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Human resources management: developing sustainability mindsets

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Sustainable HRM (human resources management) is a combination of two elements: (1) **leveraging HR (human resources) tools and processes to support sustainable business objectives**, and (2) **performing HR sustainably**, that is, in a way which creates an organisational culture that is ethical, respectful and inclusive, invests in the development of employees and empowers them to engage at the maximum level of their capabilities (Cohen *et al.* 2012).

This chapter will help you to understand the roles of HR teams in supporting sustainable business and the responsibility of HR teams to perform HR sustainably.

The learning outcomes of this chapter are:

• You will be able to describe how HR supports sustainable business and the connection between HRM and sustainability

• You will be able to understand examples of the way HR practices affect society and possible ways to integrate

> social and environmental considerations into HR pro-
> cesses in order to improve the social and environmen-
> tal impacts of business
>
> • You will be able to know where to find more information
>   and examples of good practice in the area of sustain-
>   able HRM
>
> • You will be able to understand some of the principles
>   behind having a sustainability mindset

Sustainable HR as part of sustainable business

As many of the contributors to this book have already stated, all organi-
sations are increasingly facing questions around their sustainability (also
see King and Lawley 2016). Whether large or small, private for-profit or
not-for-profit, the impact the organisation has on the world around it is
now under more scrutiny. As a consequence, increasingly organisations
are having to rethink how they operate, from the way they design and
manufacture their goods, their use of renewable energy sources, through
to having recycling schemes in the workplace. Sustainable business is
now on the agenda.

One of the key features that distinguish sustainable organisations
from business-as-usual organisations is that they accept **accountability
for impacts on people, society and the environment**, and a willingness
to **engage with stakeholders**, both internal and external, to ensure both
an understanding of their expectations and an assessment of the way
business impacts their lives in a range of different ways. In short, sus-
tainable organisations require a different mindset from conventional
organisations.

Yet what has this to do with HRM? In this chapter we argue that one of
the fundamental shifts that organisations need to face is for everyone in
the organisation to have more of a 'sustainability mindset'—and it is the
role of HRM to help foster its development. Developing a sustainability
mindset is a core aim of PRME, particularly the PRME Working Group on
Developing a Sustainability Mindset.

Developing a sustainability mindset

One of the central ways in which sustainability can be achieved is through developing a sustainability mindset. A sustainability mindset is a way of thinking and being that comes from understanding how interconnected the natural environment is, an ability to be reflexive about your own values and an approach to life that acts in a way that aims to produce outcomes for the greater good of all. Isabel Rimanoczy argues there are three elements:

1. **The Knowing:** Becoming eco-literate and using systematic thinking

2. **The Being:** Seeing yourself (and your actions) as part of a wider eco-system, reflecting on your habits and values, having time for reflection and having a larger sense of purpose

3. **The Doing:** Being connected with your community, developing social sensitivity and being innovative (2016: 155)

To support its development, the PRME Working Group on Developing a Sustainability Mindset is an initiative connecting learning-teaching-research. The aim is to connect academics and practitioners interested in its development for employees and particularly students. Members of the group take existing research into developing a sustainability mindset and learn about it and how it can be adapted to their context. The aim is to develop a learning community of peer support to enable the members to find better ways of developing a sustainability mindset with their students (for more information see PRME Working Group on Developing a Sustainability Mindset 2016).

Developing a sustainability mindset: the role of HR

To produce this change in mindset, sustainable HR works by **leveraging HR tools and processes to support sustainable business**. This leveraging is the extension of the traditional 'HR business partnership role' (see Caldwell 2003) which the HR function has been aspiring to fill in

the past decade or so. However, rather than HR being the 'voice of the employees' or the 'instrument of management', or both, the more precise role of HR is to enhance organisational capability, by understanding what the business needs and what people, knowledge, skills and culture need to be in place to deliver those needs. As increasingly companies adopt strategies for sustainable business, so too does HR's understanding of how their role, not only as a business partner, but as a sustainable business partner, need to evolve.

In determining the appropriate business strategies to deliver growth and profit the bottom line, a sustainable mindset demands consideration of both social and environmental needs, in addition to conventional economic needs. Often this requires the active engagement of employees in transforming how the organisation is run, which is why sustainable HR is important. For instance, consider the processes of an organisation setting up a new manufacturing plant in accordance with 'green' principles. From commissioning the architects to include high levels of insulation and using solar power as a renewable energy source, through to the use of the recycling facilities by staff, the whole process requires employees who have the skills and knowledge to design and implement green practices. To make sustainability integral to the way the organisation is run, the mindset and outlook of the employees need to fit within the organisational objectives.

