

The Importance of Human Resource Management in Strategic Sustainability: An Art and Science Perspective

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ABSTRACT

Strategic sustainability is associated with significant business benefits as well as positive environmental impacts, yet many organizations fail to recognize the potential of this approach, and neglect the factors necessary for its successful implementation. This article recommends an art and science based approach to strategic sustainability and discusses the important role of Human Resource professionals in contributing to the success of this approach. A number of key areas of responsibility for the HR department in relation to strategic sustainability are discussed and the importance of a more proactive approach on the part of HR professionals is noted.

KEY WORDS

Art and Science, HR, Strategic Sustainability, Transformation

I. INTRODUCTION

According to a growing body of research evidence, many employers are struggling to incorporate sustainability in a strategic way into their business. For those that do so successfully, it is reported that the business benefits are often substantial, including an enhanced brand image resulting in increased sales, improved recruitment and retention, and greater efficiencies. When sustainability is adopted as a more peripheral or add-on way to core business, on the other hand, it often results in increased costs and can be seen as financial burden, and as a result can be readily abandoned due to economic pressures

in other areas of the business (Kruschwitz and Haanaes 87).

In this article, I explain and recommend the use of an “art and science” approach to sustainability to help ensure that sustainability initiatives deliver both environmental and business benefits, and I highlight the important role of Human Resource (HR) specialists in this process. Although many functional areas of an organization are often involved in developing and implementing sustainability initiatives, HR specialists are uniquely placed to make a major contribution in this area due to the important people-related dimension of this type of initiative, as well as the range of art and science skills typically associated with the HR function itself. I outline some specific areas in which HR professionals can contribute to the achievement of sustainable business, and conclude by reflecting on progress and limitations in this area to date, and

the ways in which this professional group should position itself for a more central role as sustainability advocates and experts.

II. THE SUSTAINABILITY CHALLENGE

International sustainability surveys (Aberdeen Group; Haanaes, Balagopal and Arthur) have found evidence of a significant gap between those organizations that have fully embraced sustainability and those who are adopting it more gradually and in a more peripheral way. While most organizations now recognize the business benefits of sustainability, the more “cautious adopters” (Kruschwitz and Haanaes 4) are struggling to measure these and are not yet gaining a competitive advantage from their sustainability initiatives in the way that the first group are. Among the organizations that have successfully adopted sustainability in a strategic way into their core business, the reported benefits include greater efficiencies, the ability to innovate, increased profits and business growth (The Aberdeen Group 22; Haanaes, Balagopal and Arthur 78).

What often goes unrecognized is that, like other business projects, sustainability initiatives require a good mix of art and science to be successfully implemented and achieve their desired outcomes. In order to generate business as well as environmental benefits from a sustainability initiative, a transformative approach is required in which sustainability principles are incorporated into all areas of the organization, and workplace norms and behavior are modified to reflect these. Unfortunately, organizational transformations in general typically have high failure rates (Economist Intelligence Unit 5; IBM 14), and it is becoming increasingly evident from research that this can largely be attributed to a neglect of the people-related aspects of change. In the area of sustainability, projects and goals are often established without due

consideration to the likely impact on employees and what will be required of them to ensure the success of the initiative. Further, sustainability initiatives are often launched without the levels of investment or the application of project management expertise and tools that would generally be allocated to other types of business project, which almost sets them up for failure from the outset.

Moreover, research indicates that sustainability is still being given a relatively low priority on the executive agenda compared with other business issues (Kruschwitz and Haanaes 87), which suggests that there are low levels of awareness of its potential business benefits among organizational leaders, leading to a “vicious circle” scenario in which inadequate attention or resources are allocated to sustainability initiatives. In one international survey of more than 4,700 executives and managers from a wide range of sectors, for example, only 28% reported that sustainability is a “core strategic consideration” in their organisation (Kruschwitz and Haanaes 89).

III. ART AND SCIENCE IN STRATEGIC SUSTAINABILITY

As the above section highlights, becoming an environmentally sustainable organization represents good business sense if approached correctly, but many employers are adopting sustainability only as a peripheral or add-on project which is core to the business. When approached in this way, the sustainability program does not generally receive the level of investment or application of expertise and organizational tools necessary to ensure that it delivers the intended benefits – and project failure or termination is often the inevitable result, especially in the face of economic or workload pressures in other areas of the business.

