



# INTEGRATING ENERGY EFFICIENCY INTO CORE BUSINESS PRACTICES –

## AN INSTITUTIONAL WORK PERSPECTIVE ON THE IMPLEMENTATION OF ENERGY MANAGEMENT SYSTEMS

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ECEEE Summer Study Presentation

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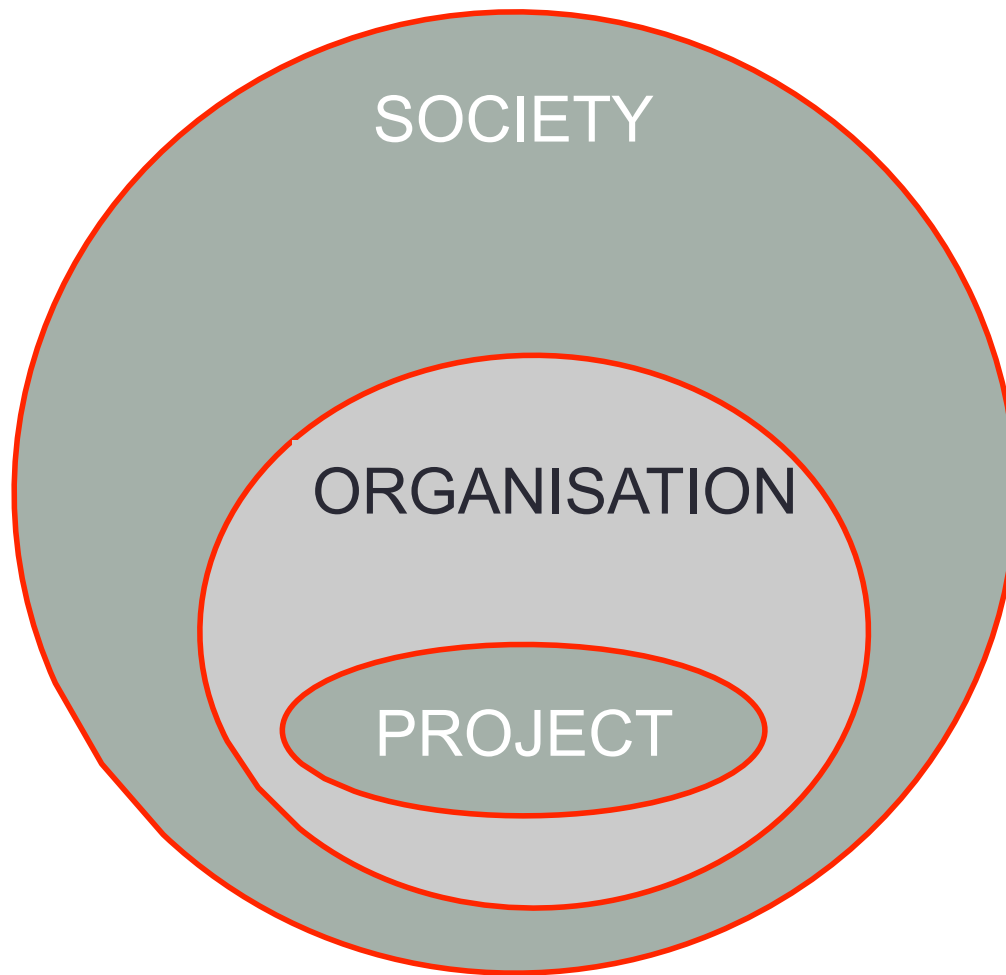
# Outline

- A bit of theory
- My approach to the research
- Actions practitioners are taking to integrate energy efficiency into their core business practices
- Considerations for practitioners, policy makers and educators
- Practice areas that warrant further attention