This sustainability approach is vital for the organisation as a whole. Sustainability is based on fundamental elements of **good governance, ethical conduct and compliance with the law**, while going beyond compliance with the law to generate additional opportunities to mitigate business risk, enhance business reputation and take advantage of new business developments. In adopting a sustainability strategy, companies contribute not only to the sustainability of the planet, but also to their own sustainability as businesses. This approach is changing the way businesses develop strategy, take decisions, execute processes, engage with employees, consumers, external pressure groups and communities, and respond to the diverse expectations of all these groups in this fast-moving, transparent age of business. This requires not only a strategy for sustainable business, but also a **culture** that supports strategy delivery.

Why develop a sustainability mindset: the economic case

While the ethical and moral justifications for developing a sustainability mindset are fairly self-explanatory, there are also key economic justifications for this. Sir Richard Branson in his book *Screw Business as Usual* argues that businesses should be a force for good in the world and that the conflict between doing good and being ethical is a 'false dilemma'. While capitalism has 'created economic growth in the world and brought many wonderful benefits to people [it has] come at a cost that is not reflected on the balance sheet' (2011: 20-21). Being ethical and making money is therefore seen as not only possible, but as desirable. For instance, research has shown that by investing in employee health and wellbeing, beyond the minimum requirements of law, a business will reap the benefits of improved employee motivation and productivity, while contributing to a healthier and more vital society (Berry *et al.* 2010). By investing in community development activities, a business will make reputational gains which will serve its long-term ability to attract and retain investors and customers, while strengthening the fabric of the local community from which it also draws resources (King and Lawley 2016: 610-18).

Take for instance the recent scandals around zero hours contracts that have hit the retailer Sports Direct. On moral grounds, zero hours contracts can be criticised as they work against the UN Sustainable Development Goals (SDGs) 1 'No Poverty', 2 'Zero Hunger', 3 'Good Health and Well-Being' and 8 'Decent Work and Economic Growth', due to the fact that many employees do not know when they are next going to get jobs and are often working at levels below the minimum wage. This can also work, in the long term, against the firm on economic grounds. While Sports Direct has 'successfully' used them for many years, the recent attention in the media, and by MPs and investors, has hit the company and its share price hard (dropping from 922 in April 2014 to 257 in July 2016), causing the company to offer guaranteed hours for its workforce and inviting employee representatives onto the board (Farrell and Butler 2016). Sports Direct has thus had to respond to public pressure to change its practices to those which are more sustainable.

The fundamental ability to deliver a strong sustainable business strategy lies with a company's leadership and is embodied in its **values, culture, capabilities and communications**. This means embedding a **sustainability-enabled culture** in all parts of the organisation. Business leaders need to ensure that employees, the group which most influences a business's results, and which is most directly influenced by the employment practices of the business, understand, engage with and proactively advance the sustainability agenda.

The broader HR role in sustainability

HR teams are **critical partners** in making this happen. This means that HR must understand and engage with the new rules of business sustainability and align its support accordingly (Cohen 2010). For example, in a business which wishes to develop a new line of products marketed to women, a culture of **women's empowerment** within the business must be present for optimal results to be achieved. It can be argued that selling to women requires an understanding of women's needs and habits in relation to a particular product range. It is extremely challenging, if not impossible, for a business to succeed in marketing to women if women are not valued and empowered in the workplace. Helping to create **an inclusive culture** is a key role of the HR function which, in this case, can support the achievement of specific business objectives. Not only this, there is a ripple effect in the local community when women are empowered (WEP 2012).

Another example might be the process of achieving energy efficiencies as businesses work towards being part of a low-carbon economy. Many companies have found that the formation of '**green teams**' in the business assists in generating awareness of energy savings, and recycling of waste among employees. Although they may be formed from volunteers within the business, green teams still require a framework of operation and a set of guidelines for ensuring they both deliver results and engage employees at different levels. In some cases, this might require specific training of employees, including green team leaders, or a broader communications process within the company. These are the tools that the

HR function can provide and, in fact, HR is best positioned to provide such team-working frameworks and processes. Green teams not only help a company to reduce its costs and environmental impacts, they also engage employees in activities which enable them to experience additional purposeful contribution in the workplace. This has been correlated to increased retention, motivation and engagement (IESE 2013). Not only this, there is again a ripple effect in the community. As employees learn the benefits of **environmental efficiencies in the workplace**, they may take this learning home and apply similar practices. This saves them money and also reduces the environmental burden of private energy consumption and waste, etc.

