

# GREENBIZ SALARY SURVEY 2010

by John Davies and the editors of GreenBiz.com

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# INTRODUCTION

Ten years ago, the formal role of the sustainability professional didn't exist. Today, the title Chief Sustainability Officer is used by the U.S. Department of Labor and there are executive recruiters who have added this to their job of finding and placing environmental and corporate responsibility executives.

During summer 2010, we surveyed 535 members of our GreenBiz Intelligence Panel to find out how much they made, where they worked, and what they did in the course of their job. Here is what we found, in a nutshell:

**Compensation is in the middle of the pack.** After reviewing several compensation databases (focused on companies with revenues greater than \$1 billion), our survey places sustainability executives in the center of the executive compensation spectrum. In broad terms, technical executives (such as those involved in engineering) are compensated at the higher end of the spectrum and those associated with less-technical roles (such as marketing) are at the lower end. Compensation for sustainability executives rests between these two areas with the focus of the role, whether more technically oriented or marketing based, likely driving the executive's compensation strategy.

**Men are in charge.** Men comprise 60% of sustainability executives in large companies and 54% in smaller firms (those with annual revenues less than \$1 billion). The disparity becomes greater for staff positions, where women dominate: 63% of sustainability staff in large companies and 79% in smaller companies. At the higher ranks, only 37% of sustainability managers, directors, and vice presidents of large companies are women. Similarly, women fill 35% of those roles in smaller companies.

**Education means success.** Sustainability executives at large companies are well educated, with 65% of VPs, 57% of directors, and 58% of managers holding a master's degree. Managers with a masters degree

earned almost 20% more than their counterparts holding only a bachelor's degree.

**Experienced.** More than 90% of vice presidents have at least 16 years of experience, making deep and broad experience a minimum requirement for those jobs. While years of experience don't appear to reflect income levels for vice presidents and directors, more experienced managers received higher levels of compensation; 70% of the managers surveyed have more than ten years of experience.

**Executives' optimism and satisfaction are high.** Job satisfaction is quite high for professionals working in sustainability, as is optimism: 80% of our survey respondents felt that sustainability will be valued by their companies over the next five years.

**Hiring freezes continue to thaw.** In our semiannual "Green and the Economy" survey, in mid 2010, large companies reported increasing headcount for environmental and sustainability roles. In early 2009, 27% reported hiring freezes and only 8% planned to increase headcount. Eighteen months later, only 11% reported hiring freezes and over 28% planned to increase headcount, a major swing. This also represents a significant increase from just six months ago, when 23% of the large firms planned to increase headcount.

# THE GREENBIZ SALARY SURVEY

## A PROFILE OF OUR RESPONDENTS

The 2010 GreenBiz Salary Survey was based primarily on a survey of the GreenBiz Intelligence Panel, consisting of executives and thought leaders in the area of corporate environmental strategy and performance. Panel members participate in brief monthly surveys, providing their expertise and perspective on corporate initiatives, laws and regulations, and scientific advances that are shaping the green agenda.

### METHODOLOGY

Data for the Salary Survey was collected from May 17 to June 7, 2010. The survey was conducted online and an email link was sent to the panel's 3,074 members inviting them to participate anonymously in the survey. We received 535 usable responses. As it was possible for the link to be forwarded to others, a precise response rate cannot be calculated. At a minimum, the survey had a 17.4%

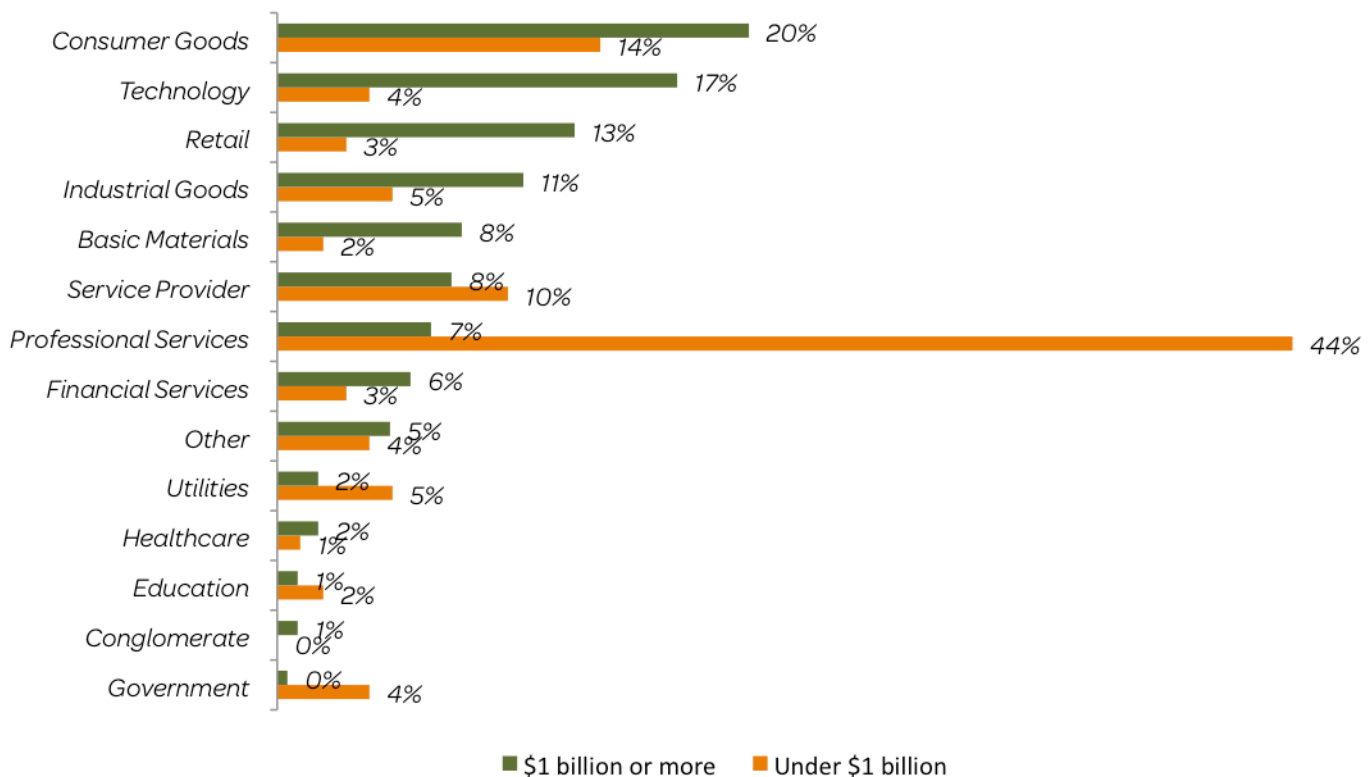
response rate. The margin of error is plus or minus 4.2% at the 95 percent confidence level.

