

**Sustainable HRM: A How-to-Guide  
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## **Abstract**

There is a disconnect between the fields of human resources management (HRM) and sustainability. Historically, human resource managers focused strictly on maximizing the efficiency of people operations. Today, there is an opportunity—and a need—to leverage people strategy professionals to embed sustainability within their organizations while collaborating with diverse stakeholders beyond their organizations to advance both social and environmental sustainability. For this research, twenty-five people strategy professionals and eighteen sustainability professionals were interviewed using a semi-structured interview format of five key questions. Several themes emerged from these interviews which have been organized into a “Sustainable HRM How-to-Guide” for people strategy professionals who want to lead their organizations towards triple-bottom-line sustainability.

## Table of Contents

1. Introduction
2. Background
3. Methods
4. Results
  - A. Sustainable HRM: A How-to-Guide
5. Conclusion
  - A. Ten Key Insights
6. Appendix
  - A. People Strategy Professionals (PSP) Interview Codes
  - B. Sustainability Professionals (SP) Interview Codes
  - C. People Strategy Professionals (PSP) Interview Script
  - D. Sustainability Professional (SP) Interview Script
7. References

### Introduction

People Strategy Professionals (PSPs) are largely underutilized as leaders in driving sustainability initiatives within their organizations. Few people associate human resource managers with sustainability; yet, HR departments hold the keys to culture creation, compensation, recruiting, training and development, DEI, and several other important strategic areas that can drastically influence pro-environmental behavior and triple-bottom-line decision-making (Ballinger, Gifford & Miller, 2013).

This research asks, “How can HR help embed triple-bottom-line sustainability within organizations?” Forty-three interviews with people strategy and sustainability professionals were conducted to identify key obstacles, opportunities, and best practices for people strategy professionals to lead sustainability in their organizations. These findings were then confirmed during an on-site consultation with people strategy and sustainability leaders at Microsoft Corporation in Redmond, Washington. The result of this research is a “How-to-Guide” for people strategy professionals who want to help lead their organizations towards triple-bottom-line sustainability.

### Background

Sustainable Human Resource Management is a nascent academic field which originated within the past decade and, therefore, remains fraught with divergent definitions (Kramer, 2014). Ehnert (2016) has provided the most cohesive definition of Sustainable HRM as “the adoption of HRM strategies and practices that enable the achievement of financial, social and ecological goals, with an impact inside and outside of the organisation and over a long-term time horizon while controlling for unintended side effects and negative feedback.”

Furthermore, Aust and Matthews (2020) argue for “Common Good HRM” which requires that the purpose of business shift from profitability to solving the “grand challenges of our time.” This paradigm shift to a multi-stakeholder approach is reflected in the recent rise of B-Corporations and triple-bottom-line businesses but is not yet widespread. Though Sustainable HR professionals may strive for this ideal,

they often still operate in business contexts driven by maximizing production and profitability.<sup>1</sup> The field of Sustainable HRM—and this Sustainable HRM How-to-Guide—strive for a both/and approach to HR where long-term business goals are achieved through employee wellness, community engagement, and environmental sustainability.

Lastly, due to the novelty of this field, most research on Sustainable HRM has been written for academics rather than practitioners, such as human resource managers. Few practitioner-focused, action-based resources that are realistic rather than idealistic are available. This research attempts to address this gap by providing people strategy professionals and sustainability professionals clear, concise, and actionable recommendations for advancing Sustainable HRM within their organizations.

## **Methods**

For this research I applied a semi-structured qualitative interview technique. This method allowed me to identify themes to common questions while also collect unique ideas through customized follow-up questions. I interviewed twenty-five people strategy professionals (PSP) and eighteen sustainability professionals (SP) on the contribution HR can make to sustainability. PSP interviewees were selected from U.S. Fortune 500 companies and large human capital consulting firms. SP interviewees largely represented sustainability departments of U.S. Fortune 500 companies. All interviews were coded for key themes, with a subset of both PSP and SP interviews each coded by a second researcher to ensure consistency and confirm key themes. The coding process included: reading the interview transcripts of all forty-three interviewees, identifying and isolating ideas which were novel or emphasized by the interviewee, and then consolidating these ideas into key themes. These semi-structured qualitative interviews were supplemented by peer-reviewed academic sources, which provided both the historical context and thought-frameworks for this research. And lastly, to evaluate the practicality of recommendations provided by this Sustainable HRM How-to-Guide and collect practitioner-based feedback, I met with seven people strategy and sustainability leaders at Microsoft Corporation in Redmond, Washington. Their insights have been applied to the concluding recommendations of this research.

