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Transitioning to sustainability:

employee perspectives on
workplace practices



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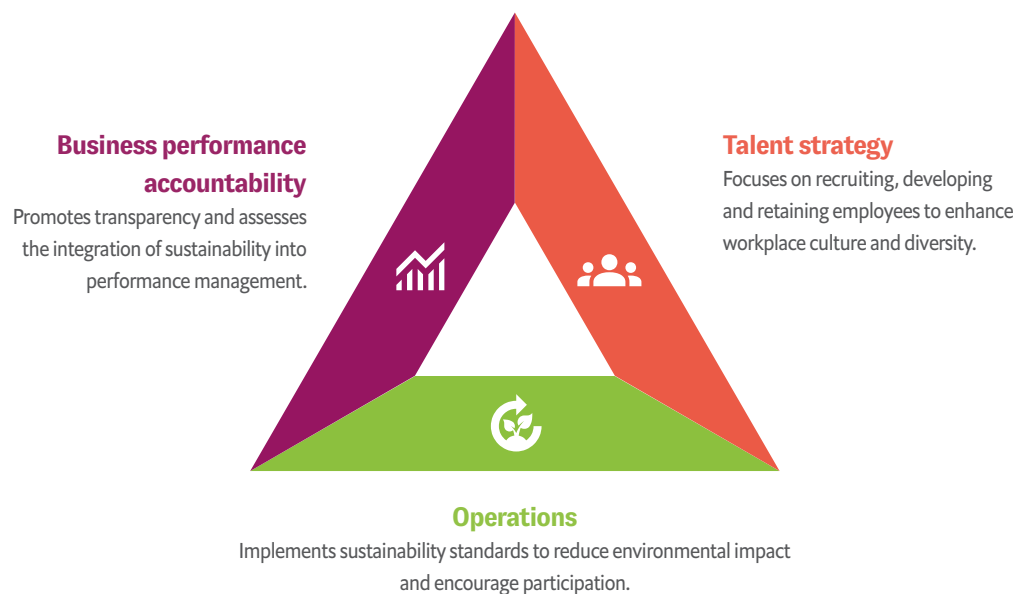
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About this report

“Transitioning to sustainability: employee perspectives on workplace practices” is an Economist Impact report sponsored by Kyocera Document Solutions. It examines employee views on workplace sustainability across five major global financial hubs—London, New York, Singapore, Sydney and Tokyo—through a survey of 630 professionals conducted in September and October 2024. Expert interviews and a literature review informed the development of the survey questionnaire and enhanced the findings presented in this paper.

The survey aims to understand how junior employees and senior executives perceive workplace sustainability in these cities. This approach allows for an exploration of employees’ roles in promoting sustainability and identifies the key drivers and initiatives influencing sustainability efforts. The survey is organised around three key areas of workplace sustainability:

- **Talent strategy** involves recruiting, developing, engaging and retaining employees to enhance sustainability, focusing on workplace culture, leadership, diversity, training and activism by the employee.
- **Operations** encompasses implementing sustainability standards in daily activities, reducing environmental impact and encouraging employee participation in areas such as energy efficiency, waste reduction, technology integration and remote work.
- **Business performance accountability** assesses the integration of sustainability into performance management and reporting, and promotes transparency with suppliers and partners who share the organisation’s sustainability goals.



We thank the following individuals for their time and insights:

- Jody Ono, adjunct professor, Hitotsubashi University Business School, School of International Corporate Strategy (ICS), Tokyo
- Jana Platau-Wagner, head of Corporate Sustainability Reporting Directive (CSRD) policies and engagement, Zurich Insurance, Dublin
- Sandhya Sabapathy, United Nations Commission on the Status of Women (UN CSW) delegate and founder and chief executive, Kaleidoscope, London
- An early career human resources (HR) adviser, Sydney

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Executive summary

Sustainability has transcended buzzword status to become a cornerstone of corporate strategy, hailed as the gold standard for responsible development. Yet behind firms' publicised environmental, social and governance (ESG) commitments lies a more turbulent reality. The ESG agenda faces political scrutiny and operational inertia as many organisations grapple with setting meaningful targets and translating them into measurable outcomes. This tension is mirrored in the workplace, where perspectives on sustainability diverge between the boardroom and breakroom. To examine these dynamics, Economist Impact surveyed 630 employees from small, medium, large and global companies in London, New York, Singapore, Sydney and Tokyo.

The key findings from our survey and expert interview programme include:

- **A generational myth challenged:** Senior executives (41.3%) are far more likely than junior employees (24.4%) to consider an organisation's ESG reputation when job-hunting. This challenges conventional narratives of an environmentally impassioned youth. For many younger workers, the rising cost of living and job insecurity trump sustainability concerns, shifting their focus to immediate financial stability.
- **Top-down dynamics prevail:** Junior employees rarely take the initiative to embed sustainable practices into their daily work (14%) or advocate to senior management for broader sustainability measures (15.2%). This underscores the hierarchical nature of corporate sustainability, which often relies on top-down implementation.
- **Operational focus dominates sustainability efforts:** Senior management drives the most common initiatives—energy-efficient systems (47.6%), resource conservation (47%) and hybrid working models (30.8%). These measures, while top-down in nature, have the potential for substantial impact. Remote work alone could reduce an individual's carbon emissions by more than half.
- **Executives bear the burden of trade-offs:** Senior leaders cite commercial trade-offs as a major barrier to sustainability (27.3%), a concern largely absent among junior employees (4.1%). This disparity reflects their differing roles: while executives are typically accountable for immediate business results, junior staff often operate removed from the pressures of commercial decision-making.
- **Sustainability as a talent magnet:** The importance of sustainability in attracting talent is on the rise. In the next 12-18 months, it is a top priority for 18.4% of senior leaders and 13.7% of junior staff, rising to 24.8% and 22.2%, respectively, over the next three to five years. This upward trajectory reflects a growing recognition of sustainability's role in shaping the future workforce.

Introduction: Building a new responsible era


To make workplace sustainability last

Workplace sustainability is a multifaceted concept shaped by business priorities, environmental leadership and social impact. Jody Ono, adjunct professor at Hitotsubashi University Business School, and one of the experts interviewed by Economist Impact for this report, encapsulates it succinctly: “Workplace sustainability is the stewardship of a setting where any individual can see a future.” This vision marries the ideals of organisational purpose with the practicalities of employee well-being, charting a path for businesses to thrive while nurturing people and the planet alike.

Jana Platau-Wagner, head of CSRD policies and engagement at Zurich Insurance Group, strikes a sharper cord. “Traditionally, workplace sustainability

initiatives focused on what was feasible and within a company’s immediate reach,” she explains. “Now, there is a shift in responsibility, with sustainability functions expanding their influence. Long-term thinking about succession plans and employees’ aspirations—such as fostering well-being and lifelong employment—is still a luxury for many firms but is gaining renewed attention.”

A pivot towards employee well-being would align with the principles of ESG frameworks. Coined by the United Nations Global Compact in 2004, the initialism ESG has evolved from niche jargon into mainstream corporate language, influencing everything from carbon footprints to supply-chain ethics.¹ Today, nearly every



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Jody Ono, adjunct professor, Hitotsubashi University Business School, School of International Corporate Strategy, Tokyo

major multinational trumpet its ESG credentials, incorporating them into its standard disclosures and annual reports.² ESG principles are no longer an optional add-on but an imperative for businesses that seek to balance the needs of their people, the planet and their profit margins.