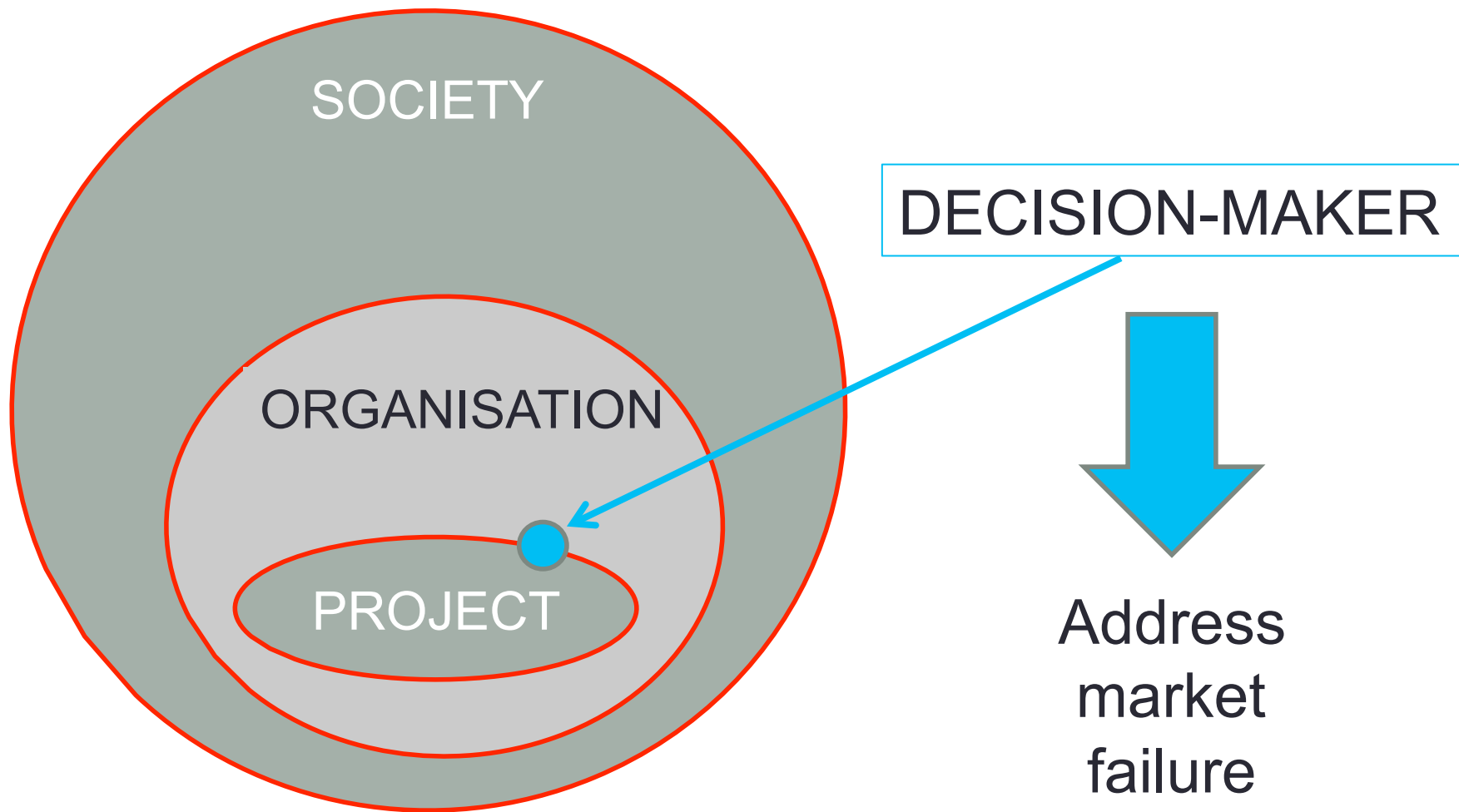


A bit of theory ...

