



Retail Employee Engagement for Sustainability



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Letter from Our Organizations

On behalf of the Retail Industry Leaders Association (RILA), the National Environmental Education Foundation (NEEF), and Business for Social Responsibility (BSR) we are pleased to present this first look at the retail industry's employee engagement practices for sustainability.

Through the process of developing this report, we have seen the progress the industry has made toward fostering organizational cultures that promote sustainability. Retail employees—sitting in company headquarters, handling product in distribution centers, and interacting with customers at stores—are beginning to understand how sustainability applies to them in a professional and personal context. But of course we recognize that all the retail efforts identified in this report are only the beginning. There is still much more to be done.

Equally, while this report seeks to provide a comprehensive look at employee engagement activities across the industry, we recognize that those highlighted only scratch the surface. With regard to sustainability, the retail industry is continually innovating—energy efficiency, waste reduction, and cultural transformation efforts are being tested and implemented each day. The rapid pace of innovation in the industry makes it a challenge to capture every successful sustainability initiative, so this report simply serves as a snapshot of success. If you have a story to share about your companies' employee engagement for sustainability activities, we would encourage you to share it.

We hope this report illustrates the tangible ways retailers are engaging their employees in the sustainability journey. We also hope that you recognize, as we do, the work yet to be done and the challenges inherent in driving cultural change in retail organizations. RILA, NEEF, and BSR will continue to share knowledge across the industry. We look forward to working with you on our journey.



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Background

Research for this report was conducted based on a two-part approach: an online survey and in-depth interviews with eight retail companies who have strong employee engagement for sustainability programs. The primary purpose of the research was to identify existing engagement practices and future trends for members of the Retail Industry Leaders Association (RILA). While this report does highlight many practices, it is not intended to comprehensively represent the industry's activities. Case studies showcased in the report only serve to highlight examples of employee engagement strategies.

This report discusses retail's environmental, social, and community impacts—those impacts within a company's four walls, in the products they sell, and in the communities, local and global, that they touch. For the purposes of this report, "sustainability" is defined as operations that meet the needs of the present without compromising the ability of future generations to meet their own needs.

Twenty-four retailers responded to the online survey in April 2011. Ninety-six percent of survey respondents were from North America. Respondents were primarily from the Corporate Social Responsibility (CSR) (35 percent) and sustainability (30 percent) departments of their companies, and were director- or manager-level employees. Respondents' company sizes range from 4,000 to 1.6 million employees. Most respondents were from the food and beverage product segment (39 percent), followed by automotive, health and personal care, and sports and outdoors (all at 9 percent).

Eight retailers across product segments were interviewed in May and June 2011 to provide additional context to survey results. Companies interviewed include: IKEA, jcpenny, Marks & Spencer, McDonald's, PetSmart, REI, Starbucks, and Target.

The National Environmental Education Foundation's (NEEF) previous reports, company reports, and websites also inform this report.



About the Retail Industry Leaders Association

The Retail Industry Leaders Association (RILA) is an alliance of the world's most successful and innovative retailer and supplier companies—the leaders of the retail industry. RILA members represent more than US\$1.5 trillion in sales annually and operate more than 100,000 stores, manufacturing facilities, and distribution centers nationwide. Its member retailers and suppliers have facilities in all 50 states, as well as internationally, and employ millions of workers domestically and worldwide.

RILA's *Retail Sustainability Initiative* focuses on five sustainability areas important to retail: energy and greenhouse gas (GHG) emissions, waste and recycling, products and supply chains, environmental compliance, and communicating reporting, and engaging.



About Business for Social Responsibility

A leader in corporate responsibility since 1992, BSR works with its global network of more than 250 member companies to develop sustainable business strategies and solutions through consulting, research, and cross-sector collaboration. With offices in Asia, Europe, and North America, BSR uses its expertise in the environment, human rights, economic development, and governance and accountability to guide global companies toward creating a just and sustainable world. Visit www.bsr.org for more information.



About the National Environmental Education Foundation

The National Environmental Education Foundation (NEEF) provides knowledge to trusted professionals who, with their credibility, amplify messages to national audiences to solve every day environmental problems. Together, these scientists generate lasting positive change. NEEF works with professionals in health, education, public lands, and the media to connect the environment to everyday choices and actions so that the public can live well while protecting and enjoying the environment.

Through programs, such as Classroom Earth, National Public Lands Day, National Environmental Education Week, Earth Gauge®, and its Pediatric Environmental History Initiative, NEEF offer Americans knowledge to live by. To learn more, call (202) 833-2933 e-mail business@neefusa.org, or visit www.neefusa.org.

Acknowledgments

We would like to thank RILA's *Retail Sustainability Initiative's* Communicating, Reporting, and Engaging committee for their feedback throughout the development of the survey and report, as well as the companies who responded to the survey and agreed to participate in interviews.

Executive Summary

As sustainability programs become mainstream throughout almost all industries, companies have become increasingly aware that lasting improvement in social and environmental performance requires engaging employees in the discussion. Having the programs and policies in place is a critical aspect of any sustainability program, but this is not enough—at the end of the day, employees make the crucial decisions that determine the ultimate impact of a sustainability initiative. Thus having a workforce that is engaged for sustainability is a key success factor.

This report examines this trend in the retail industry and is based on an online survey of companies and interviews with company representatives. Our intent was to determine how companies are engaging their employees in sustainability efforts and to identify key challenges and success factors. Twenty-four retailers responded to the online survey in April 2011. To add context to the survey results, in-depth interviews were conducted with eight retailers in May and June 2011.

Among the key findings of this research are the following:

- » **Employee engagement for sustainability is widespread in the retail industry.** Most retailers had programs to engage employees in sustainability, although many also indicated that they were in the process of modifying their efforts in order to enhance impact and improve organizational culture.
- » **Employee engagement is proving to be a positive force for sustainability performance and spurring innovation.** A majority of respondents believe that having engaged employees on sustainability will not only improve social and environmental performance but also lead to innovative responses to key challenges.
- » **Engagement programs come in many forms.** Diversity in structure and target audience reflects differences in corporate cultures and the need to use a variety of strategies to reach different employees. For example, the methods used to reach employees at headquarters are necessarily different than those used to engage employees who work in stores or distribution centers. Not only do the work environments vary greatly, but the level of understanding of sustainability issues will likely also be dissimilar.
- » **Key components of successful engagement initiatives include executive leadership, cross-functional teams, training programs, and manager involvement at the store level.** The majority of survey respondents said that the CEO and other senior executives were actively involved in supporting employee engagement efforts and that this was crucial to gaining buy-in at all levels. Also prevalent among responses was the use of cross-functional teams to guide and support employee engagement because they are strong conduits of information on sustainability issues and programs. Internal training programs have also proven to be an effective means to engage employees as some leading

retailers have integrated sustainability modules into their employee orientation process and suite of other trainings. Such programs allow employees to proceed at their own pace and to focus on particular areas of interest.

- » **Successful programs tap the interests, skills, and enthusiasm of employees across an organization, in part through the creation of robust feedback mechanisms.** Sustainability has proven to be a popular topic for many employees, and a key attribute of effective engagement programs is to tap into this grassroots interest. Employees have proven to be strong ambassadors of sustainability; they are the eyes and ears of initiatives both in stores and at corporate headquarters. Some companies particularly noted the establishment of mechanisms to facilitate worker feedback with respect to program improvements, criticism of existing practices, and ideas for new initiatives. Among the most prominent feedback mechanisms cited by companies were employee surveys, one-on-one conversations with managers and peers, and intranet comment sites.
- » **Among the most effective methods for engaging employees are award and recognition programs, multiple communication channels, green teams, and partnerships with nonprofits.** Three-quarters of respondents said that award and recognition programs were a critical element of their employee engagement efforts. There was also a general consensus that efforts to communicate with employees had to involve a variety of mediums, including traditional newsletters, poster boards, and company magazines, as well as technology channels like social media and videos. The formation of green teams was also noted as a powerful device for engaging employees and driving improved sustainability outcomes.