However, the ESG journey has not been without challenges. Political backlash and shifting worker priorities have tested the mettle of sustainability initiatives. In America, ESG priorities such as diversity and inclusion or corporate social responsibility have edged down the priority list of graduates, displaced by incentives like competitive salaries and robust career trajectories.³ Meanwhile, consumer trust wavers: the proportion of people who believe that firms are engaged in greenwashing has leapt to 52%, up from 33% in 2023, as demands for transparency outpace corporate action.⁴

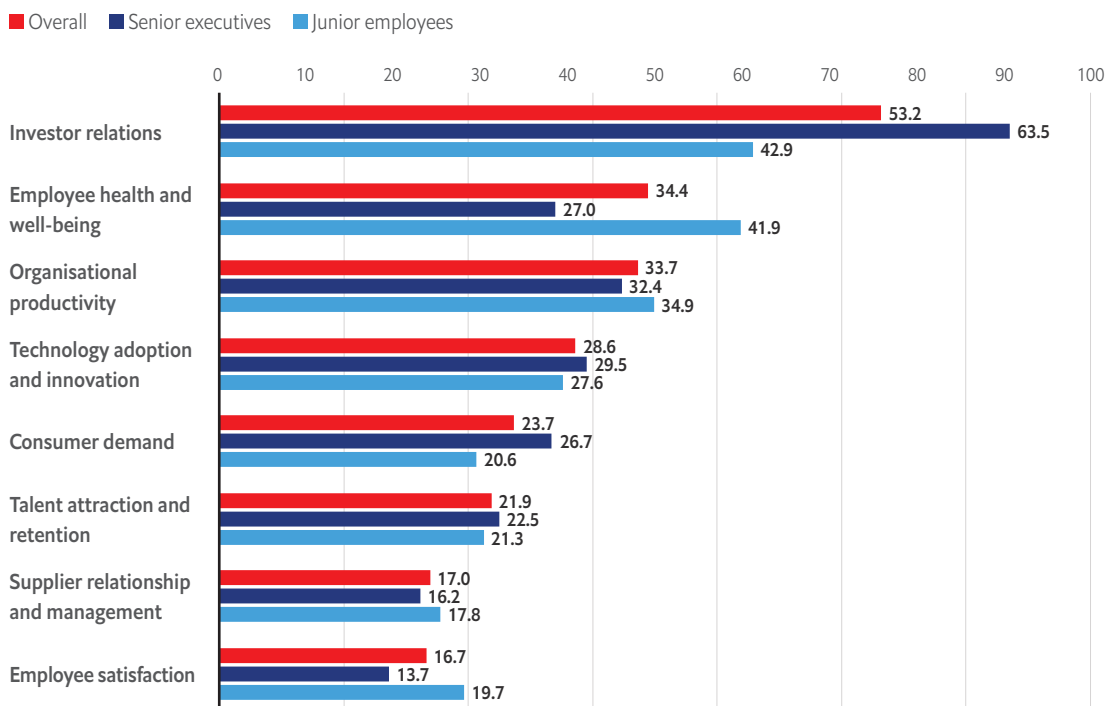
Despite these hurdles, sustainability continues to reshape workplace norms, albeit unevenly. This report dives into the influence of sustainability

on employees at all levels across five global cities. Half of the Economist Impact survey respondents were junior employees, while the rest were senior executives. Respondents shared their views on workplace sustainability across three pillars: talent strategy, operations and business performance accountability. Economist Impact explores insights across these three pillars with emphasis on the perception gap between senior and junior employees, who experience sustainability from distinct vantage points.

The idea that investors are souring on ESG is not fully supported by our survey of employees' experiences. Many firms are implementing sustainability initiatives with tangible effects—be it energy-efficient office designs, greener supply chains or professional development courses focused on sustainability. Survey respondents ranked investor relations as the top area positively affected by such initiatives (53.2%), outstripping priorities such as employee health and well-being (34.4%) and organisational productivity (33.7%).

Figure 1: Areas positively affected by workplace sustainability

% respondents, N= 630



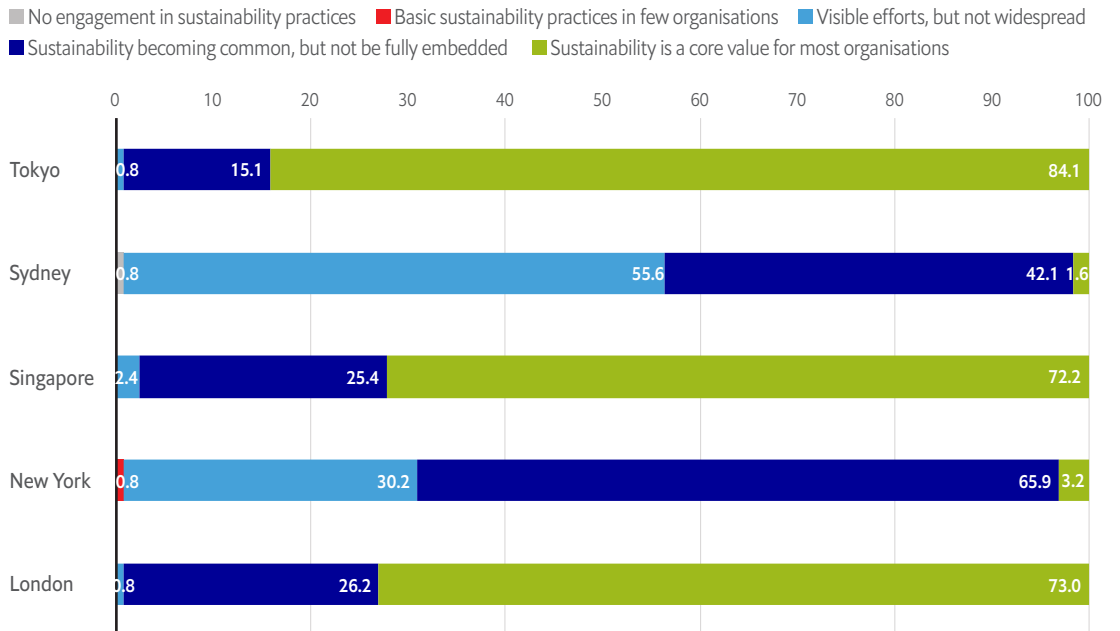
Source: Economist Impact survey on workplace sustainability 2024

Yet regional disparities in the uptake of workplace sustainability remain pronounced. Tokyo stands out, with 84.1% of respondents lauding the extensive promotion of sustainability. London and Singapore follow closely at 73% and 72%, respectively, signalling robust progress. New York presents a more cautious outlook, with 66% of respondents acknowledging momentum but noting that sustainability initiatives are not deeply embedded. This indicates that while there is momentum towards sustainability, many organisations still have significant work to do to integrate these practices into their core operations. Sydney, meanwhile, presents a more muted outlook, with only 56% seeing visible efforts, suggesting room for improvement (Figure 2).

Cultural and historical concepts underpin these differences. Professor Ono points to Japan’s ethos of conservation: “Culturally, Japan has a ready focus on sustainability in terms of conservation. Wasteful behaviours are viewed as undesirable, and while materialism in Japan is very healthy, I would not go as far as to say consumerist. Households and businesses conserve energy and have done so for a long time because Japan imports nearly all of its energy,” she explains. Commenting on the survey results for Sydney, she notes that the city’s tempered enthusiasm reflects its higher baseline for sustainability: “Australia has engaged with these concepts longer, particularly social sustainability and workplace rights.” This highlights the complexity of integrating sustainability practices in the workplace across different cultural and regulatory landscapes.

Figure 2: Perceptions of sustainability penetration in the workplace, by city

% respondents, N = 630



Source: Economist Impact survey on workplace sustainability 2024

Chapter 1:

Resilient talent

How does sustainability affect talent recruitment, development, engagement and retention?

