

**Positively Ethical:  
The Establishment of Innovation in Support of Sustainability**

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**Abstract**

Recognizing ecological sustainability concerns such as global warming and the depletion of natural resources, leaders are challenged to address these concerns amongst competing demands. Therefore, organizations and their members must become innovative in the way they develop and manufacture products, offer services, and conduct business. To advance this discussion, we propose a framework that identifies how innovation for sustainability can be fostered in organizations. We explain that innovation for sustainability requires an organizational climate for sustainability grounded in ethics. Further, we propose that positive emotions moderate the relationship between this climate and innovation for sustainability.

**Keywords:** organizational climate, innovation, ethics, positive emotions, sustainability.

## 1 Introduction

Corporations have become key political, social, and economic institutions of our global society. Because organizations are inseparably connected to daily life, they carry much of the responsibility for ensuring the sustainability of our planet's resources. The Brundtland Commission claimed that organizations must meet the needs of the present generation without compromising the ability of future generations to meet their needs (WCED, 1987). Awareness of these concerns is increasing: by 2008, 80% of the largest corporations worldwide reported on their corporate social and environmental activities (Edwards, 2008). This is evidence that organizations are responding to societal concerns of ecological sustainability such as pollution, energy efficiency, and the carbon footprint (Marshall and Brown, 2003).

Some companies have made a voluntary shift to balance profitability goals with those of ecological sustainability. Yet, most have only begun to consider ecological concerns systematically. Of those responding, most do so as a result of the increased legislation and pressure by special interest groups and consumers. Compliance drivers to help organizations do the "right" thing have shortcomings; they are reactive and inefficient. So what can organizations do to become efficient and effective in balancing financial viability with ecological sustainability? If actions to ensure sustainable enterprise are shared goals of organizational members, environmental practices can become part of the workplace—its *climate for sustainability*. We argue that an ethical workplace climate is essential to promote *innovation for sustainability*.

We view innovation as the generation of new ideas or concepts. It reflects an ability to draw upon existing patterns to develop original and useful outcomes. Innovation becomes useful for sustainability if it contributes to the organization's long-term success (Arthur Andersen Global Best Practices, 2004) and the earth's resources. We believe that a fundamental shift is essential if leaders want to transform business toward sustainable enterprise. Therefore, we consider *innovation for sustainability*—bringing new, creative, strength-based and problem-solving ideas into use to address ecological concerns—as key to the future success of organizations.

In this article we propose that a climate for sustainability is developed through a collective commitment to the moral dimensions of the organization's environment, emphasizing its moral sensitivity, motivation, judgment, and responsibility with regard to attitudes, choices, and behaviors that promote ecological sustainability (see Figure 1). Second, we explore the effects of this climate on innovation for sustainability. Finally, we argue that the relationship between this climate and innovation for sustainability is influenced by the cultivation of positive emotions. We begin with an explanation of what we mean by ecological sustainability.

## 2 Ecological Sustainability

Broadly stated, sustainability "refers to the extent to which an action deemed successful in one time period can sustain or enjoy similar success in future time periods" (Parnell, 2008, p. 35). The triple bottom line approach to business defines three dimensions of environmental sustainability: ecological, social, and economic (Adams, Frost, and Webber, 2004) where ecological sustainability refers to the organizational actions and strategies that focus on the sustainability of the natural environment and the ecology (see Parnell, 2008). In order to achieve ecological sustainability, organizations must be concerned with the interdependence of these dimensions, as well as intergenerational, intragenerational, and interspecies fairness (Gladwin,

Kennelly, and Krause, 1995). To achieve ecological sustainability, organizations must be concerned with the interdependence of these dimensions, as well as intergenerational, intragenerational, and interspecies fairness (Gladwin, Kennelly, and Krause, 1995).

While we work to address ecological sustainability, we do not mean to diminish the importance of the other areas or to overlook their interconnectedness. We focus on this dimension because it is an immediate global concern. Ecological sustainability refers to the capacity of ecosystems to maintain their vital functions and processes, and to preserve their biodiversity. It entails the need to extract and use resources without overburdening the environment, while sufficiently maintaining a functional society (Giljum, Hak, Hinterberger, and Kovanda, 2005). This means that organizations: (a) do not deplete renewable resources such as plants and animals faster than we can renew them; (b) use non-renewable resources like oil within the rate of substitution by providing alternative resources; and (c) produce waste only within our ability to process or assimilate it.

