

# Analysing change management for corporate sustainability: a case study from a Slovenian utility company

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# Corporate Voluntary Efforts to Contribute to Sustainability

- Environmental and social concerns and costs have served as catalysts for the **development and rapid growth** of initiatives, tools and approaches that go beyond compliance (Daily & Huang, 2001; K.-H. Robert *et al.*, 2002; Yang, 2002)
- During the last three decades, corporate voluntary initiatives to contribute to Sustainability have been switching from **'end-of-pipe'** solutions to **whole-system** approaches, by changing products, processes and systems (McIntosh, Leipziger, & Jones, 1998)

# The majority of the efforts have focused :

- On integrating economic and **environmental aspects**, and more specifically on **'hard' technocentric issues** (Korhonen, 2003)
- Mainly on **management** and **strategy**, **operations** and processes, and assessment and **reporting**; but tended to neglect organisational systems and how to change them (Lozano, Forthcoming)

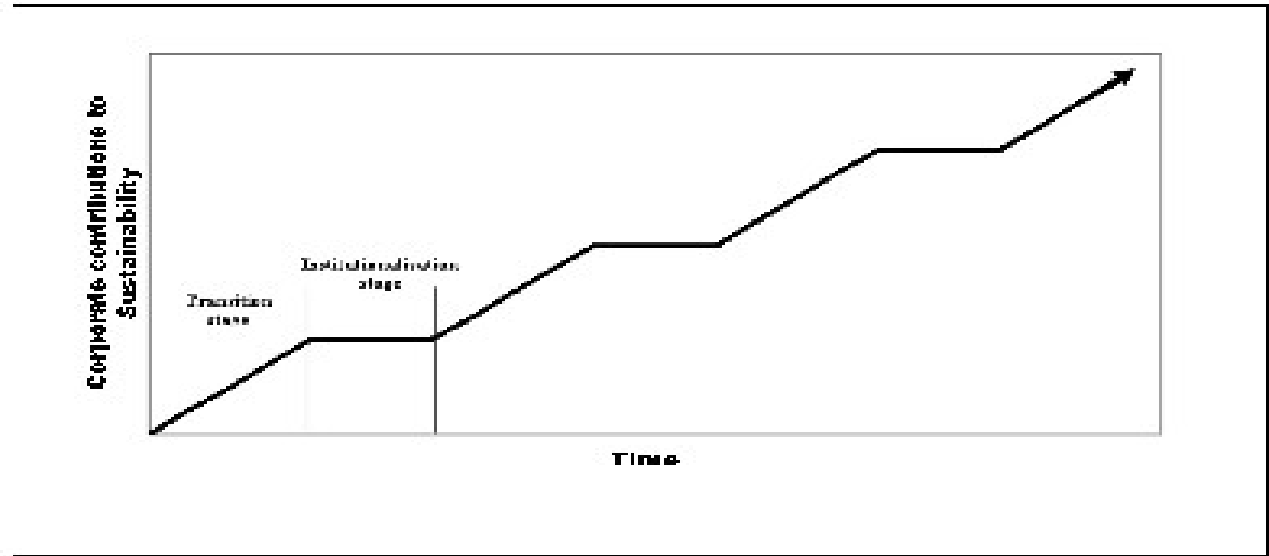
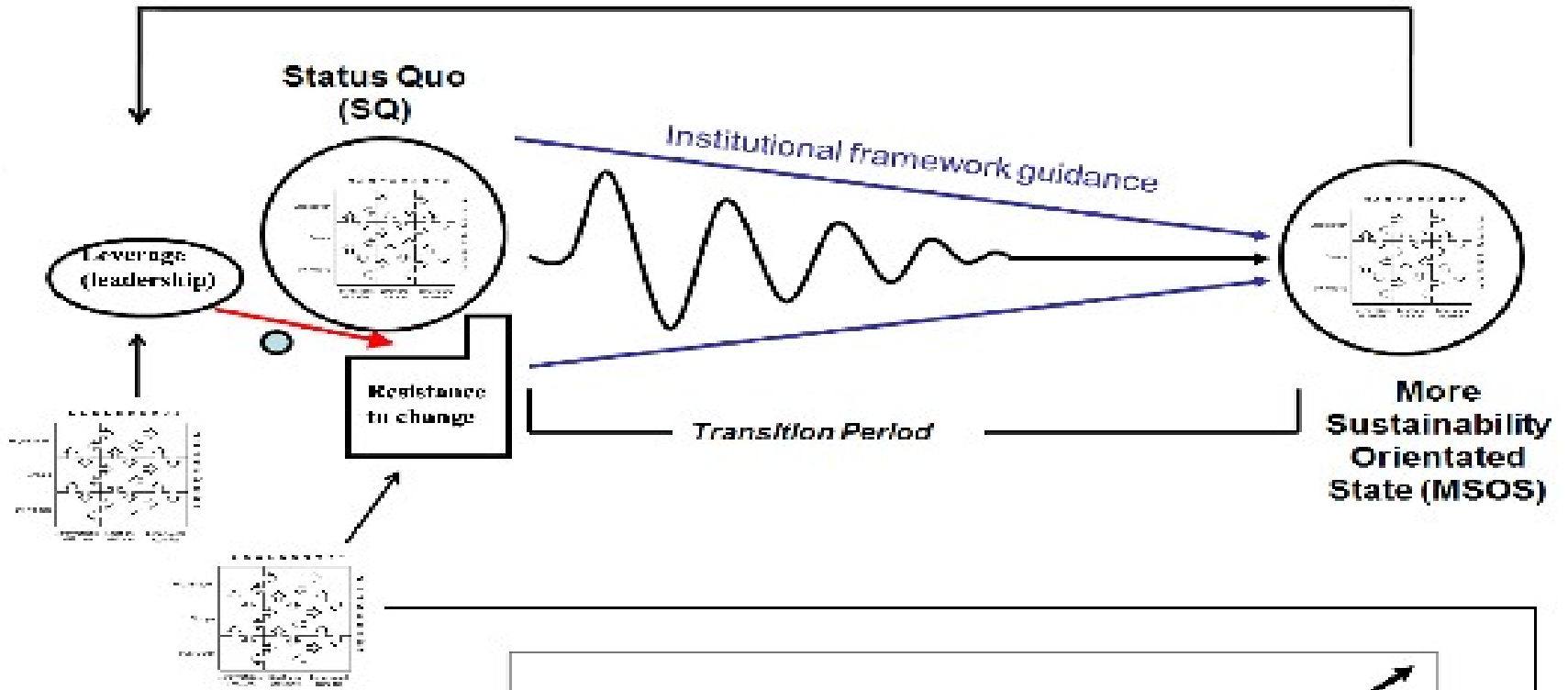
# 'Hard technocentric' focus?