Sustainability, a field intrinsically tied to the future, is fast becoming a cornerstone of talent strategies. Companies are realising that a strong reputation for environmental and social responsibility not only attracts job-seekers—particularly those seeking purpose alongside pay—but also builds the skills needed for a greener economy. Yet a stark imbalance looms: green jobs, which contribute to environmental preservation and restoration, are growing nearly twice as fast as the pool of skilled workers to fill them. Bridging this skills gap is not just a corporate imperative; it is an economic one.⁵

When survey respondents were asked to identify their organisations' priorities for achieving greater sustainability by 2030, their answers clustered decisively around the "talent strategy" pillar (see Figure 3). Ms Platau-Wagner, notes, "Sustainability is essential to hiring, and we're having more nuanced conversations about sustainability with our interviewees, many of whom are taking the initiative to bring up the topic."

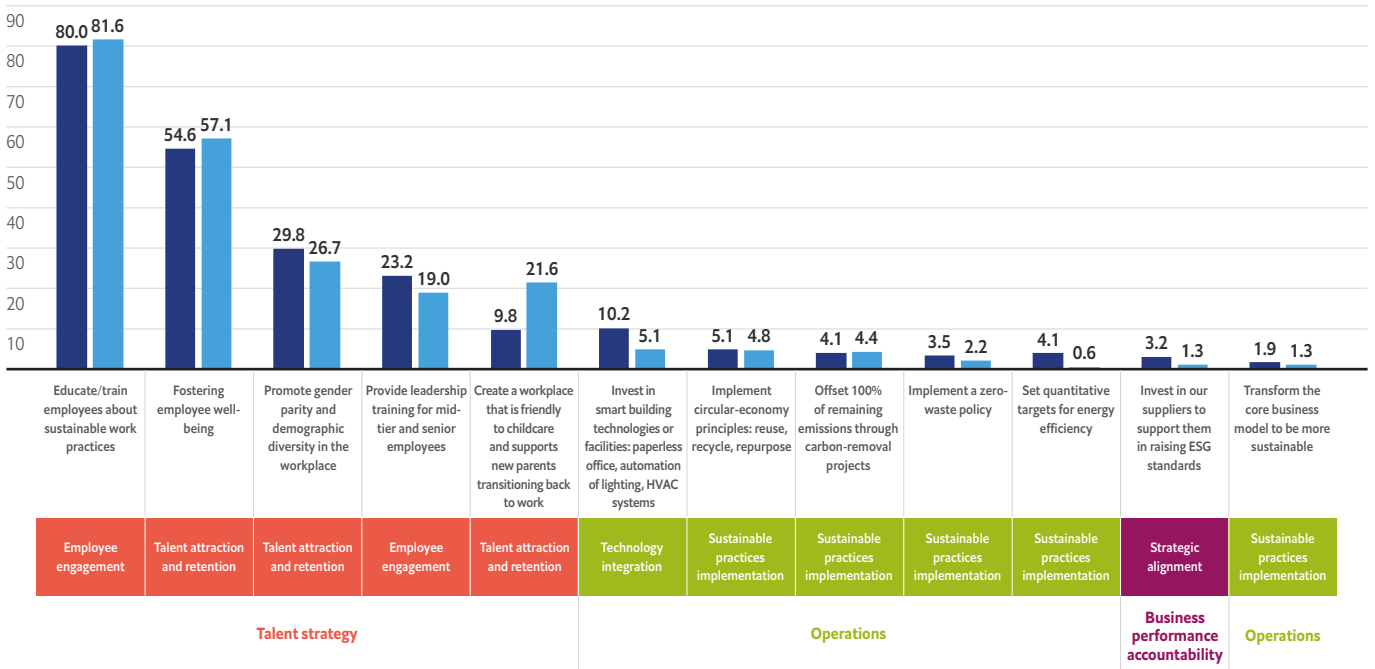
This shift is not merely anecdotal. The data points to a growing recognition of sustainability's role in attracting talent, a trend valued by both



Figure 3: Priorities for 2030 to achieve workplace sustainability

% respondents, N = 630

■ Senior executives ■ Junior employees



HVAC stands for heating, ventilation and air conditioning
 Source: Economist Impact survey on workplace sustainability 2024

senior executives and junior employees in our survey. In the near term—over the next 12 to 18 months—18.4% of senior respondents, compared to 13.7% of junior respondents, see talent attraction as a top priority. Looking further ahead, this emphasis grows further in the long term, with 24.8% of senior leaders and 22.2% of their junior counterparts ranking it as a key focus over the next three to five years.

Achieving sustainability outcomes may require the cultivation of new skills and experience within the workforce. Data from LinkedIn underscores the urgency: between 2016 and 2022, demand for expertise in pollution prevention, environmental policy and environmental auditing grew by more than 50%.⁶ In addition to these technical skills, sustainability hinges on broader competencies such as conceptual thinking and scenario-based decision-making. This imbalance between the growing appetite for

green skills and their limited availability presents both a challenge and an opportunity.⁷

Both junior and senior employees have a role to play in developing an organisation’s sustainability talent strategy, yet their contributions and priorities can diverge. Among senior executives, a mere 21% consider investment in training and skill development a sustainability priority. Junior employees, by contrast, are more action-oriented, with 42.2% participating in internal working groups, 39% volunteering for sustainability initiatives and 27.3% pursuing professional certifications and development courses. These may include qualifications from professional certification bodies such as the Institute of Environmental Management and Assessment (IEMA) or industry-specific courses like those of the Association of Chartered Certified Accountants (ACCA), which offers a professional diploma in sustainability for accountants.^{8,9}



Opinions on the effectiveness of sustainability training vary between cities. In Singapore, 19% of junior employees believe that courses and certifications significantly enhanced their contribution to workplace sustainability, with similar numbers in New York (17.5%) and London (15.9%). In contrast, only 1.6% of junior employees in Tokyo feel the same way. Professor Ono says workplace cultures may explain these variations. “In Japan, sustainability hasn’t been close enough to prevailing business models long enough for people to build the relevant skillsets,” she explains. “Unlike in Western companies, where you’re encouraged to specialise, Japanese companies traditionally have job rotation and shape their workers as generalists. As a result, few people have been working on sustainability issues for long. Some rotate into the unit with no knowledge or experience in the field, although they may know more traditional business areas well.” While Japanese respondents acknowledge that sustainability is extensively promoted in their workplaces, many feel they contribute little to sustainability through training.

The gap between sustainability culture and individual impact is particularly stark when comparing New York and Tokyo. Nearly twice as many respondents in New York (24.6%) as

in Tokyo (12.7%) believe that their greatest contribution is towards fostering a culture of sustainability. Strict hierarchies in Japanese firms could limit junior employees’ sense of agency, leaving them feeling less able to influence their company’s sustainability mission.

Senior employees appear to take ESG more seriously than their juniors

A notable 41.3% of senior executives consider an organisation’s ESG reputation when applying for a role, compared with just 24.4% of their junior colleagues. When it comes to personal sacrifices for sustainability, the divide is even starker. Of senior employees, 43.2% report they would take a pay cut to work for a sustainability-focused employer, a sentiment shared by only 17.8% of juniors.

This challenges the common belief that young people care more about sustainability than older generations. Economic pressures may explain the discrepancy. “The cost of living is affecting everyone, particularly in Europe and the UK, where the economy has remained largely stagnant. It’s not surprising that younger people are now trying to focus on getting into the workforce and working for a sustainable company may not be priority

number one,” says Sandhya Sabapathy, UN CSW delegate and founder and chief executive, Kaleidoscope, London. The same is true in Tokyo, says Professor Ono. “Salaries in Japan, even in Tokyo and even at major companies, are comparatively low compared to peer cities globally. While sustainability is important for young people here, it’s understandable that they may not want to take a pay cut when they’re already not making much,” she argues.

