

*The Green Stairway:*  
Surviving and Flourishing in  
Environmental Management

BY SCOTT NADLER

*Since the early 1990s, many corporate environmental managers have seen their progress grind to a halt. The search for explanations included the powerful imagery of the “Green Wall” spelled out by Robert D. Shelton in 1995 (see CES Vol. 2 No. 2). An alternative interpretation may help explain this lack of progress and the corporate environmental managers’ perpetual struggle up the Green Stairway. This model looks at environmental programs in relation to the business, rather than in a vacuum. The Green Stairway identifies six stages beginning with “Denial” and continuing on to “Sustainable Competitive Advantage.” It suggests a more dynamic way for corporate environmental managers to look at their current situation and their aspirations. It is a model that puts much more responsibility for the success and failure of corporate environmental programs on the strategic capabilities of those programs’ managers. It suggests both a greater burden, and greater opportunity for corporate environmental managers to take control of their own fates as they move forward into a period of continued pressure and uncertainty.*

# *The Green Stairway:* Surviving and Flourishing in Environmental Management

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In the early 1990's environmental managers around the country felt the impact. In company after company, years of hard-fought, but continuing, progress ground to a halt or went backwards. Efforts continued, but forward motion was elusive. The high-pitched whine of spinning wheels could be heard everywhere.

As progress slowed, turnover among corporate environmental managers sped up. In June of 1994, for example, the ten-member board of the Global Environmental Management Initiative (a major multi-company environmental association) met for its annual meeting. When the same group met again just one year later, only three of the ten remained. Corporate environmental jobs simply disappeared. Where the same people kept the same jobs, the scope of the jobs often narrowed and funding became tighter. "Stick closer to home, do more with less, set less ambitious targets, focus on the business," the voices could be heard warning. Simple answers, such as, "It's the price of success," were unsatisfying. After all, corporate environmental programs had evolved as part of a movement, a collective business response to the broader political and social phenomenon of the environmental movement.

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## **Defining the Green Wall**

One of the best-known attempts to make sense of all this was the powerful imagery of the "Green Wall" spelled out by Robert D. Shelton:

"The Green Wall is a point at which the overall organization refuses to move forward with its strategic environmental management program, and the environmental initiative stops dead in its tracks as if it had hit a wall. Companies that have hit the Green Wall are caught in the one step forward, one step back, phenomenon in their environmental programs. Although individual program activities are moving forward (giving the impression of progress), others may stall."

The good news for environmental managers was that there was indeed a barrier. This was not an imaginary problem, nor was it an individual problem. This barrier was created by environmental managers themselves; by failing to speak business, environmental managers had put off exactly the people they needed to involve. Talking about NAAQS, SIP's, NOV's, and RQ's hardly encouraged participation by business people worried about production, or ROI.

## **Beyond the Green Wall**

The analysis was powerful and insightful, but implied a certain perspective. The "wall" imagery implied a hurdle to get over, after which environ-

mental managers could get back to business as usual. A steady progression had occurred, had been interrupted, and now could be resumed.

In fact, there was no steady progression; never had been, there never would be. Progress, which was episodic or crisis based, could be achieved after a sudden CEO conversion, a shareholder resolution, or a disastrous (and telegenic) failure. Such bursts were few, far between, and short-lived. Capitalizing on them took tremendous effort, and results were often fleeting. Progress for most managers in most companies was always an uphill struggle. "One step forward, two steps in place, one step back" was nothing new to most environmental managers. That kind of progression was not news. If anything, it was a pleasant surprise that the net result was not losing ground.

Tough as progress was in the late 1980s and early 1990s, the emerging business climate of the mid-1990s has made it tougher. There are at least two major factors that demolish this complacency:

**Downsizing is now structural, not cyclical.** Companies used to cut during bad times, and add back during good times. Environmental programs had to use their special status to stay steady during the bad times, possibly cut back on the travel budget. Now, companies cut during the bad times, and during the good times use available capital to invest in technology so they can cut even more. In some cases, they use the good times to acquire additional operations while keeping general and administrative expenses flat. This has the net effect of increasing workload. Either way, the pressure is on productivity, in good times and bad. No one is immune, and there is no period of respite. This effects environmental budgets and staffing. Even more fatally, it effects the budgets, staffing, and attention of the line managers whose operations ultimately generate environmental exposure and must encompass environmental solutions.