## **Results: “Sustainable HRM: A How-to-Guide”**

The result of this research is the following “Sustainable HRM: A How-to-Guide”.

### **A quick introduction to this guide**

Human resource (HR) professionals are largely underutilized as leaders in driving sustainability initiatives within their organizations. Few people associate HR with sustainability; yet, human resource departments hold the keys to culture creation, compensation, recruiting, training and development, DEI, and several other important strategic areas that can drastically influence pro-environmental behavior and triple-bottom-line decision-making in organizations. This guide asks and answers, “How can HR help embed triple-bottom-line sustainability within organizations?” Forty-three interviews with People Strategy and Sustainability professionals were conducted to identify key obstacles, opportunities, and best practices for People Strategy Professionals to lead sustainability in their organizations. These findings were supplemented by peer-reviewed academic literature, and then confirmed during an on-

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<sup>1</sup> <https://www.accenture.com/acnmedia/PDF-109/Accenture-UNGC-CEO-Study.pdf>

site consultation with people strategy and sustainability leaders at Microsoft Corporation in Redmond, Washington. The result of this research is this “How-to-Guide” for people strategy professionals who want to help lead their organizations towards triple-bottom-line sustainability.

### **Who should read this guide?**

- Are you a human resource professional who wants to build an advanced workforce at your organization and lead your organization towards a more sustainable future? Or are you a sustainability professional or senior executive who is looking for a strategic, cost-efficient competitive advantage and needs help embedding sustainability throughout your organization? Then this guide is for you.

### **This guide includes:**

- Key real-world insights from 50 interviews of HR and sustainability professionals at Fortune 500 companies
- Key research findings from the leading academic literature in the field of Sustainable HRM
- Key recommendations for leveraging HR professionals to effectively embed sustainability throughout your organization
- Four steps you can take right now to advance Sustainable HRM at your company

### **What questions does this guide answer?**

- What is sustainability and why does it matter to HR professionals?
- Why do sustainability initiatives fail and how can HR professionals help?
- What are the key challenges HR professionals will face in leading Sustainable HRM?
- What are the key skills HR managers will need to be successful in Sustainable HRM?
- What are examples of successful sustainability initiatives led by HR professionals?
- What is the future of Sustainable HRM and how can HR professionals lead the way?

### **What is sustainability?**

- Sustainability is organizational resilience resulting from the integration of financial performance with employee well-being, contributions to society, and positive environmental impact.
- Sustainability is not. . .
  - a temporary fad.
  - exclusively ecological.
  - a branding strategy.

### **Why does sustainability matter?**

- **[For Company Executives]** Sustainability has become table stakes, rather than a fringe fad reserved for mavens. Today, nearly all Fortune 500 companies voluntarily release sustainability reporting, whereas only 20% did a decade ago.<sup>2</sup> Sustainability is becoming central to C-suite business strategy as issues including climate change, diversity and inclusion, supply chain

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<sup>2</sup> <https://www.globalreporting.org/information/news-and-press-center/Pages/sustainable-news.aspx?mid=87981>

transparency, water security, energy independence, community engagement, and more all continue to grow.