Further, in today's 'war for talent', existing and potential **employees are searching for meaning** in their work, beyond receiving a salary slip at the end of each month (Ulrich and Ulrich 2010). In particular, recent research which states that Generation Y, people born between 1980 and 2000, who grew up in a more eco-conscious society, are more concerned with job fulfilment than financial gain (Seager 2014). In a recent report, Accenture recommended that organisations can engage and motivate recent graduates by using CSR to give them a stronger sense of purpose (2016). Furthermore, research by Ohlrich (2015) argues that Generation Y graduates are attracted to companies not so much due to their CSR, but the values by which the company operates. Having CSR policies therefore is not enough—it is about having the wider values to attract high-quality staff.

Further research has shown that CSR 'enhances a corporation's reputation for prospective employees by increasing organizational attractiveness and firm familiarity, but also influences incumbent employees' (Gond *et al.* 2010: 34).

Therefore, the role of HR in helping businesses become more sustainable can be demonstrated in different ways, and requires an understanding by HR leaders and team members of **sustainable business priorities** and a sustainability mindset.

Performing HR sustainably

Equally as important as supporting business objectives is the way HR performs its traditional functions so that, even in cases where sustainable business strategy has not been specifically articulated, **HR remains accountable for its impacts on society and the environment**. The implications on society of HR decisions in almost all aspects of HR work can be far-reaching, well beyond the primary considerations of business growth and profitability. Closing a factory, for example, and laying off employees may have extensive implications for the social and economic wellbeing of a local community. While sustainability HR considerations may not be enough to prevent closure, the way in which the HR leadership defines strategies to communicate, execute plans and support employees through a life-changing event can make a critical difference to individuals and families within the community. Sustainability, in this sense, means that HR takes into account these implications when formulating HR policies, plans and programmes. To implement these decisions properly therefore requires a sustainability mindset.

Traditional core HR functions include recruitment and retention, training and development, compensation and benefits, organisational development and internal communications. HR has an inherent accountability to consider the **broader implications of HR decisions**, not only on employees but also on employee families, communities, economies and society in general (see Figure 1).

By recruiting a **diverse workforce**, which is inclusive of different ethnic groups in society, or ensuring the recruitment of locals into key roles rather than expatriating managers for short time-periods, HR plays a role in strengthening the fabric of local society. By investing in the employability of individuals in the organisation, and helping them manage their own careers, HR supports a more robust economy in today's society where 'jobs for life', once a key promise of many companies, can no longer be guaranteed. By paying a fair wage, or what is often called a '**living wage**', HR makes a difference by helping to reduce poverty in countries of operation and encouraging **investment back in the community**. By providing benefits such as health insurance and wellness programmes, HR contributes to a healthier society and reduces the burden of healthcare costs on economies and societies.

Figure 1: Examples of the connection between HR policies and social and environmental impacts
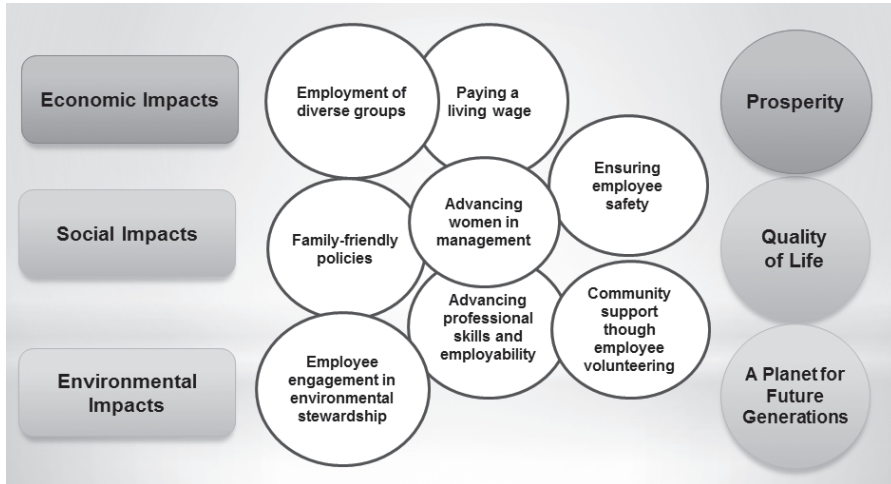
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In so many ways, the decisions made by HR departments have potentially far-reaching, short and long-term consequences for society, beyond the considerations of an individual company and its employees. While HR cannot be expected to single-handedly solve all of society's problems and inequalities, a **sustainable HR function understands the impacts it creates** and considers these broader needs when formulating policies.