**Corporate structure is now dynamic, not static.** In the beginning, the corporate division dictated the environmental programs, other divisions rubber-stamped them, and plants implemented them. Now, businesses may be huge operations that are their own business units with their own staffs, or they may be "lean and mean" acquisitions in which the plant manager is also the environmental manager,

the safety manager, the public relations officer, and head of engineering and maintenance on the side. Corporate may be splitting into a smaller headquarters operation and some kind of "shared services," often a halfway house to outsourcing. Corporate may be slimming down to seven people in an office above a suburban strip-mall. Corporate may even be dismantling itself, as at AT&T. The result of all this turmoil is that environmental organizations no longer have any safe harbor. They are as vulnerable as any other part of the company to reorganization. They may be bundled in with a new "shared services" organization, carved up into smaller units at each business unit, or moved into a broader risk management group. Nothing is automatic any longer; environmental units have to be prepared to justify their survival.

#### **Alternative: The Green Stairway**

There is a case for an alternative model, which captures the perpetual uphill struggle: the Green Stairway. (see Exhibit 1, p. 17) Like the Green Wall, this is a model, which means it is oversimplified and flawed. However, it may be illustrative. It provides a basic way of looking at the state of environmental programs in relation to the business. Companies are not in business to do environmental work (except for the small, strange industry known as the environmental services sector). Companies exist to satisfy customers and stockholders by making money, by making and selling chemicals, or whatever other services they provide. Any environmental strategy has to be based on understanding how the environmental program fits in with the business of the business.

In particular, this model assumes nothing from the outside. It puts the burden on corporate environmental managers to shape their own destiny. This is not a one-time action, and it is not a reaction to what others do. The solution has to come from within the environmental program and be sustained by it.

The model is also descriptive, not prescriptive. It is a useful way to look at what exists. Every company is somewhere on the stairway now. Every company's business people have some view of their company's environmental exposure and programs. This model does not suggest that any particular step is the right or wrong step for every company's environmental programs. Depending on a company's physical and business activities, environmental issues simply may

not be important enough to warrant a tremendous amount of attention. In other words, not every company can attain the higher step, and not every company has good business reasons to try. The more substantial a company's environmental exposure and impacts, the more seriously the company should consider striving for a higher level in this model.

### Moving up the Green Stairway

The model of the Green Stairway does not dictate successful strategies. However, it is clear that successful strategies are built around a clear-eyed mapping of where a program is on the stairway, and where it makes sense to go within the context of a given company. Success ultimately depends on having some consensus on that mapping both within the corporate environmental group, and between corporate environmental management and line management. This is not just a "one-time" exercise. This honest self-assessment is a critical piece of keeping a program on track. In fact, the more a program views itself as "successful" the more important it may be to review the Stairway position. That perception of success may be genuine and accurate, or it may be the early warning signs of difficulty ahead.

The self-assessment chart provides a first step toward looking at where your program may be, and where you realistically plan to take it. There is plenty of room for debate as to individual boxes, and whether they go precisely at that step. In general, though, circling your current situation gives you a fair mapping of what step your program is on. Circling those cells that identify where you want to be gives you a sense of the step you are aiming for and how big the jump may be from where you are. (see Exhibit 2, page 18)

The self-assessment produces a "mapping," a set of answers that tell you where you think you are as a company and as an environmental program. Even at this summary level, there are some interesting questions to ask:

- How would the mapping differ for those within the program versus the corporate program leader?
- How would the mapping differ for the corporate environmental program leader versus corporate senior management?
- How would the mapping differ by business units or facilities?

## Green Stairway and the Roles of Environmental Managers

### The Steps

Each step is best understood from the perspective of the typical line manager's attitude toward the environmental program:

**Denial.** "There is no environmental problem."

**Tolerance.** "There are no real environmental problems, but "they" (regulators, interest groups, communities, politicians, environmental managers, etc.) are stirring things up, so we have to do something. But deep down, I believe that if you did your job right, this would all go away and we would not need your job!"

**Acceptance.** "The way the world works these days, we have to have an environmental program. That's just the way it is. And to be honest, we've made some mistakes in the past. Somebody really does need to pay attention to this. I just thank God it's you and not me."

**Pursuit of Excellence.** "A world-class company needs a world-class environmental program. If my customers or the plant's neighbors (or my children, for that matter) ask what we do about wastes or recycling or air pollution, you need to make sure we have a darn good answer for them."

**Functional Integration.** "Environmental concerns have to be part of how everyone does their job, not another job to be done after the "real work" is done. I need to understand my environmental impacts so I can take them into account in planning my work, processes and products, in training my people, and in doing my budgeting."

