Employer attitudes towards, and skills for, sustainable development

Appendix 3: Desk review summary
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CHANGE AGENTS UK
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2.1 Introduction

Desk research has been conducted to review a range of documents relating to sustainable development within the business context with the overarching aim of detailing employer understanding of skills for sustainability and interpretations of needs, including any variations by sector or characteristic.
This summary document provides an overview of the structured search methodologies and discusses the pertinent issues from policy documents, and research reports.

2.2 Methodology

A focused desk review to inform empirical research was conducted in September and October 2014 and recorded on desk research summary grids covering:

- employer understanding and attitudes towards sustainable development;

- existing research into skills needs and demands from employers to enable sustainable development in a business context;

- coverage of skills development within a business context and recommendations for higher education.

The materials which form the base for the desk review have been sourced through a two-stranded approach. Initially steering group members, including the HEA, The Aldersgate Group, Change Agents UK and independent experts, were consulted with further material uncovered through additional literature searches for example through web and academic search engines, although limited open access restricted the review of academic materials. The platform of knowledge formed from this review will inform the delivery of the empirical work, which will take the form of a national online survey.

Reports have been critically reviewed and a robust recording strategy onto structured review grids has allowed evaluation of the methodological approaches undertaken to inform the documents and outlined any issues of validity or potential bias.

2.3 Findings

UK Policy – Business, skills and sustainable development

Desk research associated with previous rounds of the student-facing research has highlighted key policy documents and strategies associated with skills and sustainable development. Published in 2010, Skills for sustainable growth (BIS) represented the direction of skills policy for the coalition government and reported the need to develop skills "to enable people to play a fuller role in society, making it more cohesive, more environmentally friendly, more tolerant and more engaged". The strategy also outlined the need to support employers to take a lead in identifying and developing the skills they need to see in their workforce reiterating the importance of understanding employer perspectives on sustainable development and associated skills. More specifically in this area, the project on Skills for a

green economy (HM Government, 2011) aimed to identify the skills needed to support a transition to a strong and sustainable green economy, including an assessment of evidence of employer demand. Defining the green economy as "one in which value and growth are maximised across the whole economy, while natural assets are managed sustainably", this report emphasised the need for businesses in all sectors as well as the low carbon/environmental goods and services sector. The generic skills identified as being associated with the green economy are strongly associated with resource efficiency and adaptation to climate change representing a fairly narrow link with sustainable development as a complete concept. In the context of a more employer-led skills agenda, outlined in Skills for sustainable growth, Skills for a green economy set out a range of actions to support this agenda including:

- ensuring skills are embedded in training materials, qualifications and other skills provision;

- supporting business articulation of skills for a green economy, demonstrating the importance to growth across all sectors;

- developing cross-sector standards and qualifications to ensure all business practices are underpinned by skills for a green economy.

The following sections of this summary assess the extent to which research shows business to be in a position to lead the sustainability skills agenda as intended in these strategies by looking first at employers and sustainable development before moving on to look specifically at sustainability skills and their development.

3. Employers and sustainable development

Skills for a green economy identified that in general, businesses are currently not certain about their future green skills needs, which is reflected in the scarcity of literature identified in this desk review on the topic.

Reports reviewed in this literature search also emphasised the need for a consistent understanding and approach to sustainable development in order to achieve the changes required. For example, The Aldersgate Group (2011) highlights the need for each member of the workforce in Britain to understand why and how changes can be made to transform the economy to be more sustainable. However this literature search has found that evidence on the extent to which this understanding exists is inconsistent. Evidence on the extent to which understanding is reflected in action and changes in business practice is similarly inconsistent.

Looking beyond the UK, a study of 1,000 CEOs from organisations across the globe, signed up to the United Nations Global Compact[1] by Accenture (2013), revealed that only 32% believe the global economy is on track to meet the demands of a growing population within environmental and resource constraints. Despite this, 63% of CEOs surveyed expected sustainability to transform their industry in the next five years and 76% thought that embedding sustainability into their core business would drive revenues, growth, and new opportunities. However, comparing the results in 2013 to earlier research with the same audience, the study reveals a decrease in the proportion of CEOs that felt sustainability would be "very important" to the future success of their business, falling from 54% in 2010 to 45% in 2013. The authors of the report suggest that, in many cases, business leaders have been unable to quantify the business value of sustainability and have struggled with making the case for taking action, compared to more traditional values of business success, to markets and stakeholders.