As a global society, scientists have warned there is no turning back; the “inconvenient truth” of global warming (Gore, 2006) poses a threat to humanity and our accelerating depletion of natural resources cannot continue. An international panel of experts has stated that world is in the midst of increasing risk of irreversible climate shifts, as worst-case scenarios are already being realized. The *Human Impact Report* (2009) announced by the Global Humanitarian Forum states that more than 300,000 people a year are dying from the effects of climate change, rising to a half-million annually by 2030. Moreover, the global human impact of climate change calculates more than 300 million people are seriously affected by climate change at a total economic cost of \$125 billion per year. Clearly, the way we do business today is not sustainable—on many levels. Organizations representing 51% of the world’s 100 wealthiest bodies are the key placeholders of society (Shah, 2009). Therefore, if we want innovation for ecological sustainability it must be integrated into the very fiber of the organization—its climate.

### **3 Why a Climate for Sustainability?**

Pressured by world organizations (e.g. the European Union), and evidence of ecological problems, the U.S. government has begun to take action. More than 100 federal ecological statutes (Burtraw and Portney, 1991) and a variety of state level regulations have been enacted since the early 1970s, to promote health and reduce dangerous chemical substance levels in the environment (Rosenbaum, 1991). The Clean Air Act, the Clean Water Act, the Pollution Prevention Act, and the Resource Conservation and Recovery Act represent examples government interventions. These compliance-based efforts only prevent, detect, and punish violations, limited through control and enforcement (Sekerka and Zolin, 2007). While necessary, such efforts are woefully inefficient.

Organizations need to supplement governmental sustainability efforts to fully address the ecological problems of today (Lee, 1993; Shrivastava, 1995, 2008). If the goal is to seek innovation for sustainability and responsible action at every level, organizations must integrate a focus on sustainability into their belief system. Thus, sustainability needs to be embedded into the fabric of the organization’s strategy and design. We argue that this can begin with the development of a climate for sustainability.

We propose that a climate for sustainability reflects shared emotions, perceptions, values, and procedures that support sustainable enterprise. As the climate for sustainability becomes known as a condition for innovation for sustainability, it will likely become embedded into the

organization's culture. Scholars support this claim (e.g. Jennings and Zandbergen, 1995; Starik and Rands, 1995), yet more research is needed to develop the dimensions of the climate for sustainability. To address this concern we develop the argument by Arnaud and Rhoades (2008), who describe how a climate for sustainability is characterized by a subset of features embedded within the organization.

#### **4 Dimensions of a Climate for Sustainability**

Gladwin and his colleagues (1995) argue that to achieve long-term sustainability, organizations need to promote human development and require employees to consider the organization's impact on humanity—today and in the future. Companies will need to embrace ecological, social, and economic interdependence as well as addressing intergenerational, intragenerational, and interspecies fairness to achieve this intention. They need to make a concerted effort to exhibit technological, scientific, and political care that demonstrates a focus on human and ecological safety, to protect the earth and all living beings from chronic threat and harmful disruption (Parnell, 2008).

Organizations with a climate for sustainability are characterized by members who share a sense of moral concern for society, humanity, and the environment. A collective commitment is necessary to reduce unethical, unsustainable conduct (Howarth, 1992), as people work together to achieve environmental preservation and restoration. Drawing upon prior work of Arnaud and Rhoades (2008), we define a climate for sustainability by the following dimensions: a) moral sensitivity to sustainability, b) moral motivation for sustainability, c) moral judgment for sustainability, and d) moral responsibility for sustainability. Our work draws from Rest's (1986) moral decision-making framework, assuming that the organization has made sustainability a recognized ethical concern. Each dimension has a focus on morality, which may necessitate the subordination of other performance goals. Taking this information together we propose:

*Proposition 1. A climate for sustainability is composed of moral sensitivity to sustainability, moral motivation for sustainability, moral judgment for sustainability, and moral responsibility for sustainability.*

##### **4.1 Moral Sensitivity to Sustainability**

Moral Sensitivity to sustainability refers to the collective sensitivity of the organization's employees with regard to ecological sustainability. It is characterized by the organization's level of moral awareness and empathy (exhibited by employees) as to how their work affects the ecological sustainability of the organization and environment. More specifically, moral sensitivity to sustainability is characterized by the prevalent mode of imagining alternative courses of actions to correct, reduce, and prevent ecological harms in conjunction with enterprise.