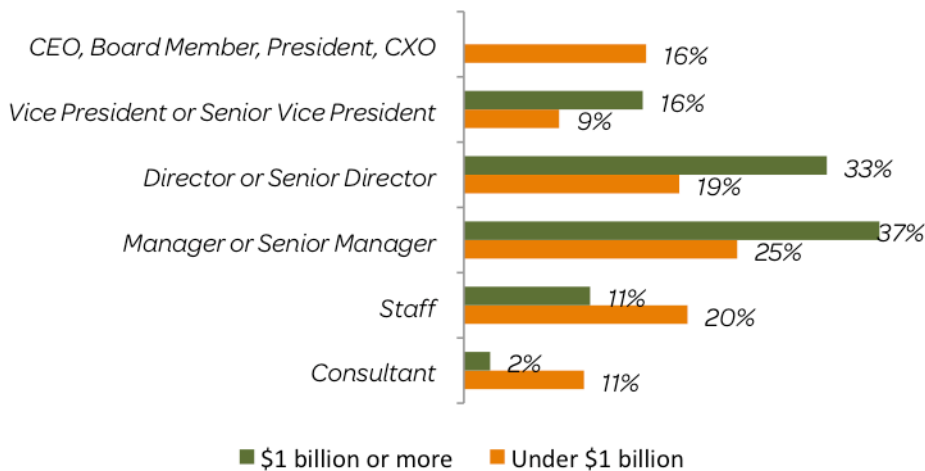
### THE GEOGRAPHY OF RESPONSES

Eighty-six percent of the survey respondents live and work in the United States. Responses came from 42 of the 50 states. Among other countries, 3.8% of the respondents hail from Canada, 2.2% from Australia, and 2% from the United Kingdom. The remaining 6% responded from 20 other countries.

### REVENUE AND INDUSTRY SECTORS

Responses from the survey have been analyzed, based upon both company size and industry sectors. Large companies, those with revenues greater than \$1 billion, represent 43% of the survey sample, whereas companies with revenues below \$1 billion account for 57% of the responses.



**Titles of Survey Respondents**

The chart on the preceding page presents an overview of the respondents by industry sector and segmented by large companies (revenues greater than \$1 billion) and small to mid-size companies. It is important to note that much of the analysis presented in this report is segmented between large and smaller firms because of the overweighting of small to mid-size professional services companies, which make up 25% of the overall sample. A description of the types of companies included in each sector is presented in Appendix A.

**WHAT'S IN A TITLE?**

The chart above provides a snapshot of the titles of the individuals responding to the survey. Eighty-six percent of the respondents from large companies are managers, directors, or vice presidents. Many are the responsible sustainability leaders at their company. For companies with revenue greater than \$1 billion, 79% of the vice presidents and 59% of the directors responding are the highest-ranking sustainability executives in their companies.

In addition to the respondents' level within their companies – such as vice president, manager or

director – we asked each to provide the precise title appearing on their business card. Not surprisingly, several words rose to the top. For large companies, the words *sustainable* or *sustainability* appeared in 40% of the titles; one or more of the words *corporate*, *social*, and/or *responsibility* appeared in 16% of the titles; and the word *environment* or *environmental* appeared in 34% of the titles. Interestingly, the words *environment* and *sustainability* appear together on only 11% of the business cards.

One note about titles in large companies is that the word *sustainable* or *sustainability* appears significantly more often than the word *environment* or *environmental* (41% versus 28% for vice presidents, and 51% versus 30% for directors). But when it comes to managers, 41% of them have the word *environment* in their title while only 26% have the word *sustainability*.

For respondents from smaller companies with revenue less than \$1 billion, only 33% have titles that include *environmental*, *CSR* (or *corporate social responsibility*), or *sustainability*. This is very different from large companies where 76% list one of those words on their cards.

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# THE STATE OF THE PROFESSION

## 'EVERY ORCHESTRA NEEDS A CONDUCTOR'

As companies sharpen the focus of their sustainability strategies, they look to engage their employees, value-chain partners, and customers in the effort. This has created opportunities for a new generation of executive dedicated to a firm's sustainability initiatives. While the background and career paths of these executives may vary widely, their roles as bridge builders, educators, and catalysts within their organization is consistent across almost everyone we surveyed. In a growing number of cases, the reach of sustainability leaders crosses job functions, business units, and even sectors.

For example, consider one member of the GreenBiz Executive Network, our member-based peer-to-peer learning forum for sustainability professionals. He described his role "to establish overall strategy ... and provide leadership to the teams that drive functional and cross-functional initiatives." Another member described how he "takes business unit leaders and gives them power and knowledge to look at their world through the lens of sustainability."

The job description of some sustainability leaders is rooted in the compliance-based world of environmental management. So, in many companies, sustainability managers and executives must have a deep understanding of the regulatory and compliance issues within their industry or supply chain. But to be effective this must be coupled with highly developed leadership, organizational, and communication skills. These, along with the ability to navigate widely across the business, are what is required to bring a company together around a common vision.