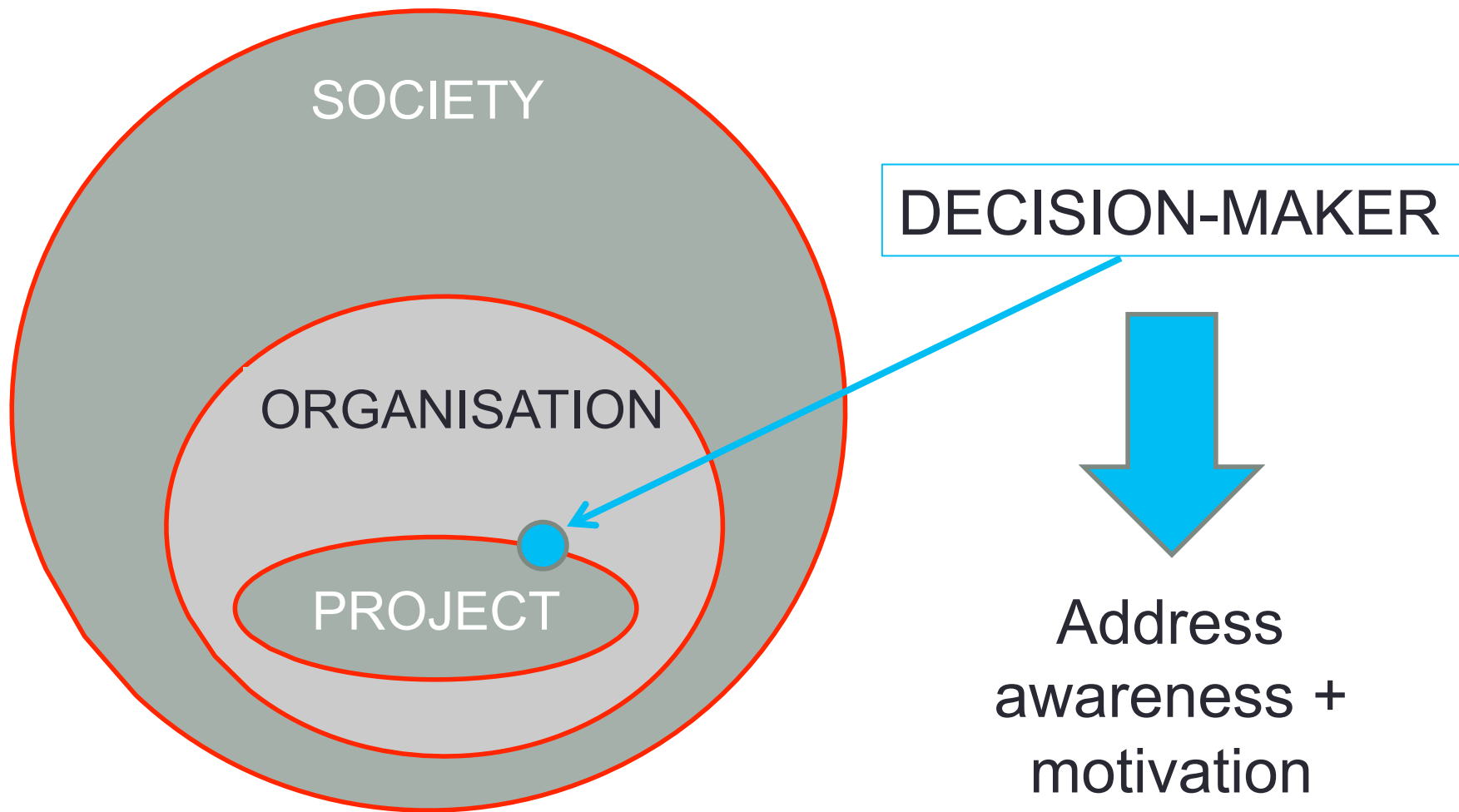
# Adopting a multilevel view ... 3 levels of change



