"Despite the willingness of businesses to become green, most executives do not believe their companies are doing a good job nor even know how to implement green business practices into their strategy and daily company practices. This is specifically where OD can have a major influence."

Green Organization Development

By Bauback Yeganeh
and Ante Glavas

A shift is taking place. Organizations across the globe are awakening to the reality that green business practices can provide competitive advantages while simultaneously producing world benefit. As larger organizations begin integrating such practices into their strategic agendas, tens of thousands of supply chain organizations will need to adjust how they do business. Many organizations, with a desire to "go green", lack the know-how to materialize desired change without external help. In addition, since this type of external help is rather new, there are few places to turn for it. Given the values, tools, and skills that competent OD scholar/practitioners have acquired, we believe they are poised to help organizations succeed in Green OD initiatives. This would not only help organizations, employees and the Earth, but it will help grow the field of OD. In this article we discuss ways to further develop Green Organization Development.

Update on Going Green

Green business is practically everywhere around us. Magazine covers from *Time* to *Vanity Fair* are focusing on going green. Movies such as "An Inconvenient Truth" are hitting Hollywood. Companies such as Wal-Mart and General Electric are transforming their business practices into green ones. Perhaps most striking of all is the list of prominent management and strategy experts that have focused on helping organizations bring about world benefit including Warren Bennis, Clayton Christensen, David Cooperrider, Peter Drucker, Charles Handy, Stuart Hart, Philip Kotler, Henry Mintzberg, Michael Porter, CK Prahalad, Rosabeth Moss Kanter, and Peter Senge.

The business sector is increasingly called upon to be one of the key drivers of the green movement. In 2000, UN Secretary General Kofi Annan addressed business leaders at the World Economic Forum by calling for a global compact between business, government, non-profit organizations, and the UN: "Let us choose to unite the power of markets with the strength of universal ideals. Let us choose to reconcile the creative forces of private entrepreneurship with the needs of the disadvantaged and the requirements of future generations."

Without the help of business, governments and non-profit organizations, we cannot create a healthy planet and society. Business leaders are increasingly recognizing the importance of their involvement. In a study conducted by McKinsey of 4,238 business executives in 116 countries, 84% believed that business should contribute to the public good; however, only 3% believe that their companies are currently doing a good job (McKinsey, 2006).

Despite the willingness of businesses to become green, most executives do not believe their companies are doing a good job nor even know how to implement green business practices into their strategy and daily company practices. This is specifically where OD can have a major influence. There is a huge need and gap

to fill. On the one hand, business leaders want their companies to go green, while on the other they lack the process skills to create sustainable, green companies.

What Do You Mean, Green?

We like the word "green" because it has two connotations, the environment, and the color of US Dollars. Because Green OD is about helping organizations nurture the environment while increasing economic value, the term seems fitting. It is also important to note that the green movement is about the whole environment, not just nature. This includes poverty levels, health, peace, housing, and all the other factors that contribute to the well being of society. By "green" we mean: benefiting our society

(Glavas, 2008). Numerous terms such as sustainability, corporate social responsibility, corporate citizenship, ethics, and sustainable development all exist with definitions often overlapping; and even within the scope of each term, there is no consensus as to the definition. We feel comfortable using the label "Green OD" and we welcome your feedback on it as an adequate term.

The Changing World of Organization Development

A new shift is emerging in organizations from the trade-off illusion of green OR profit, to seeing green business as an opportunity. Numerous methods exist for adding business value while

states that for an activity to be considered OD it must:

1. Involve a change in the system that is the focus of the effort.
2. It must have the intent of improving the system.
3. It must have the intent of building the capacity of the system to change in the future by involving people in the process (not dictate change).

These criteria are unique to organization development and in our experiences contribute to the successes that competent OD practitioners achieve.

The field of organization development is currently defining itself in relation to globalization. The World OD Alliance created a responsible progress doctrine, "calling on the field to provide governments, non-governmental organizations, corporations, and other stakeholders with support to jointly optimize the four elements for global success: economic development, technological innovation, cultural diversity, and ecological sustainability" (Worley & McCloskey, to be published). It was influenced by the triple bottom line, which focuses on economic, social, and ecological value. Developing green organization development practices will help grow OD toward this responsible progress doctrine.