Moral sensitivity to sustainability includes the degree of understanding employees exhibit regarding the interconnectedness of business operations with their environment (e.g., land and water use) and the ramifications their decision and actions impose on the environment (e.g., short- and long-term carbon footprint). Do employees evaluate the consequences of their decision and action with respect to their impact on others and the environment? Do employees

have the means and time to consider alternative processes and resources to address ecological concerns?

This collective sensitivity encourages a more rigorous life-cycle analysis—it is a more holistic view of sustainability. For example, employees will want to seek out novel solutions to decrease waste and pollution. Companies that develop a collective moral sensitivity to sustainability recognize the importance of recycling, green packaging, organic production, reducing emissions of harmful substances, and environmentally clean waste management processes (cf. Gladwin et al., 1995). We propose that moral sensitivity to sustainability will help promote the overall ecological sustainability efforts of the organization.

#### **4.2 Moral Motivation for Sustainability**

Moral motivation for sustainability refers to the prevalent organizational values, shared enduring beliefs of what is desirable, that promote ecological sustainability. As employees are socialized into the organization, they learn and come to share its values. These values affect employee decision-making and behaviors (Schneider, 1990). We expect that the organization's moral values motivate employees to engage in decisions that lead to sustainable actions. These include:

- Universalism: understanding, tolerance, and respect, and concern for the welfare of all living beings and for nature (today and in the future);
- Benevolence: protecting the welfare of all living beings and nature;
- Fairness: with regard to distribution and property rights, within and between generations, social, political, and economic fairness, interspecies fairness;
- Self-transcendence: values that go beyond the self; care for the environment, avoiding harm to all living beings and nature and promoting ecological balance;
- Conservationism: verdant and dignified existence; restraint with regard to use of resources, natural and human-made;
- Openness to change: values that encourage organizational learning, along with personal growth and development.

Do these values exist in the organization and are they fully supported by management? Typically, organizations consider values of achievement, growth, and shareholder wealth a strategic priority. Employee behavior and decision making is frequently guided by values of self-enhancement, economic or political power, and organizational dominance regardless of the cost to others and the environment.

Organizations that are motivated to promote sustainability first, have an ethical core, are less willing to compromise core values to achieve maximum profitability. They understand the need to protect the welfare of all living beings and nature as they conduct their business. They identify and implement novel processes to produce ecologically sustainable goods and services.

Employees motivated by these values are generally more service-oriented, altruistic, and display openness to experiences and prudent risk-taking (Egri and Herman, 2000; Snow, 1992a/b).

Research supports that people who put self-transcendence values above self-serving values serve the collective interest and are more likely to engage in ethical behaviors that promote ecological sustainability (Schwartz, 1992; Schwartz and Bilsky, 1990). Valuing self-transcendence has been linked to organizations that strive to balance ecological sustainability and economic performance (Egri and Herman, 2000; Karp, 1996). Gaerling (1999) found universalism was related to prosocial behavior, with benevolence as a catalyst for socially desirable actions, such as helping others (Franc, Sakic, and Ivicic, 2002). These findings suggest that moral motivation for sustainability, characterized by moral values will be positively linked to decisions and behaviors promoting ethics and ecological sustainability.

### ***4.3 Moral Judgment for Sustainability***

Moral judgment for sustainability refers to the norms of moral reasoning used to determine which course of action is morally sound and ecologically sustainable. Organizations should inculcate norms of moral reasoning to encourage morally justifiable and ecologically sustainable decision making and behavior.

Research by Peterson (2002) shows that ethical climates characterized by Kohlberg's (1984) higher level of moral reasoning (represented by moral judgment focusing on the benefits of others) were inversely related to unethical behaviors (e.g., property and production deviance and harassment). Ethical climates characterized by norms of lower levels of moral reasoning (norms of moral judgment focusing on benefits for self) were positively associated with self-enhancing employee behaviors taking and abusing company property without permission. Therefore, we believe that organizations that instill higher levels of moral judgment for sustainability encourage employees to make moral judgments focusing on others, society and nature. This is important for organizations that want employees to consider ethical and ecological sustainable criteria as guiding principles in decisions and behaviors.