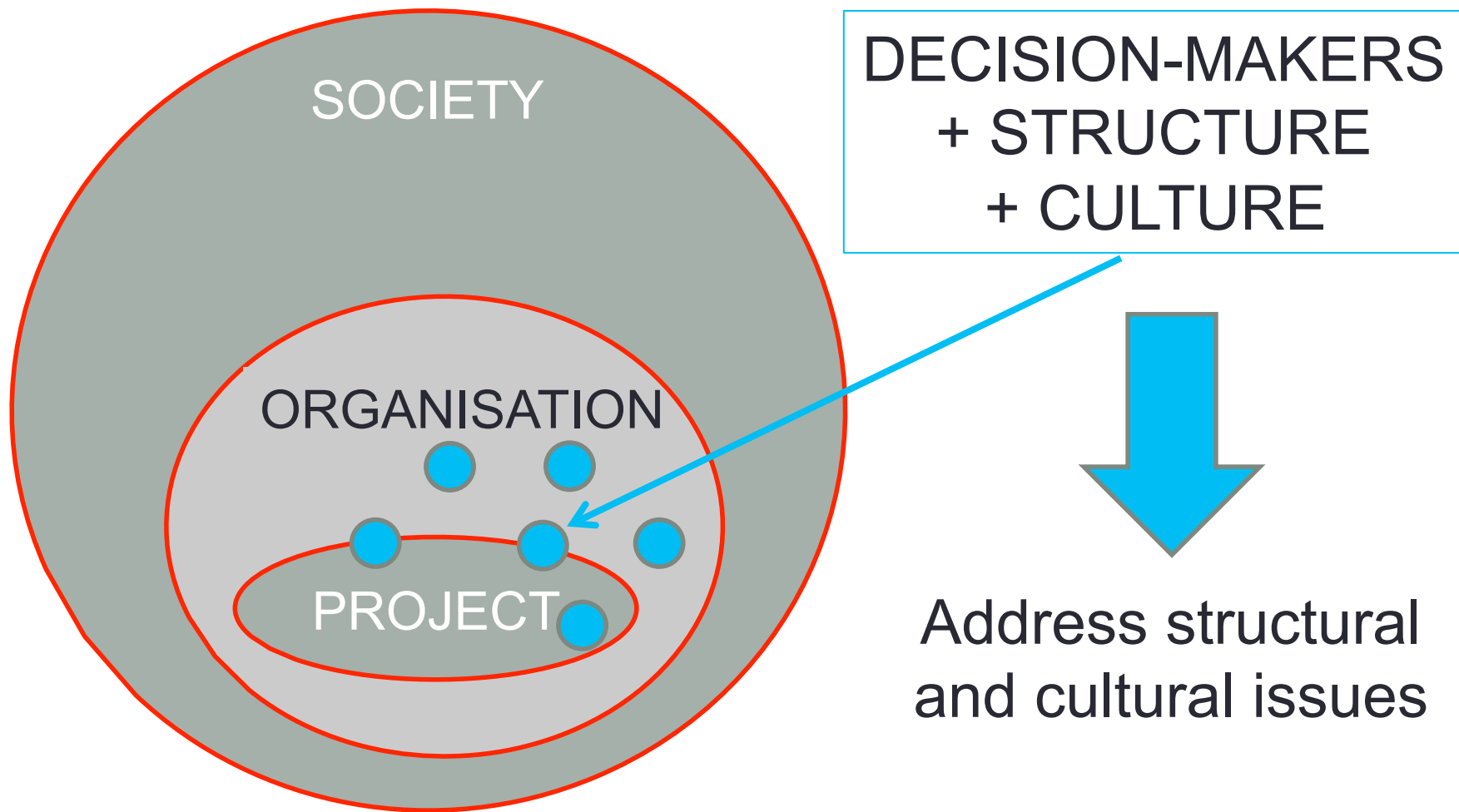
# Conventional economic perspective



# Behavioural perspective



# Organisational perspective



I FOUND A WAY TO  
SAVE A MILLION  
DOLLARS BY SPENDING  
ONLY \$10,000.



www.dilbert.com © 2006 Scott Adams, Inc. / Dist. by UFS, Inc.

THE \$10,000 WOULD  
COME OUT OF MY  
BUDGET BUT THE  
SAVINGS WOULD GO  
INTO SOMEONE ELSE'S  
BUDGET. IT'S NOT  
FEASIBLE.



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OUR  
STOCK--  
HOLDERS  
MIGHT  
DISAGREE.



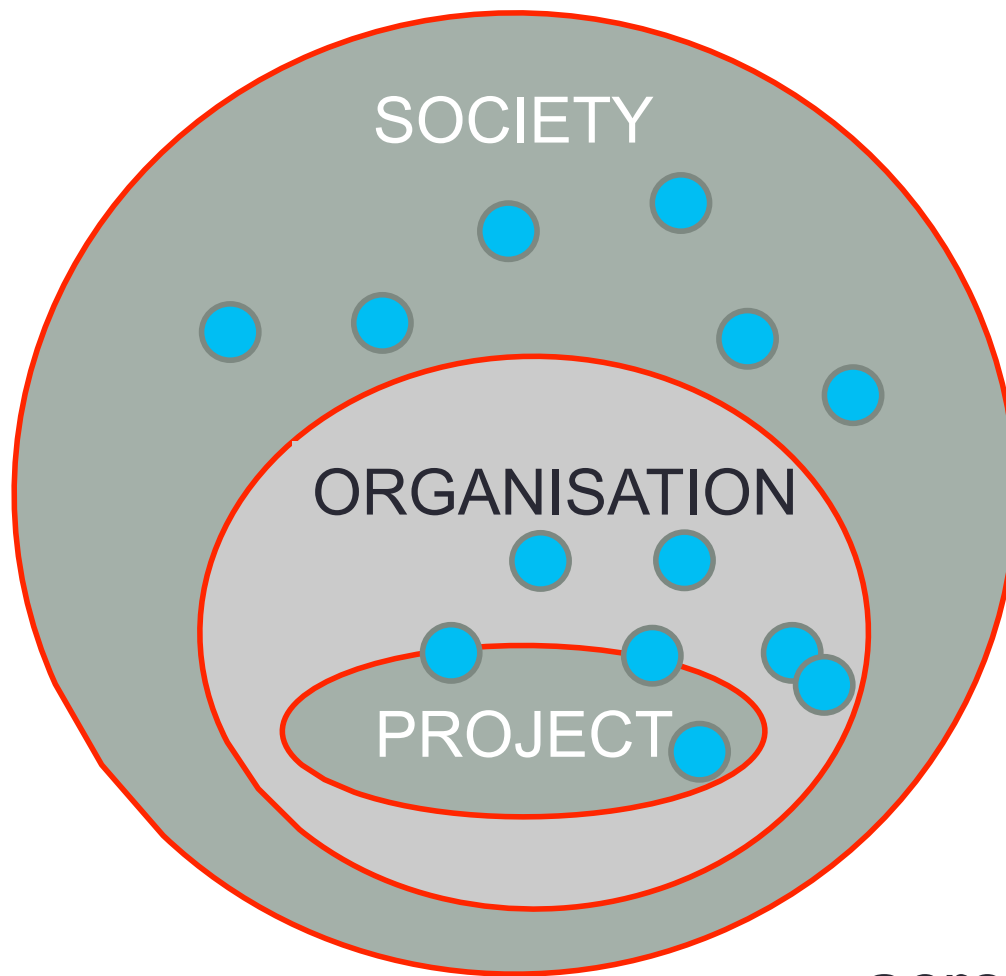
THAT'S WHY  
THEY AREN'T  
INVITED TO  
MEETINGS.



