

Do you struggle with the **execution gap** - the gap between strategic intentions and what is happening in reality? Many organisations do, and this is particularly a challenge with taking action on sustainability.

We believe **culture might just be the key to activating sustainability** within your organisation...

*"While over 90% of global GDP is covered by Net Zero targets, only 7% of businesses are on track to meet their targets"<sup>1</sup>*

### Moving from intent to action

- Sustainability means moving from a stakeholder first, business as usual mindset, to a **collaborative, stakeholder-centered mindset** that considers **value creation for the many, over the long term**. To enable this new outlook, the culture of an organisation must therefore shift.
- Despite rising up the corporate agenda in recent years, sustainability is a business function for many organisations – a distinct capability in one or multiple corners of the organisation. However, for real transformation sustainability needs **to be a way of operating** - part of the organisation's DNA - and **embedding the right behaviours and ways of working** can help unlock this shift.
- Much progress has been made towards reducing emissions and amplifying social impact through quick wins, low hanging fruit and isolated projects, but to continue progress and to drive real, enduring change, **sustainability needs to be embedded in the way individuals and teams behave** and act on a day-to-day basis.
- Neglecting your culture and how it serves to accelerate or hinder progress against your sustainability goals will only lead to a **widening of the execution gap**. Culture, behaviours and values are "how things get done around here" so without examining how they are **aligned to your sustainability goals**, and putting in place education and **interventions to activate the right behaviours**, sustainability will remain a limited capability in pockets of the business, rather than a way of operating for all.

*Holding up the mirror and taking a closer look at your current culture can help you break through the inertia and drive sustained, organisation-wide progress.*

### What do we mean by activating sustainability through culture?

Sustainability is all about **balance** – balancing an organisation's financial performance alongside its social and environmental performance, carefully assessing and making decisions with all three in mind, so the pursuit of one goal does not significantly impact progress on another. You can truly activate sustainability when employees **understand this balance, hold shared beliefs about its importance, and behave in a manner that is reflective of these values**.

*"Shared assumptions and beliefs about the value of balancing economic efficiency, social fairness and environmental impacts"*

*Network for Business Sustainability*

## Embedding sustainability has unique challenges

Embedding the right behaviours to activate your sustainability agenda has a number of challenges...

- Sustainability is driven by external forces and is broader than any single organisation. It touches all stakeholders from your suppliers to your customers and investors. Cultural interventions must acknowledge this, appreciating a **diverse range of views and taking input from stakeholders inside and outside the organisation**
- Some levers for sustainability change are external to the organisation's control, such as in the supply chain, so a culture of **collaboration**, both across the organisation and with external partners, is critical
- The world of sustainability is ever-changing. New regulation, new technology, new standards and societal pressure mean your ability to **adapt at pace, respond to change** and **build resilience** in the face of these challenges is imperative
- Sustainability, although not new, is breaking new ground every month – a culture of **innovation**, supported by a **high-trust, safe-to-fail environment** is needed, with time and investment made in **educating your people**
- Sustainability requires a long-term focus, understanding your organisation's impact now and into the future, and so **long-term thinking and relationships** with stakeholders are key
- Sustainability done well operationalises a company's ambition to be **purpose-led** - leaders must therefore place emphasis on connecting individuals' purpose to the organisation's, **foster shared beliefs** about the **value of people, profit, planet**, and role-model a **values-led approach** to business

## What are the key ingredients of your culture that will enable you to activate sustainability?

All healthy organisations have a culture which is unique, where the accepted norms and behaviours are in alignment with the strategic intentions and context. Whilst the exact culture will be unique, we have identified **5 common components** that help activate sustainability and close the execution gap...



**Psychologically safe** - Where your people are encouraged to speak up with ideas, questions, concerns or mistakes. In a world of Net Zero, SDGs, nature positive and the Human Rights Act, it is imperative that people are given the time to explore and understand for themselves what these mean for the organisation and their role within it.



**Growth mindset** - Creating the conditions for your people to challenge, innovate, learn and grow. Sustainability demands new approaches, new ways of thinking and challenging the status quo.



**Resilient & Adaptable** - Where the culture builds your ability to deal positively with challenge and setbacks, responding with agility to factors outside your control. The ability to try something new, to fail and to come back stronger will enable the change we need at the pace we need it.



