

## Announcing our Third Annual 'Tough Enough' Awards!

Got a question? Let us know.

Each year at this time we present our 'Tough Enough' Awards to recognize companies and organizations that have pushed the boundaries of strategic environmental management and sustainability in spite of obstacles and common convention. While eventual success is certainly a factor in granting an award, it is the courageous intent and leadership effort that are substantially more important.

Based on the significant positive feedback we received after both the 2001 and 2002 'Tough Enough' Awards, we decided to present our Third Annual 'Tough Enough' Awards. Our readers may recall that last January we presented awards to Whole Foods, BASF and BP despite "a rather disappointing number of companies and organizations from which to choose". For this year's awards, we again asked our panel of twelve non-profit, corporate and consultant experts for their nominations and entered the data into our special 'Tough Enough' supercomputers.

This year we humbly present this year's single 'Tough Enough' Award winner -- The American Chemistry Council and its member companies and commercial partners in the chemical industry. They receive the award for their courage to embark on an ambitious Responsible Care Management System (RCMS) initiative that incorporates the panoply of environmental, health, safety and security elements. A requirement of association membership, conformance must be certified to either of two levels of participation -- the required RCMS level that contains some aspects of ISO14001 along with other non-ISO requirements, and the voluntary RC14001 that includes all aspects of ISO14001 plus additional requirements. Both require audit certification by trained and authorized independent, third-party auditors. In the first round of certifications, members' headquarters sites must be certified by the end of 2005 and a designated percentage of operating sites must be certified by the end of 2007.

The incorporation of environmental, health, safety and security into an integrated management systems approach should provide a model of performance for non-member chemical companies, as well as for other industries. It has the potential to be the catalyst for others asking their commercial partners and stakeholders, "Why aren't you doing this?" While not perfect (yet), it should raise the bar for all.

We would have liked to present more awards, but there were only two other nominations:

- · California's Governor Schwarzenegger (for nominating an environmental activist to head the Cal EPA); and
- A local New Jersey landscaper (for getting approval to build just five 'modest' 5,000 square foot houses on 28 acres of western New Jersey farmland -- at a cost of only about \$1.5 million each).

Neither of these, we judged, really pushed the limits and certainly don't demonstrate the kind of courage and leadership that this award is meant to recognize. Other honorable mentions include the companies implementing projects in association with WRI's Green Power Market Development Group and the signatories to the UN Global Compact.

How should one interpret this void of nominations? One simple interpretation is that few organizations and companies have the appetite for the robust, courageous leadership this award is meant to acknowledge. We hope that these last two years is a just momentary trend, forced by resource and budgetary cutbacks, and that by next year we'll have many substantive nominations and award winners.

Back to Top

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## How can I determine if my salary is appropriate for the EH&S responsibilities I have?

Richard: A number of professional society surveys and magazine surveys provide this information. For example, Air & Waste Management Association and Environmental Protection magazine conduct annual salary surveys. There is also extensive information on the web. The best source is Monster.com's Salary Wizard. "Environment" is a designated job category that also includes health and safety responsibilities. It can be searched by an amazing array of delineators: locations, job title (about 25 are listed), job description, degrees, certifications, industry sector, size of company, to whom you report (by title), number of employees you supervise, and working conditions such as hazardous duty and shift work. One wonders, however, if the input data are sufficiently robust to support this fine differentiation, but the system does highlight the considerations involved in salary structure.

A full, personalized Salary Wizard report is about \$70. The most basic report (location and title) is free. Even this basic report includes salary range, bonus and benefit information. The U.S. Department of Labor Bureau of Labor Statistics <u>Occupational Outlook Handbook</u> is another resource filled with useful information, including salary data. An additional helpful site is <u>EcoEmploy.com</u>, which has several links to salary surveys for EH&S professionals. Local job ads are another fairly reliable benchmark.

The most significant surveys are the benchmark studies commissioned by your company's employee relations department and conducted by consultants such as <a href="Mercer Human">Mercer Human</a>. Resource Consulting. These salary surveys are often grouped together by overall categories such as "facilities support" so they may not have precisely your job title. These studies are very expensive (tens of thousands of dollars) and confidential, but they are the definitive guide used by management to determine what your company may be willing to pay for different types of internal services. In other words, if you come to your next salary discussion armed with information from the web, management may not be convinced that your sources are the most reliable.

The bigger issue, however, is that it is a buyer's market and many EH&S people are just happy to have a job, let alone wanting more money. There may not be much leverage with management. The hardball approach is to do your research and then benchmark with contacts at professional meetings to see what the going rate may be in your general area of expertise. Unless they are a close friend, do not directly ask a colleague what they make; it's rude. Ask them what the word is "out on the street" for the type of jobs of interest. If you think you are getting short-changed, start looking for a new job and see what you come up with. If you can get much more elsewhere, tell your management and be prepared for them to say, "Fine - best of luck with your new endeavor." Then do it. But, remember there is a lot more to job satisfaction than just money.

Back to Top

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## What do you see as the most notable corporate EH&S management trends for 2004?

Steve: Right now, I see three notable trends for 2004:

1. The point to which corporate and site EH&S staffs, and their budgets, have been stretched. While not universal, virtually every meeting or discussion I've had with EH&S staffs and personnel the past six months has suggested that many have been cut to the point where bone is showing. There is simply not enough, qualified resources to get the job done. Wide gaps are beginning to appear, training and development budgets are at or near zero, and organizational bench-strength is thinning. On the positive side, this is getting some of the senseless and 'because we've always done it' work shelved. On the negative side, businesses are unintentionally (or intentionally) increasing their 'business risk' without proper evaluation. I expect that since situation this has been developing for the past 5-plus years, in 2004 we will see a recoil -- like a snapped rubber band -- as many groups can not delay important projects and or fail to maintain programs any longer. I've already seen a rise in demand for professional development programs that help EH&S personnel and organizations align their objectives, programs and communications with their business units' strategies; the job market has opened up quite a bit. Fortunately for these companies, there is a pretty good supply of experienced EH&S professionals

sitting on the sidelines looking for full time employment.