Sustainable HR metrics

One of the central ways in which HR is implemented now is metrics. Measuring performance, including HR, sustainably is seen by some not only as possible, but as an imperative. Table 1 shows some examples of the HR contribution and the aspects of business value that can be calculated. The telecommunications company BT, for example, reports sick pay costs as a business value metric relating to employee health and safety (BT plc 2014).

Table 1: Examples of HRM metrics and connection to business outcomes and value

HRM role	HRM objective	HRM metric	Business value
Values and ethics	Employees understand and behave in line with corporate values	Percentage of employees trained in values and ethics	Mitigation of risk due to unethical behaviour by employees. Improved corporate reputation and trust
		Percentage of employee responses in survey showing employee support for company values	
Recruitment	Recruitment is based on diversity principles	Percentage of employees recruited by gender and by minority groups	Improved business results, innovation and customer satisfaction
Compensation	Compensation is driven by equal opportunity for men and women	Ratio of base salary men to women	Lower HR costs due to turnover, improved motivation and trust
	Compensation is linked to sustainability performance	Number of employees with sustainability targets in annual work plans	Improved execution of sustainable business strategy
Wellbeing	Employees are fit to contribute to their maximum capability	Percentage of employees who engage in a corporate wellbeing programme	Reduced business health costs, lower absenteeism, improved productivity
		Percentage improvements achieved in employee wellbeing (health, stress, diet, etc.)	
Development	Diverse employees are given opportunities to advance	Percentage of women in management positions	Improved business results, innovation and customer satisfaction
		Percentage of minorities in management positions	
	Employees understand and act in line with sustainability strategy and principles	Percentage of employees trained in sustainability	Improved execution of sustainable business strategy
Engagement	Employees enhance corporate community relations	Percentage of employee volunteers	Employee engagement, reputation benefits, enhanced community relationships
	Employees contribute to improving environmental impacts	Percentage of employees participating in 'green' activities	Energy and material cost reductions

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Opportunities for sustainable HR management

Beyond fulfilling traditional roles as mentioned above, HR has an opportunity to use tools provided by a sustainable business approach to **engage employees in sustainable practices**. These are practices not typically undertaken by HR managers, and may include supporting environmental stewardship through **green team** development, or encouraging employee volunteer programmes in the community. For example, one telecommunications company, ECI Telecom, engages employees in environmental awareness through competitions which engage hundreds of employees and their families. In the ECI Telecom 2012 *Sustainability Report*, ECI displays photos from a 'green camera' competition in which employees of the company's Indian subsidiary participated (ECI Telecom 2013). **Raising awareness** is the first step in changing practice. In America, the US Postal Service reports massive business savings through recycling, waste reduction, energy conservation and more, through the activities of employee green teams throughout its US operations (USPS 2013).

Using employee volunteering programmes to develop a sustainability mindset

Employee volunteering programmes offer an excellent opportunity to help develop a sustainability mindset. Volunteering programmes can generate opportunities to connect with your community (the 'Doing') and, by meeting new people, provide space to reflect on your personal values (the 'Being') (cf. Rimanoczy 2016). The business also benefits through increased employee satisfaction, motivation and loyalty, as well as innovative opportunities for employees to gain new experiences and enhance their skills. For example, the healthcare company GSK (GlaxoSmithKline) reports a 47% higher rate of promotion among employees who have participated in the company's PULSE volunteer programme (Korngold 2014: 122). GSK, as well as other companies, such as IBM

and Intel, maintains extensive volunteer programmes which involve sending employees outside of the organisation for weeks or even months to participate in volunteer activities to support social causes, often in emerging economies. The overriding experience of these employees is one of **learning, personal growth and development, leadership**, communication and team-working skills, which they bring back to benefit the business. Many employee volunteers keep journals, such as the GSK PULSE volunteer blog (http://gskpulsevolunteers.com), in which they record their experiences, thus helping to improve the company's reputation as well as advancing internal benefits, for example. In other cases, companies maintain many different types of volunteering programme from a one-day annual corporate event for all employees, to ongoing local activities in different operating locations.