Accenture also suggested a disconnect between the lack of belief that global progress is being made to work within environmental and resource constraints and their perceptions of their own efforts and achievements. Despite only 32% agreeing that the global economy is on track, 76% of CEOs felt satisfied with the speed and effectiveness of action within their own company to deliver on sustainability. In addition, two-thirds felt that they were doing enough to address the sustainability challenge. Reasons for this discrepancy were suggested to include a lack of understanding of the urgency or incentive for their business to do more, seeing sustainability as primarily a charitable enterprise. This finding highlights potential issues with the employer-led approach to skills development outlined in the previous section of this report.

Similarly, a study of 700 UK organisations by Business in the Community revealed that while 99% of respondents recognised that developing leadership skills for a sustainable economy is important to the success of the UK economy as a whole, they recognise that a lot needs to be done in this area, with only 15% agreeing that developing the skills needed is well or partly established in the UK. Some 70% agree that skills gaps in this area are set to become one of the most pressing issues facing UK businesses in the next five years (BitC, 2010).

In the UK, a study by the Learning and Skills Improvement Service (2013), of perceptions of organisations involved in learning and skills development, found a perception of lack of understanding and misinterpretation over what is meant

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[1] The UN Global Compact asks companies to embrace, support and enact within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment and anti-corruption. https://www.unglobalcompact.org/

by sustainability in a business context with "sustainability skills" often understood as skills that support ongoing economic growth rather than skills which support growth and social developments within environmental boundaries. BitC (2010) also reported the initial hurdle as overcoming a lack of certainty over what a sustainable business looks like. However, once a definition had been provided through the research, 75% of respondents[2] identified sustainable development as a key strategic priority for their organisation. The current research is therefore well-placed to assess the extent to which this understanding is transferred through learning and skills providers to the businesses they support.

In the same study, further questioning revealed that there is often a focus on the environmental associations of the concept of sustainable development, with responsible energy use and resource efficiency most commonly identified as characteristics of a sustainable business. Representing the social "pillar" of sustainability, caring and protecting employees was also seen as a requirement and there was some recognition that economic growth is not necessarily an indicator of a sustainable business. Looking outwards, as opposed to internal to the company, there is also evidence of a changing outlook in some more traditionally finance-focused sectors, for example the Transform programme at Barclays sees attempts to improve the ethical performance of the organisation by closing areas of the business focused on enabling client tax-avoidance and increasing the value placed on customer interests[3].

Also in the UK, research has shown variation in support for environmental and social agendas according to business size, with businesses employing over 500 people being most supportive of an employer's social and environmental responsibilities (Change Agents UK, formerly StudentForce, 2008). Some 80% of larger businesses felt it was important for employers to take their responsibilities in this area seriously, compared with only 33% of smaller businesses, 65% of public bodies, and 57% of voluntary organisations.

4. Skills and sustainable development

The lack of understanding in general over sustainable development, and more specifically how and to what level employers need to respond has clear consequences for the ability of businesses to identify and prioritise the skills required from its workforce. Overall, this literature search found a lack of evidence on the precise nature of skills for sustainable development in a business context, along with a lack of evidence on the extent to which these skills are being sought by employers and the extent to which the graduate workforce is providing these skills. It is worth remembering that in general, identifying the skills that employers want is not necessarily straightforward (HEA, 2012).

One source which makes suggestions as to the kinds of skills that will enable the transition to a more sustainable economy through changes in business practice and behaviour is Skills for a new economy by The Aldersgate Group. Figure 1 demonstrates the key attributes needed to develop a workforce capable of delivering change outlined in this report.

4.1 table 1 Skills for a sustainable economy	
Skill	**Description**
Systems thinkers	At present much learning and training is specialist, and elements of specialist knowledge will always be important. Systems thinking at all levels enables people to take a broad, holistic view thus enabling them to make connections, see possibilities and to adapt in response to feedback.
Pro-active, independent	The ability to explore issues from different

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[2] 111 surveys were completed by respondents with wide-ranging roles within the skills sector.

[3] 3 http://tomorrowscompany.com/barclays-ethical-turn-2

enquirers	perspectives enabling reasoned judgements.
Self-managers	The ability for individuals to organise their own time, establish their own priorities and are able and willing to change in the light of feedback. Can be described as actively for fresh opportunities, and manage their own learning to be able to rise to new challenges.
Creative innovators	Responding to the need to reframe the way we think, come up with novel ways of optimising systems and creating multiple benefits for a wide range of stakeholders.
Team workers, effective participators and empathetic colleagues	The ability to be empathetic, to respect the views of others and to contribute their own views, knowledge and skills clearly and with confidence. Individuals need to be able to work collaboratively and resolve disputes in which they are themselves a party.
Reflective practitioners committed to lifelong learning	Developing the habits of self-monitoring and reflection, listening to and offering constructive criticism, and making changes.
Highly adaptive	The ability to respond to the unknown requires flexibility and the ability to change habits and viewpoints.