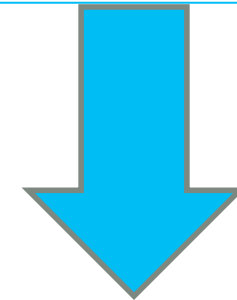
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# Sociological perspective



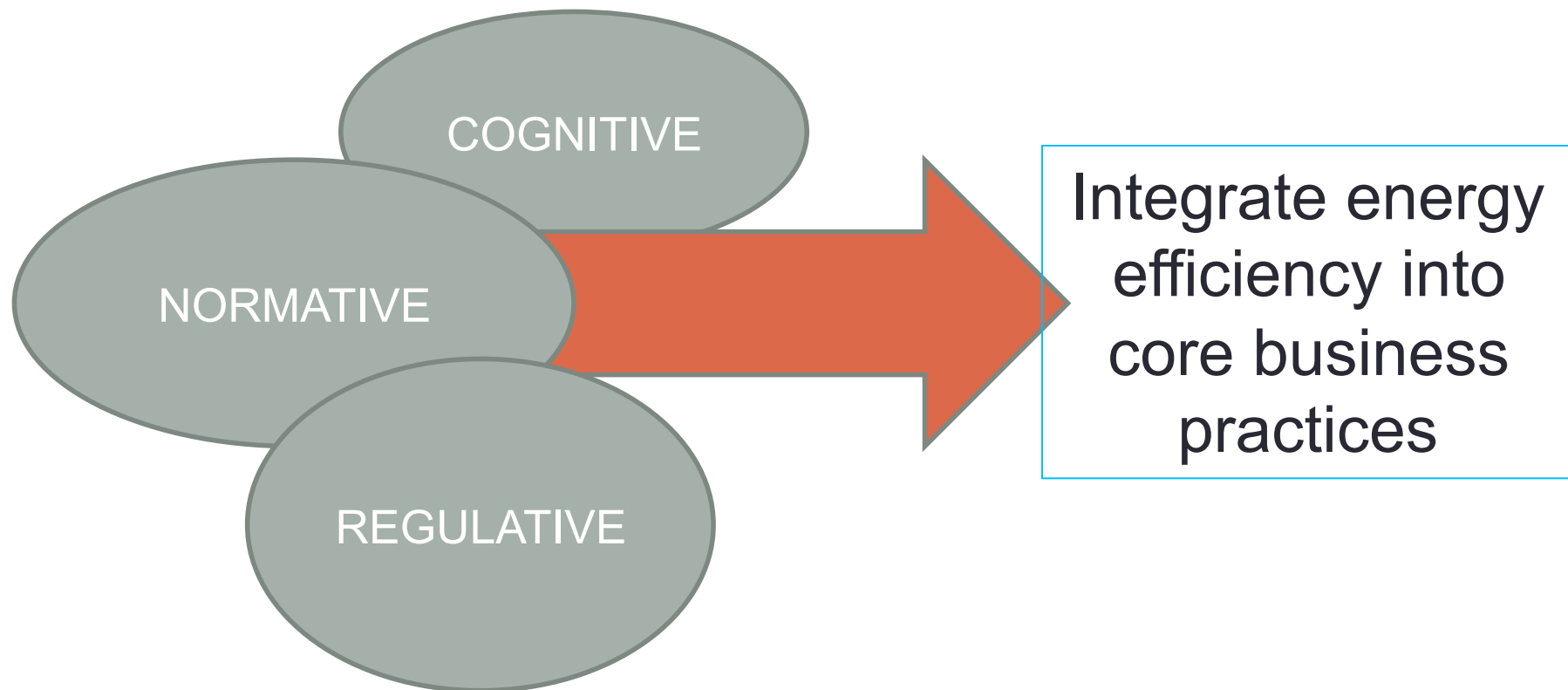
DECISION-MAKERS  
+ STRUCTURE  
+ CULTURE  
Within AND outside  
the firm