- a. Climate change will be the defining issue of the 21<sup>st</sup> century. Companies who have not addressed this issue into their core business strategies and processes will cease being market leaders.<sup>3</sup>
  - b. Companies are increasingly under public scrutiny as social media increases transparency. Customers, activists, governing bodies, and even competitors can now all hold companies accountable for their sustainability activities—or lack thereof.
    - i. “The political stances that our company takes are important and play a role in retaining people.” (Interview Participant 1)
- **[For HR Professionals]** HR is becoming intertwined with external community engagement, public affairs, and philanthropy. The future of HR is the intersection of these fields. As companies integrate sustainability into their strategy, HR professionals will need to understand how to embed this overarching strategy into recruiting, organizational design, compensation structures and other HR disciplines. Furthermore, employee attraction and retention are increasingly driven by a company’s culture regarding social responsibility and sustainability.
    - a. Millennials now constitute the largest percentage of the workforce and bring with them unique expectations regarding work culture. A recent survey showed that 86% of Millennial employees say that they would accept a decrease in pay to work for a company whose values aligned with their own.<sup>4</sup> Furthermore, employees perform at a higher level and stay at companies longer where they feel they are making an impact. Impact, purpose, and culture are a new currency.
      - i. “For most of my time in the field, sustainability has meant environmental work. But now the definition of sustainability is definitely broadening to include a lot more around diversity, pay gap, and social initiatives which will all touch HR even more. It’s a very relevant area to enter. You’ve chosen wisely.” (Interview Participant 2)

### **How could sustainability affect the future of HR?**

- Will climate change cause some work buildings to become too hot—and therefore too expensive to cool—to operate during the day? How will this shift workplace norms?
- Will telecommuting continue to rise—as a work benefit, environmental initiative and/or a cost-savings measure? How will this affect company culture or how teams collaborate?
- How will the rise in cost of living affect where talented employees choose to locate? Will environmental disasters—include threats of earthquakes, hurricanes, wildfires, water scarcity, or rising shorelines—also affect where companies are located and how they attract employees?
- Will negative social or environmental reputations—such as a history of workplace harassment, breaches in data privacy of customers, or environmental damage—require these companies to offer above average compensation packages to attract the same level of talent as their competitors?

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<sup>3</sup> <https://www.accenture.com/acnmedia/PDF-109/Accenture-UNGC-CEO-Study.pdf>

<sup>4</sup> <https://www.cnbc.com/2018/06/27/nearly-9-out-of-10-millennials-would-consider-a-pay-cut-to-get-this.html>

- How will companies balance the integration of AI and quantum computing into business processes, which has implications for both their workforce as well as their environmental footprint?
- How will the continued transition to a gig economy—short-term freelance work—affect workplace culture and sustainability efforts? Will white-collar jobs also become gigified?
- DEI is becoming a shared core priority within companies, integrated with performance reviews and tied to rewards. Will sustainability soon follow this path?

### What is Sustainable HRM?

- Sustainable HRM (Human Resource Management) is a method of human resource management which drives employee performance through employee well-being and the prioritization of positive social and environmental impact.

### Why do sustainability initiatives fail and how can HR professionals help?

1. **[Lack of Strategic Alignment]** Sustainability initiatives are often highly dependent on the fleeting attention of individual executive sponsors rather than embedded as a core strategy throughout an organization. Interviewees suggest that sustainability is often framed as an isolated cost-added program rather than an integrated cost-effective competitive advantage or cultural cornerstone and, as a result, fail to generate systemic impact.
  - a. HR professionals collaborate directly with executives and senior managers. Based on data from their people analytics teams, HR professionals can craft and communicate the business case for sustainability, influencing their organization from the top-down.
    - i. “Strategy is people-centric. If strategy is out of alignment with identity, then the strategy won’t happen.” (Interview Participant 3)
    - ii. “I think sustainability has to be rooted in executive leaders. You can start to do something, but it must eventually become something that the executive leaders own, role model, and work towards. So I think it’s really good to keep on knocking on the doors of those in power and asking them to give answers to, “What are we doing? What is our impact?” (Interview Participant 4)
  - b. Furthermore, HR professionals can identify and operationalize sustainability initiatives—especially employee wellness and social impact programs—that align with core business strategy rather than cater to industry fads.
    - i. “I see this misalignment happening with sustainability initiatives, where it’s like, “Hey, let’s go clean up the highway or something.” (Interview Participant 5)
2. **[Lack of Organizational Alignment]** If sustainability is already part of an organization’s core strategy, sustainability initiatives often remain siloed within sustainability teams or other isolated business units such as operations, facilities, legal, or grassroots employee resource groups.
  - a. HR professionals collaborate directly with front-line employees and managers, where they can communicate and operationalize overarching corporate sustainability initiatives, integrating sustainability responsibilities into specific job descriptions and collecting data which can then be passed back up to senior leaders.