Although sustainability and employee engagement are mutually supportive, integrating them can be challenging, particularly in a retail environment.

- » **Multiple communication channels are required to reach all employees, but companies must be wary of adding to the “noise” that their workforces already confront.** One or two communication channels are unlikely to reach all employees, and therefore companies must employ a variety of mediums to gain the attention of their workforces. Selecting the appropriate and effective channels can be challenging, but equally difficult is ensuring that communications are effectively reaching employees. Employees are bombarded with such a large number of messages every day that companies must compete for their time and bandwidth.
- » **Aspects of sustainability are complex, and clearly communicating the issues and the company’s position can be difficult.** Understanding the nuances of sustainability is challenging for experts, let alone for those who are not immersed in it on a daily basis, and creating comprehensive yet comprehensible content is a significant challenge. Complicating this understanding is the fact that every

employee will have their own ideas about what is and is not important about any particular sustainability issue.

- » **Employee input is critical to implementing a successful sustainability program, but designing effective mechanisms is easier said than done.** The revolution in communication technology has made encouraging and organizing employee feedback more feasible in recent years, but it still remains a challenge for companies. Access to communication channels and devices varies by job function and location with many retail employees lacking regular computer access. Companies must carefully select feedback mechanisms that are flexible and make use of a variety of mediums.
- » **High turnover presents multiple challenges to both sustainability and employee engagement programs.** The typically high employee turnover of many retail environments may create weak connections to the workplace that hinder engagement and concern about sustainability issues. Given that turnover will likely continue to be a significant issue, companies are focusing on communication and award and recognition programs to entice engagement and support for sustainability.

Introduction

Retailers are engaging their employees in sustainability, from hosting sustainability fairs at their headquarters to putting together employee videos, intranet sites, blogs, and volunteer days. Through these efforts, companies have reaped many benefits: they have generated innovative ideas, brought new products to the shelves, and saved money.

Retailers view the collective energy of their workforce as one of their biggest assets in moving the needle on sustainability. In the United States alone, retail employs over 10 million people. And, according to retailers, employees have shown a great deal of enthusiasm for sustainability and desire to get involved.

Previous work of the NEEF revealed that engaging employees in sustainability initiatives can improve a business' bottom line and help it reach its sustainability goals. In March 2009, NEEF published *The Engaged Organization* report, which identified employee engagement as a key enabler of successful sustainability strategies. The report presents the results of a survey of more than 1,300 professionals interested in business and the environment, and documents eight case studies that illustrate how leading companies approach internal environment and sustainability (E&S) employee education and engagement.

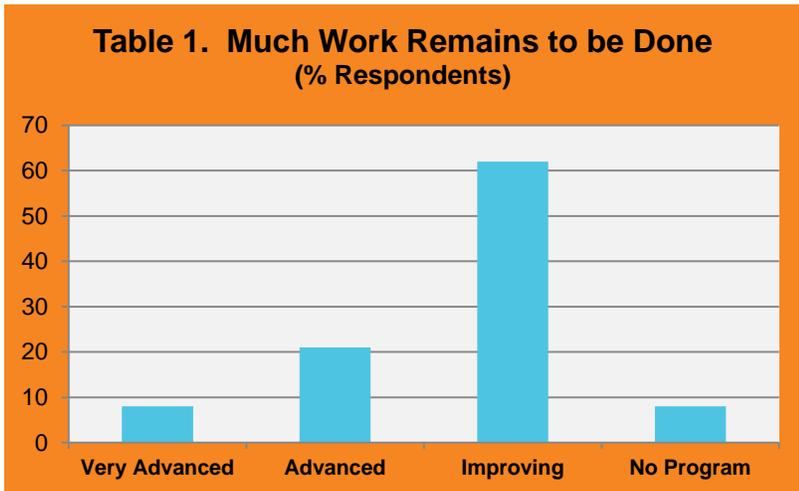
Among these findings, the survey revealed that 65 percent of respondents see E&S knowledge as valuable, particularly in new hires, while 78 percent said that E&S knowledge would rise in importance over the next five years. A subsequent white paper, *The Business Case for Environmental and Sustainability Employee Education*, examines both quantifiable measures of the business value for sustainability employee engagement programs (e.g., financial, energy, and water savings), as well as less easily measurable assets such as reputation enhancement.

In an effort to look more closely at this trend, RILA, along with BSR and the NEEF, created this study to see how retailers engage their employees in sustainability efforts. We looked across the whole of the enterprise, examining associate programs all the way up to senior executive engagement.

Our research is helping us answer some key questions regarding employee engagement in sustainability initiatives in the retail industry.

ENGAGING THE WORKFORCE

Almost every retailer that participated in the survey is performing some kind of employee engagement. However, most have indicated that they are in a state of “improving” their program, recognizing that there is an opportunity for even more of an impact as they enhance their programs. Sixty-three percent of respondents reported that they are working to take their efforts to the next level and improve not only the culture of the organization but overall employee behavior. Another 21 percent said they have established advanced programs demonstrating a high level of employee awareness and engagement, and eight percent reported that they offer “very advanced” programs that align with their companies’ values and strategy.



COMPONENTS OF A SUCCESSFUL PROGRAM

Getting an effective engagement program off the ground requires leadership from the top. Sixty-two percent of retailers reported that support from CEOs and other senior executives is necessary.

More than half of the respondents reported that cross-functional teams are also critical. Internal department partners include communications and public relations teams to develop articles, organize speaking engagements, and craft an intranet site and marketing and human resources teams to share messages with employees. Store manager involvement is crucial for helping engage associates through meetings on the sales floor. And harnessing the passion of high-energy employees with enthusiasm for sustainability and getting IT, sourcing, construction, and energy managers to contribute will help create an effective program team.

Retailers also highlighted the need for clearly defined values or principles, an assessment of the company’s environmental and social impacts, a designated internal employee champion, the creation of an advisory committee, and an event to launch the program.

To read more about components of a successful program, see page 12.

GARNERING EMPLOYEE PARTICIPATION

Seventy-six percent of respondents identified award and recognition programs as key methods to engage employees. One retailer hosts an informal award program at its annual company forum, where the company spends significant time recognizing the employees and teams.

Another 76 percent identified the importance of using multiple communications channels to reach employees. These channels ranged from newsletters, magazines, and books to social media channels and videos to speaking engagements. Retailers with advanced engagement programs recognize the importance of balance between “push” communication (single-direction communications to push information and data to employees) and feedback mechanisms to open dialogue with employees. Employee feedback at all levels is an integral part of effective engagement campaigns.

Several companies also noted that they formed partnerships with nonprofits and government agencies, which adds a layer of credibility and authenticity to their programs, and taps unique resources and expertise not otherwise available. Many companies also built internal green teams, created competition among departments, and built sustainability messages into orientation training modules.

To read more about how retailers are encouraging their employees to participate in sustainability initiatives, see page 18.

COMMUNICATING SUSTAINABILITY TO EMPLOYEES

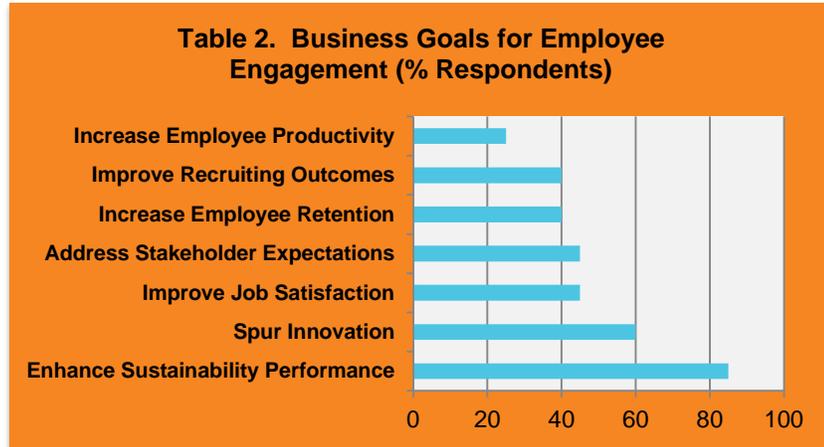
Many retailers identified the importance of communicating to their employees about sustainability, especially when it comes to reporting the companies’ successes and challenges, waste reduction, energy efficiency, and the costs savings sustainability practices bring about. The majority of retailers reported that they target business unit managers most often, followed closely by brand managers, associates, and senior executives for communications.