Globally, the plight of young workers reinforces this narrative. According to the International Labour Organisation, most young people lack regular, secure employment, and insufficient growth in decent jobs is leading to anxiety and instability among young workers.¹⁰ “This speaks to the hierarchy of needs,” says Ms Platau-Wagner. “What it really tells me is that there isn’t a lot of job security out there. People are putting their own financial security over other aspects that may be relevant to them.”

The gap between junior and senior employees suggests that sustainability becomes a greater priority as workers establish themselves financially. “For corporate sustainability to exist in the

first place, you have to have senior executives championing it, so I’m not surprised that you found that more executives are willing to take a pay cut,” says Ms Sabapathy, “A good organisation should be able to tie their corporate sustainability goals to their business goals, so it’s almost a no-brainer for an executive to be willing to take a pay cut to work for a company committed to sustainability.”

Even so, Ms Sabapathy argues that young people would prioritise sustainability if they could. “I think if they did have a choice, I can guarantee that they would always pick an organisation that’s more sustainable, more diverse, and that values corporate citizenship.”

For the time being, the reality is sobering. Only 7.3% of our survey respondents reported that their organisations integrate sustainability goals into performance evaluations, a missed opportunity to embed sustainable practices into workplace culture. Furthermore, just 21% of senior executives identified investment in training and skills, such as sustainability workshops, as an effective way to contribute to workplace sustainability in their roles. This gap could undermine long-term goals, particularly as both senior (80%) and junior (81%) employees overwhelmingly agree that educating and training staff in sustainable practices is a top priority for achieving organisational sustainability by 2030 (Figure 2). While senior executives may not yet prioritise investment in training, the data suggests they are likely to do so in the near future. However, looking further ahead, only 9.2% of executives and 11.1% of junior employees see training as a priority for 2040. “The assumption is that by 2040, we will have enough information and enough policies in place to meet sustainability goals,” says a Sydney-based early-career HR adviser. “However, in my opinion, it’s hard to envision what sustainability needs will be in 2040, so it will be a consistent learning process as things evolve.”

The findings highlight the urgency of the next decade, with 2030 looming large as a milestone in global sustainability. The Paris Agreement, signed by 196 countries, established 2030 as the target year for significantly reducing greenhouse-gas

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emissions to limit global warming to 1.5°C above pre-industrial levels. The years leading up to 2030 will be critical for embedding sustainability into corporate DNA.


The “S” in ESG

The “social” pillar of ESG—encompassing human rights, working conditions, well-being and diversity, equity and inclusion (DE&I)—divides the views of junior and senior employees in our survey. While this aspect is critical to an organisation’s broader social impact, the gaps in perception and participation suggest a chasm that may act as a brake on progress in this area.

“Social impact depends on how organisations engage with communities. While some industries align naturally with the ‘S’ in ESG, others excel in ‘E’ and ‘G’ but struggle with the broad, industry-specific nature of social metrics, often shaped by executive priorities. Standardising these practices is essential,” says Ms Sabapathy.

Systemic discrimination and the risk of modern slavery within global supply chains rank among the most pressing challenges under this pillar, according to the survey. Yet junior employees often find themselves excluded from the decision-making processes shaping corporate responses to these important issues. “Social impact can include charitable giving or volunteering programmes managed centrally by the company but has to be driven by a purpose-driven culture, reliant on employee engagement,” explains Ms Sabapathy. “Corporate foundations, another aspect of social impact, typically involve only senior executives on their boards, leading to a siloed decision-making process.” This exclusion creates a perception gap. For instance, 15.2% of junior employees express concerns about achieving sustainability in social domains—such as inclusion or health and safety—compared with just 7% of senior executives.

Confidence in human-rights safeguards in supply chains also differs. While 45.4% of senior



“The junior employees are part of the workforce who deal with the governance and experience the realities on the ground, unlike upper management.”

An early-career HR adviser, Sydney

executives express confidence, only 35.6% of junior employees feel similarly assured. This disparity is further highlighted by the fact that 56.5% of junior employees advocate for stricter policies against harassment and discrimination, compared to 51.7% of senior executives who feel the same urgency. “The junior employees are part of the workforce who deal with the governance and experience the realities on the ground, unlike upper management,” says a Sydney-based early-career HR adviser, explaining the lower confidence levels among junior staff. When it comes to leadership representation, the generational divide grows starker. Baby boomers are the only ones largely satisfied (62.7%) with efforts to promote demographic representation in leadership, while younger employees see room for far more proactive measures.

Younger workers’ higher expectations reflect a generational shift in defining human-rights governance. This idealism contrasts with the cautious optimism of senior leaders who may not be grappling with ground-level realities.