For example, when employees are faced with choices to save energy and recycle, they may be predisposed to consider the effects of their behavior on others, society, and nature if the organization has instilled higher levels of moral judgment for sustainability. We expect that organizations characterized by this dimension will be less likely to pollute or use toxins in production because decisions and behaviors are framed, developed and implemented with respect for others, society, and the environment. This suggests that higher levels of moral judgment for sustainability, that include a focus on others, will give rise to ethical and ecological prudent decisions and actions in the workplace.

### ***4.4 Moral Responsibility for Sustainability***

Responsibility for sustainability is defined by the general level of responsibility the organization (as exhibited by its employees) assumes for the well-being of all living things and nature. It includes employees' conscientious commitment to meeting the ecological goals of the organization (cf. Egri and Pinfield, 1996) and following through on doing what is right for the environment. It can be observed by the organization's level of support and reward for sustainability-oriented innovation and performance such as life cycle assessment, design for the environment, product stewardship, and cradle-to-cradle management (Henn and Fava, 1994).

Prior research supports the link between the individual level of moral responsibility (or moral character) and self-control, which fosters the association between ethical decision-making and actions that promote ecological sustainability. For example, Gottfredson and Hirschi (1990) demonstrated that crimes were committed by individuals with low self-control. Schwartz (1973) found that individuals who volunteered and helped others were more likely to assume responsibility for their actions. This evidence suggests that a higher level of moral responsibility for sustainability will give rise to more ethical behaviors to promote ecological sustainability.

Assuming that the organization has commenced to develop a climate for sustainability, grounded in the ethical dimensions we have presented, if they want to proceed toward innovation for sustainability we believe that the benefits of positive emotions should also be taken into consideration.

## **5 The Influence of Positive Emotions**

Previous research has demonstrated how emotions play an important role in performance, especially when leaders work to create a positive emotional climate (Ozcelik, Lanton, and Aldrich, 2008). Findings showed that positive emotional climates are linked with increased revenues along with strategic and outcome growth advantages. We also know that when positive affect is linked with mobilization, as opposed to use of an instrumental approach, those engaged experience transformation toward an activist identity, underwriting their commitment to continued mobilization (Meyer, 2006). Russell and Griffiths (2008) integrated environmental psychology and management to consider how issues of ownership and organizational identification relate to the emotionality of pro-environmental organizational behavior. If positive organizational environments are motivational at both the micro and macro levels, we expect that affect plays an important role in innovation for sustainability.

The literature in Positive Organizational Scholarship and Positive Psychology has expanded our understanding of positive emotions in workplace settings. We know that they help individuals establish positive meaning in their organizational role (Wrzesniewski and Dutton, 2001), stimulate competence, achievement, involvement, and social connection (Ryff and Singer, 1998) and, on a collective level, support cooperation in transformational change (Sekerka and Fredrickson, 2008). Fredrickson's broaden-and-build theory (1998) explains how positive emotions broaden one's momentary thought-action repertoire, informing us to continue in a given direction, to seek out more information, and to help others. In turn, such actions help to build enduring resources. Hence, positive emotions can increase people's creativity and innovativeness, their desire to discover, while helping to build resiliency and relational strength. Given that positive emotions serve as a resource to broaden cognitive thinking and to build relational endurance (Fredrickson, 2003), we argue that they can favorably influence the path of innovation toward ecological sustainability, which we now describe.

When a person engages in a challenge, they are likely to want more information, to seek out solutions, and to innovatively generate new ideas in the process. William James (1890) described how this volition is an action to resolve meaningful gaps in one's current understanding. Today's psychologists have shown how efforts to get more information lead to greater involvement and provide fulfillment, describing curiosity as a positive emotional-motivational endeavor associated with the pursuit of novelty (Kashdan, Rose, and Fincham, 2004). People's emotions (e.g., enjoyment and interest) and the actions that stem from them are important in driving discovery (Füller, Matzler, and Hoppe, 2008). For example, researchers using strength-based

approaches to promote organizational change and development (Sekerka, Brumbaugh, Rosa, and Cooperrider, 2006) describe how positive emotions fuel creativity and appreciative inquiry. When people become actively curious, positive emotions are complemented by a determination to direct attentions toward goal-directed behaviors—a leap toward innovation.