In 2009, more than 70% of the companies we surveyed identified a key goal of establishing a

cross-functional team to create a clear sustainability vision anchored to their business goals and make sure it is carried out. Respondents overwhelmingly identified the creation of a sustainability committee or council as a highly valued platform for companies to work toward embedding long-term sustainability values while executing against results-oriented initiatives.

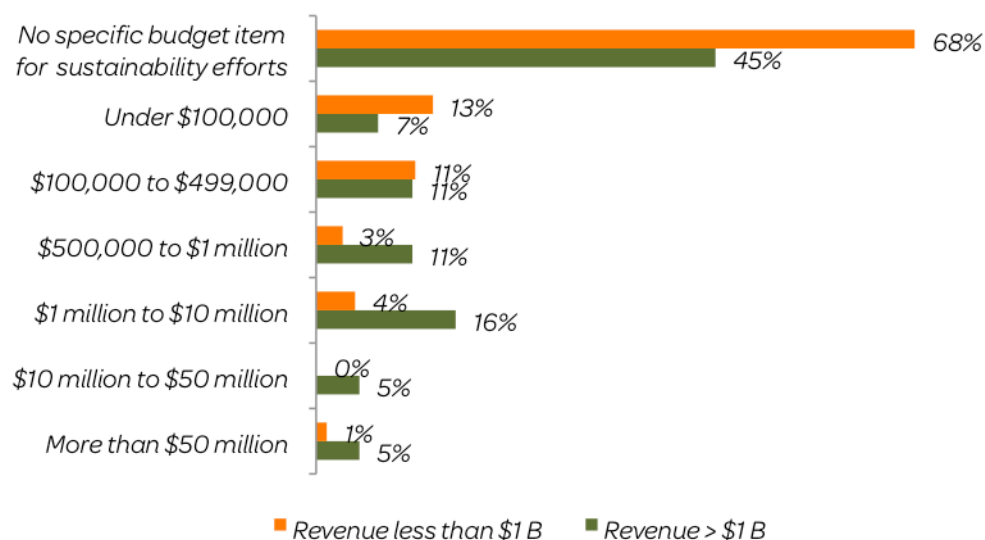
But as the profession matures, it is clear that the role of dedicated sustainability professionals within the corporation is evolving, becoming more associated with value creation and not just a cost to be managed. To be sure, some executives express the aspirational goal of "working themselves out of a job," meaning that at some point in the future they will have embedded sustainability thinking so deeply within their company that the role for a sustainability executive would be unnecessary.

This doesn't appear to be happening any time soon, however. In reality, we expect to see an ever-growing number of companies place a stronger emphasis on sustainability, putting a senior executive in charge of sustainability and providing him or her with the necessary staff to achieve their mission and objectives.

The senior sustainability executive for a global consumer products company described his changing perspective this way. "Ten years ago, we started the group and thought we'd work ourselves out of a job. But we learned that could never happen as we strive to be consistent across the globe and leverage innovations throughout the company." Commenting on his role as global coordinator, he observed "Every orchestra needs a conductor."

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### Budgets for Sustainability



The U.S. Department of Labor (USDOL) has only recently begun collecting data for the job of Chief Sustainability Officer, or CSO. The agency’s description of the role is to “Communicate and coordinate with management, shareholders, customers, and employees to address sustainability issues and to enact or oversee a corporate sustainability strategy.” As varied as individual CSOs jobs are, this is probably as good a definition as any.

While the USDOL has created a list of tasks for the CSO (see Appendix B), very little benchmark data exists to describe how this role is being built into the fabric of a company, what budgets and staffing looks like, or how they really spend their time. This report represents the first efforts to begin the process of establishing these benchmarks and providing the data necessary for future growth of the profession.

### BUDGETS AND STAFFS

We asked our survey panel members about the budget for their sustainability program as well as the number of employees dedicated full time to their sustainability efforts. As the chart above shows, almost half of large companies (45%) and over two-thirds of small to mid-size

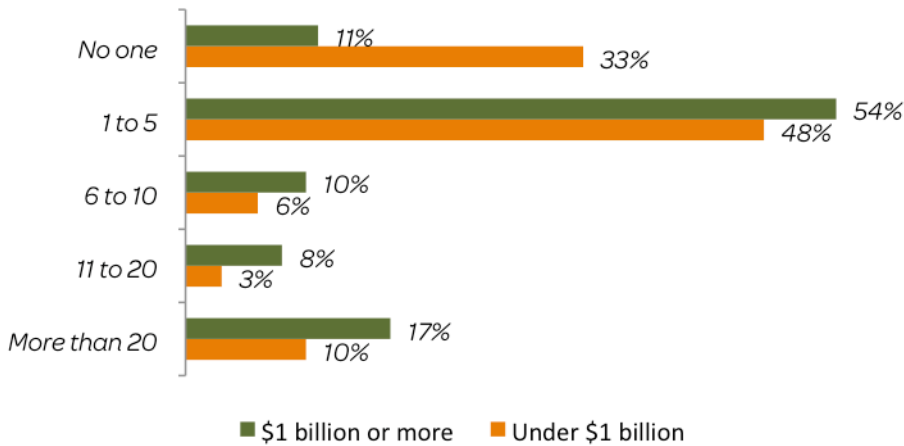
companies (68%) do not have a specific budget for their sustainability efforts .

It is not surprising to find that 45% of large companies stating that while they have a budget, it is relatively small – \$10 million or less. One of the attributes that sets the sustainability team apart from other functions that have ascended over the previous decades (such as those focused on supply chain or information technology) is that while sustainability executives are responsible for strategy, implementation often falls to other functions within the company. Thus, sustainability departments are typically lean, sometimes very lean, given the size and scope of their organizational mandates.