I recommend the adoption of an “art and science” approach to sustainability as the solution

to this problem and the best way of ensuring that sustainability is implemented in a way that will add measurable value to the business as well as delivering environmental benefits.

The Role of Art

In particular, there is a need to introduce a greater “art” dimension to projects in order to reduce the risks related to neglect of the people-related aspects of change. These are especially important in the context of sustainability because employees need to understand and be convinced of the need to implement the changes necessary for sustainable business, especially if these involve extra work and the benefits are intangible or only realized in the longer term.

In general, the frequent lack of attention to art in organizational change can largely be attributed to the “science”-focused nature of the formal project management discipline, which originated in industries such as construction and IT in which people-related factors are of lower importance than in other sectors and organizational contexts. In the case of sustainability, however, the successful implementation of projects relies very much on the engagement and involvement of employees throughout the organization, and securing this requires a range of skills and attributes not traditionally given high importance in project management compared with the “science” skills involved, for example, in developing a project budget, work breakdown schedule and risk management plan.

The importance in sustainability of the “soft” skills of managers and leaders was highlighted in a 2010 survey carried out by the International Society of Sustainability Professionals, with the most important being identified as including the ability to influence, inspire and motivate others, excellent communication skills and team-building abilities

(Johnson 30). The importance of communications in sustainability cannot be under-estimated – a good communications strategy is needed to generate organizational learning about sustainability and about the objectives and intended benefits of the initiative to all stakeholders, and to monitor and report on progress in order to highlight the benefits and encourage all to work together to achieving its goals. It is not only necessary to convince staff about the need for sustainable working practices and address their concerns; senior executives also often need to be persuaded to give their support to the program and commit the necessary financial and non-financial resources to ensure its success. This requires sustainability champions who understand and are skilled in communicating the business benefits to senior executives and negotiating adequate investment to underpin its implementation. Other types of art skills especially important in strategic sustainability, identified from a review of the sustainability literature by Smith and Sharicz, include having a questioning, innovative and creative approach to business; the ability to build internal and external relationships and partnerships with stakeholders; strategic awareness and the ability to balance local and global perspectives, and emotional intelligence (77).

The Role of Science

All this is not to suggest that only art skills are important in the implementation of strategic sustainability, a range of “science” skills are equally important and it is achieving the right combination of art and science that is fundamental to the success of any sustainability initiative. The “science” related aspects of project management in general consist of the application of formal methods, tools and techniques in order to achieve project objectives, for example in the areas of planning, budgeting, risk management, quality control and performance measurement.

In the context of strategic sustainability, there will be a need to apply science skills from the outset in systematically reviewing current operations and practice in order to identify areas where the business can become more sustainable and what this will involve, and to develop specific sustainability goals and performance criteria. There is also a need for the application of established project management tools and techniques to scope projects and develop detailed specifications, formulate detailed implementation plans at organizational and departmental level, and determine resource requirements and the breakdown of responsibilities and required inputs. Sustainability project managers need to be able to estimate resource requirements, develop a budget and use techniques such as stakeholder analysis and risk analysis to maximize the likelihood of successful outcomes and minimize both inefficiencies and possibility of project failure. Additionally, they need to develop and implement performance measurement systems that can monitor and demonstrate program performance and return on investments, and convey the results in ways that will be meaningful and inspiring to stakeholders at all levels of the organization.

Combining Art and Science for Transformation

Achieving the right balance of art and science is the key to successful sustainability, as in the case of other organizational transformation projects, a point which is supported by the research evidence. International employer surveys (Haanaes, Balagopal and Arthur; Kruschwitz and Haanaes) have revealed that the organizations generating a competitive advantage from their sustainability initiatives were most likely to be exhibiting both an analytical approach to sustainability, including the development of a formal business case as well as the use of scenario planning and strategic analysis, as well as a shift in organizational culture with an increased emphasis

on intangible and qualitative business goals such as enhanced innovation and creativity.

Indeed, strategic sustainability requires a “transformative” approach involving not just extensive changes to business processes and strategy but a significant change in mindset and corporate culture, particularly involving a shift in focus from traditional financial or quantitative indicators of business success to social and environmental indicators as well as the more intangible, qualitative factors such as improved awareness of and attitudes towards the company brand. This involves the application of both “art” and “science” perspectives, or what might also be referred to as “right brain” and “left brain” thinking, respectively.