- Despite this, relatively **few organisations** have successfully adopted and institutionalised sustainability (Doppelt, 2003a)
- There have been some calls for changes in **'soft' issues**, such as philosophies, administration, and **change management** (e.g. DeSimone & Popoff, 2000; Dobers & Wolff, 2000; Doppelt, 2003a, 2003b; and Dunphy et al., 2003)

# Organisational change for CS

- Long-lasting changes to and for CS require that a corporation's 'business-as-usual' cultures and engrained mental models (Korhonen, 2002) are **replaced**, or complemented, with others that are more Sustainability oriented (Doppelt, 2003a; Rosner, 1995)
- Simple **technological** or **managerial** systems changes are **unlikely** to alter them, since cultures are deeply rooted (Doppelt, 2003a)

# CS Institutionalisation



Effects of the model over time

# Methodology

- **Case study**
- 15 low- and mid-management level employees from various departments were questioned about
- Adapted survey based on the Multi-dimensional Sustainability Influence Change **(MuSIC) memework** (Lozano, 2008) to **analyse** the identified **drivers**, **barriers** to change, and **strategies** to overcome them
- On the first iteration of the survey the employees considered it to be too onerous, thus it had to be reduced

# Case study: Nigrad d.d.

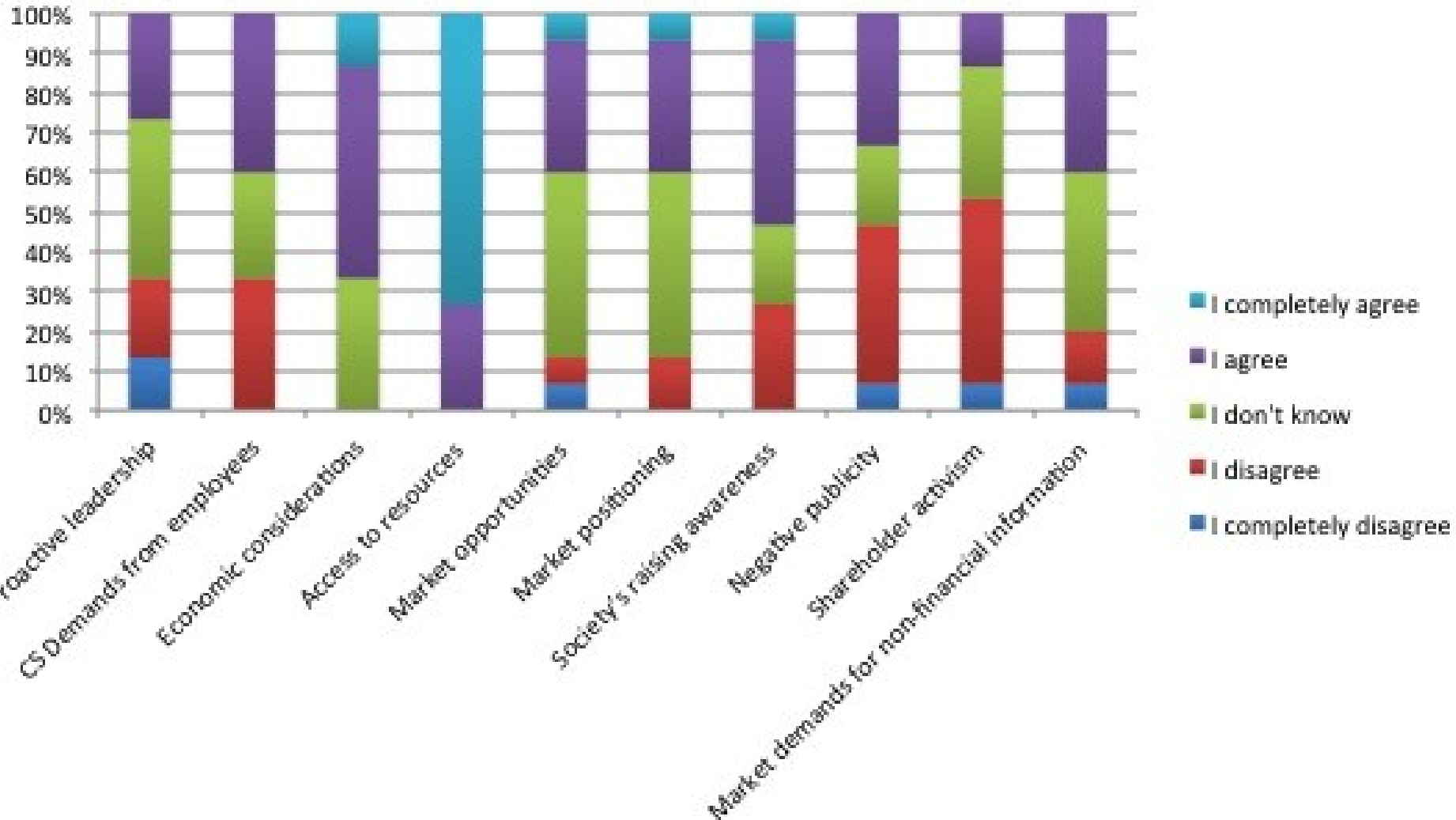
- A municipality **utility** company
- Provides **services and products for consumers**, such as maintaining waste water treatment plants, sludge management, designing small waste water treatment plants, street and traffic lights, maintaining roads and pavements, city's green areas, etc.
- Centres and departments: Centre for managing and maintaining sewage systems (in 22 municipalities, including Maribor), Laboratory Department, Centre for managing and maintaining road areas, Research and Development department, etc.