Even though companies may not identify a specific budget for sustainability, it doesn’t necessarily indicate the absence of a program. Another indicator can be found in the number of employees dedicated full time to the company’s sustainability efforts (see table on next page). While 45% of large companies don’t have a specific budget for sustainability, only 11% lack at least one dedicated resource. More than half (54%) have one to five employees dedicated to their efforts on a full-time basis. The existence

45% of large companies stating that while they have a budget, it is relatively small – \$10 million or less.

**Number of Full-time Employees Dedicated to Sustainability Efforts**



of a small core team dedicated to sustainability is consistent with previous research conducted by GreenBiz.

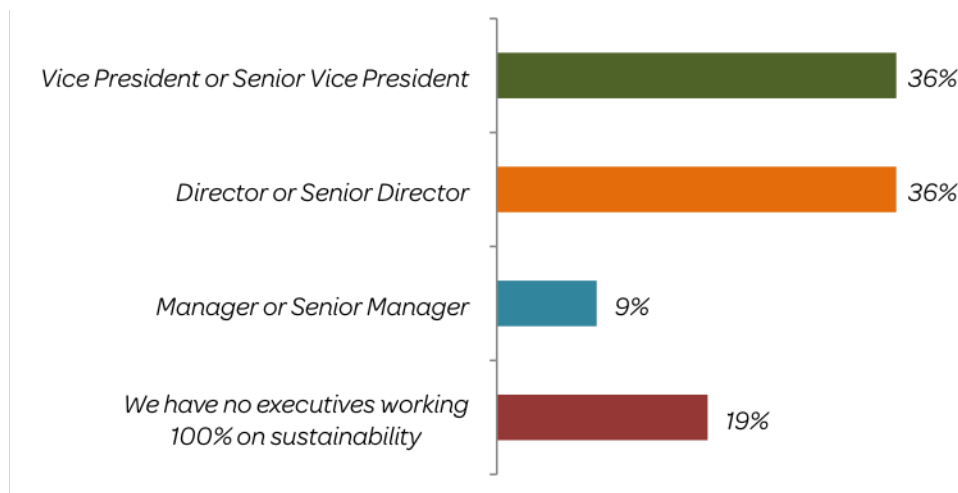
One surprise was the number of large companies with more than 20 dedicated resources focused on sustainability. The companies with large teams were found in six sectors: basic materials, consumer goods, financial services, industrial goods, service providers, and technology. In each case, the number of companies with more than 20 dedicated employees was approximately one-fifth of the number of companies in that sector responding to the survey.

**WORKING IN SUSTAINABILITY**

We asked our panel members to identify the highest-ranking executive whose job is 100% focused on the company's sustainability efforts. (See chart below.) We view this as a proxy of the importance of sustainability within large companies. We found that while there may be limited staff dedicated to their efforts on a full-time basis, the individuals leading their efforts are relatively high-ranking executives: 36% were at the vice president level and another 36% at the director level.

One surprise was the number of large companies with more than 20 dedicated resources focused on sustainability.

**3.2-1 Highest Ranking Sustainability Executives**



We also sought to understand these executives' primary area of oversight, more specifically whether they were responsible for the company's corporate social responsibility (CSR) efforts, their environmental, health, and safety (EHS) efforts, or both. In large companies, 21% of vice presidents responded oversaw EHS, 35% focus on CSR, and 24% said they were responsible for both CSR and EHS efforts.

To gain a slightly different perspective on the relative size of the sustainability organization in large companies, we asked vice presidents, directors, and managers to identify the number of people reporting directly to them. It's not surprising that 56% of managers have no one reporting to them and another 41% have just one to five people direct reports.

At the other end of the spectrum, only 9% of vice presidents have no one reporting to them. While 55% of vice presidents have between one and five direct reports, another 32% have staffs between six and ten people. For directors, 39% have no one reporting to them, 37% have between one and five people reporting to them, and another 12% have between six to ten people reporting to them.

## HOW THEY SPEND THEIR TIME

We asked our panel members to tell us how they spend their time. As shown below, the top three tasks are shared at all levels, from manager to vice president: strategy, reporting, and working with peers.

In smaller companies, strategy development and working with peers are also top tasks, from the C-suite down to managers. But just below those two tasks, these executives spend time supporting external marketing and sales and working with customers, something their big-company brethren do less.

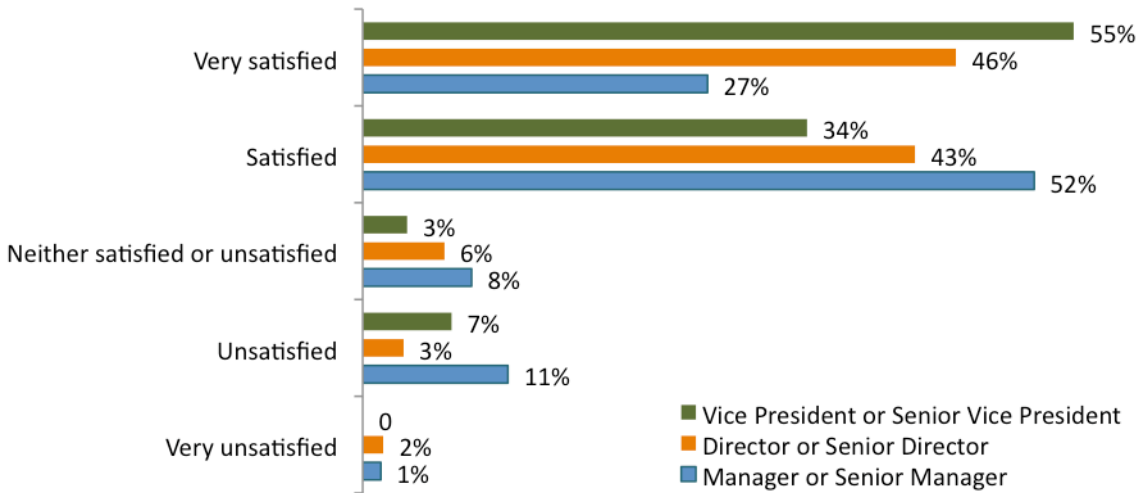
## JOB SATISFACTION

Job satisfaction is high for those working in sustainability related jobs with 84% satisfied or very satisfied in large companies and 79% of employees of smaller companies feel the same way. The same can be said for their optimism about how sustainability will be valued at their companies over the next five years. 83% of respondents employed by large companies are either optimistic or very optimistic and 81% of those employed by companies with revenues below \$1 billion are optimistic as well.