The survey underscored the idea that a one-size-fits-all communication approach does *not* exist. Different information is pertinent to different audiences and affects them in different ways. Senior executives are more interested in business and financial data, while other employees respond to employee testimonials. What is clear, however, is that every communication should deliver a call to action, with the goal of encouraging more employee participation.

To read more about how leading retailers are communicating sustainability to their employees, see page 26.

THE OBJECTIVE

Why are retailers devoting energy to employee engagement? Eighty-five percent of respondents said they engaged employees to enhance their sustainability performance, while 60 percent said these efforts were aimed at spurring innovation.



While most retail sustainability programs have been around for only a few years, retailers believe these programs will eventually be the norm. And to help them navigate these uncharted waters, retailers recognize that they have a crucial partner in their employees.

The Business Case: Employee Engagement on Sustainability

The “business case”—that is, the quantification of opportunities and risks—for environmental and sustainability education might not yet be heavy on data. But anecdotes from around the world clearly indicate that teaching employees to conserve, recycle, improve efficiency, and reduce waste, among other actions, benefits employees, companies, and communities.

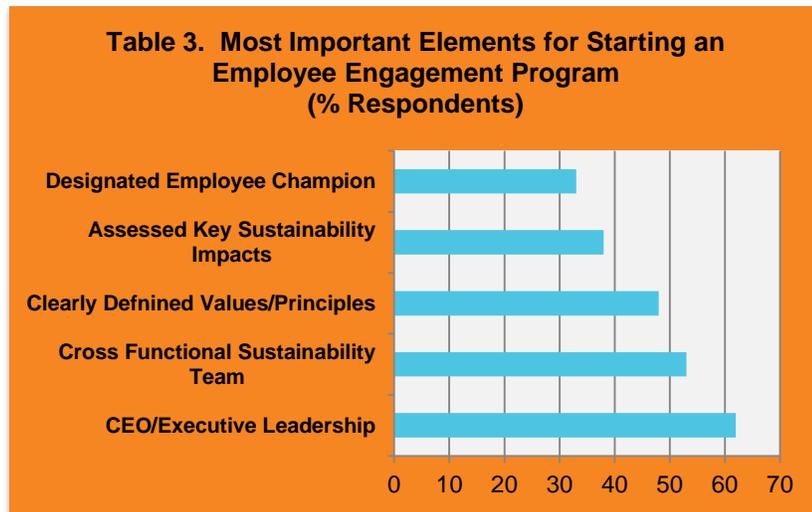
In fact, the success stories from companies ranging from retail giant Walmart to a seven-person apparel company show similarities. Employees on the company’s frontlines are in the best position to identify and implement E&S practices. And those practices lead to numerous benefits: Lockheed Martin Green Teams improved energy efficiency, reduced waste, and saved money by better managing the use of lighting and air conditioning at company sites nationwide. Lighting system upgrades at one facility have saved more than US\$300,000 and reduced carbon dioxide by 2,511 metric tons.

A similar employee-led team at eBay’s headquarters encouraged the company to build the largest solar installation in San Jose, California, reducing carbon dioxide emissions by more than 1 million pounds per year and saving the company US\$100,000 in energy costs so far. Environmental initiatives at Baxter International Inc. totaled nearly US\$91.1 million in reduced costs over the last six years.

Read more about the business case for employee engagement in sustainability in NEEF’s report: *The Business Case for Environmental and Sustainability Employee Education*.

Components of a Successful Program

Ultimately the success of any engagement program depends on the particular culture of an organization. However, through both the online survey and subsequent interviews, it became clear that a handful of components of employee engagement programs make them successful. These components include executive leadership for sustainability, collaboration across functional areas, leveraging key cultural attributes of a company, harnessing the grassroots interest demonstrated throughout an organization, a healthy balance of push communications with feedback mechanisms using multiple channels, embedding sustainability in position descriptions, and measuring the results. We have outlined the details of these crucial components below and include relevant examples.



GAIN EXECUTIVE COMMITMENT

Getting an effective engagement program off the ground requires leadership from the top. Retailers with strong engagement programs recognize the importance of a vision from leadership, with a clear articulation of how their vision relates to company values, accompanied by action-oriented messages to employees across the organization. Sixty-two percent of our online survey respondents reported that support from CEOs and other senior executives is necessary.

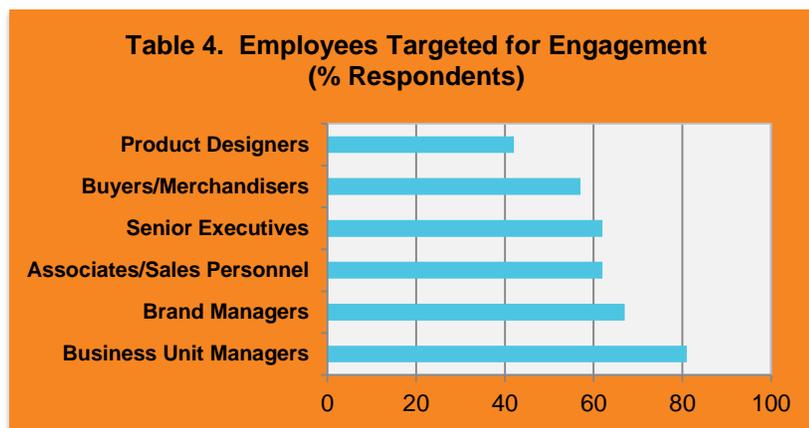
To harness the full benefit of executive involvement, some retailers have also created advisory committees of key leaders—often directors and above—from across the organization. Each committee member brings a broad range of knowledge of their business unit and has the influence and decision-making abilities to promote progress. They act as communication channels to their teams, where they can both disseminate information about their sustainability programs and act as a conduit for feedback to the sustainability team. Some retailers have noted that it is important to engage the committee members through one-on-one conversations, as well as outside experts who can vividly

illustrate the strategic and integrated nature of strong engagement programs.

One retailer noted that they developed a strategy equipping management to articulate their CSR and community vision, as well as associated goals. Doing so has provided clarity of vision across the organization, giving executives stronger proof points when engaging with employees.

COLLABORATE ACROSS FUNCTIONAL AREAS

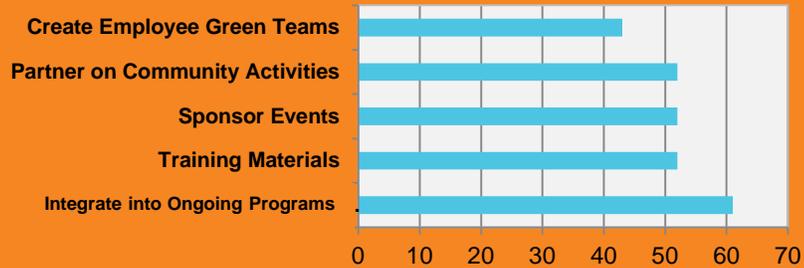
It was clear from both our survey results and interviews that engagement programs should be a company-wide commitment, not just the responsibility of the sustainability department. Having a designated point-person from each of as many different business units as possible involved in the conversations will bring the diversity of perspectives and expertise necessary to successfully engage the full organization. Doing so will also strengthen an organization's communication and feedback channels to each business unit.