IV. THE CENTRAL ROLE OF HR PROFESSIONALS IN SUSTAINABILITY

Among all functional and professional groups within an organization, HR specialists in particular can be singled out as being best placed to take on a central role in the art and science approach to sustainability. A number of key areas in which HR input is needed or in which HR specialists can potentially add value to the sustainability initiative can be identified as follows.

Raising Awareness and Promoting Dialogue

Awareness and understanding of environmental sustainability and related issues among all employees is essential for securing their engagement in and commitment to the sustainability initiative, and in developing the types of approaches and values necessary for sustainable business. The HR department with its responsibility for training will ideally be centrally involved in the development and delivery of training programs and awareness-raising materials to meet these needs, especially

since the learning requirement spans all functional areas. Events and media used to raise awareness of environmental and sustainability issues may include seminars and workshops specially tailored to the requirements of the organisation, as well as newsletters or other literature, or electronic learning resources available via the organizational intranet.

One of the main objectives of interactive training events should be to promote understanding of how environmental sustainability can be achieved within specific areas of the organization, and the roles and responsibilities of individual employees in relation to this. As Colbert & Kurucz (28) and Rimanoczy & Pearson (15) highlight, HR has an important role to play in designing these to facilitate the dialogue needed to achieve this understanding, which is in turn likely to promote the sense of a community working towards shared goals, itself associated with enhanced employee engagement and other organizational benefits.

Provision of Art and Science Skills and Expertise

Overall, the HR department is responsible for ensuring that the organization possesses the right levels and combination of art and science skills necessary for successful implementation of strategic sustainability, which can be achieved either through training and development of existing employees, or recruitment. The department should take the lead in conducting an organization-wide review of skills and expertise in order to identify current strengths as well as gaps that need to be addressed, and also to ensure that the right individuals are allocated to key roles in the development and implementation of the sustainability initiative.

In doing so, the department will need to work closely with organizational leaders as well as department heads to secure the necessary levels of investment in training and recruitment, and the co-operation necessary to change or modify the jobs of

individuals selected for key roles in the sustainability initiative. HR professionals will themselves need to demonstrate strengths in science as well as art skills in order to achieve these objectives including the ability to accurately estimate the budget requirements for training and recruitment and to help build a robust business case for sustainability, as well as the communications and negotiation skills necessary to convince senior executives and managers of the need for these.

HR Policies and Procedures

In order to successfully deliver the art and science skills needed for strategic sustainability, there may also be a need for the HR department to redesign its own policies and processes, especially relating to performance management, rewards and recognition, and recruitment and selection processes. There are two main objectives: first to ensure that the policies and processes are designed to provide the organization with the required mix of art and science skills for strategic sustainability, and second to ensure that sustainability-related factors are incorporated in organizational competencies and in individual, team and departmental plans and goals.

It might be argued that, traditionally, staff selection and performance appraisal procedures have been focused primarily on the assessment of “science” skills, such as formal knowledge and experience of the techniques used in a particular area of work, while the softer “art” or people-related skills have been explored less systematically. As discussed earlier, art skills are highly important in the achievement of strategic sustainability; but it is also becoming increasingly evident that both art and science are required in most jobs and should be reflected as such as job descriptions and core competencies. Widespread organizational benefits can then be expected to ensue from a redesign of selection and assessment systems to ensure that both

art and science skills are being properly evaluated. Doing so may involve, for example, an increased reliance on more qualitative or holistic methods in recruitment and performance evaluation, such as in-depth interviews or the use of 360 degree appraisals to complement more structured knowledge tests.

Incorporating specific sustainability-related goals into job descriptions and core competencies will also help to ensure that employees are motivated to work towards sustainability goals and that these receive similar levels of attention as any other criteria against which individuals and teams are formally assessed. They should be linked to the organisation's rewards and recognition systems, including for example performance-related pay systems, promotion eligibility criteria, or "employee of the month" schemes (Daily and Huang 1548). These types of reward systems might also be used to reinforce a direct emphasis on sustainability, for example by introducing some form of "sustainability award" for outstanding achievements in this area.