> Without the help of business, governments and non-profit organizations, we cannot create a healthy planet and society. Business leaders are increasingly recognizing the importance of their involvement. In a study conducted by McKinsey of 4,238 business executives in 116 countries, 84% believed that business should contribute to the public good; however, only 3% believe that their companies are currently doing a good job.

and environment while also adding value to the organization. Such a definition makes a clear distinction between many of the other concepts in the field of business and society that assume there is a "trade-off" between creating business value, and contributing to our society and environment.

While some use the term "sustainability" to describe the above definition, we chose not to for several reasons. First, in the field of OD, sustainability describes lasting change. While Green OD is about sustainable change, sustainability alone is not Green OD. This is where things get confusing. In the green world, sustainability in organizations means going green in a core and lasting way. In many circles, the two terms have become synonymous. A literature review of the field of business and society found a lack of clarity and agreement of terms related to sustainability

also contributing to society and/or the environment. These include but are not limited to: energy efficiency, using renewable and cheaper energy, innovations based upon green principles, increased quality of the product design, increased brand image, increased employee engagement through aligning organizational and employee values, and improved company reputation.

In order to capitalize on any of the previously mentioned methods, it is necessary to perform a host of OD practices such as strategic planning (including large scale design), leadership development, strategy implementation, culture change, and team building. As a result, one of the hottest trends today is sorely in need of OD expertise.

As readers of this journal know, there are many definitions to describe our field. When thinking about OD we use Chris Worley's (2002) suggested criteria. He

Green OD

> **Consider This:** OD Consultants have always had to work to introduce humanistic values into organizations. Often after new values are adopted, the bottom line benefit is revealed. We are poised to do the same with Green OD values.

By "Green OD" we are referring to OD work that focuses on organizations seeking to change core practices so that they benefit our society and environment while also adding value to the organization. Implicit in the term Green OD is sustainability from the environmental side, meaning nature preservation and societal good; and the business value side, meaning reputation, stock prices, and viability.

Effective Green OD requires trust, learning, empowerment, buy-in, and relational capacity. The OD approach to organization change seems aligned with these requirements. If green business is to be aligned with the goals of organizations, and every organization has its own unique goals, then Green OD approaches must be unique to every organization as well. OD already focuses on customized approaches to change and is well suited to be of service.

It is important to note that when pursuing green goals, many people traditionally involved such as Corporate Social Responsibility (CSR) officers, Environmental Health and Safety (EHS) employees, and others with similar responsibilities seldom follow Worley's three OD criteria mentioned earlier. Their approaches tend to be focused on endeavors that are on the periphery of the core business rather than a part of a core change process. Green activities that only scratch the tip of the surface may include creating a code of ethics, brochures, philanthropic activities, internal awareness campaigns, and recycling programs. These activities, while important, are not enough to meet the green challenge. In fact, sometimes they can have a negative effect on employees by increasing their workloads without seeing true results. It is insufficient for organizations to simply add green-oriented peripheral activities to the already demanding workloads of busy employees. For green practices to work, they must be a part of the core change strategy of an organization. This is where OD can have tremendous effects.

In *Figure 1*, we use Schein's levels of organizational culture to better understand varying degrees of commitment to green organizational practices.

Inspiring Examples of Green OD at Work

At Case Western Reserve University, The Center for Business as an Agent of World Benefit (BAWB), chaired by David Cooperrider, was called by Kofi Annan to facilitate the first ever meeting of 400+ leaders from all sectors at the United Nations. Using Appreciative Inquiry, the delegates developed world-changing initiatives such as a $10 trillion commitment by the leading financial institutions to invest in only that which provides for a sustainable and green future. The event was successful for several reasons. First, it created a participative environment that tapped into the whole system. Rather than a series of speeches being delivered, the participants—who all were extraordinary in their own right—were able to fully contribute. Next, the event utilized a strengths-based approach, building on the best that exists. In that way, endless debates of the problems of the world and those to blame were avoided and collective action was mobilized in one day. The day was focused on visions for the future, solutions, and what can be done to scale-up Global Compact member commitments. This is not to suggest that AI is the only way to accomplish Green OD. However as part of the BAWB consulting team to the UN, we offer a first hand account of one successful approach. Some of the reasons we believe AI was a successful methodology at the UN Global Compact Leaders Summit include:

» we only had one day to work
» there were many stakeholders with unique interests and ideas
» the problems were vast and complex
» all participants (most of whom were CEOs or V.P.s) were valued for their ideas

> *"I would like to commend you more particularly for your innovative methodology of 'appreciative inquiry' and to thank you for introducing it to the United Nations. Without this, it would have been very difficult, perhaps even impossible, to constructively engage so many leaders of business, civil society and government"*—U.N. Secretary General Kofi A. Annan, July 21, 2004

There are many other cases in which we have seen Green OD succeed in businesses. For example, throughout Brazil, businesses have come together to learn from their experiences of green innovations. In the U.S., Fairmount Minerals received the award for #1 Corporate Citizen in 2007 by the U.S. Chamber of Commerce for the Small and Medium Sized Business category, and Green Mountain Coffee Roasters was #1 on the *Business Ethics* list for the last two years (the first ever to receive back-to-back awards).

Again, a commonality to their successes, and a theme that continues to emerge, was that these organizations brought the whole system in the room—from dock workers

---

Figure 1: Green Organizational Practices at Varying Levels of Organizational Culture

1. **Artifacts**—At a high level, organizational artifacts that may suggest an organization is focusing on green initiatives include posters and other signage, internal communications, providing recyclable products and bins, green commercials, identity branding (green washing). Other artifacts may include donating proceeds to charities or doing other sorts of green promotional work.

2. **Norms**—One layer below the surface norms represent unwritten rules about behavior. Certain expectations about green practices may be in place for services and product design, decision making, energy use, recycling and more.

3. **Values**—The next level of depth in an organization focuses on what ought to be. Here if the value of green work is different than the value of the core business, artifacts and norms that are designed to build momentum, will fail to do so.

4. **Basic Assumptions**—The core of the organization. For green practices to really work they have to be linked to currently existing basic assumptions about creating business value. When basic assumptions are focused on green practices then productivity and profit are always linked to improving the environment and society.

to owners to suppliers to activists who opposed the company. They then worked with the whole system to scale up that which works in order to achieve a shared

Figure 2 illustrates some differences between traditional forms of Sustainability Consulting and the emerging practice of Green OD Consulting.

General Electric has invested $1 billion in this area, working with the value chain through cutting-edge technology.

The solutions that lead to energy efficiency rarely come from expert consultants alone because they lack covert knowledge of the client system. On the other hand, the client system may have difficulty creating solutions alone due to employees getting stuck in silos, daily routines, and not thinking on a systems level about potential solutions.

vision and move into action.

Wal-Mart has also used OD to bring together employees and stakeholders to examine how their 300 billion dollar revenue generating operation can make core shifts to green practices (Gunther, 2007). Other such initiatives currently under way include Dairy Management Inc. and 60,000 farmers to integrate green core practices into the dairy industry; together with AESE, facilitating the process of 3,000 associations becoming associations of world benefit; and bringing together the US energy sector to transform the business model of how energy is produced, distributed, and consumed.

Other OD methods such as scenario planning, U-process, World Café, and Open Space Technology, have been used successfully to develop companies, sectors, communities, and even countries focused on green business practices. For example, Peter Senge, Otto Scharmer, and Adam Kahane are working with food value chains to alleviate worldwide hunger.

Propositions for Flourishing Green OD Practices:

Despite inspiring examples, the Green OD field is still young and OD practitioners need to co-learn in order to practice.

Identify existing green business opportunities and use OD to scale up
Examples highlighted in the previous section underpin the power of OD to bring about whole system, large scale change. However, Green OD can be used to facilitate any process that generates value for the business. Examples of areas where Green OD is being and can be used:

1. **Value Chain**—Typically companies have approached the value chain and more often the supply chain from a purely cost-cutting and logistics efficiency approach. However, when a "green lens" is used, there is enormous potential for the value chain to collaborate and produce goods that are of value to the consumer and the earth.