More than half of the survey respondents reported that cross-functional teams are important for the success of an engagement program. At headquarters, sustainability teams are engaging a host of internal partners across their companies, including communications and public relations teams to develop news articles, speaking engagements, and intranet sites, as well as marketing personnel to develop messages for employees. Engaging the sourcing department is crucial for developing green procurement policies and educating vendors about the company's sustainability goals.

The human resources department is particularly important, as they are often the lead function in promoting and championing associate engagement. HR can integrate sustainability into employee orientation and training (including new store managers), company-wide messages, and annual employee surveys.

Table 5. Where Does Collaboration Occur: Human Resources and Sustainability Departments (% Respondents)



To reduce building energy usage, water usage, and waste and achieve other priorities, it is important to engage building design, construction, and energy managers. They have the most control over a building’s portfolio. In the stores and distribution centers, store manager involvement provides a crucial channel to engage associates, often through periodic meetings on the sales floor and employee feedback.

BUILD ON KEY CULTURAL ATTRIBUTES

Every company is unique and is heavily defined by its internal corporate culture. For an employee engagement program to be most effective, it should build on the preexisting culture of its organization, leveraging those traits that define how employees work and interact. In the case of one retailer, their engagement narrative draws on the company’s history of “doing the right thing.”

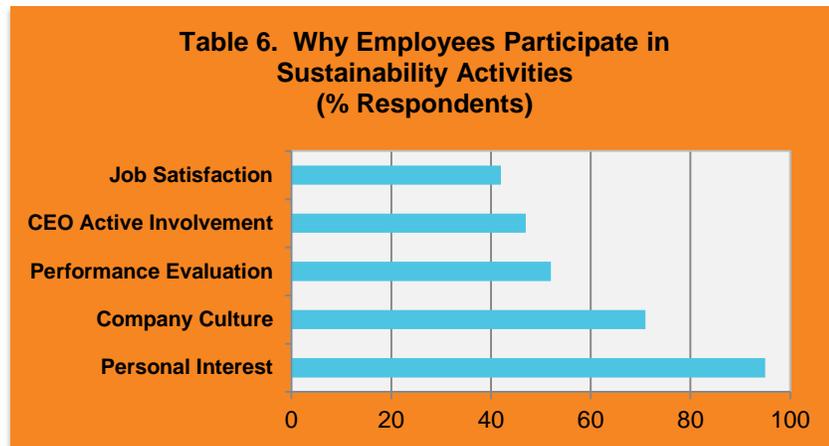
Sustainability must be integrated into a company’s mission and values, and it needs to be clear to employees that sustainability is an important part of the way the business functions. Doing so requires a strong degree of internal branding—the best programs have developed an overarching sustainability brand—as well as bold targets that are communicated throughout the organization. Above all else, the program needs to remain authentic and relevant to employees. Employees are quick to recognize when company programs are facades without substance or resources behind them.

HARNESS GRASSROOTS INTEREST

One key attribute of most effective engagement program is the ability to engage grassroots interest. Sustainability can energize employees, generate innovative ideas, and inspire employees. But to keep employees engaged, companies need to ensure that their voices are heard and that they have the means to effectively drive change.

Our interviews uncovered numerous stories about the passion of high-energy employees, those with enthusiasm for sustainability.

These employees can be a company's on-the-ground eyes and ears, both in stores and headquarters, and will work to bring programs to their areas.



Some companies have noticed that their headquarters employees, given proper assistance, have self-assembled into sustainability councils or “forums.” In one example, the sustainability team helped headquarters employees create an informal Sustainability Council that attracted passionate volunteers interested in sustainability and public service, and has grown to 400 members. They meet together once a month to discuss sustainability issues important to them, host external representatives from their local government and organic food vendors, and perform volunteer activities. Occasionally these groups come together without impetus from sustainability teams. Sustainability teams see themselves as a facilitator of these councils, and act as a conduit between grassroots programs and senior management.

Also a plethora of retailers have developed green teams or ambassadors, store associates (often volunteers) who bring the engagement program to their respective stores. We heard from retailers that many of their engagement programs were successful specifically because they empowered store teams to define projects that were relevant to them and appealed to their local employees' interests. Projects have aligned directly with sustainability goals like energy or waste reduction, or other goals like healthy eating, carpooling, or activities at home that are relevant to them personally.

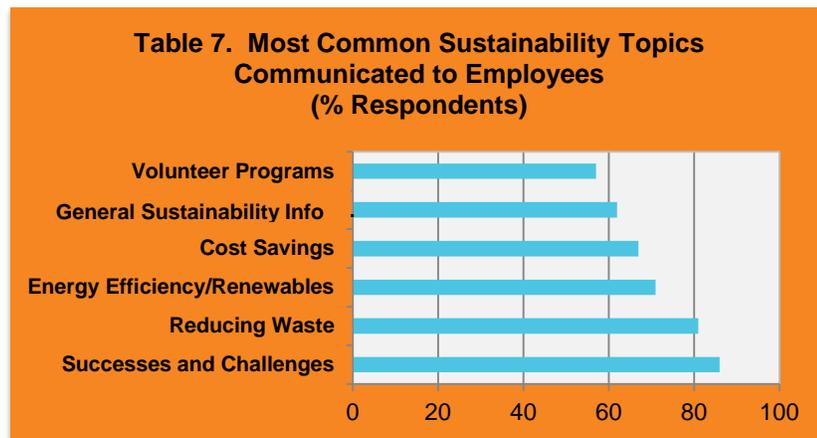
When engaging employees with a passion for sustainability, it is imperative to build a personal connection between their interests and personal values and the business's sustainability goals. To build that connection, some retailers have developed interactive programs in which employees can define and track their personal sustainability goals. The goals can range from environmentally-focused to personal health and wellness goals. Through these online programs employees can track their own progress, and also the progress of their colleagues, often creating healthy competition among employees, stores, and

divisions. Employees can see the impact of their personal efforts, how they compare to other employees, and the impact of their combined efforts.

BALANCE PUSH AND FEEDBACK COMMUNICATION

Many retailers identified the importance of communicating a consistent sustainability narrative to their employees, using a variety of channels. Effectively communicating the company's sustainability goals and challenges, as well as any opportunities employees have to be involved are crucial components of any engagement program. Using a range of communications will help peak employees' interest, generate questioning and dialogue, and provide channels for feedback to the sustainability team.

Seventy-six percent of retailers who responded to our survey identified the importance of using multiple communications channels to reach employees. These outlets ranged from newsletters, magazines, and books to social media channels and videos to speaking engagements. Retailers with advanced engagement programs recognize the importance of balance between "push" communications—single-direction communications—to push information and data to employees—and feedback mechanisms to open dialogue with employees. Employee feedback at all levels is an integral part of effective engagement campaigns.



The majority of retailers reported that they target business unit managers, followed closely by brand managers, associates, and senior executives. They stated that the most powerful channel to associates is through well-informed store leaders.

Retailers with strong engagement programs identify the importance of reporting the companies' successes and challenges (86 percent do this), waste reduction (81 percent), energy efficiency (71 percent), and the cost savings through sustainability practices (67 percent).