Leverage the  
interconnections  
across people & technology

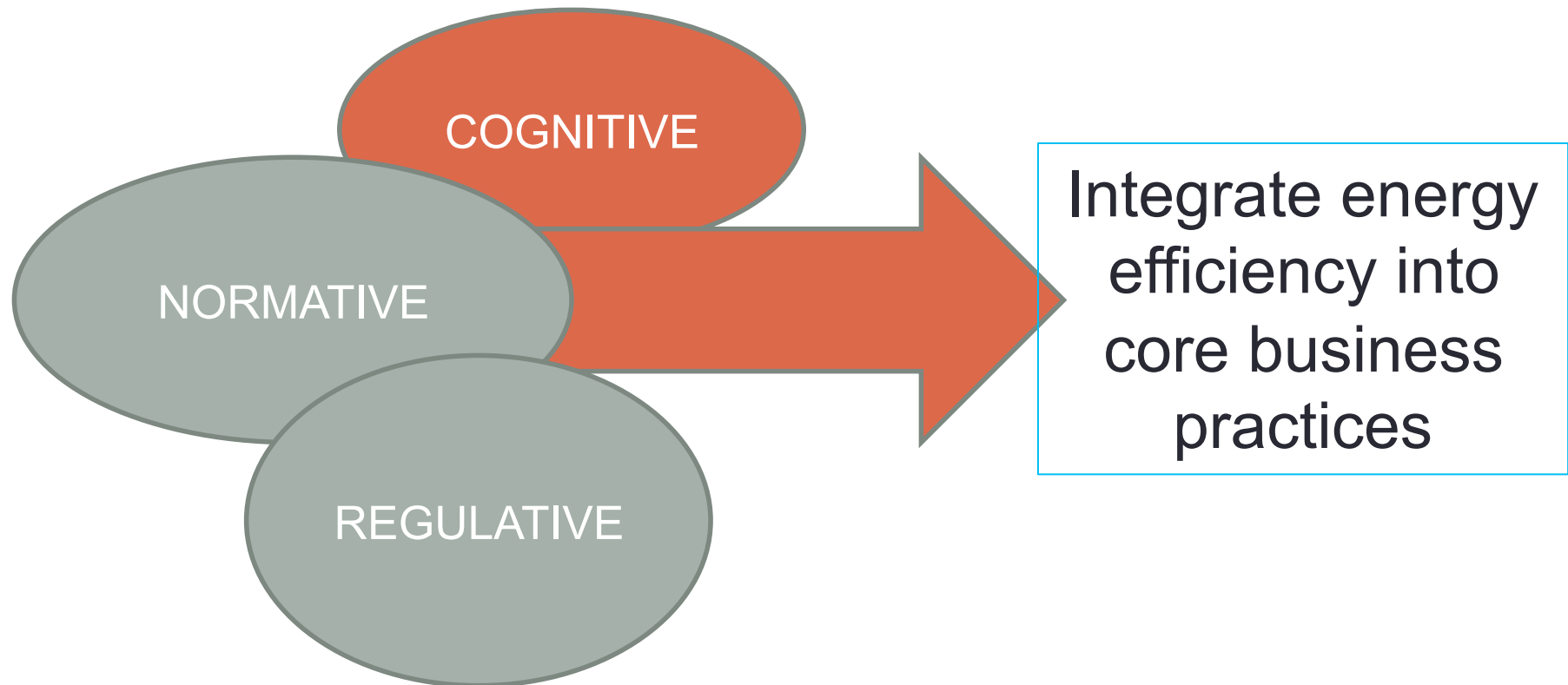
# Institutional theory as an analytical framework