- i. “Reinforcement of sustainability initiatives must come from direct line managers, otherwise it’s just another fluffy initiative that won’t work.” (Interview Participant 6)
  - ii. “Getting people out of the office, even for one day, to focus on something that doesn't impact their actual job description is challenging.” (Interview Participant 7)
  - iii. “Are we understanding people? I think that is a big, or should be, a big piece of what an HR professional is doing, is making sure they truly understand the people that we're serving.” (Interview Participant 8)
  
- 3. **[Lack of Cultural Alignment and Communication]** Even if an organization has both strategic and organizational alignment, a lack of cultural alignment and communication will stall even the most robust sustainability initiatives. A desire to change is a prerequisite for sustainable change, which is determined by both personal prerogative as well as corporate culture. Furthermore, consistent and clear communication is necessary for effective collective change.
  - a. HR professionals manage both the recruiting process as well as the design and delivery of the onboarding experience for new employees. These first moments interacting with an organization anchor employee behavior and expectations, providing a unique opportunity for companies to reinforce their cultural value of sustainability.
  - b. HR professionals have widespread networks and communicate both vertically and horizontally throughout organizations. They understand the decision-making hierarchy within organizations and are an effective vector for promoting awareness of sustainability initiatives on behalf of senior leaders. Furthermore, HR professionals are, increasingly, trained as storytellers who can help sustainability professionals translate technical terminology into messages that inspire change.
    - i. “A lot of companies talk about sustainability the same way they talk about diversity and the same way they talk about data. They know that it matters. They know that they will be held accountable for it, but it doesn't feel genuine. It’s just buzzwords. A lot of companies say they care and maybe even have a team. Maybe they release sustainability reports. But it’s not embedded in the culture. That's an entirely different story.” (Interview Participant 9)
    - ii. “The most effective sustainability programs break down siloes.” (Interview Participant 10)
    - iii. “The ability to communicate across the cultural languages is probably super important because the bigger the company gets, the more complicated the initiatives are going to be.” (Interview Participant 11)
    - iv. “I think once it becomes a value, once it becomes a piece of the culture, and it's more than just lip service, and it's more than just a buzz word that we use in recruiting to try to get new people in the door, I think that is when we can start to see a shift where employees will understand to ask questions like, well, who are our vendors? Are we doing this in a sustainable way? And be able to put pressure on leadership in different ways.” (Interview Participant 12)

4. **[Lack of Resources and Aligned Compensation Structures]** Sustainability initiatives are often perceived as a cost center and, therefore, under-resourced, while sustainability teams often have limited direct authority within organizations. Furthermore, employees are rarely rewarded based on sustainability metrics. Without compensation structures that align with the corporate sustainability strategy, employees with overburdened daily agendas will prioritize bottom-line responsibilities rather than sustainability initiatives.
  - i. “Companies often ask, ‘Will this sustainability initiative be cost effective?’ Sustainability is held to this rigorous standard—companies won’t do it unless it makes fiscal sense. Yet companies spend gobs of money on new office chairs or other luxury items and no one asks, ‘Will this be cost effective?’” (Interview Participant 13)
  - b. HR professionals have rainmaker networks and are experts in stakeholder engagement and influence-based leadership. All sustainability professionals must be trained in the art of influence and HR can help.
  - c. HR professionals both create the job descriptions for employees as well as design corresponding compensation packages. With executive support, both of these could align with overarching corporate sustainability strategy. That which is rewarded, is done.
    - i. “It’s easy enough to explain the value of sustainability, but it can be hard to justify the time working on these initiatives over time spent on your core responsibilities or being productive.” (Interview Participant 14)
    - ii. “When everyone is already busy, how do you add sustainability into someone’s day-to-day profession or add this to their long list of responsibilities? It’s tough to ask people to do more unless it aligns with their own personal interests.” (Interview Participant 15)
5. **[Lack of Metrics]** Sustainability and CSR initiatives are often excused from the evaluative rigor of other business initiatives, though they shouldn’t be. Strong metrics help build the business case for sustainability—including bottom-line value.
  - a. People strategy professionals often hold the keys to important people data, including employee retention, productivity, wellness, skills profiles, and organization-wide pulse surveys.