56% of managers have no one reporting to them and another 41% have just one to five people direct reports.

### How They Spend Time

Vice President or Senior Vice President	Director or Senior Director	Manager or Senior Manager
Strategy development	Strategy development	Strategy development
Reporting (environmental data, including carbon footprint)	Reporting (environmental data, including carbon footprint)	Working with my peers
Working with my peers	Working with my peers	Reporting (environmental data, including carbon footprint)
Energy efficiency & facilities management	Leading cross-functional committee	Employee education
Stakeholder dialogue	Employee education	Leading cross-functional committee
Leading cross-functional committee	Marketing to internal audiences	Supporting external marketing and sales



The pages that follow present detailed results in terms of what affects compensation for the three most identified titles in our survey of sustainability executives:

- \* Vice President
- \* Director
- \* Manager

Compensation for each of these titles is analyzed in terms of salary as well as additional forms of compensation such as bonuses and stock or options grants. The results are also analyzed to determine major factors that can influence compensation such as age, experience, gender, and education.

# VICE PRESIDENT OF SUSTAINABILITY

## EXPERIENCE COUNTS, AGE DOESN'T

The vice president of sustainability has a compensation package that includes performance-based bonus achievements and equity participation in addition to a base salary. Attaining this title at a large corporation requires experience. More than 90% of our respondents at this executive level have more than 16 years of experience.

The information presented here is based upon responses from vice presidents and senior vice presidents working at companies with revenues greater than \$1 billion, unless specifically noted.

**Compensation.** Vice presidents of sustainability earn an average of \$192,064 (with a median salary of \$175,000). The chart below shows the salary range, including 13% of survey respondents who reported earning more than \$250,000. In terms of industry sectors, average salaries are highest for basic materials, retail, and industrial goods, while the lowest average salaries appear

for professional services, financial services, healthcare, and service providers.

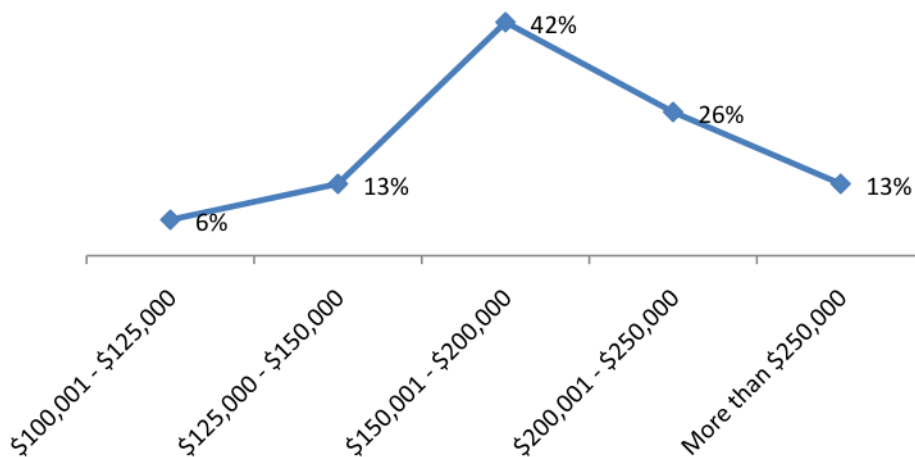
For senior executives, salary alone is not an exclusive measure of compensation. Ninety percent of vice presidents reported receiving a 2009 bonus, with 67% getting more than 20% in bonus compensation and another 10% getting a bonus of between 11% and 20% of their salary. In addition to salary and bonus, 71% of VPs reported receiving stock or options grants.

For vice presidents at companies with revenues below \$1 billion, the median is the same at \$175,000, but the average salary is much lower at \$153,523. Fewer got bonuses (only 14% got more than twenty percent in bonus compensation) and stock or option grants were rare.

**Gender.** Men dominate at the highest levels of sustainability inside companies, as can be seen on the chart on the next page, holding more

For senior executives, salary alone is not an exclusive measure of compensation.

Vice President and Senior VP Salaries



than two-thirds of the vice president roles in large corporations. But gender doesn't seem to play a major role for this level of executive, as the difference in salary is less than \$1,000 (men earn an average of \$190,909 while women earn an average of \$190,000).

**Education.** The level of education achieved by vice presidents doesn't account for a huge pay differential either, as those with a master's degree earn about 4% more than their counterparts with a bachelor's degree (\$190,000 and \$182,500, respectively). However, 65% of those surveyed have a master's degree, while 32% have a bachelor's degree.

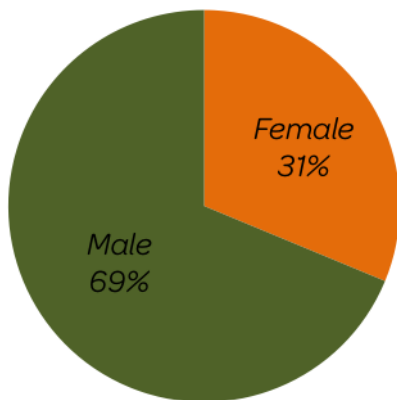
**Age.** Age doesn't appear to have a big impact

on VP salaries. Thirty-four percent are between the ages of 41 and 50 and earn an average of \$184,773. Another 47% of VPs are between 51 and 60 and earn an average of \$187,667.