Three mechanisms for change



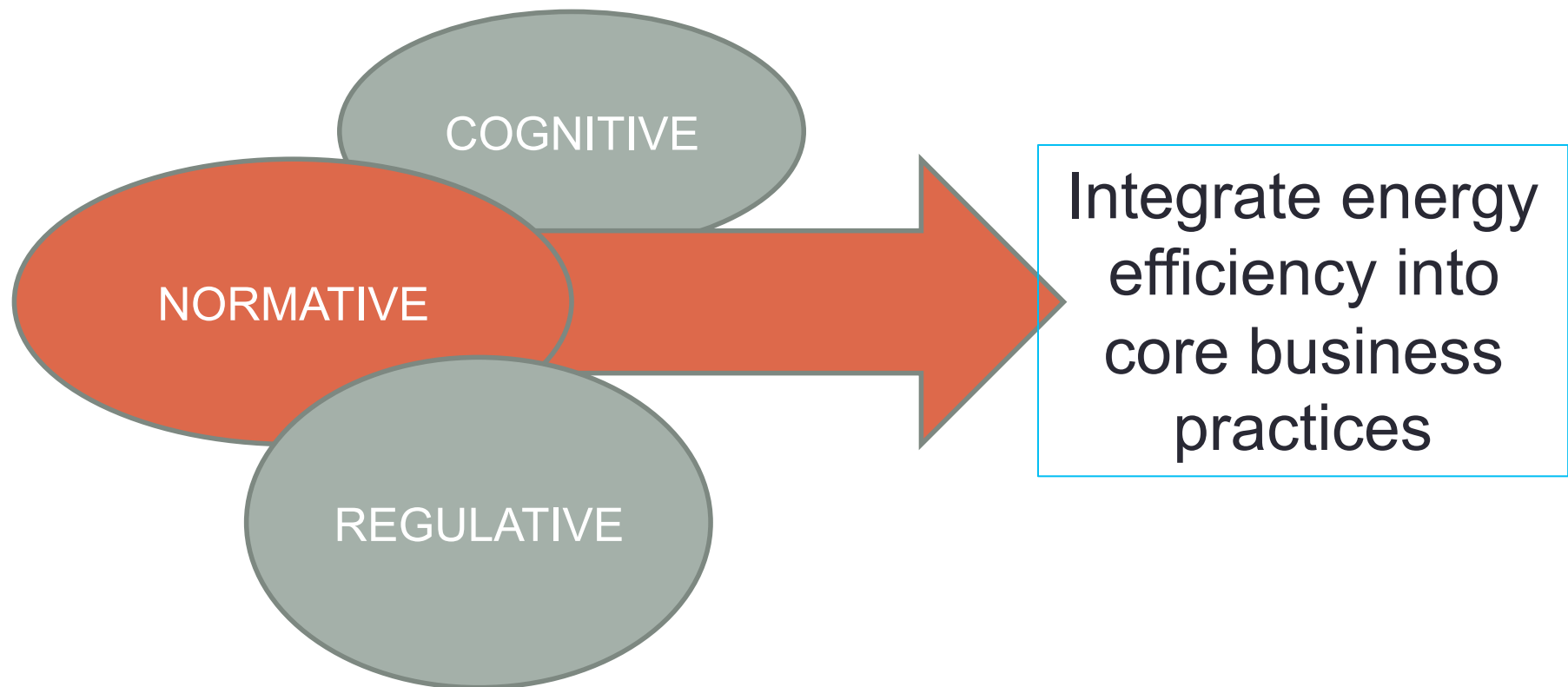
# Cognitive

How do practitioners influence underlying beliefs and assumptions about energy efficiency?