Whatever the nature or scale of volunteering activities, they universally contribute to motivation and skill development. HR must be a partner in developing such programmes in a way which meets both community needs and also strategic HR needs.

HR's role in protecting human rights

The United Nations Global Compact states that a business should:

- Support and respect human rights

- Make sure it is not complicit with human rights abuses

- Give employees freedom of association (to be a member of a trade union)

- Eliminate forced and compulsory labour

- Abolish child labour

- Eliminate discrimination

For more information, see UN Global Compact (2016).

While for many large corporations these might seem to be issues that might not concern them, on closer inspection it can be a complex role for HR. Management of **human rights** is not something HR managers traditionally tend to consider as part of their job description. Most HR

managers are conversant with labour laws or have in-house legal counsel. But human rights in a company's supply chain often goes beyond the minimum requirements of law, especially if a company is operating in emerging economies where legal frameworks are less developed or minimally enforced. Not only does this responsibility relate to staff who are directly employed by the firm, but also for those within the supply chain. For instance a survey, conducted by the Hult International Business School in conjunction with the Ethical Trading Initiative, found that 71% of firms felt there was a likelihood of modern slavery occurring at some point in their supply chain (Lake 2016). Ensuring a supply chain free from child labour, forced labour, human rights abuses and discrimination has now also become part of the role of HR management and goes beyond traditional relationships with suppliers and outsourcing vendors based on procurement contracts focusing on price, quality and service. For example, many companies have established ethical sourcing policies which require suppliers to commit to maintaining human rights and employee rights in their companies. HR management has a role in assisting in the establishment, implementation and control of such practices.

Diversity and inclusion

Principle 6 of the UN Global Compact states that businesses should work on the elimination of discrimination in respect of employment and occupation. Furthermore, diversity and inclusion is the focus of the PRME Working Group on Gender Equality.

Increasing diversity and inclusion has business benefits as well as ethical ones. Drawing from a diverse pool of applicants can help organisations in the 'war for talent', it can lead to better decision-making as a wider range of perspectives are available, and it can also mean that the organisation is more representative of its client group (King and Lawley 2016). Despite these tangible economic reasons, diversity and inclusion is still a challenge for many organisations. One issue is that forms of exclusion are not always obvious. While direct discrimination is generally apparent, indirect forms can be harder to spot. Developing a sustainability mindset can help produce a stronger awareness of such

The PRME Working Group on Gender Equality

This PRME working group was formed in 2010 by the UN Global Compact and UNIFEM, now UN Women (see www.unwomen.org). The aim of this PRME group is to 'help the private sector focus on key elements integral to promoting gender equality in the workplace, marketplace and community' (PRME Working Group on Gender Equality 2016).

Its main objectives are:

- **Teaching:** Creating an interdisciplinary network of academics, employers and other stakeholders interested in getting gender issues on the business school curriculum and creating resources

- **Research:** Advocating research into gender issues and creating case studies

- **Practice:** Encouraging a wide range of PRME partners and working groups to consider gender issues and how they integrate into practice

For further information, see PRME Working Group on Gender Equality (2016).

indirect forms by helping to understand forms of exclusion that might not immediately be obvious if you personally do not face it (for instance a childless man might not notice the challenges faced by women or men in bringing up children).

To overcome the exclusion of women at board level, Norway has introduced a quota system with the potential to fine companies that do not meet their quota. As a result, over 44% of positions are now filled by women, up from only 6.8% in 2002 (see King and Lawley 2016: 431-33 for a discussion).

Employee wellness

Beyond the requirement of compliance with health and safety laws, which is often an operational, not an HR, responsibility, there exists great opportunity for HR management in **advancing employee wellness in the workplace**. Wellness and wellbeing are concepts which are not usually mandated by law, but which can help organisations save on healthcare costs, protect business continuity and improve employee morale and productivity, while also improving their impacts on society. Large companies such as Unilever, Johnson & Johnson and Caesars Entertainment have advanced **employee wellbeing programmes**, including **employee health risk assessments**, and have found that the return on investment is significant. Caesars Entertainment, for example, quotes saving upwards of $2.5 million per year through voluntary participation of employees in the company's wellbeing programme, while reducing health risks such as cholesterol, high blood pressure and glucose (diabetes) in double percentage points (Caesars 2013). The Caesars Entertainment wellness programme has 85% employee participation and provides incentives to employees who look after their own health in the form of healthcare costs savings and gifts. Ultimately, the organisation derives great benefit in employee productivity, and the burden of healthcare investment to local economies is reduced significantly.

