

The sustainability grand prix – advantage hr: essay



**ASSIGN
BUSTER**

The Sustainability Grand Prix – Advantage HR: Sustainable development involves not only a broad view of social, environmental and economic outcomes but a long-term perspective concerned with the interests and rights of future generations – it is a trade-off between the present and the future.

Sustainability predicates an inclusive approach to action that recognizes the need for all people to be involved in the decisions that impact their lives. Sustainable development is too wide and too pervasive to be left to environmental specialists or select functions. It needs to draw support and contribution from across the organization. In a business context, sustainability needs to address how business can contribute to some of the most significant challenges facing the world today – climate change, degradation of biodiversity, working conditions, health; work life balance and social justice. Business activities need to be conducted responsibly throughout the value chain.

It is in this milieu that we seek to explore how HR can contribute to sustainability. Can HR be the master-weaver that can spin sustainability into the familiar fabric of recruitment, reward and renewal? Can HR test the role and relevance of sustainable development in everyday work, measure its impact on strategic goals and index individual and team performance in this area? The latest trend is for businesses to adopt proactive, strategic tools such as ISO 14001 and OHSAS 18001, Green Marketing, Eco-labeling and their like to gain competitive advantage. Enlightened corporates have started moving beyond compliance towards environmental excellence by developing more eco-friendly and greener services so as to institutionalize a

sustainable business model for the long haul. Here HR can play a crucial role in articulating and implementing corporate mission and values, codes of conduct, environmental training, employee empowerment and a sustainability oriented work logic and work culture.

HR can directly influence sustainability in a variety of ways such as: •Provide leadership for sustainability initiatives across various levels •Design and structure work so as to support sustainability •Create organization-wide awareness programs •Encourage and reward creative solutions to sustainability issues •Demonstrate commitment by integrating sustainability with business plan and performance management

Recruitment: The entire hiring process can be made to reflect the organization's emphasis on green and sustainable behavior. Job descriptions and person specifications should inter alia incorporate knowledge/skills in sustainability, e. g. , a purchasing role should outline ' green buying' capability. Even recruitment ads can be designed to attract ' green eyes' and stir ' green hearts'.

Assessment Centre processes structured to the measuring of leadership competencies can be redesigned to evaluate sustainability oriented behavior. Fit and alignment evaluation will factor knowledge, skills, experience and aptitude to conceptualize and execute sustainability strategies, positively influencing a sustainability culture and ability to add value to sustainability efforts. While it is routine to identify adverse or potentially hazardous environmental factors that impact working conditions and provide adequate protection towards the same, a sustainability approach will bring in a new rigor and vigor to ensure safe technologies and work processes, waste elimination, energy conservation and employee well-

being. This needs to be a conscious exercise and carried out across the organization touching all contact points between the employee and the organization.

HR which is active in the 'Employee Wellness' space can provide additional fillip to programs with a green impact, e. g. Walk and Talk; Health Marathon, Cycling for Life, Defensive Driving, etc. , Performance Management: Organizations with a sustainability bias should as a policy insist that employee performance plans incorporate KPIs for achieving specific sustainability targets. Specific roles such as Purchasing, Logistics, etc. , should have direct accountable measures for ensuring sustainable practices and 'green decisions'.

In so far as Services are concerned, simplifying and streamlining communication processes, paperless environment, procedural rationalization, etc. , need to be focus areas. For instance, the e-ticket eliminates the entire reservation and booking process. Performance appraisal must take into account the contribution of individuals and teams to longer term social and environmental goals as well as short-term financial objectives. For example, if all the bonuses for a procurement team are dependent on achieving lowest cost contracts, it will be no surprise if they display little interest in the working conditions of the supplier base. Training: Induction should cover the sustainability plan and the scope and methodology for individual/team contribution.

Formal training should be provided for organizational roles that are 'green focused' with real life situation analysis and illustrations from the

organization. HR will also need to rejig and retool learning programmes and their outcomes using sustainable development formats. Sustainable development competencies are required by people to integrate a sustainable development perspective into their work. Sustainable development knowledge and skills can be spread widely across the organization using a variety of approaches. It is vital that the values and strategy of the business be understood and accepted by as many employees as possible. For sustainability to be fully part of the business, it needs to be part of the business model.

