values and beliefs may be intuitively understood, but formal assessments have rarely been conducted

in the context of environmental responsibility. Systematically identifying, and understanding these subcultures and how they can influence the implementation of the ER program has not been explored.

The majority of efforts to decrease the environmental footprint have been driven by individuals, most often from the skilled trades and facilities groups. The majority of projects identified have focused on improving operational efficiency, particularly in the facilities utility systems, such as lighting and heating, ventilation and air conditioning (HVAC) systems.

Gore values open communications, and the power of small teams. The use of cross-functional teams is a perfectly natural part of the culture. This approach has been used successfully to implement ISO-14001 environmental management systems and an ergonomics program. This approach has not yet been used to implement an environmental responsibility program.

ii) Future State

To engage associates in meaningful, valued environmental responsibility activities, there needs to be a structured process used to identify internal enterprise, regional, business, and functional sub-cultures. Once these groups have been identified, their needs, perspectives and attitudes need to be defined. One method of engagement will be to form small cross-functional teams to survey facilities for opportunities to improve environmental performance. The objective will be to identify, quantify, monetize, and prioritize these opportunities. Initial efforts will focus on improving the efficiency of current facilities and processes. Future focus will include the design, operation and

maintenance, and disposal of facilities, process equipment and products. Diverse cross-functional teams will be utilized to identify innovative ways to reduce environmental impacts and gain buy-in and ownership from associates.

iii) Objectives

1. Develop a systematic process to identify subcultures at the enterprise, regional, divisional, and facility level, and how they perceive and value environmental responsibility.
2. Form diverse, cross-functional teams to conduct environmental impact assessments at the proof of concept facility. Functional representation should include facilities, skilled trades, EHS, manufacturing, administrative, financial and sales and marketing associates.
3. Provide training on key principles and supply the necessary information and skills to facilitate the impact assessments.
4. Integrate the process into existing hard systems, such as document control, leadership reviews and monitoring and measuring programs.

b) Knowledge Management

The practice of sharing experiences and expertise, integrating knowledge, and generating new knowledge has been referred to as knowledge management (KM). KM is the process of creating, acquiring, integrating, distributing and applying this knowledge (Albers and Brewer 2003). In a decentralized, lattice structured organization, establishing a KM process is important to ensure that projects to improve environmental performance are completed as efficiently and effectively as possible.

i) Current State

In the current ER model at Gore, there is no formal process of KM for environmental responsibility. Although there have been numerous efforts to reduce resource consumption and the generation of waste, very little knowledge has been shared across the enterprise. This has resulted in lost opportunities, and significant inefficiencies.

ii) Future State

A key component in implementing the ER program is the design and implementation of an efficient and effective KM process. This process will capture internal and external knowledge and make it available to individuals interested in resource conservation, and waste minimization projects.

Internal and external subject matter experts will be identified and knowledge and experience will be acquired, integrated, and distributed so that it can be applied globally.

iii) Objectives

1. Identify internal and external sustainability subject matter experts and information resources.
2. Create an environmental project database in the organization's intranet where project leaders can capture project information and associates can refer to for ideas and lessons learned.
3. Identify and globally connect functional team networks, including facilities, skilled trades, EHS, product stewardship and engineers.
4. Establish training programs for relevant subjects.

c) Program Legitimization

To maintain the support of an ER program, it must be perceived as having value by meeting the business objectives and contributing to the success of the organization. Senior leadership needs to recognize the value so that they continue to provide support and resources. Individual associates, who will commit their time and energy to the program, need to perceive the value and believe that activities will be viewed as contribution. Business value can be demonstrated by addressing the three primary drivers for the ER program: meeting customer requirements, associate expectations and cost savings.

i) Current State

Currently customer inquiries are addressed reactively. Information is often not available and must be researched and compiled. Often, it is not clear who is responsible for providing this information or where it is maintained. This often results in a delay in responding to customer requests, and occasionally not being able to meet their requirements. Not being able to communicate a clear vision of the environmental responsibility program and organizational performance can be disappointing to associates and job candidates. Although the resource consumption and waste generation of individual facilities may be understood, there is no understanding of the enterprise's aggregate impact.

ii) Future State

By developing an environmental responsibility program that identifies, quantifies, and monetizes the significant environmental impacts, appropriate priorities can be assigned. Developing and communicating the environmental responsibility vision, understanding and quantifying the

environmental impacts of the enterprise, identifying opportunities to improve environmental performance and monitoring, and measuring and reporting progress will demonstrate business value.

iii) Objectives

1. Develop a communications plan to define the vision and raises the visibility of the environmental responsibility program.
2. Build consensus as to what the business value is and how it can be achieved.
3. Routinely communicate priorities and progress to all associates and reach out to leadership teams to revalidate priorities, and continue resource availability.

8 DISCUSSION

Unlike hierarchical organizations that use a command and control structure where decisions are made top-down, decision making at Gore is decentralized, both geographically and divisionally. Although senior leadership is supportive of the environmental responsibility program, driving an initiative from the top-down will most likely not be embraced by Associates and is unlikely to succeed.

To implement an environmental responsibility program, a number of hurdles that will have to be overcome. Multiple groups of associates will have to be influenced and programs will need to be tailored to conform to local cultural, operational and business needs. The program will also be

competing for limited human and capital resources. These initiatives will need buy-in and support from regional, functional and divisional leadership and be viewed as having value that supports enterprise, divisional and business strategic objectives. Individual associates must also buy-in and support these initiatives. Currently, individual Associates are currently fully, or over committed. To become fully engaged, associates must believe that working on environmental responsibility will be valued by leadership.

Although Gore's organizational structure presents some challenges, the culture and organizational structure may allow a more effective and more sustainable environmental responsibility program. The decentralized decision making model and belief in small teams can provide significant agility and the ability to tailor activities to regional needs vs. one standard approach enterprise wide. The cultural philosophy of "doing the right thing" and the expectation that associates will act with integrity is essential to the foundation of a sustainability program. The enterprise also values, and takes pride in innovation and creative problem solving.

Gore can support several current business needs implementing a meaningful and effective environmental responsibility program. Meeting the expectations of key customers who are encouraging or requiring suppliers to practice environmentally responsible behaviors will prevent product de-selection, protect/improve market share, and maintain our reputation. Demonstrating strong environmental performance and creating a culture where it is valued, recognized and rewarded will help retain current associates, and recruit workers who value sustainability. Finally, reducing resource consumption will save money, which aligns with the organizational objective to improve organizational efficiency.

Despite the challenges, the Gore culture offers unique opportunities to develop an environmental responsibility program that is valued by customers, and embraced by associates. It can also reduce resource consumption, lowering costs and significantly reducing the environmental footprint of the organization. Implementing an effective and sustainable environmental responsibility program can meet the business needs of today, and allow future generations to meet their own needs.

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