The survey also underscored the idea that a one-size-fits-all communication approach does *not* exist. Different information is pertinent to different audiences. Senior executives are more

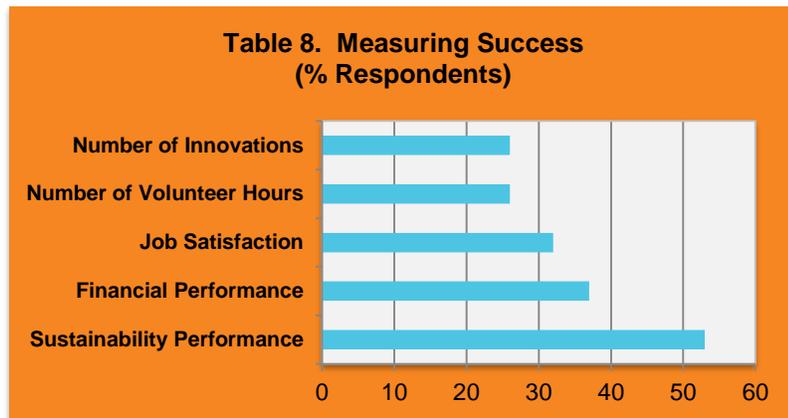
interested in business and financial data, while other employees respond to testimonials and stories. What is clear, however, is that every communication should deliver a call to action, with the goal of encouraging more employee participation.

EMBED SUSTAINABILITY EXPECTATIONS

Some of the leading companies have gone beyond volunteer engagement to formally introduce components of sustainability into job descriptions, performance reviews, and employee bonuses. In one case, the CEO and store managers have sustainability targets, like minimizing energy usage or waste generation, to achieve. Those retailers are beginning to include sustainability practices in employee performance reviews, specifically in regard to energy and recycling performance.

SET TARGETS AND MEASURE PERFORMANCE

As with most corporate initiatives, management metrics and measurements help companies understand their program's effectiveness. Periodic measurement will help build a case for continuing or growing an engagement program and will help justify the resources spent on it. While there are no clear metrics to directly tie employee engagement in sustainability to financial returns, leading retailers are measuring the success of their programs in quantitative ways. Some retailers have released employee surveys specifically focused on their sustainability programs, while others include a few sustainability-related questions in their annual corporate-wide employee surveys. Those retailers with intranet sites devoted to their sustainability efforts track page-views or the level of online dialogue, often through forums or comment posts.



In addition to measuring effects, engagement programs also define clear and measurable goals. Some retailers are aiming for goals as aggressive as achieving 100 percent involvement in voluntary personal sustainability programs, while other retailers are focusing on implementing required sustainability training for all managerial employees in order to foster a strong sustainability leader within each facility.

Types of Engagement Programs

Employee engagement programs come in many forms. This diversity is in part driven by corporate cultures and by the target audience for engagement. Different strategies need to be employed when engaging employees who work at headquarters or in regional offices and those who work in distribution centers and in stores directly with customers. Not only do the work environments of such employees vary greatly, the level of understanding of sustainability issues may also be dissimilar. Additionally, the types of sustainability issues that companies seek to engage employees on may require different engagement strategies.

For retailers, the methods most often used to engage employees are internal communications campaigns, award and recognition programs, and green team development. The issues that retailers seek to engage on include reducing waste, improving energy efficiency and renewable energy generation, reducing carbon emissions, and establishing volunteer programs.

PROGRAMS AIMED AT HEADQUARTERS EMPLOYEES

Often employee engagement programs are targeted at those who can be accessed most easily and who have decision-making power—typically employees at headquarters or other office locations. These employees often have the authority to launch their own initiatives or embed concepts of sustainability into their functional roles, resulting in impacts throughout a company. All of the companies interviewed that have active and well-developed employee engagement programs include HQ employees as part of their target audience.

Embedding Sustainability at PetSmart Headquarters

PetSmart began their sustainability journey in 2008 by educating employees, in simple and informative ways, to consider the environment in everything they do. Continuously communicating and engaging associates is the primary focus of their overall sustainability strategy, branded “Think Twice” which encourages associates to reduce environmental dependencies and create business value through sustainable practices.

With the onset of 2010, PetSmart updated its employee engagement with more strategic and targeted efforts beginning with the development of a Sustainability Council. The Council is composed of key associates from across the company, who are the subject matter experts from their particular business unit. The Council members act as communications channels to their teams, where they can both disseminate information about PetSmart’s sustainability efforts and act as a conduit for feedback to the sustainability team.

PetSmart realized that being effective at raising awareness of their sustainability programs required a cohesive message and compelling data. To address this, the sustainability team created their first internal sustainability report in September 2010. The report created awareness of PetSmart’s success in reducing environmental dependencies, but also illustrated the strategic nature of their efforts and how they related

interdepartmentally.

Employee engagement is a key driver in creating business initiatives. One member of PetSmart's sustainability team is dedicated to employee engagement. Their mission is to generate a critical mass of corporate employees who are excited and well-versed enough to pass sustainability related information to stores and operations. In parallel, the team is building the case for sustainability by illustrating their impact on employee retention; raising the priority and importance of sustainability messaging in all areas of the business.

To immerse employees in sustainability in ways that relate sustainability themes to their work and home lives, the sustainability office has developed engagement activities that include:

- » Sustainable focus in their cafeteria, as well as prominently placed recycling containers in the front and center of their headquarters office.
- » Trip Reduction Program to help employees find alternative modes of transportation to work.
- » "Teaser" fliers posted throughout the office highlighting various sustainability events, initiatives, and "did you knows" (e.g. Earth 911's website to find battery recycling locations)
- » A Sustainability Fair in November of 2010. The fair showcased local energy efficiency vendors, utilities, and merchandise vendors to shed light on sustainability activities for employees' homes. The fair attracted employees that wanted to know more, illustrated by an uptick in employee emails relating to PetSmart's sustainability content.
- » An informal, bi-monthly "Fresh Air Forum" to harness the grassroots interest in sustainability. This forum brings together passionate employees to meet each other, discuss "green" issues in work and home and learn from a guest speaker. A significant outcome was the creation of work teams dedicated to increasing office recycling.

PetSmart has found that using a range of engagement techniques has peaked employees' interest, generated questioning and dialog, and provided channels for feedback to the sustainability team.

SENIOR EXECUTIVE COUNCILS

An increasingly common structure employed by companies to manage programs for and provide advice about sustainability issues is a council composed of senior-level executives representing different functional areas. Executive-level participation in and support for sustainability initiatives and programs has proven to be an important factor in many companies. One clear way to signal to employees that senior leadership is on board is to formalize participation in a council or other such body. Although bottom-up approaches to sustainability challenges and opportunities often generate solutions, executive-level support is critical to create an environment in which employees feel comfortable and energized to push the boundaries of conventional behavior and thought. Further, council members' influence can be leveraged to break down organizational barriers, promote sustainability messages, and provide critical feedback.

CROSS-FUNCTIONAL TEAMS

Cross-functional working teams staffed with operational employees can also be a powerful way to engage business units across the organization. Because these team members have an operational focus, they can be involved in sustainability programming on a more frequent basis and can be tapped for operational support.

*To ensure that **Publix** focuses on sustainability across the entire enterprise, it has developed cross-function teams to drive progress. These teams include a Lighting Steering Team that looks for new technologies and designs that can be retrofitted into existing buildings or incorporated into new construction; the Green Routine Team that focuses on associate education and the promotion of sustainable behaviors; the Sustainability Advocates Team that brings together managers from every business unit to learn about corporate sustainability initiatives and help disseminate information; and the Core Sustainability Team made up of key decision makers that provides pivotal input to the corporate sustainability programs.*

SUSTAINABILITY TRAINING

Training programs can be a valuable way to engage employees at their pace. Leading programs have integrated sustainability modules into their orientation, online, and other training programs. Some have developed optional training programs for employees who desire to learn more about a particular topic or the company's sustainability efforts.

***IKEA** offers online and classroom training focusing on "must-know" and "good-to-know" material. The former includes the company background, the corporate sustainability direction, an explanation of why the employees are receiving the training, information about global environmental issues (e.g., climate change), areas the company needs to focus on, the environmental coordinator and committee structure, and recycling and environmental management, along with practical examples. The good-to-know category includes such topics as procurement standards, the company's approach to forestry, and partnerships and social projects on a global level. (Excerpt from NEEF's *The Engaged Organization* report)*

ISSUE-SPECIFIC ENGAGEMENT

Some retailers engage their employees in specific sustainability issue areas like energy reduction, recycling, or alternative commuting. Recycling and alternative transportation programs can be especially powerful as engagement techniques because they affect such a wide base of HQ employees.