**Sustainable Competitive Advantage.** "Environmental concerns can affect the whole marketplace profoundly: our customers, suppliers, partners, competitors, employees and communities all see, or will see, environmental threats and opportunities. The better we get at anticipating and managing these issues, the better chance we have of succeeding and surviving as a business."

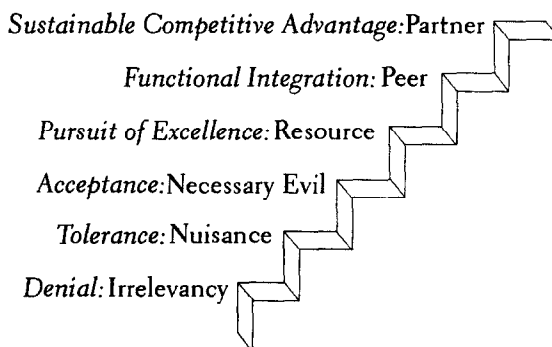


Exhibit 1

## Green Stairway Self-Assessment at Each Step

| How do you (the Manager) participate in...                   | Denial  | Tolerance   | Acceptance   | Pursuit of Excellence   | Functional Integration   | Sustainable Competitive Advantage   |
|--|---|---|--|---|--|---|
| <b>Regular Management Meetings</b>                           | Don't know they happen                            | Find out after the fact                                       | Required to appear as needed                                 | Make regular appearances and reports                                  | As a regular participant   | As a regular participant and part of the agenda   |
| <b>Major Business Decisions</b>                              | Don't know they happen                            | Find out after the fact                                       | Aware they are going on, may have chance to raise a question | Aware, asked to perform specialized analyses                          | Participate in the review of options   | Participate in developing the options   |
| <b>Merger and Acquisition Decisions</b>                      | Find out by reading the newspaper                 | Find out from internal rumors                                 | Perform last-minute legalistic due-diligence                 | Part of M&A review team   | Part of M&A decision team  | Participate in identifying M&A targets  |
| <b>Environmental Compliance responsibility belongs to...</b> | No one  | You, because if you did your job right, there wouldn't be any | You, because you have the time                               | You, because you have the skills and knowledge                        | Business units and facilities, and you police it   | Business units and facilities policed and enforced with other legal compliance                        |
| <b>Budgeting for environmental costs</b>                     | Don't know it exists, lawyers handle it           | Provide estimates and accept blame                            | Develop separate budget based on compliance needs            | Develop separate budget based on program goals                        | Hold line units responsible for adequate budgeting   | Focus is on environmental cost-efficiency as a competitive edge                                       |
| <b>Process and Product Development</b>                       | Find out after the fact—or when the NOV is issued | Find out when the permits are needed                          | Told to get permits & not delay the process                  | You review major process and product changes                          | Environmental reviews built in   | Environmental opportunities & threats help set the agenda   |
| <b>Customer contact</b>                                      | You don't   | Fill out customer questionnaires                              | Meet with customers to answer questions                      | Meet with customers to talk up environmental performance and benefits | Your marketing and sales people are up-to-date on environmental concerns, features, benefits | Long-term partnerships with customers to use environmental benefits for their competitive advantage   |
| <b>Sourcing decisions</b>                                    | Find out after the fact                           | Screen for blatant compliance problems                        | Set some minimum standards                                   | Aggressively manage suppliers and materials                           | Users and buyers aggressively manage suppliers and materials as part of their own processes  | Long-term partnerships with suppliers to create environmental benefits for your competitive advantage |
| <b>You spend time internally with..</b>                      | Yourself  | Lawyers   | Engineers  | The Board and "Staff" VP's  | Line VP's or SBU leaders   | Everybody   |
| <b>You spend time externally with...</b>                     | No one  | Regulatory Enforcers  | Regulators and communities                                   | Interest groups and other environmental managers                      | Customers' and suppliers' environmental people   | Customers' and suppliers' marketing and engineering people  |

Exhibit 2

Looking at these questions honestly may open up some difficult, but useful topics. For example, there are tremendous differences by business unit, with one unit at “functional integration” and another at “denial.” What drives those differences? The differences may result from different history, from different personalities among business unit leaders, or from different performance among the environmental personnel who deal with each business unit. Important issues of strategy, organization, and staffing may rise to the surface from such a mapping.