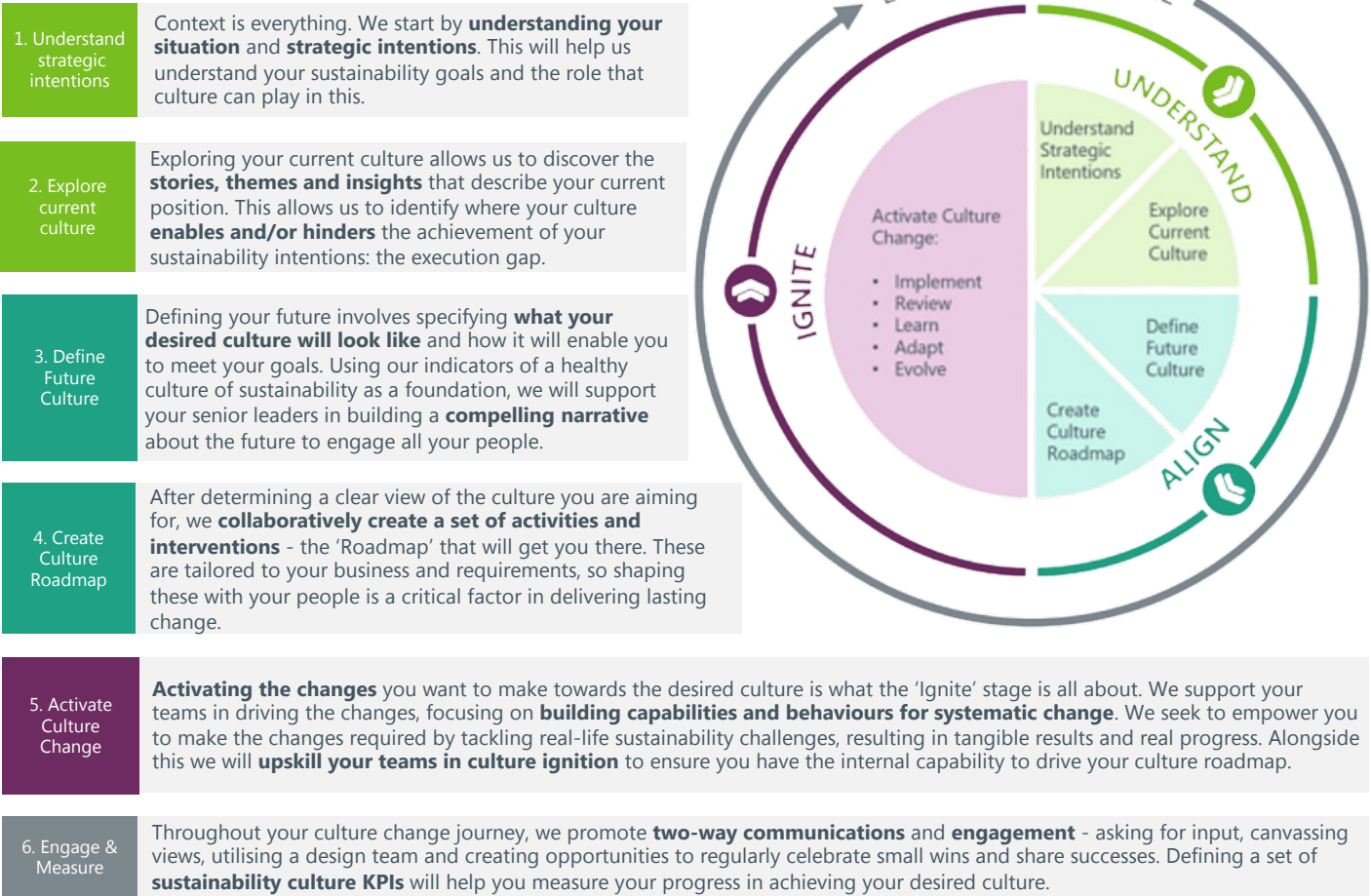
**Inclusive** - Where the culture creates a sense of belonging for all, driving engagement, performance and high psychological wellbeing, embracing a diverse range of views from within and external to the organisation.



**Purpose-led** - People must be given the opportunity to engage with and motivate themselves in the pursuit of something more than just financial value, making decisions based on their own and the organisation's firmly held values, over a long-term time horizon.

## How can you start closing the execution gap?

From our experience working with clients on their culture change journeys, we have identified several key stages that successfully activate and embed a strong culture for our clients – **The Q5 Culture Wheel**. We work together with our clients to understand their needs and shape the right culture interventions to meet them. Here is a summary of what each stage could entail:



## What will you get out of this?

Investigating how your culture is helping or hindering progress on your material sustainability challenges and creating a roadmap of interventions to activate a culture of sustainability is vital for driving deep and sustained change across your organisation.

- ✓ **Improved engagement and motivation of the workforce** through greater connection of personal values to company values
- ✓ **Leaders role-modelling a sustainable mindset**, helping to cascade the actions and behaviours you want to see
- ✓ **Sustainability embedded into every day working**, from processes and governance to decision making and priorities
- ✓ **Greater innovation, collaboration and creativity** to tackle your most pressing sustainability challenges
- ✓ Enhanced ability to not just meet sustainability targets, but **to live and breathe what it means to be a more responsible, purposeful organisation**

## So, how do you get started on your activation journey?

To kick start your cultural activation, we recommend the following initial steps...



### Engage your people

*Start a conversation to understand their thoughts about how your current culture supports your sustainability goals*



### Motivate your leaders

*Senior buy-in (and role-modelling) is critical – explore the importance of culture with them*



### Assess healthy indicators

*Compare your culture to our 5 indicators of a healthy culture, highlighting gaps*



### Identify quick wins

*If there are quick wins to be had, don't wait for a full culture review – put them into action immediately!*

*We would love to talk to you about how your culture is contributing towards your sustainability ambitions, please reach out to find out more!*



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*"The Q5 team helped us to look at our culture through the lens of business performance. They helped teams (including the Leadership) to address complex and unspoken issues and their style of 'in-action culture change' brings real value and has helped increase employee engagement (to 89%) this year".*