#### **What are the key challenges HR professionals will face in leading Sustainable HRM?**

1. **[Lack of Association]** Both HR and sustainability professionals alike may not initially see the intersection of these two disciplines. Sustainable HRM is not yet the norm. HR professionals may need to convince both their HR manager as well as sustainability managers to include this in their core responsibilities. Furthermore, Sustainable HR professionals will need to identify and invest in a supportive community that provides both insight and inspiration. HR professionals may find themselves entering the brave new world of Sustainable HRM alone at first, which may be discouraging at times.
  - i. “This conversation made me realize that I’ve never actually thought about why HR isn’t a part of that conversation [about sustainability], and how do we work more intentionally to make sure that HR is looped in when we’re thinking about

strategies and initiatives so that they can provide some perspective.” (Interview Participant 16)

- ii. “There’s more of a dotted line, rather than a direct connection, between HR and sustainability.” (Interview Participant 17)
  - iii. “Well, one piece of it is that a lot of the work around sustainability is typically external to the company. And when people think about HR or human capital, they see it as something internal to the company. So that could actually be one reason why we’re not a part of the conversation.” (Interview Participant 18)
2. **[Lack of Knowledge]** HR professionals may be largely unfamiliar with sustainability initiatives beyond employee wellness programs. In particular, environmental sustainability may require detailed technical knowledge that is evolving rapidly. At present, most leading academic programs specializing in people strategy do not yet teach Sustainable HRM. Few professional training programs exist to equip HR professionals as sustainability change-agents.
    - i. “I’ve never met an HR person who has wanted to work on sustainability.” (Interview Participant 19)
  3. **[Lack of Authority]** HR professionals have very little direct authority. They rarely have a position in the C-suite or a seat on senior strategy councils. They do not manage front-line employees, own a profit-and-loss statement, or contribute to top-line growth.
    - i. “In bigger companies there can be more defined lines—written and unwritten rules—between functions and who can or should be driving different initiatives.” (Interview Participant 20)
    - ii. “What I observed is that this particular HR function, it would be very tough for them to take on any extra responsibilities because they were viewed as a cost center.” (Interview Participant 21)

### **What are the key skills HR managers will need to be successful in Sustainable HRM?**

1. **[Change Management and Consulting Mindset]** HR professionals must become change management experts. In order to lead enduring organizational change, HR professionals must master and disseminate a motivational management style that mobilizes teams towards effective action. People are often distracted, overwhelmed, and resistant to change. Even the integration of a top-down sustainability strategy requires a tactful approach towards change management in order to achieve true cultural transformation.
  - i. “It really does require a consulting-type mindset. Ask yourself, “What are the best practices? What’s the current state of things? What’s the desire? What’s the inter-stage and how do you get from the last state to the next state? What’s the strategy? What’s the vision? And how do you balance planning with implementation?” (Interview Participant 22)
  - ii. “When I think about people strategy professionals, I think that the thing that is unique about them is the fact that they are one of the only professions that, by definition, focuses on humans. And I think there’s a lot of insight that can be drawn from just understanding the life experience of their employees.” (Interview Participant 23)