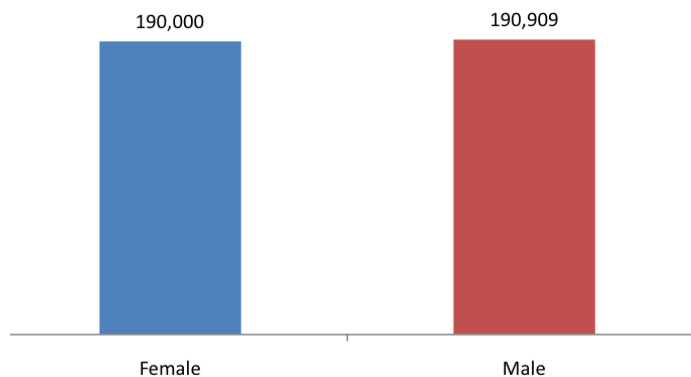
**Experience.** When it comes to reaching the senior levels of executive management, experience is what counts most. Forty percent of VPs have 16 to 25 years of experience, and 53% have more than 25 years of experience. While there is some difference in terms of average salary for these two groups (those with 16 to 25 years of experience earn \$195,833, while those with more than 25 years of experience earn an average of \$185,156), the takeaway is that paying your dues and putting in the time is table stakes for a senior executive role in sustainability.

When it comes to reaching the senior levels of executive management, experience is what counts most.

Vice Presidents and Senior VPs, by Gender



Average Salary for VPs and Senior VPs, by Gender



# DIRECTOR OF SUSTAINABILITY COMPENSATION FOLLOWS AGE

The director of sustainability in many companies is the highest-ranking sustainability executive. As such, director and senior director compensation programs are similar to those of vice presidents in terms of achievement-based bonus and equity participation. Age appears to have the most direct bearing on compensation levels as directors in their 40s earn more than their younger counterparts and those in their 50s earn even more.

The information presented here is based upon responses from directors and senior directors working at companies with revenues greater than \$1 billion, unless specifically noted.

**Compensation.** Directors of sustainability earn an average of \$160,320 (with a median of \$175,000). The chart below shows the salary range, including 11% of our survey respondents who reported earning more than \$200,000. In terms of industry sectors, average salaries

are highest for technology, financial services, and basic materials while the lowest average salaries appear for service providers and retailers.

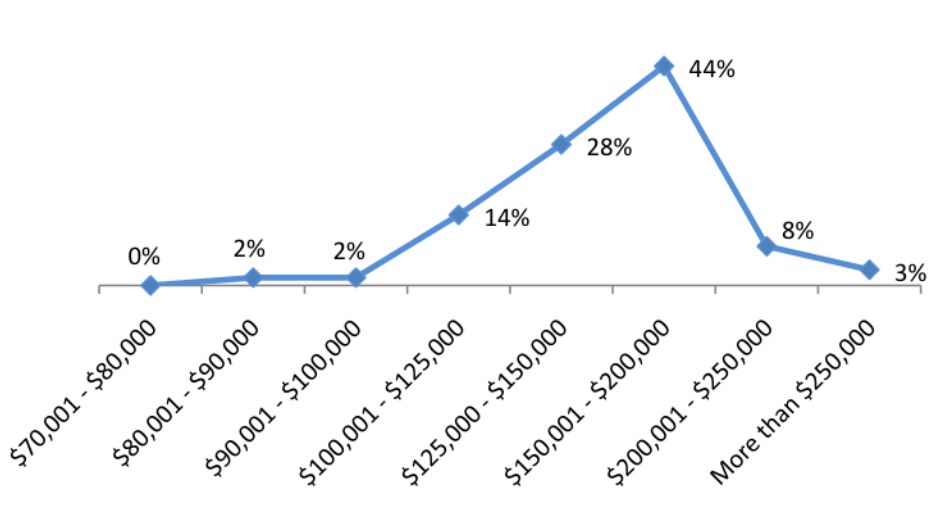
Fully 78% of directors reported getting a bonus last year, with nearly half (36%) getting more than 20% in bonus compensation and another 25% getting a bonus of between 11% and 20% of their salary. In addition to salary and bonus, 63% of directors reported receiving stock or options grants.

For directors at companies with revenues below \$1 billion, the median is a lowly \$110,000 and the average salary is \$106,700. Fewer got bonuses (only 15% got more than 20% in bonus compensation), and stock or option grants were rare.

**Gender.** Similar to the gender gap at the vice president level, men dominate at the director

Fully 78% of directors reported getting a bonus last year, with nearly half (36%) getting more than 20% in bonus compensation.

**Director and Senior Director Salary**



level of sustainability as well, holding 63% of the director roles in large corporations. There's also a gap in pay (see chart below), as men make 4.4% more than women on average.

**Education.** The level of education achieved by directors doesn't account for a huge pay differential, as those with a master's degree earn only 1.3% more than their counterparts with a bachelor's degree (\$160,625 and \$158,594, respectively). However, 57% of those surveyed have a master's degree while 25% have a bachelor's degree, 10% have a PhD, and 8% have some other graduate degree.