Chapter 2: Rethinking operations

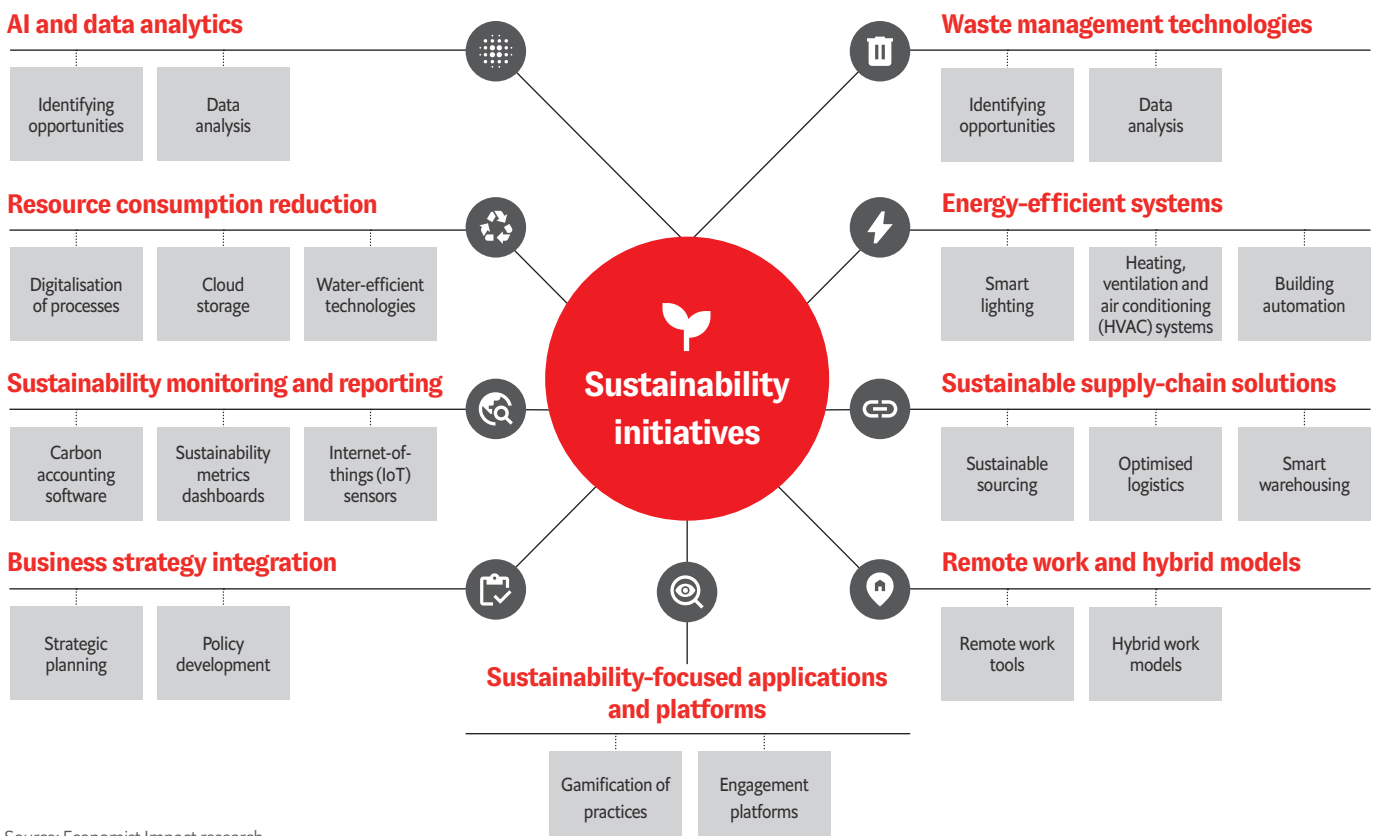
Operations for a sustainable workforce

Organisations pursue sustainability in diverse ways, reflecting the variety of their business models, products and processes. Yet it is in the realm of daily operations that employees most directly observe their company’s sustainability efforts—or lack thereof. From renewable-energy adoption to sustainable procurement policies

and circular-economy programmes, operational practices are where corporate ideals meet tangible action (see Figure 4).

Most respondents to our survey believe that their organisations prioritise sustainability initiatives tied to operations. The frontrunners in this arena are

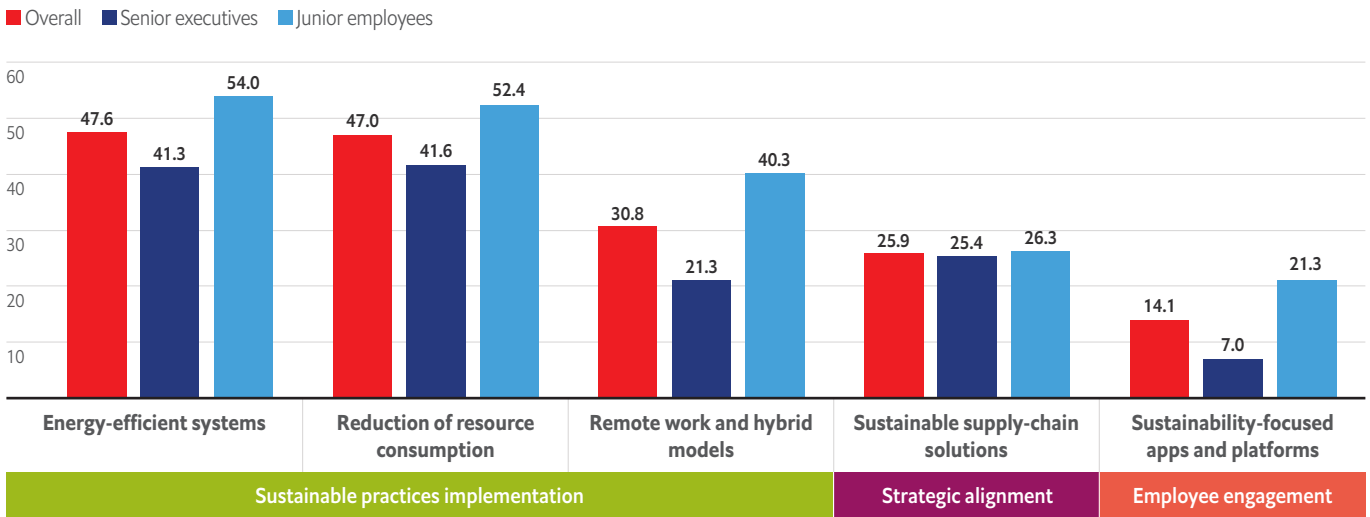
Figure 4: Factors influencing workplace sustainability



Source: Economist Impact research

Figure 5: Initiatives implemented to improve workplace sustainability

% respondents, N= 630



Source: Economist Impact survey on workplace sustainability 2024

energy-efficient systems—such as smart lighting, automation systems, or heating, ventilation and air conditioning (HVAC) upgrades—implemented by 47.6% of organisations. Close behind, at 47%, are measures to reduce resource consumption, such as cloud storage and the digitalisation of paper-based processes. This was true across industries, underscoring the broad recognition of the importance of resource conservation. Energy-efficient systems are particularly important. Globally, the buildings sector accounts for 30% of the final energy demand, making green building practices a cornerstone of operational sustainability.¹¹

The third-most popular initiative—embracing remote work and hybrid working models—further underscores the interplay between operations and sustainability. Remote work can reduce an individual’s carbon emissions by more than half when accompanied by sustainable choices at home, including turning off unnecessary appliances and avoiding commutes powered by fossil fuels.¹²

Certain industries stand out for their commitment to specific operational dimensions. Traditionally, paper-based industries exhibit the highest levels of engagement in reducing resource consumption. Leaders in this area include government and public administration (55.8%), legal services (51.9%) and financial services (50.9%). The prevalence of

digitalisation initiatives in these sectors suggests that not only is awareness high, but solutions are readily implementable.¹³ Service industries, such as legal services (50%), educational services (48.1%) and financial services (47.3%), focus more on providing remote or hybrid working models than other operational initiatives. Unlike manufacturing or retail, these industries are not anchored to physical sites, allowing flexibility to adopt home-based work arrangements. Even modest shifts—such as working from home one day a week—can yield significant environmental benefits. In one scenario, such a move could prevent 24m tonnes of annual carbon-dioxide emissions globally.¹⁴

Top-down sustainability

Operational sustainability often resembles a mandate from above rather than a grassroots movement. Junior employees are notably hesitant to initiate sustainable practices in their daily operations (14%) or advocate for sustainable business practices to senior management (15.2%). By contrast, senior executives focus their efforts on operational contributions, with 42.5% driving initiatives such as food waste reduction, renewable-energy integration, sustainable office spaces and recycling programmes. That reflects the legacy workplace hierarchy that still

“Most workplace initiatives have long been driven from the top down. But I do see this beginning to change as a greater focus on authentic leadership development, working in parallel to generational transition, starts to show visible effects.”

Jody Ono, adjunct professor, Hitotsubashi University Business School, School of International Corporate Strategy, Tokyo

characterises workplace interactions, and that includes sustainability awareness and action, notes Professor Ono. “Most workplace initiatives have long been driven from the top down. But I do see this beginning to change as a greater focus on authentic leadership development, working in parallel to generational transition, starts to show visible effects,” she says. Ms Sabapathy agrees. “On the environmental side, a lot of the actual emissions-reduction efforts rely on executive-level decisions, such as asset management and net-zero targets—whereas initiatives like energy savings and recycling are more employee-led, but that can take a couple of years to filter down,” she says.

With junior employees less likely to adopt sustainable practices independently, organisations are deploying incentives to bridge the gap. Among the most effective tools are providing environmentally friendly commuting options (52.9%), learning and development opportunities on sustainability (48.4%), rewards (36.2%) and support for employee-led sustainability groups (36.2%). Volunteering opportunities are another powerful mechanism for engaging employees in sustainability, notes Ms Platau-Wagner.