This type of programme is clearly within the framework of the HR role, which can provide tools, processes and internal communications to help the programme succeed. In addition to the internal and external benefits, this is also an area in which the HR function can demonstrate a direct contribution to a business's bottom line, a perfect match of sustainability and business objectives.

Summary

The above examples show how HR can leverage its core competences in any company to support sustainable business objectives and perform HR sustainably. In doing so, HR must be concerned not only with the business objectives defined by management and employee needs, but

also with the **wider impacts of HR decisions** and performance on **communities and the environment**. The essence of this approach is for HR managers to understand the concepts, principles and strategy of **sustainable business** and to recreate HR management processes in a way that leverages HR capabilities for the broader good, not only of the company and its employees, but also of society as a whole.

Suggested seminars

The following seminars take you through a series of activities that ask you to think about some of the types of HR issue that you might face in an organisation. In doing these activities and thinking about the social, political and economic consequences of your actions, you are beginning the process of developing a sustainability mindset, one of the key topics for this chapter. Therefore doing these activities, and discussing your ideas with others, is a useful way of developing yourself for your current and future roles.

Seminar 1: Case study—sustainable HRM reporting

Split into teams of two. Each team selects a sustainability report published within the past year by an organisation of your choice. These are freely available to download from the corporate websites of companies that report on sustainability. Each team should analyse the report and identify all the disclosures relating to employees and human resources practices. Formulate answers to the questions listed below.

Report analysis questions (60 minutes)

1. What aspects of human resources practices are referenced in the report?

2. Of all the human resources elements disclosed by the company, which would be the most important for you and why, if you were:
   a. A shareholder in the company?
   b. An employee of the company?
   c. A potential recruit?
   d. A family member of an employee of the company?

e.   A local city council official in a city where a number of the company's employees are located?

3.   Review commonalities and differences in the way companies report on human resources aspects of their sustainability performance. What can you infer from the content and style of their disclosures about the organisational culture of the company?

4.   Review whether the disclosures related to human resources and organisational development are linked to the business performance of the company, and if so, state in what ways. What metrics connect HR performance to business results?

5.   Have these disclosures increased your level of trust in this company?

6.   Would you want to work for this company?

After you have answered these questions in your teams, get together as a group and review your findings. Consider the differences and similarities, and the elements which have inspired greater trust in the company as a result of their sustainability disclosures.

As a group, agree on the top five characteristics of HR sustainability reporting that you feel are essential to any sustainability report on HR practices.

Seminar 2: Sustainable organisation culture

In a sustainable organisation, as in any organisation, the underlying culture can be both a reflection and a predictor of sustainable business results. In a sustainable organisation, values are emphasised as part of the organisation's way of operating, communications are frequent and intensive, and individuals feel instilled with a sense of purpose and are empowered to make a difference. More than concerned with their specific roles and direct business results, they are conscious of their responsibilities to society and the environment, and the impacts which result from the things they do and the way they do them. These impacts are felt both internally and externally. In the sustainable organisation, values must offer a certain common ground to enable the wide engagement of

employees in a shared culture which continues to respect and celebrate the diversity of individuals.

It is always difficult to assess how people understand and prioritise values and therefore what is necessary in order to motivate and frame common behaviours driven by shared values. Describing values in visual terms is often an excellent way of demonstrating alignment, or otherwise, with the values which underpin a sustainable business.

In this seminar, participants have the opportunity to create a visual expression of the way they see sustainable organisations add the values that helped them become sustainable.

This seminar requires teams of four, working together. The tools required are large 1 m² canvases (on easels if possible), paints and paint-brushes.

Each team should collaborate to create their portrait entitled 'The Ideal Sustainable Company'. No more than 40 minutes should be allocated to creating the portrait.

Once all the portraits are complete, each team should present its picture to the other teams, explaining the different elements in the image and why priority has been given to certain elements. Following the presentations, a group discussion should address the following questions:

1. What were the common visual elements in the portraits?

2. What were the values that stood out as the most significant in all the portraits?

3. Did different visual elements portray the same values or different values? What does this tell us about the way values can be embedded in organisations?