2. **[Analytical Business Mindset]** HR professionals must understand the overarching strategy of their organization and then be able to articulate the business case for sustainability within this strategy for each business unit with which they collaborate. HR professionals must understand their organization's customer base, competitive advantage, and source of profitability. They must be holistic systems-thinkers. Unfortunately, good intentions are often insufficient for convincing key stakeholders of the value of sustainability. HR professionals must be analytical and able to derive key insights from quality data sets.
  - i. "We're a corporation; we're a business at the end of the day, not an actual triple-bottom line business. So if you truly want to take a step in that direction, truly want to contribute to the sustainability in the way you've defined it, then we need to really define our bottom line as a company. Otherwise it's going to lead towards a lot of dissatisfaction, confusion and frustration by both your employees as well as your customers." (Interview Participant 24)
  - ii. "Make the business case. Even if people don't understand it from the lens of sustainability, they'll understand the value of it from a financial lens." (Interview Participant 25)
  - iii. "I think data and analytics is huge, and I think what we've learned in school and what I've seen in the business is that being able to use numbers to support your business case is huge in getting things done in a corporate environment. So if you can analyze data, if you can figure out how to work with it, and if you can tie real numbers to whatever it is that you're trying to implement, and show how it will drive factors that will resonate upwards and downwards and maybe make people who don't necessarily look through a sustainability lens understand the value of it." (Interview Participant 26)
  
3. **[Communication]** HR professionals must be expert communicators. They must be multilingual in business, people strategy, sustainability, and behavioral psychology. They must be able to engage and influence a broad array of stakeholders, including front-line employees, managers, senior executives, sustainability experts, fellow HR professionals, external community members, and even customers. They must be able to speak in stories, that is, package people analytics, corporate strategy, core business principles into a clear, convincing narrative that engages both the emotion and intellect of key stakeholders. In the end, data—or the science of sustainability—does not explain itself.
  - i. "I think the other piece is just straight up storytelling skills. I think a lot of times sustainability professionals or people who are interested in sustainability initiatives have a heart center—are heart-led—but haven't quite figured out how to tell a story in such a way to inspire the hearts of others, because they're like, "How can you not care about this?" They don't understand, there is actually some inspiration work that is required for it to work well." (Interview Participant 27)
  - ii. "It's all about data. You must be able to collect data, pull insights from data and then use data to tell a story that changes perceptions, drives clarity, and results

in action. It all revolves around the ability to use elaborate data.” (Interview Participant 28)

- iii. “Understanding who your target audience is or finding your target audience and understanding how to communicate directly to them is a skill that not a ton of people are fluent in, but is really, really important.” (Interview Participant 29)

4. **[Courage and Creativity]** The intersection of people strategy and sustainability has largely been unexplored in most organizations. HR professionals who embark on this journey often do so alone. They will need to create their map. They will need to design structure from ambiguity. They will need to be innovators and intrapreneurs. In sum, they will need to be leaders driven by both courage and creativity.

- i. “I would also say they need to have a certain kind of capacity for creative imagination because, oftentimes, they're creating worlds that don't exist yet, and so they have to persist and bounce back. They have to ‘build the bridge they’re walking on’ lots of times, which means that you need persistence, but you also need imagination about how a world could be different.” (Interview Participant 30)
- ii. “You need to be comfortable with creating something out of nothing or realizing when to start with very little direction.” (Interview Participant 31)

5. **[Resilience]** Driving massive institutional change will require that HR professionals be patiently impatient and immensely resilient. Change is hard. This can cause frustration, resulting in exhaustion. HR professionals must know when to lean in and when to pivot out. They must give themselves grace while not giving up. They must have the inner resilience to hear “no” repeatedly for years, then have a leader magically say, “Let’s do it!”, and not take this personally.

- i. “There’s a lot of idealism on the part of people working in the sustainability space. They are also highly self-critical, so they engage in self-evaluation in ways that are really depleting.” (Interview Participant 32)
- ii. “Doing sustainability well seems to require that someone not only be resilient and have a lot of grit and perseverance.” (Interview Participant 33)
- iii. “The human capacity of adaptability needs to be constantly charged.” (Interview Participant 34)

### Quick Tips for Embedding Sustainability in Specific HR Disciplines

- **[Talent Acquisition]**
  - Research key trends in your industry regarding sustainability and begin hiring talent that will be ready to lead in these spaces in 2-5 years.
    - “Today especially, people want to work for a purpose-driven organization. And if you can align what people are working on with a purpose, that creates huge opportunities.” (Interview Participant 35)
  - Update job descriptions for all new hires to incorporate appropriate sustainability skills and knowledge requirements (e.g., engineers who understand circular economy).