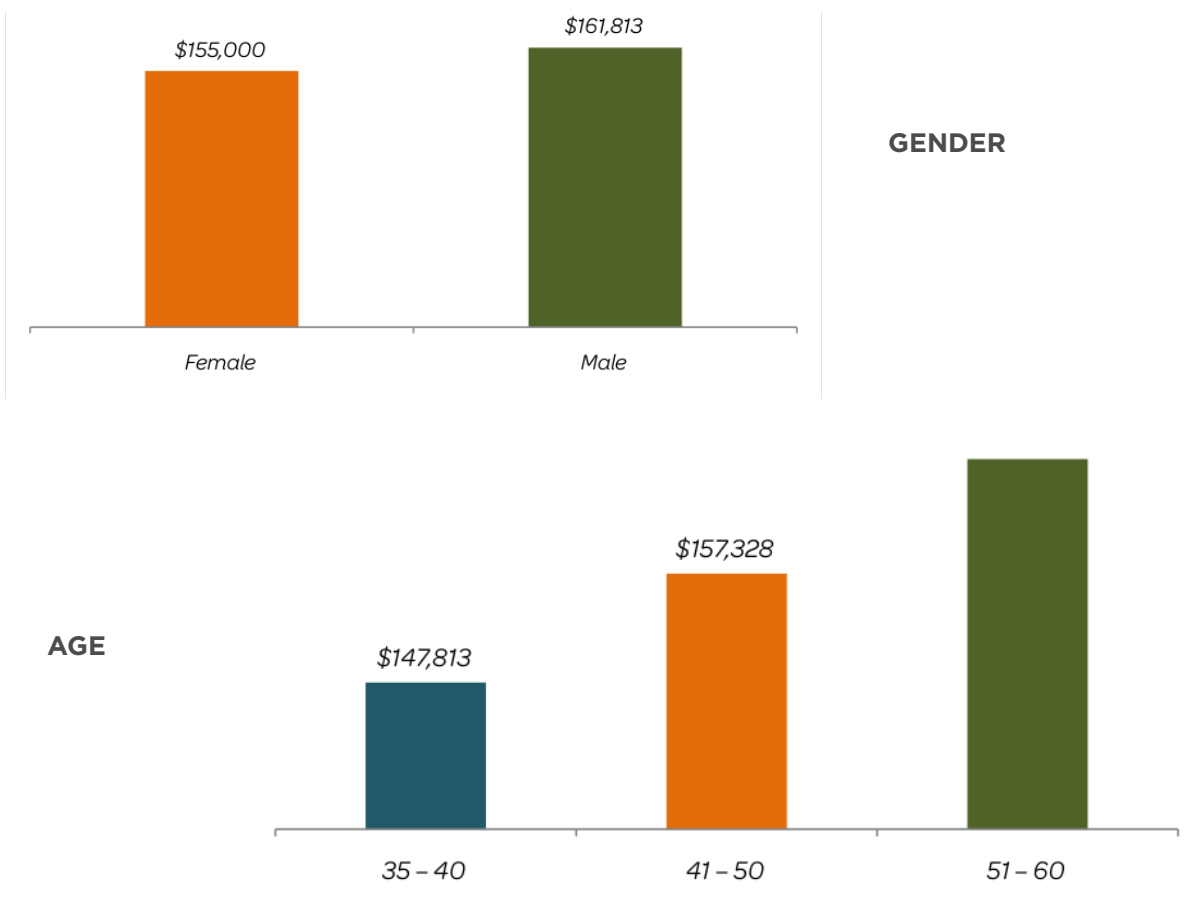
**Age.** Age appears to have a bigger impact on director salaries than it did for vice presidents

(see chart below). Forty-five percent of directors are between the ages of 41 and 50 and earn an average of \$157,328. Twenty-five percent of directors are between the ages of 35 and 40 (earning significantly less at \$147,813), while 24% are between the ages of 51 and 60 and earn an average of \$167,333.

**Experience.** Unlike age, experience doesn't seem to represent as big a difference in pay for those who have been in the work force more than 10 years. Sixty percent of directors had between 10 and 25 years' experience and earned between \$150,000 to \$155,000 on average. Twenty-seven percent of directors had more than 25 years of experience and were rewarded with an average salary of \$178,676.

Age appears to have a bigger impact on director salaries than it did for vice presidents.

**Average Salary for Directors and Senior Directors by Gender and Impact of Age on Director Salaries**



# SUSTAINABILITY MANAGER

## GENDER AND AGE PLAY A ROLE

Compensation for sustainability managers varies widely. Gender and age both play a significant role here, with men earning significantly more than women and those over 40 earning significantly more than their younger peers.

The information presented here is based upon responses from managers and senior managers working at companies with revenues greater than \$1 billion, unless specifically noted.

**Compensation.** Sustainability managers earn an average of \$103,197 (with a median of \$100,000). The chart below shows just how wide-ranging the compensation is for this position. In terms of industry sectors, average salaries are highest for basic materials, technology, and professional services, while the lowest average salaries appear for service providers and retailers.

While managers aren't rewarded quite as richly

as their superiors, 76% reported getting a bonus. Twenty-two percent got a bonus of more than 11% while another 35% received a bonus of between 6% and 10% of their salary. When it comes to stock options and grants, though, only 23% received them.

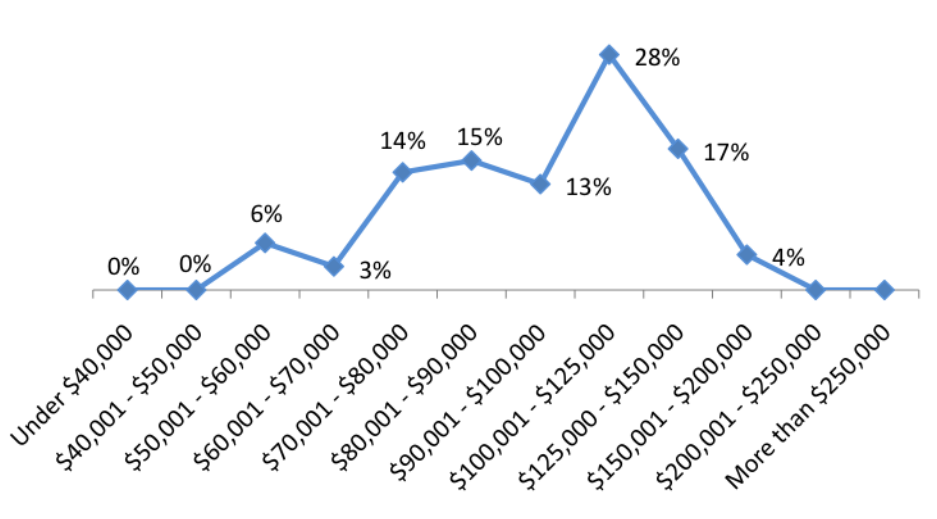
For managers at companies with revenues below \$1 billion, the median salary is \$80,000 and the average salary is \$82,218. Almost half (49%) didn't receive a bonus and of those who did, only 19% for more than a five percent bonus.