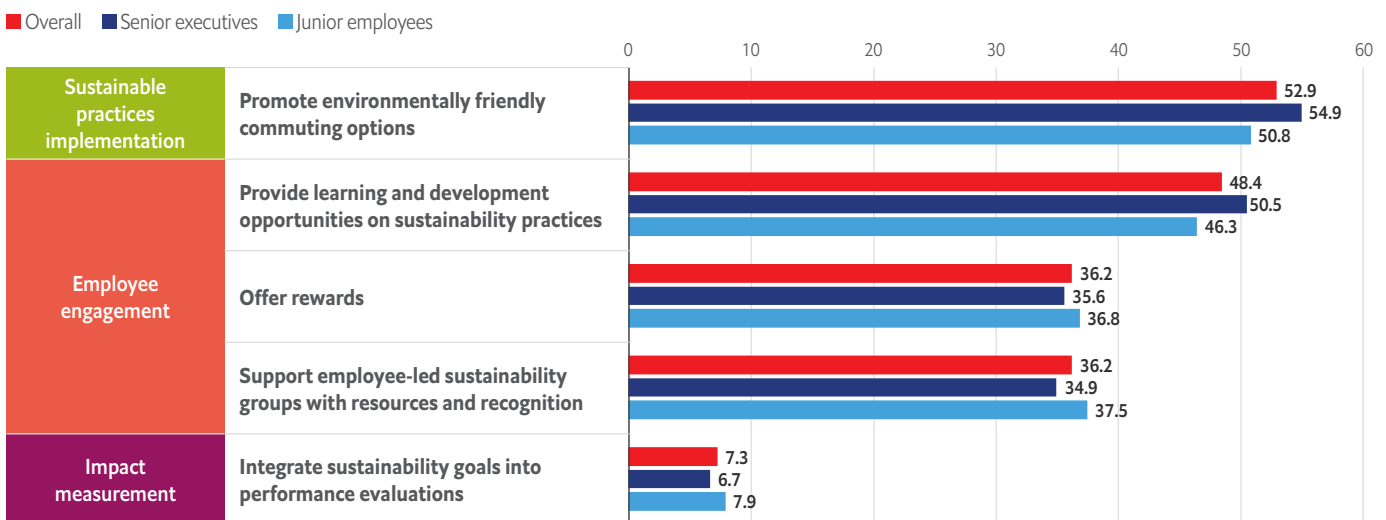
Green commuting or hybrid working?

Junior employees are nearly twice as optimistic as their senior counterparts about the potential of hybrid work to drive meaningful change. While 40.3% of junior staff see hybrid working as a tool for enhancing workplace sustainability, only 21.3% of senior executives share this view.

Most employees say that their organisation promotes environmentally friendly commuting options, suggesting broad recognition of the environmental harms of car travel. Yet hybrid work, which could dramatically reduce the need for daily commutes, appears undervalued by senior leaders.

Figure 6: How organisations incentivise sustainability in the workplace

% respondents, N = 630



Source: Economist Impact survey on workplace sustainability 2024

“Technology is an important piece of the puzzle, but at the moment, there are serious limitations in what’s available in technology solutions, and we’re in the very early stages.”

Jana Platau-Wagner, head of CSRD policies and engagement, Zurich Insurance, Dublin

“Priorities regarding flexible working are very different for senior and junior staff. Senior executives would probably want to see their teams in person and feel that face-to-face interactions are really valuable for engagement and building culture. For junior employees who are not managing anybody, the benefits of coming to the office are less clear—it’s just attending meetings in person, which could easily be conducted virtually. But there is a desire to learn and improve on both ends,” says a Sydney-based early-career HR adviser, offering insight into the perspective of younger professionals.

Technology emerges as a linchpin for operational sustainability. The adoption and innovation of tools enabling effective hybrid work rank among the top five sustainability initiatives identified by respondents, alongside investor relations, employee well-being and organisational productivity. “Technology is an important piece of the puzzle, but

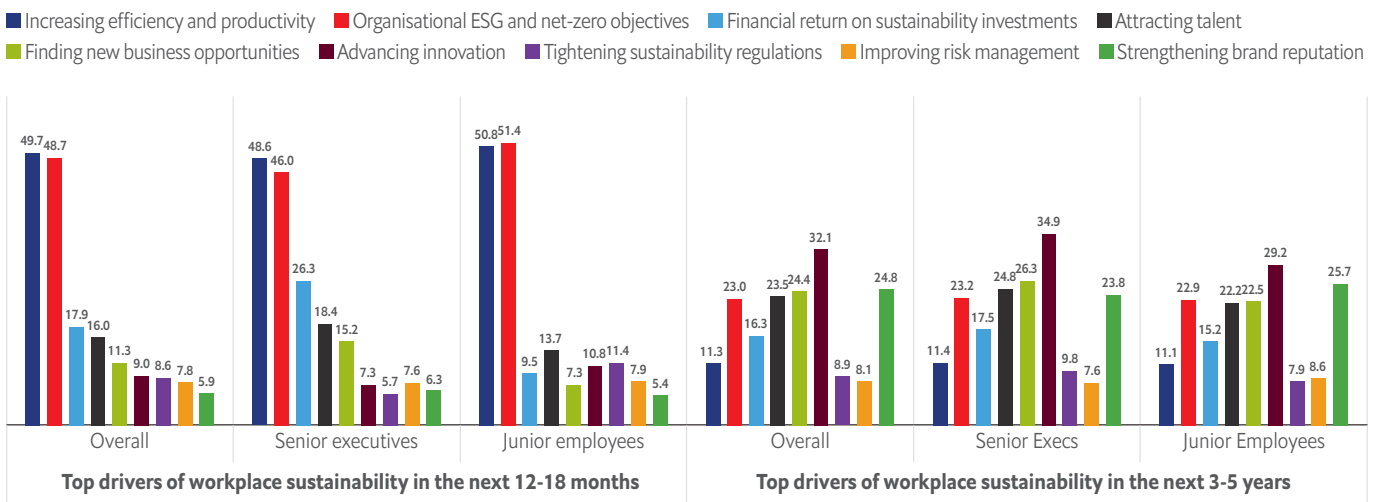
at the moment, there are serious limitations in what’s available in technology solutions, and we’re in the very early stages,” notes Ms Platau-Wagner.

The importance of innovation is only set to grow. Among senior executives, the number prioritising sustainability-driven innovation leaps from 7.3% today to 34.8% over the next three to five years. For juniors, the rise is similarly striking, from 10.8% to 29.2%. This shift reflects a growing recognition that technological and process innovation will be essential for achieving long-term sustainability goals. This recognition is particularly prevalent in educational services (48.1%) and aerospace and defence (45.3%), where the integration of new technologies is becoming central to sustainability strategies.

Efficiency and productivity are also front and centre in the sustainability playbook. Nearly half (49.7%) of respondents see these as primary avenues for promoting sustainability in the next 12-18 months. Both junior employees (50.8%) and senior executives (48.6%) identify efficiency gains as a key driver of sustainability, along with cost savings and operational improvements. So, while senior leaders and junior employees differ in their immediate priorities—whether hybrid work or green commuting—they converge on the need for innovation and efficiency.

Figure 7: Employee perspectives on short-term and long-term drivers of workplace sustainability

% respondents, N = 630



Source: Economist Impact survey on workplace sustainability 2024

Chapter 3:

Reinforcing performance accountability

Sustainability reporting for business objectives

For decades, sustainability and profitability were cast as antagonists, with the high costs of green initiatives seemingly at odds with shareholder returns. Yet this narrative is shifting. Verifiable sustainability measures are no longer optional extras or a marketing ploy, but are an essential part of doing business and integral to corporate financial disclosures.

“Sustainability’s move from a marketing strategy to an element of financial reporting reflects an appropriate level of seriousness for the issue, because when there are audit requirements around sustainability reporting, you need to actually have a plan and evidence of how you’re meeting your commitments,” says Ms Platau-Wagner. There is evidence that sustainability attracts new customers and reduces business costs over time. But achieving these benefits demands a long-term commitment to embedding sustainability into the core of business performance.¹⁵

“In the current environment, junior staff often focus primarily on immediate financial needs like paying rent and bills, but they expect to evolve professionally to reach a point where their employer’s brand reputation becomes a personal reflection of their values.”