Global/Regional Sustainability Committees can ensure that it is integrated across all Regions/Divisions and functions while promoting deep understanding of key challenges and directing efforts to move it to a new level. Monitoring and Reporting: Annual Reports normally carry a paragraph on environment, energy and technology. Emphasis needs to be placed on reporting progress of sustainability action plans and a 'Sustainability Improvement Index' and presented to shareholders in the Annual General Meeting. Periodic quantitative/qualitative surveys should be carried out to assess attitudes and employees sustainability behavior. Employer Branding: Green credentials are becoming increasingly important for employers looking to become a destination of choice for today's enlightened job-seekers. A significant section of people consider it important to work for organizations that actively reduce carbon emissions, are energy efficient and socially responsible.

Employer branding will need to use a lot of 'green' in its image building activities. With the acute shortage of talent, offering a sustainable

development perspective may prove to be a vital component in an organization's effort in becoming an Employer of Choice. As quality and caliber of people is becoming the only differentiating factor for business success, the competencies sought for are veering away from resource management to relationship management the ability to network, to partner and to innovate. These skills may go far beyond the immediate requirements of a functional position, to a new recruit's ability to support the entire company in the longer-term. There is no gainsaying that a sustainable development mindset pushes one to be better – it encourages a focus on performance, a consistent eagerness to improve and pursue life-long learning – all with a view to make a better world.

Where the business needs individuals with a strong capacity to build relationships with a wide range of stakeholders, where a mature and holistic perspective is required, candidates with a sustainable mind-set may prove to be a better choice. Social and environmental screening may be the next filter of choice in hiring decisions. Where applicants are genuinely concerned about ethical issues, social and environmental impacts, there is a greater likelihood of these candidates becoming high value contributors in the cause of sustainability. Community Well-being: Sustainability is also demonstrated by the appreciation of the value and benefit of social, cultural, educational and geographical diversity. HR can evolve policies that reflect the importance given to these areas. Making sustainable development part of the employment value proposition is perhaps the most interesting challenge amongst all.

HR also needs to look beyond the workspace and see how men and women are provided the support they need to manage not only their careers but their families, personal pursuits, community involvement and cultural enrichment. Building flexibility in work, encouraging social development activities and demonstrating a genuine interest in the holistic development of its people will be marshal greater commitment to a sustainable people culture. HR will need to create opportunities and incentives that maximize employee contributions to corporate performance and also help the company make the most of its people's talents. In particular, if people can be motivated to learn on a continuing basis, this can add immense value by enhancing the overall adaptive capacity of the organization – its ability to respond quickly and flexibly to changes in its operating environment. This again acts as a strong bulwark to sustainable progress of the organization.

Social action programmes should aim to integrate and embed a sustainable development mindset and culture in the organization. Employees find this engagement in voluntary social service contributing to their job satisfaction and strengthening their resolve to remain with the company. HR can identify potential projects and provide a pool for employees to select and work in. Sustainable development provides a fresh, invigorating, perspective of the world, which can foster innovative approaches to a variety of business problems. Training in social and environmental dilemmas builds skills which are relevant in many situations – from leadership and team-working, to negotiating and problem-solving. A sustainable development perspective informs the way people think and act in critical business areas.

It is important that the organization continues to develop values and emotional intelligence in leaders, intellectual scanning, the ability to spot dilemmas in the community and in the business, and cultural awareness. Embedding Sustainability in Policy: HR Policies should be reconfigured to accommodate sustainability aligned work practices such as: Flexible working arrangements, including working from home and job sharing. •e-enabling all basic HR processes such as attendance, leave, payroll, etc. , •e-recruitment preferably done on line or with video conferencing. •e-CV tracking, e-performance planning and assessment, e-competency rating, e-360 Degree feedback, etc. , •e -T – the cycle of needs identification, nomination, budget/cost allocation, feedback, post training follow-up, etc.

, managed on line. •Using video conferencing for interviews/business reviews to avoid travel. The organization needs to get going a series of initiatives which address ‘ responsible resource utilization’. Reward systems, whereby savings made from reductions in consumption can be shared amongst employees and given to a noble cause will inspire and energize innovative ideas and action. Eco-costing, environment footprint tracking, CDM monitoring and analysis, resource pooling and sharing with green targets, etc. , are some of the initiatives that can be pursued.

Sustainability needs to be a ‘ whole company’ approach and built into all business decisions – from raw materials sourcing to reclamation of used products. The company should base its strategic orientation on a sustainability framework, which includes the elimination of waste and harmful emissions, increased usage of renewable energy, adopting closed loop processes, using resource-efficient transportation, energizing all

stakeholders around the vision, and redesigning the supply chain. To ensure this strategy is implemented, training in the principles of systems thinking, and work impact analysis using sustainability criteria will provide valuable insight. The training strategy and approach must be achievable by HR team within its budgetary constraints and the skills, experience and interests of its people.