Though focused on sustainability and environment professionals, the Institute of Environmental Management and Assessment (2014) also outlines skills at different levels of responsibility within an organisation in the areas of:

- knowledge and skills

- analytical thinking

- communication

- sustainable practice

- leadership for change

Sources under review recognise the importance of a common understanding of a sustainable economy (including effective energy and resource utilisation, contribution of sustainable business developments and contributing to sustainable approaches to technology), however the generic skills outlined here (for example, critical thinking, change management, problem solving and motivation) were also seen as important and relevant for the transition (Aldersgate Group, LSIS).

Research carried out with 33 companies in USA classifies the skills needs identified into three categories:

4.2 Inside out skills

Which include conceptual, technical and behavioural skills necessary in day-to-day business management, such as an awareness of an organisations products and services and how they are utilised, an appreciation of how sustainability offers a platform for innovation in these products and services, finance and marketing, and the development of new accounting models. Inside out skills also include technical skills such as energy efficiency and lifecycle analysis.

4.3 Outside in skills

Enable an organisation to understand the major external factors that can impact and shape its strategy. Skills here include an appreciation of policy and the impact on costs and business performance, integration of sustainability within company objectives and improved understanding of different cultural and stakeholder perspectives as a result of communication and listening skills.

4.4 Traversing skills

Cross over inside out and outside in skills and include elements of systems thinking and the creation and management of networks relevant to the organisation.

Also adopting a classification according to internal and external focus is the University of Cambridge Programme for Industry (CPI) competency map for integrating sustainable development, outlined in Table 4.5 below (WBCSD and CPI, no date). The competencies outlined here apply at all levels within an organisation, although authors note that the language used to describe and define may vary according to different parts of the organisation, and that different competencies will be more prominent at different levels of responsibility.

4.5 table 1 CPI Competency map				
Theme	**Element**	**Understanding (essential skills and knowledge)**	**Experience (translating understanding into practical action)**	**Attitudes (personal values and ways of working)**
Strategy	External context	Understanding the local and global context in which your organisation operates, including the most significant opportunities and risks that it faces.	Prioritising issues in terms of the level of opportunity and risk they present to the organisation, now and in the future	**Broad view:** The importance you attach to balancing environmental, social and economic value.
	Internal focus	Understanding how your organisation can respond to the opportunities and risks for greatest business and social value.	Formulating strategic objectives that address the organisation's opportunities and risks, supported by business cases, resources and champions to put them into practice.	
Stakeholders	Stakeholder approach	Understanding why a stakeholder approach is essential to your organisation's long-term success.	Determining who your stakeholders are, how the organisation affects them, and what they think about the organisation.	**Inclusive approach:** The importance you attach to responding to the needs and aspirations of all people affected by your activities.
		Understanding how to engage with stakeholders in order to foster co-learning and build effective relationships.	Engaging in dialogue with stakeholders and responding to their legitimate concerns in a transparent and effective fashion.	
Leadership	Learning	Understanding the competencies you need to help your organisation deliver its strategic objectives.	Developing and participating in learning and development processes that support the organisation's strategic objectives at personal and team levels.	**Long-term perspective:** The importance you attach to recognising the
	Action	Understanding the	Demonstrating personal	

		most effective approaches to influencing others and creating change in your organisation in line with its strategic objectives.	commitment to the principles and values of sustainable development, encouraging and enabling others to make this a focus of business action.	interests and rights of future generations.

Little evidence was found on the extent to which businesses are looking in detail for these specific skills either from their workforce in general or from recent graduates, with research often limited to "environmental and social skills" or "sustainability skills" in general. An example of research in this line is the study completed by Change Agents which found that around a quarter of HR staff reported that the company's sustainability policy or stance on corporate social responsibility had influenced their graduate recruitment. In the same study, over half of employers reported using social and environmental responsibility in their selection of recent graduates at some time. Similarly, over half of respondents said that they would look in the future to employ graduates that are socially and environmentally responsible. Elsewhere, the difficulty of identifying candidates with strong sustainability skills was recognised, with sustainability seen as a "worldview" and therefore more difficult to screen during the recruitment process (World Environment Center, 2011).