4. What does this exercise tell us about the values that we see as important for sustainable organisations? Would we have created different portraits 20 years ago? Are any of these visual elements used in employer branding of companies that you are aware of?

5. Did the process of creating the canvasses engage team members in discussion about the relative importance and prioritisation of different values for sustainable organisations? Would this be a useful exercise to conduct within company teams?

Seminar 3: Case study—diversity and inclusion

Read the following case study. Engage in a discussion and respond as a group to the questions at the end of the case study.

Diversity and inclusion

You are the HR manager of a supermarket chain which has been expanding rapidly in your country and is poised for overseas expansion in the coming years. You know that the ability of the company to expand depends on a constant stream of recruitment of the right quality people at all levels in the organisation. In fact, you have specific recruitment objectives which are more challenging than at any time in the past. You are very aware of the 'war for talent' and the fact that there is great competition for good people, especially university graduates. After talking with colleagues in the market, you and your HR team realise that you must proactively seek out innovative ways to attract new talent to your company. You believe that this means leveraging your reputation for sustainability more effectively during the recruitment process, as well as broadening your recruitment channels and reaching out proactively to a more diverse range of candidates from different backgrounds and minority groups.

Typically, diversity has not been a focus of your company and no special efforts have been made to increase diversity. In fact, this is not something that you and your HR team have focused on in any way in the past. Your workforce is predominantly led by males, while most of the unskilled roles are performed by women (e.g. check-out cashiers, shelf-stockers, cleaners, etc.). The workforce barely includes people with disabilities, and ethnic groups in the population are not significantly represented.

In order to compete effectively in the 'war for talent', you believe your company must significantly rethink the way it recruits and whom it recruits, in order to exploit fully the potential talent available in the market. Not only must the company now learn to recruit in a more diverse way, the organisation must be able to take diverse candidates on board successfully and enable them to progress within the company over time.

You charge yourself with delivering a plan to attract, recruit, advance and retain diverse candidates to meet the targets defined by your CEO within three years:

- 25% of the workforce (currently 10%) should be sourced from diverse groups

- 20% of management (currently 5%) should be women

- 5% of management should be from diverse groups (currently zero)

It won't be easy!

Questions for discussion

1. Who is affected by this situation and what is the impact on them? List all the relevant internal and external stakeholders and implications for them in this change in policy.

2. What tools does the HR manager have to increase diversity in recruitment processes? Which new channels can the HR manager open up? How do recruitment processes need to change?

3. What sort of organisational culture is necessary in order to attract, recruit and retain more diverse people? What needs to be done to ensure the right culture is in place? Which key HR processes and tools are required?

4. Which tools does the HR manager have to measure the impact of this change in policy on the business results, organisational culture, employees, local communities and the local economy? Which performance indicators should be developed to measure success?

Output required

1. State the top three actions you recommend the HR manager should advance during the next 12 months

2. Explain why these are the most important things you should do

3. Explain the role of the CEO and other managers in supporting this programme

Additional teaching material and ideas

Made in Dagenham

www.imdb.com/title/tt1371155/

This movie is a dramatisation of the 1968 strike at the Ford Dagenham car plant, where female workers walked out in protest against sexual discrimination. There are several important elements in this movie which relate to the nature of power relationships in the workplace and the strength and courage it takes to drive change in support of human rights at work. While this scenario may seem rather outdated, the challenges of women in achieving equal rights are still relevant today in many workplaces, not to mention the challenges of other groups such as the LGBT (lesbian, gay, bisexual, transgender) community. This movie can be the basis for a discussion about what needs to change in order to ensure that equal opportunity and equal rights become reality in all workplaces, and whose responsibility it is to fight for those rights.

BITC (Business in the Community) Competency Map

www.bitc.org.uk/services/learning-bitc/cr-practitioner-competency-map

This is a tool for CSR and HR managers. It provides a tool to better understand and develop the required behaviours of CSR managers, and includes a guide for HR managers to understand these behaviours so that they can develop programmes to encourage such behaviours in the organisation. The map provides case studies of how companies have used the competency map. The map can be a useful tool to teach approaches to CSR and the ways in which HR can support effective CSR and sustainability development in the organisation.

GRI (Global Reporting Initiative) Sustainability Disclosure Database

http://database.globalreporting.org

This is a repository of sustainability reports from around the world, updated as reports are published. HR managers, seeking to understand the way in which sustainable HRM is reported, may search the database by company, sector or even by specific performance indicators and review how sustainability and HRM topics are practised and reported by

companies, providing both interesting insights and ideas as well as performance benchmarks against different metrics. The GRI database can be used as a basis for setting exercises to develop an understanding of sustainable HRM transparency.