The HR profession has been undergoing many changes of role, emphasis and relevance in recent years. There has been the welcome move from ‘ back room boys to board room boas’ with a clear shift from ‘ policing’ to ‘ partnering’. However, the biggest potential change of all is not really recognized as a HR issue, and therein lies a threat or opportunity. In most companies, the HR department can be doing an outstanding job and achieving its objectives.

So may other departments. However, within the framework of a traditional structure with traditional responsibilities, no real contribution can be made by HR unless a slew of initiatives such as those outlined above get institutionalized. The willingness of the organization to weave leading-edge sustainable HR practices into the warp and weft of its policy, programs and practices is a sine quo non for excellence in sustainability. A total buy in by all stakeholders – shareholders, customers, employees and affected communities is mandatory. Any policy, procedure or practice that is in conflict must be ruthlessly discarded and the organization must clearly demonstrate all its decisions are made on the touchstone of sustainability alone.

This will not only nurture the right culture but foster a new respect and engender a new mindset. When this is undertaken with sensitivity and maturity sustainability can become a byword of the organization.

Sustainability and not mere profitability will be the yardstick that will decide rank, reputation and rating. Corporate DNAs will then be reconfigured not only to ensure survival and growth but in becoming building blocks for a better world.

The Henkel Case Study: Henkel KGaA, Germany headquartered at Dusseldorf with a total sales of 12. 74 Billion Euro in 2006 with over 52, 000 employees and present in 125 countries operates in three strategic business areas: Home Care, Personal Care, and Adhesives, Sealants and Surface Treatment. “ Quality from Henkel” stands for high product performance and convenience. This promise of quality also applies to the ecological compatibility of its products, all-encompassing safety for consumers as well as core corporate values such as customer orientation, human resources development and sustainability. Henkel’s sustainability strategy is systematically embedded in the Company through corporate requirements, efficient management systems and an organization structure with clearly defined responsibilities. Henkel aligns its business practices to the principles of sustainability because it believes that this is the key to achieving sales and profits in a socially responsible manner.

This philosophy applies to all of the Company’s activities. Efficient and safe processes not only contribute to environmental protection and occupational health and safety but also cuts cost and resource consumption. With effective and safe products and technologies that unite customer benefit and

ecological progress, Henkel has a favourable market position. Responsible business practices strengthen employees' motivation and their identification with the Company.

Henkel's sustainability strategy thus assures that the Company will continue to increase in value long-term. Henkel's Vision and Values form the basis for a series of behavioral rules specified in a number of Codes. In particular, the Code of Corporate Sustainability defines the principles and expectations of sustainable business practices and corporate social responsibility at Henkel. The Henkel Management Board bears overall responsibility for sustainability policy and aligns the Company's business policy to the opportunities for and requirements of sustainable development.

Awareness, understanding and appreciation of sustainability and social responsibility amongst Henkel employees is achieved through numerous internal communication instruments. In management systems, Henkel's vision, values, codes and standards are detailed in concrete work instructions. In training and continuing education, employees are briefed how sustainability is translated into everyday practice at Henkel. Training programs embed the idea of sustainability in the consciousness of all employees. In addition, topical issues and developments are discussed in Henkel-Life, the in-house magazine. As an internationally operating company, Henkel relies on well qualified, flexible and highly motivated employees whose experience, talents and skills reflect the diversity of Henkel's markets and customers.

Henkel fosters employee development and links personal commitment to Company's success through target-oriented management, performance-related remuneration, regular assessments and continuous learning.

Personal dignity and privacy rights are respected with top priority to health and safety. Diversity in terms of age, gender and internationality is another key component of corporate culture. Under the umbrella of Henkel Smile, a worldwide commitment, Henkel undertakes Community Involvement, MIT (Make an Impact on Tomorrow), Projects for Children, Corporate donations to support social initiatives and Henkel Friendship Initiative to provide aid to people throughout the world specially in terms of disaster and natural calamities.

Henkel and its employees help to improve the quality of life of many people by improving their situation or simply making them happier. Henkel's Vision is to be a leader through brands and technologies to make people's lives easier, better and more beautiful. And this is being achieved the sustainable way so as to make our world a better place to live in, today and in the future.

The writer can be contacted at: Sam.

com