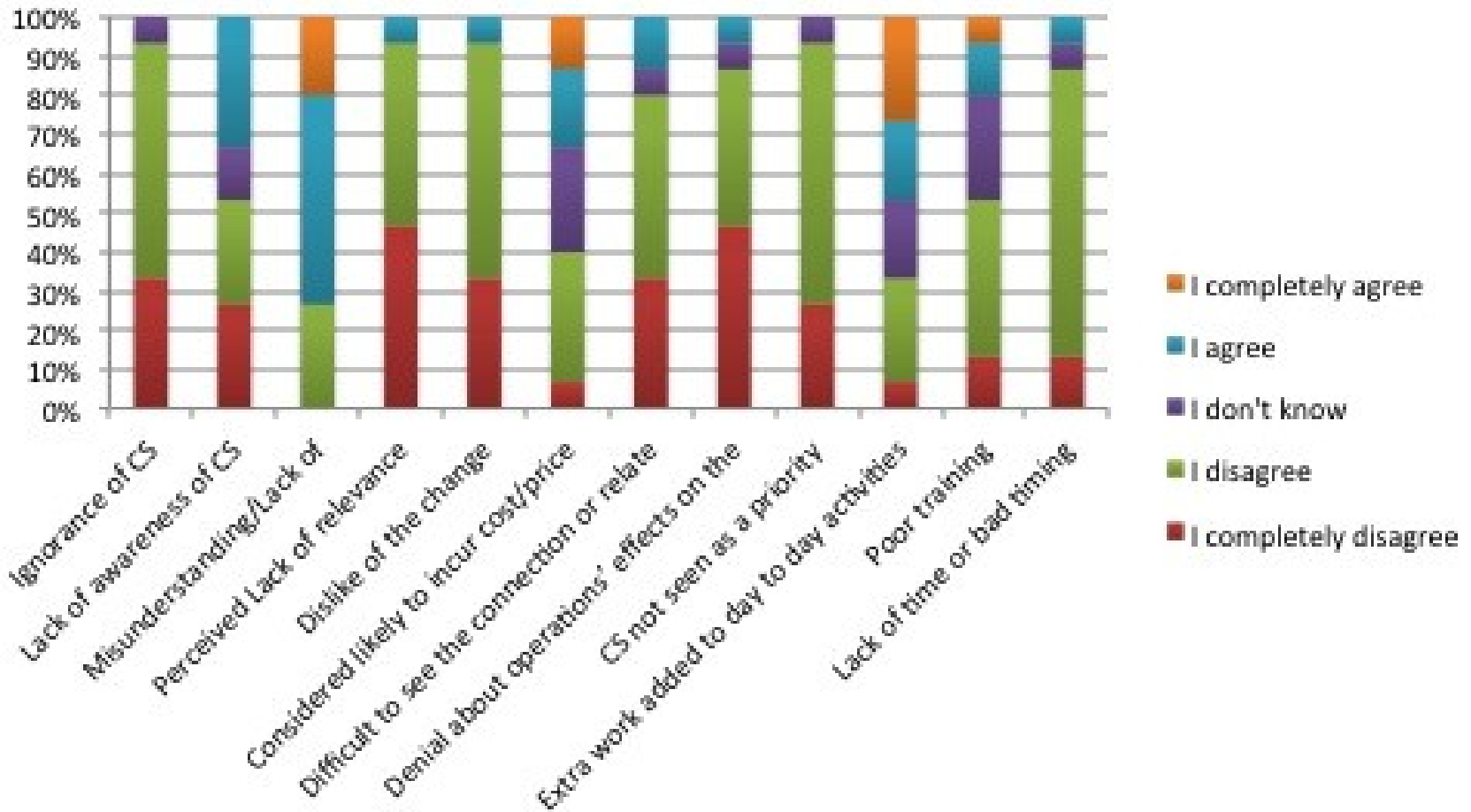
# Sustainability in Nigrad

- Active support from top-management in 2012 to include it in the company's vision and mission
- A new strategy has been developed that includes sustainability
- Organisational changes should take place from the 2<sup>nd</sup> half of 2012