More generally, as Colbert & Kurucz observe, HR strategy and processes are instrumental in supporting the implementation of new business directions, such as sustainability, not only by ensuring that the right skill and expertise are available, but by promoting the development of "organizational capital" such as good teamwork, employee empowerment and a positive culture (28). These are likely to evolve as the art and science skill balance of the organization improves, but can also be stimulated by the use of specific types of training such as brainstorming sessions, teambuilding events and consensus-building workshops

Socially Responsible Employment

It can be argued that sustainability begins "at home" and that being a socially responsible employer goes hand in hand with being an environmentally sustainable organization, since a company is likely

to be judged on its corporate social responsibility performance overall.

HR specialists can ensure that the organization and its suppliers comply with or exceed employment standards and provide favourable terms and conditions of employment to their staff and contractors (Glade; Rimanoczy and Pearson 14). They can act as source of information, guidance and support both to the parent organization and its supply chain participants on how to be social responsible employers, and arrange training in this area if necessary.

In general, high quality HR policies and practices integrated with business and sustainability goals are likely to promote positive employee-related outcomes such as improved morale, increased engagement, higher productivity and improved retention (Meisinger 8; Schramm 88; Wilkinson, Hill, and Gollan 1497) and improve the company's brand image which in turn is likely to increase sales and increase the organization's attractiveness to potential recruits. On this point, HR professionals should also ensure that the organization's sustainability policy and achievements to date are included in marketing and recruitment strategies and materials (Colbert and Kurucz 28).

Sustainability Champions and Change Management Specialists

The types of art and science skills already held by many HR specialists and needed in their day to day work make them ideally suited to take on key roles – either on a full- or part-time basis - in the development and implementation of sustainability initiatives. There is evidence from previous research that companies with dedicated sustainability leaders tend to exhibit stronger sustainability performance and gain greater business benefits from their initiatives (Aberdeen Group 3). Such leaders may a central

role in driving progress towards sustainability goals through collaboration and communication with internal and external stakeholders and in ensuring that sustainability stays firmly on the core business agenda.

HR professionals are usually skilled communicators and effective negotiators, with high levels of people acumen but also an astute understanding of business needs and how best to develop a company's human resources to meet these. The nature of HR work also requires expertise in planning, budgeting, risk management and a range of other science-related skills. Few other professional groups exhibit such a strong combination of the art and science skills that are also essential for driving progress towards sustainability objectives.

Performance Measurement

Finally, it will be crucial to monitor and measure progress towards the organizational sustainability goals, in order to highlight and capitalise in business terms on their achievements, reveal areas where improvements are needed, and demonstrate the return on investment of various measures and activities such as training courses or recruitment for sustainability-related posts. Overall, this will require an art- and science- approach to capture the tangible and non-tangible dimensions of performance in sustainability, including for example energy efficiencies and a reduction in waste, as well as the changing attitudes and behavior of employees.

HR professionals will need to play a central role in relation to the performance measurement of employee-related aspects of sustainability, by developing appropriate metrics and designing and implementing data collection methods and tools. These might include, for example, the analysis of recruitment data as well as the design and implementation of staff surveys and interviews to measure or explore changing attitudes towards

environmental issues and their impact on workplace behavior.

V. CONCLUSION

To date, HR professionals have not been centrally involved in sustainability initiatives to the extent that their skills and expertise can contribute real value in the ways outlined above (Harmon, Fairfield, and Wirtenberg 17). A likely reason for this is that many organisations are not yet approaching sustainability in a strategic way, or acknowledging the need for the sort of art- and science-based approach which HR professionals are ideally placed to support. The available evidence suggests that there is little consensus about which functional area of an organization should lead its sustainability initiative, and this is likely to be one of the weaknesses that may undermine an organization's approach to sustainability and perhaps even result in its demise.

However, researchers in this area have argued that this HR professionals as a group also need to become more proactive in understanding business trends, opportunities and risks in the area of sustainability, as well as the perspectives and concerns of relevant internal and external stakeholders and how to ensure that these are effectively engaged in the strategy (Harmon, Fairfield, and Wirtenberg 17). This understanding can then be converted into HR policies and processes designed to support strategic sustainability and generate business benefits which will help convert even the most skeptical stakeholders to the cause. In other words, HR specialists need to become advocates of as well as experts in sustainability, and business partners to senior executives in its overall implementation.

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