***Apple** offers its employees several commute alternatives. Many employees take advantage of the company's public transportation incentives. And each day, up to 800 Apple employees ride the company's free biodiesel commuter coaches. These programs have eliminated the use of approximately 1,559 single-occupant cars per day. That's 10,292 metric tons fewer CO₂ emissions for an entire year, or 38 metric tons per day.*

To reduce the GHG impacts of employees at their headquarters, REI has created a commuting strategy focused on reducing barriers to alternative commuting. In addition to their transit subsidy, they developed a van pool program, designated parking for carpools, implemented a car share program for alternative commuters, and support a strong grassroots culture promoting bike commuting.

SPECIAL EVENTS

Given the increasing prominence of days like Earth Day and Earth Hour that recognize sustainability issues, it makes sense that companies have sought to use them to engage their staffs on sustainability and to build momentum for internal programs. But it is not just the internationally celebrated days that provide opportunities for engagement. Many retailers have developed unique events directly or indirectly related to key sustainability themes.

One such event is a sustainability fair, which allows one-on-one conversations and the use of a wide variety of media and interactive events to educate employees, their families, and, when appropriate, people in the local community about global and local sustainability issues. This format supports individual or group discussions with people at different stages of sustainability awareness and experience.

Last year jcpenny conducted a program around the 40th anniversary of Earth Day that included 40 days of associate communications and environmental tips. Since Earth Day coincides with National Volunteer Month, jcpenny associates were encouraged to participate in volunteer activities that benefit the environment to include park and highway beautification projects or addressing the needs of a local nature preserve or wildlife refuge center. As a result, associates participated in 1,450 community service projects around the country in support of National Volunteer Month and Earth Day. The company also hosted an Earth Day Fair at its home office by inviting more than 70 vendors to exhibit products and services related to sustainability issues, including showcasing the latest models of hybrid and electric vehicles. jcpenny associates also received the opportunity to design a reusable bag that would be sold across its 1,100 stores. The company received nearly 1,200 submissions and showcased them online for associates to vote on their favorite designs. The top three winning designs were sold in stores.

VOLUNTEER-LED AFFINITY GROUPS

Companies are increasingly tapping into employees' energy and inventiveness by providing opportunities for them to create initiatives across a wide spectrum of sustainability issues and activities. Such bottom-up initiatives are driven by employee enthusiasm, not executive mandate, and as such can be powerful tools to produce improved sustainability results.

In 2010, Target headquarters team members created a self-assembled group with the help of Government Affairs and the sustainability team, which they call the Citizens Council. The Council is made up of team members interested in public policy

and sustainability and has grown to 400 participants meeting once a month to talk about issues important to them and relevant to Target's business. Council meetings host external speakers like Minnesota government officials and organic food representatives, perform volunteer activities, and discuss sustainability issues important to them. The council hopes to continue to grow as it taps into the skills and interests of the over 400 volunteers currently involved.

VOLUNTEER ACTIVITIES

Retailers are well attuned to the idea of supporting the volunteer efforts of employees. How companies do this varies tremendously. Companies can become more strategic about how they design volunteer policies by orienting them toward sustainability issues that are related to the particular company's material impacts, opportunities, and challenges. Adopting such an approach would closely fit with the effort in recent years of many companies to review their volunteer and community outreach programs with the goal of aligning them with business strategy.

STORE EMPLOYEE-TARGETED PROGRAMS

While it is important to educate employees at headquarters about and make them aware of sustainability issues to influence their functional area decisions, retail's numerous frontline staff can have a significant influence on operations and customer decisions. One of the most difficult tasks in managing retail operations is engaging staff and offering incentives to ensure a high level of customer relations while driving sustainable approaches. But the importance of high-quality interactions with customers and the reality that many sustainability solutions can be found at the store level reinforce the need to find ways to engage associate staff.

Marks & Spencer

Marks & Spencer (M&S), a leading retailer in its home base in the United Kingdom and growing overseas, firmly believes that a strong focus on sustainability has been a key ingredient of its success. Plan A is the umbrella under which its sustainability initiatives are organized, and one of its seven pillars ("Make Plan A how we do business") has a strong focus on engaging employees so that sustainability is infused throughout its operations and thereby extended to suppliers and customers.

M&S believes that engaging employees requires a variety of approaches that begin with clear communication and extend to helping employees to have a direct impact on sustainability challenges in their personal lives. Many sustainability issues, as well as their potential solutions, are highly complex. But by emphasizing the company's dedication to being part of the solution and trying to bring the scale of the issues down to the individual level, M&S is finding its employees to be increasingly engaged and seeking ever more scope for implementing solutions. Some of its initiatives to engage employee are:

- » Communicating with employees about Plan A programs, goals, and performance is accomplished through numerous channels, including posters, email, and a Plan A intranet site. Another critical channel are

the Plan A Champions that are appointed and trained at each store and office facility – these co-workers are charged with distributing information to employees, answering questions, and being general ambassadors in support of Plan A.

- » M&S offered employees free energy monitors for use in their residences and approximately 38,000 were distributed in 2010. Employees were also offered free insulation of their homes and over 4,000 took advantage of the program.
- » In 2010, the Plan A Innovation Fund (£50 million) was launched to provide dedicated funding for employee-instigated sustainability projects over a 5 year period. In its first year, funded projects included work on food waste, sustainable fabrics, and water efficiency.
- » Beginning in 2011, M&S will include a sustainability module in training for all general merchandise buyers.
- » The annual employee survey (“Your Say Survey”) includes questions on engagement efforts, and approximately 75% of respondents in 2010 gave the company a positive score on engagement.
- » Employee efforts to support local communities through volunteer work are recognized annually in a Plan A volunteer awards ceremony.
- » Employees are able to take one day off on full pay in order to volunteer in their local community.

The sustainability journey of M&S has included stops at philanthropy, community investment, and corporate social responsibility, and is now focused on developing holistic solutions to social and environmental challenges. Employee engagement is just one piece of the puzzle, but it is arguably the most significant owing to the enormous power of employees to reach and influence customers, suppliers, and co-workers, to say nothing of family and friends and the broader communities in which they live.

GRASSROOTS PROGRAMS

Grassroots programs are focused on the day-to-day work activities of staff and can have a huge impact on the sustainability profile of operations. For example, simple things like turning lights off and monitoring temperatures can, when considered in aggregate across a multistore operation, have a dramatic impact on energy usage and thus a company’s carbon footprint.

jcpenney has taken a comprehensive approach to addressing environmental concerns by encouraging a company culture that advocates and practices energy conservation and recycling. Stores have Energy Captains who lead fellow associates in promoting energy conservation while Green Teams located at company’s logistics facilities and Home Office spearhead programs and communications that continually focus on energy conservation at the workplace. The company even runs an internal contest where stores are rewarded and recognized for reducing energy consumption. The company also established an enterprise-wide recycling program by putting in place the capabilities to recycle the majority of the waste generated in its operations. All stores and logistics facilities recycle cardboard, hangers, pliable plastic and paper. Select regions of the country also recycle Styrofoam®. By mid-2012, all jcpenney stores and logistics centers will have the capabilities to recycle aluminum and plastic bottles.

LOCAL IDEA SUBMISSIONS

Associates not only have a passion for sustainability, they have valuable ideas to achieve company sustainability goals. Part of a strong engagement program is the ability to solicit and collect ideas from a broad base of employees, find those that are most strategic to business and sustainability objectives, and develop the resources to implement them.