Positive emotions are also known to broaden our scope of attention (Fredrickson and Branigan, 2005), and can extend our habitual modes of thinking and acting (Isen, 1987). Innovative people draw upon similar creative resources that artists use to create their works. German composer Johannes Brahms recalled that: "...measure by measure, the finished product is revealed to me when I am in those rare, inspired moods" (Pearson, in press, p. 260). Creativity is directly related to intuition, "creative thought and action often involve inspiration, cognitive "leaps," and intuitive insight" (Tomasino, 2007). The sentiments that produce inspiration are important elements in driving innovations. While negative emotions can push people to make immediate change, specific emotions such as appreciation, excitement, and joy help foster novel ideas in route to goal achievement in organizational settings (Sekerka et al., 2006). Because we are interested in well-being and an ongoing commitment to innovation, we see positive emotions as figural in helping to shape and generate ecologically sustainable enterprise.

Another area of emotion research shows how positive affect can alter how we see ourselves, giving us a broader scope of self-perception. They literally help people come together and grow closer. As this occurs, the line between the self and others can become blurred and harder to delineate (Waugh and Fredrickson, 2006). To the extent that people view coworkers or their organization as a part of themselves, resources can be perceived as shared ownership, and the differences between self and others become less pronounced. This shift in identity is increasingly important as global resources are viewed as the collective responsibility for everyone to maintain. As people see others as a part of their identity, they begin to adopt external values as their own. We see this in strength-based interventions, when feelings of appreciation are cultivated; here, employees forge self-organized project teams, coalitions, and opportunity circles, working together to stimulate ideas, achieve shared goals, and foster learning (Neville, 2008). Capacity building ushered by positive emotions would therefore be useful in cognitive broadening and building relational resources as people work together to achieve ecological sustainability goals.

People who regularly experience positive emotions grow toward further optimal functioning (Fredrickson, 2003; Fredrickson and Joiner, 2002). Interestingly, the assets accrued during positive emotional states are durable and outlast the transient state that led to their original acquisition (Fredrickson, 2000b). Consequently, the incidental effects of positive emotional experiences serve to increase personal resources. In other words, positive emotionally laden experiences can be drawn upon for later use, when the person is in a different emotional state. This illustrates the link between positive emotions and their known role in helping to transform individuals to become more creative, knowledgeable, resilient, socially integrated, and healthy over time. We suggest that these outcomes are ideally suited toward designing organizations to innovate for sustainability.

Positive emotions are also an integrated feature of helping behaviors. Just as the person who gives help experiences positive emotions, the one who receives it is also likely to feel gratitude. Gratitude not only feels good, but also produces a myriad of beneficial social outcomes (McCullough, Kilpatrick, Emmons, and Larson, 2001). Being grateful serves to motivate and reinforce social actions in both the giver and the receiver of help. Grateful people typically want to repay their helpers, and this acknowledgment rewards help-givers, making them feel

appreciated and more likely to help in the future. Reciprocity fuels a chain of social support, which builds social capital and relational strength at the organizational level. Thus, positive emotions such as appreciation and gratitude can make an ongoing favorable impact in support of transformational cooperation (Sekerka and Fredrickson, 2008). Given that innovation for sustainability is a collective endeavor, the broadening and building capacities derived from positive emotions are invaluable in achieving a shared long-term commitment to innovate toward sustainability. We state this expectation as:

*Proposition 2. Positive emotions will moderate in a favorable direction the influence of a climate for sustainability on innovation for sustainability.*

## **6 Innovation for Sustainability**

“An innovation is a new idea” (Van de Ven, 1986, p. 591). It represents “nonroutine, significant, and discontinuous organizational change” (Mezias and Glynn, 1993, p. 78). This implies the generation of distinctive thoughts, different from existing concepts present within the organization (Galbraith, 1982). Moreover, innovation calls for change in existing mental models (Senge, 2008) and organizational competencies (Mezias and Glynn, 1993).