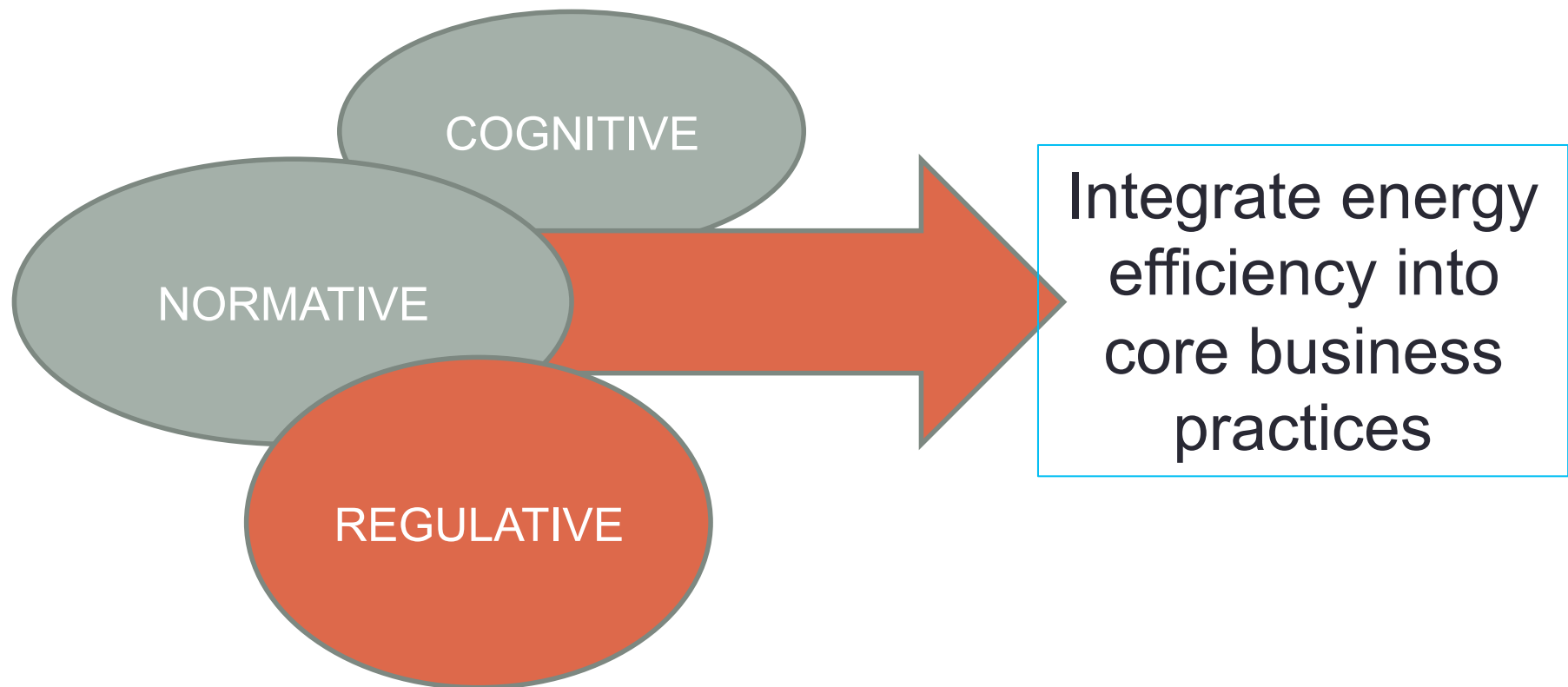
# Normative

How do practitioners develop social perceptions and networks that encourage energy efficiency improvement?



# Regulative

How do practitioners  
establish formal incentives and penalties  
associated with energy efficiency improvement?





My approach to the  
research...

# Energy Efficiency Opportunities workshops

- Annual workshop series – 10 days of workshops across 5 cities
- Attended by around 600 people
- Includes presentations from companies involved in the Australian Energy Efficiency Opportunities program

# Data and analysis

- 20 x 10-15 minutes presentations and question and answer sessions that practitioners were involved in
- Institutional theory framework to guide analysis
- NVivo qualitative analysis software to support analysis





Actions practitioners are  
taking to integrate energy  
efficiency into their core  
business practices ...

# Cognitive institutional practices

Practitioners influence underlying beliefs and assumptions about energy efficiency by:

- Improving the infrastructure that supports data collection, analysis and reporting
- Conducting regular senior management update briefings
- Incorporating co-benefits into the business case proposals for energy efficiency projects
- Integrating energy efficiency into organisational training programs.

# Normative institutional practices


Practitioners develop social perceptions and networks that encourage energy efficiency improvement by:

- Incorporating energy efficiency responsibilities into formal role descriptions
- Establishing and maintaining cross-functional energy efficiency teams
- Designing and implementing organisation-wide communication and change management strategies
- Integrating energy efficiency into written operational procedures

# Regulative institutional practices

Practitioners establish formal incentives and penalties associated with energy efficiency improvement by:

- Integrating energy efficiency criteria within performance management systems
- Establishing systems and procedures to support external reporting and other compliance requirements



Considerations for  
practitioners, policy makers  
and educators ...

# Considerations for practitioners

Analyse the social system within and outside the organisation.

Consider:

- What are we doing now?
- What works and what doesn't?
- What are others doing that we can learn from?
- Where should we focus our attention?
- Why?
- When?

# Considerations for policy makers

- How can you design-in or retrofit mechanisms that supports a collaborative learning environment across industry participants and with government?
- What types of 'peer-to-peer' learning activities might you support?

# Considerations for educators

- Develop training and education in 'change management' skills. May involve the development of new programs and/or be incorporated into existing programs
- Encourage and support training for non-engineering professions. Example: University of Technology Sydney and Ernst & Young *Leadership & Change for Energy Efficiency in Accounting & Management* project

<http://www.business.uts.edu.au/energyefficiency/>



# The Energy Efficiency Exchange



**The bottom line on energy efficiency**  
A joint initiative of Australian, State and Territory Governments

🏠 / Energy Management / The Business Case and Beyond

## The Business Case and Beyond

- Planning your business case – a summary
- Developing your business case – six strategies
- Writing your business case – a summary
- Influencing company culture, systems and processes
- Industry case studies
- Checklists & Tools

## Practice areas that warrant further attention

- Evaluating the value of:
  - constructive industry/ government relationships
  - peer-to-peer networks and learning
- Critically evaluating the effectiveness of the consultant to client relationship
- Challenging our own assumptions – it's a continuous improvement process! How can we improve our effectiveness as change agents for energy efficiency.



# Thanks!

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