An early-career HR adviser, Sydney

The stakes are high, not least because customers are increasingly attuned to the gaps between companies’ sustainability promises and their actions. Greenwashing—exaggerating sustainability claims—has been found to cause drops in customer satisfaction.¹⁶ Overstating eco-credentials also poses a regulatory and legal risk in the United Kingdom, the European Union, Japan and other regions.^{17,18,19} In the United States, firms have paid regulators up to \$19m to settle allegations of greenwashing.²⁰

Commercial trade-offs: the executive dilemma

Senior executives are keenly aware of the trade-offs involved in sustainability efforts. Some 27.3% cite these trade-offs as significant barriers, a concern that resonates far less with junior employees (4.1%), who are yet to grapple with such decisions. “Senior leadership is typically responsible for tangible business outcomes,” says a Sydney-based early-career HR adviser. “Junior employees’ work isn’t as directly tied to immediate commercial success. When you’re a junior employee, you’re not thinking: ‘If I send this email today, the company will make an extra billion dollars tomorrow.’” This disconnect extends to the perceived drivers of sustainability. While 26.3% of senior executives view financial returns as a key short-term driver for sustainability, only 9.5% of junior employees agree.

Brand reputation is considered a minor driver of sustainability initiatives in the short term,

but gains importance over time, especially among junior employees. Their prioritisation of brand perception grows from 5.4% to 25.7% over the next three to five years, reflecting the rising significance of sustainability in consumer consciousness and a generational shift in workplace values. The significant gain among junior employees also suggests that they see their own priorities changing over time. “In the current environment, junior staff often focus primarily on immediate financial needs like paying rent and bills, but they expect to evolve professionally to reach a point where their employer’s brand reputation becomes a personal reflection of their values,” says a Sydney-based early-career HR adviser, highlighting the evolving priorities of younger professionals.

Barriers and disconnects in sustainability planning

Survey results point to a stark contradiction: while 85.6% of respondents believe management is more engaged than general staff in developing sustainability roadmaps, senior executives themselves cite unclear strategies as a major hurdle. Regulatory uncertainty and unclear key performance indicators (KPIs) further complicate sustainability efforts at the top, while junior

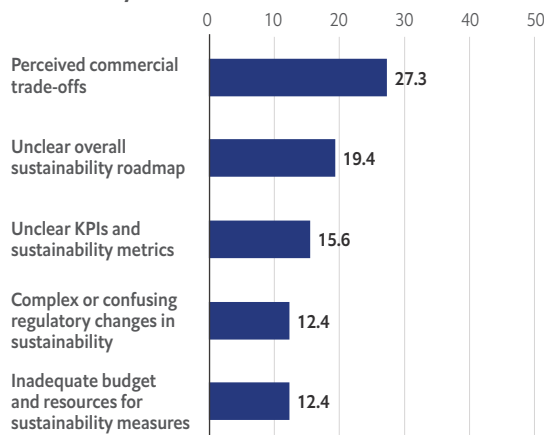
employees point to inadequate leadership engagement as their primary barrier (47%). This misalignment may stem from junior employees’ limited visibility into strategic planning. They are largely disconnected from high-level discussions about sustainability metrics, assuming that such decisions rest with their managers or senior leaders. “When it comes to unclear KPIs, junior employees tend to assume that’s something that needs to be managed by somebody else—their direct manager or the senior leadership will tell them what needs to be done,” says a Sydney-based early-career HR adviser, explaining the mindset of those starting their careers.

The “black box” nature of sustainability planning exacerbates a sense of disconnect between levels of an organisation. Senior executives may struggle with barriers such as unclear KPIs and evolving regulations. Ms Platau-Wagner explains the leadership perspective: “Business leaders are now questioning whether the KPIs driving sustainability are the most relevant. If a workplace is focused on meeting employee needs, is that a sustainability initiative or just business as usual? We need to find the right KPIs and make them future-proof by assessing them through new and broader, cross-functional perspectives.” On the other hand, junior staff,

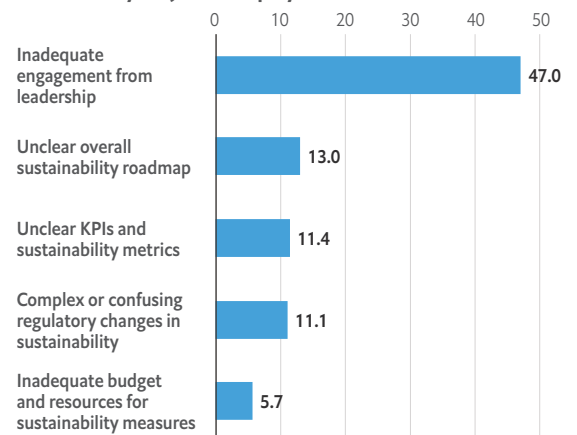
Figure 8: Top barriers to workplace sustainability identified by senior and junior employees

% respondents, N = 630

Top five barriers to workplace sustainability for senior executives



Top five barriers to workplace sustainability for junior employees



Source: Economist Impact survey on workplace sustainability 2024

“People who have a rigorous sustainability background and are also in positions to make business decisions are rare.”

Jody Ono, adjunct professor, Hitotsubashi University Business School, School of International Corporate Strategy, Tokyo

distanced from these strategic challenges, may misinterpret delays as a lack of leadership commitment.

The mismatch is further compounded by differing views on time horizons. Senior management frequently opts for long-term strategies, leaving junior employees feeling disconnected from the overall effort. Making strategic challenges more transparent across organisational levels could help align perceptions and improve collaboration on sustainability.

The gap extends to engagement with sustainability data. A striking 92.4% of respondents noted that the workforce—not management—leads efforts to collect and report sustainability data. Overall, there is a low level of engagement. Most employees interact with sustainability data on a monthly or ad hoc basis, though juniors are far more likely than their senior counterparts to engage with it regularly.

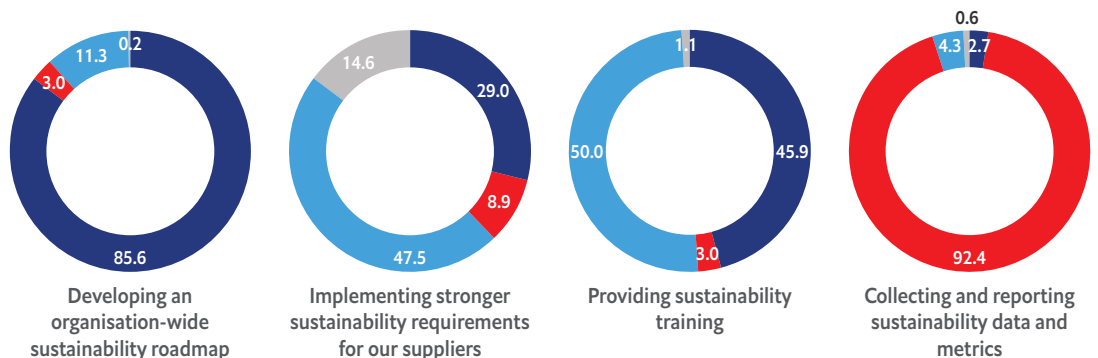
A modest 3.5% of junior employees work with sustainability data daily, and 26.7% do so weekly, compared to 0% and 7.9%, respectively, for senior employees.