Considering the work of Amabile (1988) and Kanter (1984), with an eye toward the benefits of strength-based processes for organizational development (e.g., appreciative inquiry), we define *innovation for sustainability* as novel and creative, strength-based and problem-solving ideas implemented to support ecological sustainability. This encompasses the development and implementation of new processes, and products to promote ecological sustainability. This includes innovation to replenish renewable resources, find alternatives for non-renewable resources, and recycle or assimilate production waste. It requires fresh thinking and flexibility to adapt to continuously changing conditions. Organization must have an appreciation for continuous development as they maintain practices to promote healthy ecosystems. But what does innovation for sustainability actually look like? To bridge the ideas we have discussed thus far, we now discuss how the climate for sustainability promotes innovation for sustainability.

### **6.1 A climate for sustainability promotes innovation for sustainability**

We concur with Porter and van der Linde (1995) that ecological regulations benefit the economy by stimulating innovation which might offset the cost of complying with these policies. These regulations encourage innovation for sustainability, yet they are limited because they force organizations to prevent, detect, and punish violations of regulations, rather than motivate innovation via shared organizational values, attitudes and practices. A values-based approach, such as the climate for sustainability, weaves ecological sustainability deeply into the fabric of the organization, and is likely to have a positive and lasting influence on innovation for sustainability.

To promote innovation for sustainability, organizations need to develop a collective sensitivity to sustainability where employees evaluate the organization’s products, processes and services considering their impact on the environment. This climate encourages employees to identify opportunities to have a positive ecological impact and up-to-date information on current technologies that align with the sustainability strategies of the organization (c.f., Ambec & Lanoie, 2008). A climate of moral sensitivity and moral judgment encourages empathy, a deep

concern for society and the environment (Baucus, Norton, Baucus and Husman, 2008) and binds employee to pursue novel, more ecologically efficient and effective, products and processes. Motivation for sustainability, grounded in moral values of self-transcendence, attract both care and commitment for a common organizational vision and strategy that promotes ecological stewardship. This is likely to unleash innovative power, which can drive the innovation for sustainable enterprise (cf. Senge, 2008). Finally, when organizations instill a shared responsibility for sustainability, employees feel empowered to ‘what is right.’ This climate increases prudent risk taking and the proactive pursuit of creative and innovative approaches to reduce, avoid and reverse environmental harms.

Patagonia, Inc. represents an example of a climate for sustainability. Their mission, “*Build the best product, cause no unnecessary harm, use business to inspire and implement solutions to the environmental crisis,*” clearly states a purpose that extends beyond profitability. In fact, it is centered on the firm’s deeply embedded understanding that they are stewards of this planet. Developing innovative sports apparel, they use and reuse materials. Employees’ values, attitudes, and practices are aligned with the sustainability goals of Patagonia. They donate their personal and work time to saving and healing ecosystems. At least 1% of the company’s sales go to hundreds of grassroots environmental groups globally. In the course of doing business, Patagonia seeds and spreads innovations that reduce environmental harm locally and globally (Gonzalez-Padron, Hult, and Calantone, 2008).

The New Belgium Brewing Company (NBB) is another example of a climate for sustainability promoting innovation (Sheb, Ferrell, and Ferrell, 2006). NBB strives for cost-efficient energy-saving alternatives to reduce its environmental impact. In staying true to the company’s core values, practices, and strategies, the employee-owners unanimously agreed to invest in a wind turbine, making NBB the first fully wind-powered brewery in the US. Employees voted to forfeit bonus pay in order to help the firm reduce its CO<sub>2</sub> emissions by 1,800 metric tons per year. The organization consistently monitors and detects its ecological costs and benefits by tracking the firm’s carbon footprint. Organizational threats are framed as opportunities for reducing ecological and social harm, reducing costs and promoting care and conscientiousness. As a steward for the planet, NBB takes a collective approach to organizational learning, focusing on innovative technologies, processes, services, and products that exceed regulations by ensuring that performance goals are aligned with ecologically sustainability goals.