**Gender.** As with other titles, men dominate at the managerial levels of sustainability accounting for 61% of managers. There's a significant pay gap at this level as men earn 11.5% more than women (see chart on next page).

**Education.** The level of education achieved definitely has an impact on a manager's salary. Those with a master's degree earn 19.6% more

Gender and age both play a significant role here, with men earning significantly more than women and those over 40 earning significantly more than their younger peers.

6-1 Manager and Senior Manager Salary

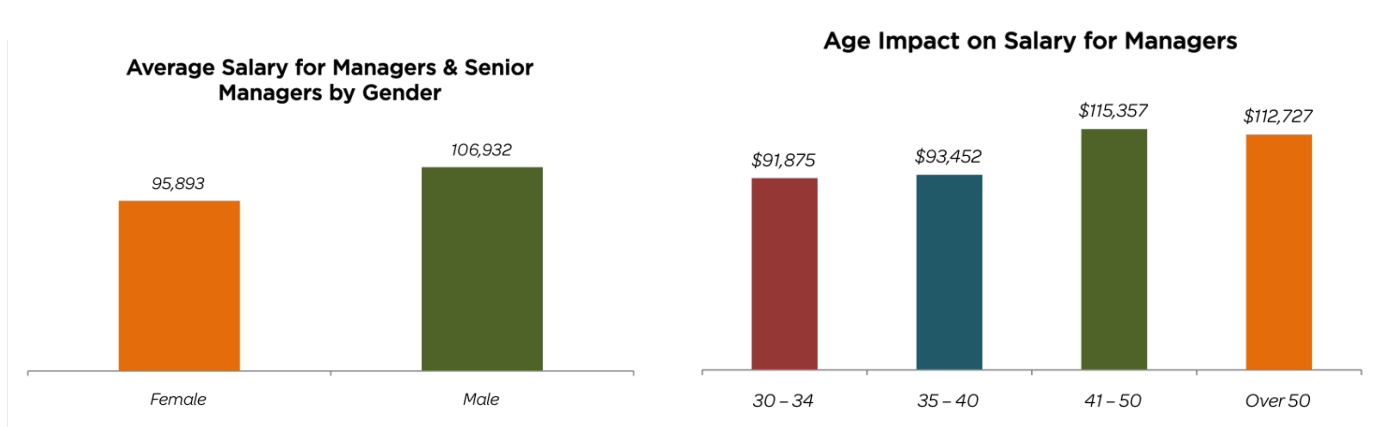


than their counterparts with a bachelor's degree (\$108,512 and \$90,729, respectively). Fifty-eight percent of those surveyed have a master's degree while 33% have a bachelor's.

**Age.** There is a definite age gap when it comes to manager salaries (see chart below). Managers over 40 earn 23% more than their younger peers. In our survey, 56% of those responding were under 40.

**Experience.** Experience also has a big impact on manager salaries. Seventy percent of managers surveyed have more than 10 years of experience. This translates to a pay differential of 16% more than those with fewer years of experience (\$109,265 for those with more than 10 years of experience versus \$94,107 for managers with less experience).

**Average Salary for Managers and Senior Manager by Gender and Age Impact on Salary for Managers**



# APPENDIX A - INDUSTRY SECTORS

The following is the list of industries and their descriptions presented to survey respondents for classification.

- Basic Materials (including chemicals, metals, oil & gas, specialty chemicals, etc.)
- Conglomerate
- Consumer Goods (including appliances, auto parts, food & beverages, business equipment, housewares, office supplies, paper & paper products, apparel & textiles)
- Education
- Financial Services
- Government
- Healthcare
- Industrial Goods (including aerospace, cement, machinery, building materials, industrial equipment, machine tools, and waste management)
- Non-profit or NGO
- Other (please specify)
- Professional Services (including accountants, architects, attorneys, business consultants, public relations, etc.)
- Retail
- Service Provider (distributor, wholesaler, packaging & labeling, logistics, airlines, hotels, media & entertainment, etc.)
- Technology (Hardware, software, telephony, etc.)
- Utilities (energy, water, etc.)

# APPENDIX B - USDOL LIST OF CSO TASKS

The United States Department of Labor has identified the following tasks as associated with the performance of the role of Chief Sustainability Officer within a corporation.

- Develop or execute strategies to address issues such as energy use, resource conservation, recycling, pollution reduction, waste elimination, transportation, education, and building design.
- Direct sustainability program operations to ensure compliance with environmental or governmental regulations.
- Monitor and evaluate effectiveness of sustainability programs.
- Develop methodologies to assess the viability or success of sustainability initiatives.
- Develop, or oversee the development of, marketing or outreach media for sustainability projects or events.
- Develop, or oversee the development of, sustainability evaluation or monitoring systems.
- Develop sustainability reports, presentations, or proposals for supplier, employee, academia, media, government, public interest, or other groups.
- Evaluate and approve proposals for sustainability projects, considering factors such as cost effectiveness, technical feasibility, and integration with other initiatives.
- Formulate or implement sustainability campaign or marketing strategies.
- Research environmental sustainability issues, concerns, or stakeholder interests.
- Review sustainability program objectives, progress, or status to ensure compliance with policies, standards, regulations, or laws.
- Supervise employees or volunteers working on sustainability projects.
- Write and distribute financial or environmental impact reports.
- Write project proposals, grant applications, or other documents to pursue funding for environmental initiatives.
- Conduct sustainability- or environment-related risk assessments.
- Create and maintain sustainability program documents, such as schedules and budgets.
- Identify and evaluate pilot projects or programs to enhance the sustainability research agenda.
- Identify educational, training, or other development opportunities for sustainability employees or volunteers.