This discrepancy highlights an organisational bottleneck. “People who have a rigorous sustainability background and are also in positions to make business decisions are rare,” says Professor Ono. “Right now, much of the work on ‘sustainability’ within larger organisations is done by more junior employees collecting and reporting data (there is a lot of filling out Excel sheets) for disclosure purposes. These are not the people who are able to make actionable recommendations about how the business model and operations could or should be affected. Still, at least in my own work with companies, I do see genuine concern and willingness to make a difference. Critical mass to make change is accumulating, but each organisation must decide for itself what it can credibly do.” Junior employees, steeped in sustainability data, are well-placed to glean insights and identify trends. However, without improved communication channels, their contributions risk remaining siloed. Greater collaboration across levels can help align perceptions and ensure that the insights generated at the operational level inform strategic decisions.

Figure 9: Engagement between senior and junior employees in workplace sustainability areas

% respondents, N = 630

■ Management is more committed and engaged than the workforce ■ The workforce is more committed and engaged than management
 ■ Both management and the workforce are equally engaged ■ Neither the workforce nor management are committed to this



Source: Economist Impact survey on workplace sustainability 2024

Conclusion

Calls to action for organisations

This survey reveals a workplace divided on sustainability, with junior employees often feeling disconnected from strategic decisions while senior executives grapple with the complexities of long-term planning. These differences reflect the nascent state of corporate sustainability, shaped by shifting regulatory landscapes and evolving performance metrics. However, they also highlight a critical opportunity for organisations to align their employees' perceptions of workplace sustainability and redefine it as a shared endeavour.

While perceptions of sustainability's role in business performance differ, the field is

recalibrating. "I think we're at the beginning of a new era of competitive sustainability, and negotiations are still ongoing regarding the progress we can make and the trade-offs for returns, especially as regulation is still evolving," says Ms Platau-Wagner. "The decisions that will be made over the next two years will be very significant for the future direction of work in this space." Regulatory uncertainty adds complexity to decision-making, but the solution lies in improving communication across organisational hierarchies to build consensus on what sustainable business performance means in practice.



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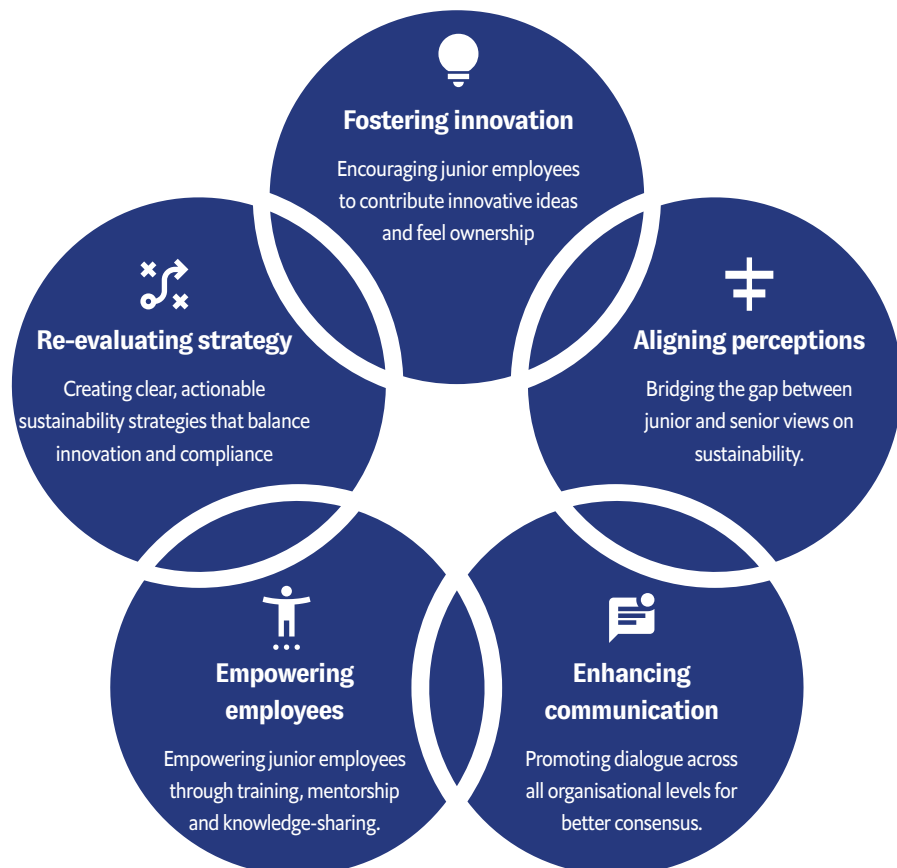
Jana Platau-Wagner, head of CSRD policies and engagement, Zurich Insurance, Dublin

The path forward requires breaking the barriers of a top-down approach and fostering genuine collaboration across organisational levels. Junior employees, often tasked with data collection and operational tasks, must be empowered to see how their contributions influence strategic decision-making. Senior leaders, for their part, must prioritise transparency, ensuring that strategic roadmaps are not only communicated effectively but also resonate with all employees. “My advice to younger people would be to seek out the people at your organisation who are actually working on these goals and ask how you can get involved—no corporate sustainability professional is going to say, no, you can’t be a part of this,” says Ms Sabapathy. “They are small teams that work with a lot of suppliers and are more than happy to have people involved.”

Inclusive, collaboratively designed training sessions can play a key role in aligning senior and junior staff, enabling employees to contribute

ideas and better understand the organisation’s sustainability goals. Mentorship and volunteering programmes can facilitate intergenerational dialogue, enabling junior employees to learn from seasoned executives while offering fresh perspectives that challenge entrenched thinking. Similarly, firms should embrace digital platforms to enhance knowledge-sharing, breaking down silos and ensuring real-time access to data and insights across the organisation. The task ahead is not to simply delegate sustainability as a leadership responsibility or a technical exercise—it is to embed it into the organisation’s DNA.

Adopting a more inclusive, bottom-up approach to sustainability can unlock the full potential of an organisation’s workforce. The future of work in this space aligns perspectives, boosts engagement and drives innovation, enabling firms to craft more meaningful and comprehensive sustainability strategies.

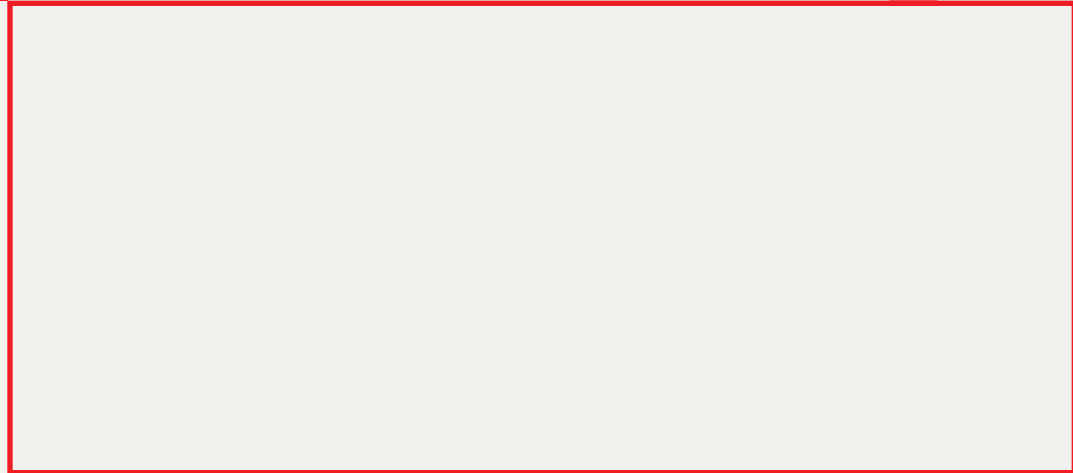


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