

## CAREER TRACKS

## Sustainable Development and Its Career Implications, Part 2

## Competitive Strategy by Richard MacLean

**This is the second of a two-part series** on the evolution of the environmental profession. In May, I explored the gradual emergence of new dynamics facing environmental professionals. This month, I explore their potential long-term career implications. To recap, during the 1970s and 1980s environmental departments expanded in both size and influence to meet the challenge of increasing regulatory requirements. During the 1990s, however, the trend reversed due to a multitude of factors, including the offshoring of manufacturing, legal challenges to regulations, improvements in technology, and management system efficiencies.

At the turn of the new millennium, global environmental issues began making headlines. Corporations sensed both the risk related to a new wave of regulations and the opportunity for competitive positioning. They aggressively responded by initiating voluntary programs and by spending millions on advertising to deliver the message: industry is not the problem; it's a key part of the solution through innovation and eco-efficiencies.

## Signs of Divergence

The notion of "being green" is beginning to shift from what historically has been viewed by CEOs as a cost of doing business to an opportunity to make money through brand enhancement and competitive positioning. Indeed, the rapid rise in green marketing and other industry-led sustainable development efforts have captured the public's imagination.

Unlike earlier times when emerging issues were attended to within ever-expanding environment, health, and safety (EH&S) departments, there are already indications that the management of this new generation of issues and opportunities will be addressed by other organizations within industry and government. Two examples serve to illustrate this belief.

First, the nation's environmental policies were once heavily influenced, if not driven, by a very visible and influential U.S. Environmental Protection Agency (EPA) administrator. Beginning with the Clinton administration, however, the White House assumed greater direct control over policy. With the Bush administration, the current EPA Administrator has continued to maintain a very low profile.

Second, the environmental structure at GE is revealing. Ann Klee, a former EPA general counsel, is the new vice president of corporate environmental programs, reporting to GE's chief counsel. Lorraine Bolsinger, vice president of GE Ecomagination and former internal GE marketing executive, reports to the vice chairman of GE Infrastructure.



These functions are organizationally separate, as they are in other companies such as DuPont and Interface.

Interface's Erin Meezan states, "The sustainability team that I manage reports directly to the CEO through the business development function, reflecting the view that sustainability is a business growth platform. Called Sustainable Strategies, it contains the corporate sustainability professionals, as well as those engaged in developing growth opportunities under the banner of sustainability. For example, last year we launched an environmental consulting business, Interface RAISE, and these consultants are also part of my team. Traditional [EH&S] functions are separate and report to the general counsel."<sup>1</sup>

New titles such as "chief sustainability officer" (CSO) are starting to appear, just as vice president of EH&S positions blossomed in the late 1980s. As was noted in *The New York Times*, "Environmental vice presidents usually spend company money, but this new breed is helping companies make money ... what started out as a compliance job has evolved into one that guards the value of the brand."<sup>2</sup>

As the two examples above illustrate, do not assume that these functions will be rolled into existing EH&S departments. And who do you think will have a seat at the table with the business executives when environmental strategy is being discussed? In the mid-1990s, Robert Sheldon described a "green wall" that separates environmental managers from the inner circle of business executives.



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Can that wall finally be breached, but not necessarily with the traditional EH&S manager sitting at the table?

### What Does This Suggest?

Traditional EH&S departments will exist, of course, but will continue to be viewed, staffed, and funded as primarily overhead, again, a cost of doing business. Unless there is a major disaster or a Sarbanes-Oxley review uncovers a regulatory or remediation issue that needs immediate attention, budgets will get smaller not bigger. The buzz is, instead, on marketing opportunities, competitive positioning, investment relations, and such emerging issues as emission credits and offsets. To the CEO, that is where the big money is to be made or lost. And it is this latter point that is the greatest concern to business executives.

CEOs recognize that the public's concern over the sustainability of the planet will only grow as more and more global environmental issues come to light. They know that the politics in Washington will change with the end of the Bush administration. State governments are already leading the way. More significantly, other countries are forcing change. As the saying goes, "If you're not at the table, you're on the menu." They want their person at the table in this very high-stakes game.

Consider the essential skills for success in each area. Traditional environmental professionals require expertise in project, systems, and regulatory management. Unfortunately, the perfection of skills has stereotyped EH&S professionals as niche service technicians, not wheeling-dealing business strategists. The new track requires finely-tuned communications, relationship, networking, marketing, and strategy skills, and competencies to which business managers can readily relate. Indeed, this new track may require little or no experience in EH&S or knowledge of the science, engineering, or regulatory dimensions.

However, if these jobs are bifurcated, tensions could arise. For example, just imagine the friction created if upbeat green projects are held up by environmental professionals telling business management their latest product is an ecological loser or that their bottom line was bolstered by pollution in Thailand. Examples of these dust-ups are usually kept very quiet.

There are clear indications that many, if not most, companies are not getting their green strategies aligned with their environmental realities. For instance, there is already a growing backlash against false green marketing claims and missteps by companies claiming responsible behavior, but being exposed as doing just the opposite.

As *BusinessWeek* reporter Ben Elgin states in a recent article, companies are "green—up to a point."<sup>3</sup> That point

has not been clearly defined for most companies and is obviously in a state of flux, requiring deft handling to navigate the terrain. Hopefully, the green ambitions of your company are aligned with reality and you don't wind up with dueling departments.

### Your Own Career Track

One possible outcome is that environmental regulatory functions are rolled under the purveyor of "non-EH&S" CSOs, invoking dread similar to that felt by some safety managers when they first started to report to environmental managers in the late 1980s. Back then it was a fear that safety would take a back seat to environmental concerns. I think that fear was more about losing stature (and salary) within the company. Today, it might be the fear of diminishing attention to compliance with the environmental manager taking the fall should things go off the rails.

Short-term, traditional environmental roles may get pulled along by the green buzz. I have spoken to several top environmental managers, already overextended, being inundated with requests for support from marketing departments. This is an opportunity, not a burden! I would caution anyone from turning down these requests.

It will, however, take a strategy to navigate this course. Skillful outside intervention may be in order. I believe that business executives have not fully grasped what it will take to successfully ride this green train, aside from a Madison Avenue consulting firm. If companies want to be taken seriously, it will require an integrated approach, a varied product line, and additional resources.

Over the next several years, there will be numerous opportunities opening up within agencies as baby boomers start to retire en masse. Consulting firms also may offer niche, well-paying technical and marketing jobs. Long-term security, however, will reside with those with the marketing, networking, and interpersonal skills similar to those of CSOs.

Technical and scientific career tracks will be dominated by the global job market. Security and pay will shift with the demand for the specific technologies and sciences. It will also depend on the practicality of outsourcing (i.e., it is difficult to perform an on-site investigation in Baltimore with people located in Bangalore, India). Government agency jobs will be somewhat shielded from these global competitive forces.

Over the long run, the landscape looks really promising for environmental professionals such as A&WMA members. My optimism for your career is based on my unqualified pessimism that our planet is headed in an unsustainable direction. While the American public may feel that things are under control here in the United States, eventually global environmental issues will become as in-your-face as the glaring pollution issues of the past. A green marketing professional will not solve those issues; you will. **em**

### References

1. Erin Meezan, Director, Sustainable Development, Interface. Personal Communication 2008.
2. Deutsch, C. Companies Giving Green an Office; *The New York Times*, July 3, 2007.
3. Elgin, B. Green Up to a Point—Despite Their Eco-Rhetoric, Some Companies Send Mixed Messages; *BusinessWeek*, March 3, 2008; 25-26.