*Last year, **Target** launched their “Well Being” program with Gallup to focus on the holistic health of its employees. The program’s focus is on five aspects of company and employee well-being: Financial, Social, Career, Community, and Health; they have worked to thread sustainability into all those pillars. Each division selected “well-being” captains to be program ambassadors. The program was successful because it empowered local divisions to define projects that appealed to their employee's interests. For example, a team in Albany painted parking spaces green for carpool vehicles, while a team of 20 members in Michigan designed and ran a weight loss competition. Captains were empowered with tools, marketing, and communications provided by corporate, then given autonomy to define their own programs.*

*Every **Publix** associate has the opportunity to submit ideas through one of several online tools. A small idea submitted by one associate can become a big deal once all 145,000 associates get on board. To drive a competitive atmosphere between stores and generate new ideas, Publix measures store performance monthly and releases a one-page report highlighting energy use, water use, recycling, and other sustainability performance parameters, including comparisons relative to other stores. The report is sometimes posted so that all associates can see the details.*

PERSONAL GOAL-SETTING

Naturally linked to the focus on store-level and local community sustainability issues is the development of programs that allow employees to establish their personal connection to sustainability. These can be related to work—for example, a goal to reduce the fuel consumption of commuting—or more personal interests like weight loss. The overall intent is to generate individual action and enthusiasm for sustainability. Although these programs may not directly translate into higher levels of engagement in the workplace sustainability, these programs can strengthen employees’ connection to the company.

*Through **Walmart’s** My Sustainability Plan (MSP), associates can choose as many goals as they like and track progress online, allowing them to connect with colleagues, provide encouragement, and gain inspiration. In addition, this format allows everyone to understand how their individual actions—when combined with those of their 2 million colleagues—add up to make a world of difference.*

Their voluntary program is gaining momentum in various markets around the world. Thousands of associates have chosen goals, and the company is already seeing trends. The top goals in the

United States are adding 30 minutes of daily physical activity, quitting smoking tobacco, eating a healthy breakfast, and cooking meals at home. Associates in Canada and Brazil are more focused on green initiatives, including saving energy and water. What makes MSP so great is that anyone can get involved. It is not just about working at Walmart or using an online tool to track progress. It is about making a personal commitment to be healthier, greener, and more active in the local community.

How IKEA Has Engaged Its Entire Workforce

As “the life improvement store,” IKEA’s vision is to create a better everyday life for many people. To engage coworkers in this vision, they created the Life Improvement Challenge. The challenge was a contest that gave coworkers an opportunity to come together to improve the lives of others in their communities. It awarded four teams (defined as more than one coworker) a US\$10,000 allowance to benefit a local charity of their choice.

From September 8 to November 8, 2010, teams created their proposals for the challenge. WebEx was used to communicate with store managers, human resource representatives, and operations managers, all key stakeholders for driving the program in their locations. Teams addressed coworkers via posters, email, and in-person communication with store managers, and they were given a standard proposal document. They then presented their proposal to a store steering group, which reviewed projects to ensure they aligned with the program’s criteria and IKEA’s global charity policy.

Projects were then reviewed by the challenge organizing committee. Those proposals that met the challenge criteria entered an online voting process, with a picture of each team and a description of their proposal. Over two weeks, coworkers could vote for the more than 60 projects. In the end, employees cast 250,000 votes to choose the winning project. Employees also posted comments in the voting system about how great it was to work for a company that does projects that benefit the community.

Winning projects announced in early December included:

- » IKEA New Haven in Connecticut revitalized key common areas in a women’s homeless shelter.
- » IKEA Orlando in Florida worked with an organization started by the mayor for at-risk youth.
- » IKEA Costa Mesa in California provided home furnishings to an ongoing initiative within a local high school that helps disadvantaged students and their families receive basic goods like food and clothing.
- » IKEA Draper in Utah organized a day of festivities at the store for families from a local homeless shelter.

All projects are scheduled to be completed by the end of the fiscal year (August 2011). The organizing committee created a reporting and accounting tool to help the teams keep track of their finances. IKEA paid coworkers for the time they spent creating the proposal and executing the project. However, the overall cost of the challenge was minimal because the organizing committee did most of the coordination internally.

The workers who participated in the challenge were highly engaged. It promoted employee enthusiasm and togetherness—core values at IKEA. Because of the program’s success, IKEA is awarding a \$10,000 allowance

to every store in the US in Fiscal Year 2012 to conduct their own life improving project.

DEPARTMENT-SPECIFIC PROGRAMS

Certain retail departments are crucial to engage as a means to leverage their expertise and organizational influence. Companies can tap these departments for their particular functional knowledge and to help integrate components of sustainability into their business units. Additionally, these departments interact with internal and external stakeholders who can benefit from sustainable thinking. Those particularly important departments are listed below.

| Department | Engage with that department to . . . |
|--|---|
| Human Resources | <ul style="list-style-type: none"> » Integrate sustainability into employee orientation and training » Embed sustainability criteria into position descriptions » Base a portion of employee bonuses on sustainability criteria |
| Internal Communications | <ul style="list-style-type: none"> » Develop and disseminate multiple forms of internal communication (e.g., emails, newsletters, and intranet sites) that illustrate the company's sustainability activities |
| Marketing | <ul style="list-style-type: none"> » Educate consumers on product eco-impacts » Thoughtfully and accurately market green product attributes and company sustainability activities to consumers » Maintain a pulse on green consumer demand |
| Product Designers | <ul style="list-style-type: none"> » Integrate sustainable thinking (e.g., lifecycle analysis and material selection) into new product designs |
| Buyers | <ul style="list-style-type: none"> » Raise awareness of the company's sustainability goals to product manufacturers » Educate manufacturers on more sustainable business and manufacturing practices » Build supplier capacities for green product development |
| Transportation, Logistics, and Supply Chain | <ul style="list-style-type: none"> » Develop green logistics programs that promote the most cost- and eco-efficient transportation |
| Real Estate & Construction | <ul style="list-style-type: none"> » Integrate sustainability criteria into lease negotiations, new store build-outs, and new store site selection |

Types of Employee Communication

Companies have a wide variety of tools at their disposal to enhance the quality and quantity of their communication flows. These tools encompass written and verbal mediums and are intended to both push information and commentary to employees to spur social interaction and the exchange of ideas and opinions among employees. Given the importance of communication to ensuring successful sustainability and employee engagement programs, developing a deliberate strategy for communicating with employees can be integral to an engagement program.

Sustainability can be a topic that is difficult to convey in a way that is not overly complex or technical. Communicating it to employees requires a firm understanding of its basics, as well as a keen perspective on what is materially important for employees to understand and master. Many jobs do not require a significant depth of understanding of sustainability; one of the companies in our survey noted that a key challenge in providing information to employees on sustainability was to discern the difference between what employees would like to know about a subject and what they need to know in order to perform their jobs.

While all the companies we researched communicate with their employees in one fashion or another, some have focused more intently on developing communications strategies and methods.

PUSH COMMUNICATIONS

The traditional mode of communicating with employees is to push information out to them through a variety of avenues, including corporate newsletters, emails, and bulletin boards. Push communication remains an important element in the engagement strategies of all companies because it allows a tailoring of information to specific audiences and levels of understanding. Companies researched for this project use a host of strategies for getting their employees' attention.

Target uses multiple channels of communication to reach its employees. Team members at headquarters can visit the intranet site, which discusses sustainability partnerships, events, etc. Store employees can access Target's print magazine that explains the various initiatives, including content on sustainability. They also host an internal group website with a blog forum to share their stories.

NEWSLETTERS

Even in the age of instant communication and social media, newsletters remain an effective way of communicating with employees and conveying relatively complex information. Companies deploy them in a variety of ways, including print and email. In some cases a hard-copy newsletter might be the most efficacious way of reaching employees who do not have constant or consistent access to computers or mobile telecommunication devices. Some retailers cope with the challenge of reaching their associate employees by allowing them to subscribe to the corporate e-newsletter using their personal email address.