UN Global Compact

www.unglobalcompact.org

The UN Global Compact is a voluntary framework for responsible business based on ten principles which have been accepted by thousands of business organisations around the world. Seven of the ten principles have a clear link to HRM and HR process as they relate to upholding human rights, labour rights and maintaining an ethical culture which opposes corruption. The UN Global Compact is rich with information, reports and tools which can assist business in understanding the issues and developing management approaches and can be used in designing learning exercises in different areas of sustainable HRM.

Anita Roddick, *Business as Unusual: My Entrepreneurial Journey—Profits with Principles* (Roddick 2005)

www.anitaroddick.com/books.php

This book was not written specifically as a management teaching book in sustainable HRM. However, it is immensely readable and chronicles the experiences and conflicts inherent in developing a business based on social and environmentally responsible values. The book can be used as a basis for discussion about the ways in which socially responsible businesses create cultures in which values thrive and the challenges that business leaders face in selecting and developing employees.

Further reading

Cohen, E. (2010) *CSR for HR: A Necessary Partnership for Advancing Responsible Business Practices* (Sheffield, UK: Greenleaf Publishing).

> The HR department can and should play an important role in CSR. This book is designed to assist practitioners in understanding how CSR is changing the HR function. It outlines the implications of the growing importance of CSR for different HR functions, examines how HR can help embed CSR and proposes the infrastructure needed. Effectively, *CSR for HR* is a guide for HR professionals in how to adopt a CSR approach to HRM.

Cohen, E., S. Taylor and M. Muller-Camen (2012) *HRM's Role in Corporate Social and Environmental Sustainability* (Alexandria, VA: Society for Human Resource Management).

> This report begins by examining the critical role HRM plays in sustainability and the HRM tools available to embed sustainability strategy in the organisation. The second section introduces a roadmap to sustainable HRM. It outlines global business approaches to sustainability, labour standards and specific aspects of sustainable practice such as employee volunteering, employer branding and green HRM. Finally, the report explores the new HR skills required for practising sustainable HRM and the applicability of sustainable HRM in different types of organisations.

King, D., and S. Lawley (2016) *Organizational Behaviour* (Oxford, Oxford University Press).

> This introductory text on organisational behaviour features issues around sustainability and CSR, inclusion and diversity (particularly around leadership) and issues on developing a more critical (and sustainability?) mindset. It offers many real-life cases of companies that have been criticised for their actions as well as examples of organisations that are developing a growing reputation for CSR. It also includes interviews with important business leaders around the issues of sustainability (particularly in the car industry) and ethical action (in the banking sector).

Savitz, A. (2013) *Talent, Transformation and the Triple Bottom Line* (San Francisco, CA: Jossey-Bass).

> Employees are central to creating sustainable organisations, yet they are left on the side-lines in most sustainability initiatives along with the HR professionals who should be helping to engage and energise them. This book shows business leaders and HR professionals how to: motivate employees to create economic, environmental and social value; facilitate necessary culture, strategic and organisational change; embed sustainability into the employee life-cycle; and strengthen existing capabilities and develop new ones necessary to support the transformation to sustainability.

SHRM (Society for Human Resource Management) (2011) *Advancing Sustainability: HR's Role* (Alexandria, VA: Society for Human Resource Management).

> The majority of organisations in the USA are engaged in some form of sustainable work practices and, of those that have calculated the return on investment, almost half have reported a positive outcome. This research is based on a 2010 survey of 728 HR professionals in the USA. Other noteworthy findings were that the three key drivers for these activities were contribution to society, competitive financial advantage and environmental considerations. Moreover, one of the most important positive outcomes from sustainability initiatives was improved employee morale. In this report, you will find examples and case studies from a range of organisations and sustainable workplace practices.

Sunley, R., and J. Leigh (eds.) (2016) *Educating for Responsible Management: Putting Theory Into Practice* (Sheffield, UK: Greenleaf Publishing).

> This PRME-backed book covers many of the central principles and ideas behind PRME and gives some ideas about their implications for the teaching of management education. It covers areas such as developing a responsible mindset through to the role managers can play in creating a more meritocratic workplace. It will be of interest to those that teach HR and potential future HR managers in how to help promote and develop a sustainability mindset and change management education.

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