2. **Energy Efficiency**—DuPont has saved $3 billion from reducing carbon emissions, showing how a chemicals company can go from being harmful to the environment to one that is increasingly becoming a green company. The solutions that lead to energy efficiency rarely come from expert consultants alone because they lack covert knowledge of the client system. On the other hand, the client system may have difficulty creating solutions alone due to employees getting stuck in silos, daily routines, and not thinking on a systems level about potential solutions. Therein lays the opportunity for Green OD.

3. **Product Design**—Numerous examples exist in Bottom-of-the-Pyramid approaches where a new product is needed that serves the needs of those in poverty while also generating profit. For example, the Jaipur Foot was developed as a response to the lack of prosthetics in India due to cost. The new prosthetic that was developed costs hundreds of times less, can be produced in 30 minutes with far fewer resources, creates job opportunities for villagers producing them, looks more like a leg than competing products, and has much better mobility, allowing a level of mobilization that cannot be attained with the typical prosthetic from the West.

4. **Employees**—OD practitioners have often focused on vision-building processes for companies. When combined with green practices, there is potential for Green OD initiatives to increase employee engagement. For example, a division at Parker-Hannifin found ways to shift its products so that it addresses what it identified as the top 10 problems in society. It is no surprise that the division had the most empowered employees in the company.

5. **Markets**—As markets in the West become more saturated, there is an increase in business opportunities to address the world's most pressing

---

Figure 2: Traditional Sustainability Consulting vs. Green OD Consulting

Traditional Sustainability Consulting—examples include providing suggestions for green initiatives, ecological footprint analyses, sustainability reports, policy and/or operational change suggestions, and recommendations for improving environmental impact.

Green OD Consulting—examples include creating learning environments in which organization members develop green core business practices together, build relational capacity, reduce silos, enhance collaboration, help build shared vision and empower the system to develop customized solutions based on cutting edge green technology. Preparation may include benchmarking green innovations and/or bringing in experts to teach the latest developments in green technology, but the core innovations are produced and driven internally.

problems. Countless examples exist of companies that provide water filtering, energy to off-grid locations, health insurance for HIV infected populations etc... Muhammad Yunus won the Nobel Prize in 2006 for his innovative micro-financing initiatives, the majority of which provided means for small business creation to women suffering disproportionate levels of poverty. Perhaps Peter Drucker put it best when he said that every single issue of our time is a business opportunity.

We realize that many of the highlighted examples above focus on large, multinationals, some of which have been questioned as to their overall intent. The point of this article is not to put any one company on a pedestal. We find it interesting however to observe that some of the companies most known for being profit-driven are adopting green business practices as a means of creating and maintaining competitive advantage.

In addition, break-through green change is happening in small and medium sized companies such as Fairmount Minerals which was previously mentioned. Packaging companies such as Weatherchem are seeking ways to create disclosures using fewer resources that are more Earth-friendly. RLE is a lighting manufacturer that also consults with companies, helping them become more energy efficient while selling their own products at the same time; and Nutrimental Foods in Brazil tapped into the whole system to completely change its effect on the country.

Uplift Green Organization Change Success Stories

People learn from stories. Copycat criminals acquire narratives from the news because examples of crime abound. OD practitioners need to provide an abundance of resources to feed potential copycat social entrepreneurs throughout organizations.

» Encourage your client to share and spread successful examples of other organizations going green.
» Create facilitated conversations about case studies

» Check out http://worldbenefit.case.edu/inquiry/features.cfm for stories about businesses that have succeeded in green practices

Going Green as an OD Tool— Large Learning Conversations

Creating a reason to convene in organizations can be a challenge. OD practitioners always hear the needs to think out-of-the-box and to work in cross-disciplinary arrangements. Large-scale participatory

events, in which many organization representatives from various areas meet, learn, and plan together about green transformation provides a practical way of meeting these needs. It can also increase relational and learning capacities, decrease silos, and create social contagion of breakthrough thinking, resulting in positive actions that may have otherwise not occurred.

Expertise is Crucial— Not Just OD Expertise

Teaching OD practices is important. It is also crucial to help organizations create a sustained pattern of learning and innovation. This can be accomplished by creating learning labs for internal folks to grow green expertise within their domains of work. Growing their green expertise by creating learning labs (case studies, learning conversations, site visits, expert lectures, assignments), enables an organization to build upon its expertise rather than become continuously dependant on expertise from outside the system. It makes plain business sense to grow the capacity of the organization when

going green rather than solely outsourcing knowledge. Happily this is an argument that requires little effort in our OD community.