Similarly, little information was found on the extent to which employers are satisfied with graduates' skills for sustainable development. Looking at skills overall, recently the UK Commission for Employment and Skills (2014) report found that only 5% of employers surveyed thought that their recruits from Higher Education lacked the necessary skills and competencies. However, in contradiction to this, 63% of respondents who hadn't recruited a young person due to the applicants not meeting the requirements of the role said it was a result of a lack of skills.

Looking more widely within the workforce, a global survey of 900 businesses, carried out by IEMA, revealed that the majority of respondents feel there are skills gaps affecting their organisations ability to compete in a sustainable economy with 74% expressing either significant or some gaps. The research also highlighted gaps in different areas within an organisation with almost 90% of respondents feeling that their finance staff were not capable or only partly capable of contributing to the sustainability agenda. Some 82% and 74% felt there were similar gaps in procurement staff and product development staff respectively.

Respondents also highlighted gaps at different levels, with 58% reporting that the organisations leaders were only partly capable of competing in a sustainable economy. This rises to 65% when considering the rest of the workforce (excluding senior managers). Whilst focused on specific sustainability professionals, skills gaps in the areas of technical knowledge, strategic understanding of sustainable issues, leadership for change and wider business skills were felt to be contributing to this inability to compete in a sustainable economy.

Referring back to the skills outlined by the Aldersgate Group report, some similarities can be seen with the employability skills defined by research carried out by NUS and the CBI (2011). This research investigated the extent to which employers were satisfied with the skills presented by their graduate recruits. Linked to skills to enable a transition to a sustainable economy is the ability to self-manage, defined by NUS/CBI as a readiness to accept responsibility combined with flexibility, resilience and a readiness to improve on performance based on feedback and reflective learning. Some 25% of respondents to the research were not satisfied with graduates' abilities in this area. A fifth of employers also expressed dissatisfaction with graduates' ability to work as a team including skills of co-operation, negotiation and recognition of interdependence. The largest gap in terms of skills was felt to be business and customer awareness which includes a basic understanding of the key drivers for business success. Some 44% of respondents were not satisfied with graduates' skills in this area, which could potentially include an awareness of the role sustainable development can play in driving business success.

5. Developing skills for sustainable development

The literature sources reviewed also provided detail on how skills for sustainable development could and should be developed both before and after entering employment.

HEA research into the field of Bioscience revealed, in a survey with seven employers, that six of the seven companies surveyed had undertaken training on sustainable development with their employees, for example training as part of graduate inductions or internal courses or talks. These focused on specific areas of relevance to the organisation such as recycling, awareness of climate chance and environmental impact assessment.

Change Agents (2008) research revealed that over 40% of respondents said they always mentioned social and environmental responsibility in training. About 75% of employers said they had included it in staff training at some time and about two thirds said they had included it in staff induction at some time, with about a quarter always including it in staff training and induction.

This research also revealed a desire for further action from higher education: 55% of the employers said universities should do more to prepare students for working with employers who are socially and environmentally responsible, matching findings elsewhere that degree courses should provide graduates with the skills and knowledge required by employers (HEA, 2012). Studies have also noted the importance of higher education in going beyond simply developing candidates for employment, emphasizing the need to address broader social issues and needs as well (HEA, 2012), indicating the potential influence of education for sustainable development. Other reports (BitC, 2010) highlight the potential role partnership between Higher Education Institutions (HEIs) and businesses, particularly amongst those organisations taking a lead in action on sustainable development for example through the sponsorship of PhDs, internships and placements. Elsewhere, the need to develop systems thinking and work beyond subject silos when developing skills is emphasised, recognising the scale of the task involved in shifting a whole system towards sustainability (Aldersgate Group, 2011). The current research therefore presents a chance to understand more about the opportunities for meeting these recommendations within Higher Education.

6. Recommendations for empirical research

Given the relative paucity of specific information sources revealed by the literature search, the initial recommendations outlined in the project proposal remain. These include the developing of questioning in the form of an online survey in order to:

- to understand employers' understanding of and attitudes towards SD issues;

- to understand levels of identification of skills needs around sustainable development across sectors and varying characteristics;

- to explore how and why skills for sustainability are relevant across a variety of business contexts;

- to gain insight into gaps in skills for sustainable development amongst recent graduates entering employment;

- to identify the role that higher education can play in addressing skills gaps amongst graduates, but also in working with employers to identify skills needs and opportunities for skills development.

In addition, reflecting the findings of the current desk review there is potential to understand more on:

- the distinction between technical skills relating to sustainability and the more generic employability skills that will enable a transition to a more sustainable economy;

- the action taken by employers to develop skills for sustainable development amongst the workforce.

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