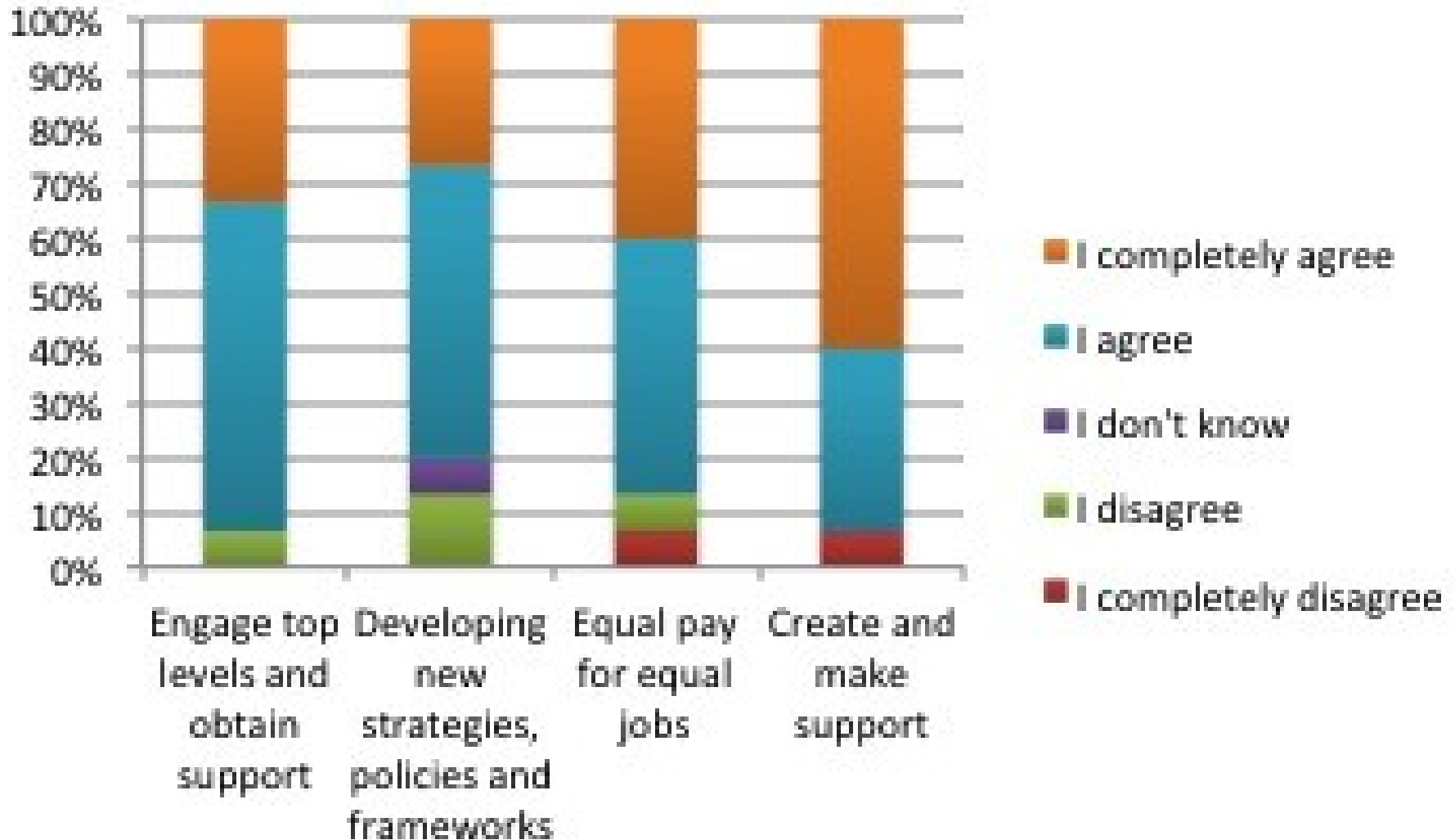
# Drivers



# Individuals' barriers to change



# Organisational strategies to overcome change



# Discussion

- Employees consider that sustainability is a topic of concern **only to top-management**, and they are not involved in the decision-making
- Internal, external, and inter-connecting drivers are **recognised**
- Barriers to CS change are considered to be in regards to **groups and the organisations**, not so much of individuals
- Strategies are considered **to be necessary** at all individual, group, and organisational levels

# Conclusions

- Changes for Corporate Sustainability require that **all levels of the organisation** are engaged with
- Focusing only on **technological** or **managerial** systems changes are bound to have slow rates of change for sustainability
- It is important to **recognise and foster** the key drivers, as well as **identifying** the barriers to change to apply the right strategies to overcome them



**Thank you**



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