Learn Strategic Planning Processes and Implementation

This is a new area in which our field can innovate. From what we have gathered thus far, it is crucial to use strategic planning processes that generate knowledge and buy-in throughout the system. However,

This is what OD folks are good at! Help clients drive metrics and create conversational spaces so that the organization is collaborating from within. Use OD interventions where necessary to continue helping the organization toward its goals. Like most OD endeavors, this will look different in every system that is attempting change. Some client systems will need more leadership coaching while others may need more teambuilding. As a rule, communicate, communicate, communicate internally!

Green OD goes beyond repeating the same popular techniques that we have used in the past. It is about really customizing the interventions we use to meet the unique needs of the system for this specific type of change. Prior to strategic planning retreats, help clients analyze where they think their strengths are throughout the organization. For example, if an organization is strong in engineering and marketing, potential leaders could emerge from these Departments to help champion the change. It is useful for organizations to engage in large scale planning processes where the entire organization is represented, from operations folks to administrative assistants, to upper level management. To create a strategy around green business, make sure to include examples of green business innovations that have succeeded in other organizations. Once a green strategy has been created, implementation will be the key factor for whether or not successful change occurs. This is what OD folks are good at! Help clients drive metrics and create conversational spaces so that the organization is collaborating from within. Use OD interventions where necessary to

continue helping the organization toward its goals. Like most OD endeavors, this will look different in every system that is attempting change. Some client systems will need more leadership coaching while others may need more teambuilding. As a rule, communicate, communicate, communicate internally!

Document and Share the Changes
We are all pioneers of this work! Document what you learn and help others by sharing both experiences of success and failure. This may occur through conversations, presentations, and publishing.

Conclusion

There is one more point we would like to make in closing. We have seen Green OD serve the parallel purpose of reinvigorating the hearts of OD folks and reenergizing their commitment to OD work. This effect is going to increase exponentially in the years to come. We don't know about you, but we do not get particularly excited about work that solely increases profit margins for businesses; the notion of increasing profit margins by helping the society and environment is far more compelling. The world is rapidly changing and as a result so is the field of OD. By developing Green OD we are helping organizations commit to real changes that unite corporate and Earthly flourishing.

References

Drucker, P.F. (1984). The new meaning of corporate social responsibility. *California Management Review, 26,* 53-63.

Glavas, A., & Piderit, S.K. (2008). How does doing good matter: Corporate citizenship behaviors and their consequences within businesses. Manuscript submitted for publication.

Gunther, M. (2007, April 2). Green is good. *Fortune,* 155, pp. 42-50.

McKinsey. (2006, January).The McKinsey global survey of business executives: Business and society [Electronic version]. *McKinsey Quarterly*.

Worley, C. G. (2002). Is OD Still Relevant? *Consulting Today.*

Worley, C., and A. McKloskey. (in press). "A Positive Vision of OD's Future," in M. Brazzel and B. Jones (eds.) *Understanding the Essence of Organization Development* (New York: Wiley).

Bauback Yeganeh, PhD, is President of B.Y. Consulting. He has focused on individual and organizational flourishing in The Americas, Europe and Asia with clients including the United Nations, the World Bank, United Way, and leading private sector organizations. In addition to writing and consulting, Bauback currently lectures at American University (AU/NTL). He received his PhD in organizational behavior from Case Western Reserve University where he consulted to global inquiry communities at The Center for Business as an Agent of World Benefit and researched mindfulness and experiential learning. Bauback received his MS in organization development from AU/NTL. He is an NTL Member, guitarist, and music producer. Bauback can be reached at *by@byconsulting.org*.

Ante Glavas, MA, is the Executive Director of The Center for Business as an Agent of World Benefit. He is also an organizational consultant who has worked with nearly 100 companies around the world. Ante's prior accomplishments include leading the development of a graduate business school in Croatia, establishing a leadership institute, and creating and presiding over an organic food company. His numerous awards for contributions to society include the Medal of Honor from the President of Croatia. Ante is in the dissertation phase of his Ph.D. in organizational behavior at Case Western Reserve University, where he also lectures. He can be reached at *ante.glavas@case.edu*.