### Implications of the Green Stairway

There are some general lessons that can be derived simply from the nature of the “stairway” model, with only a gentle exercise in “metaphor abuse”:

- This is a stairway, not an escalator. Programs and managers do not move up the stairway automatically. No amount of cautious bureaucratic behavior is likely to bring about progress. Every step takes effort, planning and willingness to take risks.
- This is a two-way stairway. Programs can go down as well as up. Things can get better as well as worse. In fact, given some of the general corporate pressures discussed above, it could be argued that it takes a substantial level of effort and risk-taking just to stay at the same level over time.
- There is no banister or guard rail. Going over the side is a definite possibility. It can happen, and has happened in the last year, to well-established programs and well-established environmental vice-presidents. Programs can be cut radically, vice-president level jobs can be abolished or downgraded, and individuals can be urged to resign.

Simply put, for better or worse, corporate environmental managers control their own fate. In most cases, the risks of doing something are great, while the risks of doing nothing are often greater. “Reinventing” an existing environmental program, for example, seems like too big a risk to some managers: it takes time and money, and it can raise questions about weaknesses in past performance. But if the environmental staff does not ask those questions, sooner or later some one from the business side will, and they may come up with their own answers, with-

out benefit of the participation or insight of the environmental staff. Putting the program “in play” may be risky, but failing to do so may brand the environmental staff as stodgy, defensive, and afraid of change. The environmental manager can be seen as part of the problem rather than part of the solution.

### The Role of the Environmental Manager

Whether it is recognized by the business press or not, managers are also people. They respond on a very personal level. Trust, respect, and perception matter.

As an individual within the corporation, how the environmental manager will be viewed is based on which step the environmental program has attained. (Exhibit 1, *page 17*) In some ways, memories are short. Regardless of the role the individual may have played beforehand, whoever wears the environmental mantle will find themselves labeled as “that environmental person.” This can create a truly unfortunate dynamic, as the line managers treat the environmental managers in accordance with the perception of the program. On one hand, the environmental manager may react to that treatment and retreat further into the role. If an environmental manager is told that he or she is irrelevant to the business, it becomes difficult to remain focused on the business. An environmental manager who has to fight for attention with threats of fines and prison, bluster, and sheer obnoxious persistence is labeled a nuisance. After being so labeled, the environmental manager is all too likely to see the process as a battle, with line managers as obstacles to overcome. This is hardly the basis for building acceptance and moving to the next level.

Similarly, that role in itself may hinder the manager’s efforts to move the program up to the next step. This is one of the traps of reality, not of the model. Once the major business players have defined the environmental manager, it is very hard to get out of that “pigeonhole.” One of the hardest aspects of moving up the stairway is that the perception of the environmental manager has been so clearly etched in many minds. At many steps, this role is seen as incompatible with the next step. For example, the leap from “resource” to “peer” assumes a leap from the “other” to the “same as me.”

**General risk: straddling too many steps.** Corporate environmental programs are not monoliths.

Corporate programs usually include a mix of disciplines and backgrounds: scientists and engineers, lawyers and business managers, environmental professionals, draftees and veterans who wanted a job that avoided a relocation or layoff. There is seldom a complete agreement among all these players.

A real danger is that members of the corporate program may differ in relation to which step on the stairway the program currently sits, and where it ought to be. There are two particularly common forms of this problem:

- **The reluctant leader/over-eager staff.** Particularly in programs teetering on the lower steps, environmental staff may have greater ambitions than the program leader. This is more likely if the staff is made up of younger environmental professionals with less corporate experience, and the corporate environmental manager is a long-time corporate veteran. The staff may have internalized the norms and expectations of the profession, and may want to strive for acceptance, as well as excellence. The leader may have survived for years at the level of tolerance. The leader may be unwilling to rock the boat by striving for more. The leader may also be threatened by anything that seems to criticize the way things have been done in the past, or may share the belief that “there are no real environmental problems, [but] “they” are stirring things up, so we have to do something.”
- **The over-reaching leader/recalcitrant staff.** A more common phenomenon is the corporate environmental manager who wants to move a program ahead aggressively, despite recalcitrant staff. The staff may be unwilling to move forward, or simply unable to do so. No group is intrinsically right or wrong. In some cases, the leader is correct, and the need to move ahead is real. In other cases, the leader is out of touch with the reality of the company, and is setting goals that have little to do with what the company can or will do. For example, this may be the case if leadership makes commitments to ambitious external standards (ISO 14001, CERES, etc.) while basic compliance performance is weak. Far from being motivated by these “stretch” goals, staff may view any management system efforts as “beyond compli-

ance” and therefore wasteful, unnecessary, and unproductive “fluff.”