Patagonia and NBB characterize what a workplace climate for sustainability looks like in action. They embrace the features Ozcelik (2009) and colleagues describe in “doing well and doing good,” which include: leaders showing sensitivity toward members’ emotional needs, establishing a workplace where employee relationships are supported, sustaining open communication where employees at every level are heard, encouraging teamwork as a practice, and providing opportunities for advancement while also rewarding those who demonstrate special initiative. Employees in this sort of organization appear to have a heightened sense of responsibility. We believe this is because the firm’s infrastructure and mission encourages decision-making that addresses environmental concerns. Far-reaching exploration, truly divergent approaches toward environmental practices throughout the supply chain, has been encouraged but not mandated. You can attract not force a shared mindful purpose, but when it is present, we see creativity and innovation in the pursuit of achieving co-created organizational goals (Amabile, Barsade, Mueller, and Staw, 2005).

Working in a climate for sustainability promotes transformation—change that transcends immediate goals to pursue a much larger mission, with ecological sustainability as a part of its purpose. A strong commitment to morality, as characterized by the dimensions previously outlined, suggests that economic goals are integrated with ethics i.e., profit does not take precedence over ecological concerns. A climate characterized by moral dimensions support a deep concern for others and the natural environment in all areas of decision-making (Bauchus et al., 2008). Such an organization demonstrates trust and commitment among its employees, bringing them together to serve a collective cause to establish and create more efficient and effective ways to achieve sustainably-minded performance goals. Taking this information together, we propose:

*Proposition 3. A climate for sustainability in an organization that is fueled by positive emotions is likely to have a favorable influence on the organization's innovation for sustainability.*

## **7 Next Steps and Future Research**

The Environmental Protection Agency shows that we are far from achieving our agenda to establish an ecologically sustainable society (2009). To go beyond compliance, organizations need to embrace responsible action at every level. We believe this is possible if they integrate a focus on sustainability into the organization's purpose, strategy, and design, and inculcate ecological mindfulness within their daily operations of every employee. In this paper, we have described how a climate for sustainability is characterized by an understanding that the organization exists for a purpose that goes beyond profit—to become a steward of the planet.

Organizational leadership plays an important role in the development of a climate for sustainability and innovative for sustainability. Leaders must encourage experimentation, creative problem-solving, and the rethinking of product and process design for better recyclability and fewer resources (Ambec and Lanoie, 2008; Chen, 2007). This requires the development of comprehensive human resource policies and procedures including compensation systems that reward employees for their efforts regarding ethical performance and ecologically sustainability. Because these rewards may be intrinsic (e.g., not monetary), performance goals that include sustainability require a deep and shared commitment between the organization and its members.

This commitment can be developed through education and training; specifically, programs that help employees modify their behaviors and co-create values and mutual understanding through reflection and dialogue. Leaders must support this initiative and empower their workforce to engage in ethical risk-taking for innovation. A fundamental shift from self-promoting values of power and profit to those of self-transcendence, care for others, and the natural environment, must evolve. Together, leaders and employees need to practice innovation, developing the means to create ecologically sound products, processes and services, while carefully balancing the livelihood of the company.

More research is needed to develop our theory and to study it in organizational settings. A combination of qualitative and quantitative research, in different types of organizations, will be necessary to test the model. This will enable us to discern what processes support an ethical and ecologically sustainable environment, while also permitting the organization to be flexible and innovative.

Scholars, practitioners, and leaders must work together to create comprehensive strategies that help shape a climate for sustainability. How can research and education help leaders assume responsibility for stewardship? Once on board, how can leaders effectively implement ideas for sustainability with effectiveness to ensure the survival and ongoing strength of their operation? While the scope of our treatment was limited from the start, these questions coupled with our model provide a springboard for continued organizational development.

## 8 Conclusion

If we want to respond to the environmental issues of our day, it is necessary to ensure a solid moral foundation. Without the bedrock of ethical principles, the organization itself may succeed in making short-term profitability goals, but will unlikely achieve long-term sustainability in harmony with the environment. We believe that any sustainable enterprise is rooted in the moral dimensions we presented herein.

Like ethics, ecological sustainability cannot be attained without heartfelt commitment. This shared obligation must be expressed in the organization's climate, which is supported by structure and strategy that influence employees' daily decision and actions. Given that a concern for the environment is driven by peoples' perceptions of what is valued, there is enormous potential for learning, growth, and positive change. We see a viable bridge between today's issues and people's ability to create a sustainable organization, if they are enabled and encouraged to do so.

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FIGURE 1. An Ethical Path toward Innovation for Sustainability