POSTERS AND FLIERS

Sustainability is particularly well suited to visual presentation. Thus posters provide an excellent opportunity for companies to inform employees about key social and environmental issues and to encourage them to take action in support of a particular goal. A number of the companies interviewed used posters in employee rest and work areas to promote sustainability events, emphasize a behavior (e.g., turning off the lights), or convey aspects of a company's sustainability efforts to employees and customers (posters showing coffee workers in the fields).

NEW EMPLOYEE ORIENTATION

Research shows that sustainability has grown in significance in recent years as an element of how prospective employees view an employer. Thus companies have taken steps to incorporate relevant messages in their public relations and outreach material. The next step has been to include sustainability as an element of new employee orientation, which many companies are now doing.

*The HR team at **jcpenny** ensures that environmental and safety content is incorporated into associate training programs beginning with new associate orientation. The Leading a Store program assists in educating new store managers on various business aspects, including environment and sustainability initiatives. Training materials for these initiatives primarily include presentations that emphasize the connection between CSR activities and company-wide initiatives and goals.*

*At **REI**, the CSR team communicates the sustainability program to employees through numerous channels, and the Human Resources team includes REI's CSR mission in the new employee orientation program called "Base Camp." The base camp engagement program is tailored to three types of employees: those at retail stores, distribution centers, and headquarters. The distribution center orientation is 1.5 days, which includes a site tour, conversation with executive leaders, modules on REI and the corporate culture, and a module on REI's high level commitment to CSR. The HQ orientation includes a hands-on service project, directly connecting employees with the outdoor spaces they strive to care for.*

STORE MANAGERS AND LEADERS

Sustainability engagement programs are no different than any other retail initiative; management can demonstrate support through action and words. Store managers are the most senior executive that the vast majority of retail associates regularly interact with. As a result their role is critical to encouraging involvement and enthusiasm.

EXECUTIVE OUTREACH

Our survey indicated that nearly two-thirds of respondents cited CEO leadership as critical to launching a program. There are numerous ways to demonstrate executive leadership. Some mentioned in our in-depth interviews include CEO videos and letters and executive visits to retail operations.

At REI, a strong culture of sustainability and active engagement with employees is fostered through a program called Let's Talk. Executives visit stores to update employees on current REI initiatives and strategies and answer their questions. It provides employees with a direct channel to management's thinking and an opportunity to give input on the company's sustainability activities. Let's Talk also puts on quarterly events at REI's HQ and distribution centers.

INTRANET SITE

Even many small companies have internal websites for providing information to employees, which can easily be used to house a portal for the sustainability program. Company intranets have become more flexible and adaptable than when they were first introduced, and are now able to extend beyond hosting basic information about a company's social and environmental policies, initiatives, and goals. With the right technology in place, intranets can host discussion groups, identify volunteer opportunities, assign tasks, and track outcomes of individual and group activities related to sustainability.

SOCIAL MEDIA

Although multiple definitions are often attached to social media, the underlying concept is clear: the use of mobile and internet-based technologies to support interactive social exchange and user-generated content. As such, social media is a decentralized communication process whose rapid spread, easy accessibility, and relative simplicity present an efficient and widely used tool for business to engage employees (and external stakeholders) in a dialogue on sustainability. Many companies are just beginning the journey to harness social media.

jcpenny utilizes an internal innovation tool where associates can contribute their ideas and proposed solutions to business challenges, including sustainability. Since its inception, approximately 18,000 associates have logged into the site and a significant percentage have participated through ideas, voting and collaboration. After running a sustainability challenge, jcpenny received many innovative green and money-saving ideas from its associates, including ways to reduce energy consumption and effectively monitor water use. jcpenny has found that when challenges have a strong business relevancy and are clearly communicated that there are high participation rates. The company is very encouraged by the results it has achieved so far and fully intends to continue to refine and evolve its innovation process and supporting tools.

BLOGS

A number of companies have adopted blogging as a means to communicate about sustainability issues and to elicit reaction to particular programs or perspectives. Some companies that participated in our study host sustainability executives blogs. Even when the intended audience is external stakeholders, blogging can be used as a communication tool to educate employees about and raise awareness of sustainability issues among them.

SUSTAINABILITY REPORT

The number of sustainability reports issued by Fortune 100 companies has risen sharply from relative obscurity ten years ago to the high level of reporting today. Reports have grown in sophistication as well as in number, and the information included provides the reader with a relatively thorough understanding of the key sustainability impacts of a company and its performance against targets.

As such, sustainability reports have become a useful tool for engaging employees. In recognition of this fact, some companies have begun to view employees as the primary audience. A majority of the companies we surveyed issue sustainability reports of one kind or another.

Gathering Employee Feedback

Numerous strands of academic research have highlighted the positive impact that employee input has on performance outcomes in the private sector. Companies have always had a number of channels through which employees can voice their opinions and provide input on policies, programs, and operational outcomes, including one-on-one conversations, letters, and group meetings. The revolution in communication that has unfolded over the past 10 years has provided additional avenues such as email, blogs, intranets, and social media sites.

Through this research, we heard numerous times about the importance of getting worker feedback “right” for developing and managing employee engagement programs. Many companies believe that one of the most important elements of a successful sustainability program is getting buy-in from workers at all levels. One way to do this is to establish communication channels to solicit and acknowledge employee input, whether that be suggestions for improvements, criticism of existing practices, or ideas for new initiatives or programs.

SURVEYS

Technology has enhanced companies’ ability to survey their employees in an efficient and cost-effective manner, and many conduct regular assessments of employee engagement and job satisfaction. A few retailers surveyed specifically noted that employee surveys now included questions on sustainability. The greater accessibility provided by intranet sites and email has made it easier to survey customer-facing employees than in the past.

***PetSmart** conducted an awareness survey in March of 2011 as a way to identify employee interest in sustainability and determine the ideal communications avenues to reach employees. Though it was a voluntary survey, the survey generated an extremely high level of participation - the second highest response rate of any PetSmart survey to date. The survey consisted of 15 questions and was sent to every HQ desktop by email. It began with a high-level discussion about Think Twice and included many open-ended questions as a way to solicit feedback.*

Respondents were frank and candid, and the results further illustrated the importance of employee engagement within the company: 92% of entire HQ thinks sustainability is important. The survey uncovered the fact that employees fall into three categories of awareness: some were aware and had participated in Think Twice activities, others were aware and interested but hadn't participated, and still others had no awareness. This result gave way to the need to evolve awareness into active engagement. When employees were asked about how they heard about Think Twice, the overwhelming response was through Fetch, PetSmart's intranet site.

ONE-ON-ONE CONVERSATIONS

Although not new, the importance of both formal and informal conversations remains very important for gathering employee feedback. Given the lack of structure that naturally characterizes conversations, it is not clear how extensively the companies surveyed use this approach for feedback, but we assume that it is significant. In part this is based on the fact that, for associates at the store level, this form of feedback is arguably more important than for other categories of workers who have more regular access to other channels of communication.

EMAILS

Perhaps the most fluid, accessible, and efficient medium of feedback is email. Emails have the advantage of being a cost-effective and rapid device for giving feedback, and one that for most employees is accessible during work or non-work hours and is not necessarily constrained by location. In addition, emails provide a readily available trail by which to track and organize feedback, and allow for a fair degree of complexity and nuance.

INTRANET COMMENT SITES

Many companies have established the means for employees to provide comments and ideas via special sites or comment boards on their intranets.

BROWN-BAG INFORMATION SESSIONS

Formal group meetings are necessary when certain topics are being discussed, but a more relaxed atmosphere is effective when trying to elicit candid comments from employees. Brown-bag lunches are by their nature conducive to the operational retail environment because they allow associates to learn new information and to provide feedback during regular work hours. One of the companies surveyed uses their HR team to host frequent brown-bag events around different initiatives; they tend to focus on telling a sustainability story or offering a look at the current sustainability “State of the State.”