Regardless of the nature of the spread over several steps, it can be fatal. Balance is weak, and progress is tough. The result is seldom compromise, but just some very sore legs and a greater risk of losing balance entirely. Getting internal consensus on where the program is, and where it should go, are essential. Sometimes this is done by changing minds, other times by changing people.

**Specific risk: the trap of “pursuing separate excellence.”** Within this model, all steps are not created equal. There is one step which represents the greatest risk, as well as the greatest irony. This is the risk that the “pursuit of excellence” can become the “pursuit of separate excellence.”

Simply put, this is when the corporate environmental manager forgets who the customer is. The corporate environmental manager begins to judge his or her performance by the feedback from external peers, rather than by the reactions of business managers within the corporation. There is no “bright line” here. The pursuit of excellence requires benchmarking against the best, learning what good programs do, and pushing the envelope beyond what is traditional within your company or even your industry. This requires substantial involvement with peers from other companies, whether on a “retail” basis (one-on-one) or a “wholesale” basis (trade associations, environmental business groups, seminars, roundtables, etc.). After a time, this can become very seductive. One’s peers offer ideas, companionship, camaraderie, commiseration, and little resistance, ridicule, or criticism. Human nature takes over. It is more attractive and pleasant to spend time in those surroundings. After a time, this can turn into “the circuit,” where corporate environmental managers spend their companies’ money going around the country giving each other awards.

For a time, this is rewarding, and some of the accolades may fall back on senior management. From time to time, the CEO may get to be the one receiving the award. Over time, though, the distance between the corporate environmental manager and the rest of the corporation grows. The excellence pursued is no longer the excellence of the company’s environmental performance; rather, it is the

### The Stairway's Traps: Illustrative Case Studies

|  | Company A (manufacturing)  | Company B (service)  | Company C (manufacturing)   |
|--|--|--|---|
| <b>Program Evolution</b>                           | Developed over a period of years.  | Late-comer to environmental concerns. Programs scattered in several low-visibility departments.  | Substantial efforts made in environmental management but still had major performance problems.  |
| <b>Location on the Stairway</b>                    | Manager strove for Excellence, while much of the staff hovered between Tolerance and Acceptance.   | Had not progressed past the Tolerance level.   | Environmental Excellence accepted by the environmental organization and senior management as the goal.  |
| <b>Strategy</b>                                    | Manager focused on external rather than internal issues. Tried to move toward "pursuit of separate excellence."  | New manager aimed for Excellence soon, and Sustainable Competitive Advantage within three years.   | Manager saw drift toward the "pursuit of separate excellence," but instead aimed at moving up the stairway. Focused inside the company on processes for integration, setting environmental responsibilities for business units, and participating in corporate business issues. |
| <b>Results for Corporate Environmental Program</b> | Some progress externally. Internally, staff ranged from Denial to attempts at Excellence. Uneven performance failed to keep pace with changing requirements. Senior management questioned the lack of integration. | New staff aimed for the top three steps of the stairway; veterans stayed on the lower three steps. Some major progress; but disagreements erupted within the group and performance fell short of key expectations. | Some processes have begun to create competitive advantage and the program is still well-regarded externally.  |
| <b>Results for Corporate Environmental Manager</b> | The corporate environmental manager is no longer there. The replacement came from outside the company entirely.  | The corporate environmental manager is no longer there. The replacement came from outside the company entirely. The environmental staff is less than half its peak size.   | The corporate environmental manager is still there, but has been promoted to a higher level while retaining environmental responsibility.   |

Exhibit 3

excellence of the environmental program itself.

One way to spot this separation is to observe the goals that are being pursued. Two questions focus the distinctions:

- Do the environmental goals reflect efforts or results? The number of pollution prevention teams initiated is a measure of internal program activity. In contrast, reductions in emissions measure results. Reductions in emissions per unit of production, or better yet, in materials used per unit of production, measure environmental results in business terms, and may begin to offer clues to manufacturing efficiency.
- Do the environmental goals reflect the envi-

ronmental progress of the company, or the progress of the company's environmental program? Are goals based on environmental performance by facility or business unit, or on the activity and visibility of corporate environmental staff? If the company is seeking awards and recognition, are those coming from business and trade groups, or from investor or influential non-profit groups? (see Exhibit 3)

This is a separate excellence that is being pursued. Ultimately, the company will conclude that separate is the right solution, and will separate the environmental leader from the company. ❏