- 2. The degree to which the management systems infrastructure has taken on a life of its own. The number of organizations developing, certifying, reviewing and administering the management systems infrastructure is mind-boggling. It seems as if these upstream activities have created an entire industry onto itself. My experience tells me that whenever I've seen this happen, those working 'behind the scenes' begin to lose sight of the ultimate objective of helping the end user improve performance. This happens because often they are so focused on managing, and ensuring that others must use, the systems and processes they have created. In 2004 we may enter a 'third generation' evolution where internally managed management systems reviewed by external, though not necessarily 'certified' reviewers, may provide companies with the greatest benefit for their management system dollar.
- 3. The increased use of hazards and risks analyses to identify, prioritize and manage EH&S risks. This stems from the increased use of both institutionalized and internal management systems, which typically use such analyses as keystones for effective implementation. Granted, the methodology for many companies' and sites' assessments may not be very sophisticated (nor must it be), may not result in corrective actions for all identified risks and may not eliminate or prevent all future incidents. At least, however, they have identified and prioritized the most important hazards and risks so that intentional, conscious decisions can be made to eliminate or prevent certain events and consequences.

While certainly notable, only time will tell if these trends will be significant or not; I'll revisit and report back on them mid-year.

Back to Top

I just received a direct solicitation from a well-established, older non-government organization that has never asked for contributions in the past. Are these groups running out of money?

**Richard:** Non-Government Organizations (NGOs) are facing increased financial pressure, just like the federal government, state governments and corporations. Many NGOs were well off in the late 90s because foundations were awash in money from investments. Before the economic downturn, foundations were literally scrambling to find worthy projects. In addition, direct contributions from businesses and individuals reached new heights. This is no longer the case.

From my own experience when recently seeking foundation money for an educational research institute, the Center for Environmental Innovation, it is exceedingly difficult to get even an expression of interest for projects that would have received immediate funding five years ago. NGOs are at a serious disadvantage unless they have long-established relationships with the organizations or individuals being pursued.

These financial difficulties extend to trade associations and professional societies. After cutting costs in every conceivable manner, corporations are now reaching into the bottom of the barrel to chop further. Corporations are asking tough questions such as, "Why do we belong to this or that organization?" and "What value do these organizations bring to our business model?" Professional society memberships are also declining. The word is out that EH&S job opportunities are not the best right now. It should come as no surprise that if fewer students are going into the EH&S professions, there will be fewer people interested in joining professional organizations, especially if they have to join on their own dime. Companies rarely sponsor individual memberships today.

Some of these NGOs, trade associations and professional societies have built up extensive infrastructures that can no longer be supported. The number of societies with overlapping interests has grown substantially. For example, a health-related association is in the process of deciding if they should include the word "environment" in their name to increase membership. They are trying to sell this idea under the rubric that some members are taking on environmental-type work (multi-tasking is another factor in corporate cost cutting).

I doubt seriously if something as simple as a name change will draw in more members. The problem is more systemic than many are willing to believe. The market, so to speak, is saturated and these organizations face the age-old economic rule of supply and demand -- and what they supply is in diminishing demand.

Back to Top

Has the solar energy industry been affected by the recent corporate accounting scandals?

**Steve:** I am not aware of any, but that may not be too surprising as virtually all of them, except most notably BP, are still either private companies or tightly held by a small group of investors. Private companies are not subject to SEC financial reporting requirements and companies with a limited number of public shareholders are exempt from many of those

requirements.

A discussion on this latter issue can be found in "A Legal Way to Keep Investors in the Dark" (*Business Week*, August 4, 2003; p. 104.)

Back to Top

Postscripts: The State We're In -- Part II

The State of New Jersey was the first state to establish an office dedicated to the development and promotion of sustainable businesses. The state wisely, in our opinion, located it within the state's Department of Commerce rather than the Department of Environmental Protection, thus giving it greater access to business resources, concepts and communication. As noted quite a while ago, it slowly withered and went away due to state budgetary constraints and other non-economic reasons.

The idea was, in a manner of speaking, resurrected about two years ago albeit with a very different model -- as the New Jersey Sustainable State Institute (NJSSI), an NGO stewarded through two of New Jersey's academic institutions and guided by a broad-based Board of Directors. Seeded with a state grant representing only half of its intended budget, and with a reassurance of renewed funding though no guarantee, the board hired an Executive Director and a small support staff. Early on it achieved nominal success with its promotional efforts, coordinated several presentations and hosted discussion forums. We understand that NJSSI's update report on New Jersey's sustainability indicators report is being completed and will be issued shortly.

Sad to say, it appears as if this effort has run out of energy and funds, too. In mid-December NJSSI's Executive Director sent out a notice that she is leaving for a 'five month study project' with an unrelated organization and purpose. Will the Institute obtain more robust, ongoing funding? Will its objectives be more clearly defined and achievable? Can a major sustainability effort ever be reestablished in New Jersey again? While we can only hope, stay tuned for the next thrilling chapter of *The State We're In*.

Back to Top

**Got A Question?** 

Send your question about environmental management issues to <a href="mailto:Experts@GreenBiz.com">Experts@GreenBiz.com</a>
We can't guarantee that we'll answer every question, but we'll try.

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