- Develop a sustainability report for your company if it does not already have one. Prioritize authenticity over greenwashing. Your prospective employees will be able to spot the difference.
- Feature your company's sustainability work on the careers page of your company's website.
- **[Onboarding]**
  - Invite your senior sustainability officer to speak at new employee orientation. This demonstrates both the importance of this value at your organization as well as provides employees the opportunity to identify opportunities to become involved with sustainability initiatives at your organization.
  - Provide all employees a wellness kit upon arrival that includes a reusable water bottle, reusable straw, volunteer t-shirt made from recycled plastics, and a low-maintenance desk plant. First moments matter and important corporate values can be communicated and reinforced in small ways.
- **[Learning & Development]**
  - Partner with your company's sustainability team to develop a training program on triple-bottom-line decision-making to inform and empower both your organization's frontline employees as well as its executive leaders.
  - Leverage international volunteer assignments to build leadership ability within high-performing employees.
  - As customers begin asking more about sustainability, train salespeople on the sustainability of your company's products.
  - Transdisciplinary teaming requires training in diversity, equity, and inclusion.
- **[Compensation]**
  - Correlate, at minimum, some element of annual rewards with sustainability metrics.
  - Include sustainability metrics in promotion requirements.
  - Conduct a pay analysis to assess if sustainability professionals within your organization are being compensated on par with their peers who do comparable work. Many sustainability employees accept below-market wages to do work they believe in but can often burn out more quickly as a result.
- **[HR Business Partners]**
  - Encourage managers to model the way. If managers want their employees to give, volunteer, or simply take vacation days for wellness, they must do the same.
  - Provide line managers sustainability pulse check exercises to include in their monthly all-hands meetings.
  - Provide line teams the opportunity to collaborate on sustainability projects with each other as well as across business units.
  - Encourage managers to allow employees to telecommute one day per week, which has shown to increase productivity and employee wellness, while decreasing costs and environmental impact.

- Measure the number of hours each department’s employees volunteer or engage in pro-sustainability behaviors. Incorporate this data into your organization’s sustainability report.
- Frontline managers and employees are often restricted by tight time horizons. Collaborate with managers to break down large, long-term sustainability goals into achievable metrics that align with immediate, short-term deliverables by each employee.
- HR business partners should reposition sustainability as something employees already do—something that is simply a lens to their work, not added work.
  - “You [frontline employees] *are* the practitioners of sustainability.”  
(Interview Participant 36)
- Create systems for helping sustainability professionals prevent burnout. Working at the intersection of personal passion and purpose within a profit-driven environment can be exhausting. Few sustainability professionals will intuitively reach out to HR (or anyone) for support.
- Remove bureaucratic barriers to participating in sustainability. Not everything needs to go up the command chain. By building sustainability into employee’s job descriptions, compensations packages, and team culture, HR professionals can remove the requirement to sign arbitrary forms and receive multiple levels of permission, which, in general, slow down both innovation and excitement for sustainability.

#### **What are examples of successful sustainability initiatives led by HR professionals?**

1. **[Onboarding]** The HR professionals who lead new employee onboarding experience at a Fortune 100 company feature the Chief Environmental Officer on the first day of employee orientation. This has become one of the highest rated experiences of their company’s onboarding process and consistently generates a dynamic Q&A.
2. **[Compensation]** Ten years ago diversity and inclusion metrics were rarely factored into executives’ rewards packages. Today, reporting on D&I—and tying it to compensation across business units—is becoming increasingly common. Ten years from now, will sustainability metrics be treated the same?
3. **[Strategy]** Companies with leading people strategy practices are reevaluating the perception, purpose, and impact of HR and CSR activities. A leading firm recently consolidated several business departments into a single team titled “People and Communities”. Another leading company had their HR leader imagine, launch, and oversee a sustainability council.
4. **[Communication]** In the past, corporate sustainability reports focused largely on environmental impact. Today, HR professionals work closely with the CSR team to build out the social impact section of their company’s CSR report using people analytics data that covers gender pay parity, racial pay parity, age diversity, women on the board and in leadership positions, representative workforce statistics, DEI, and employee engagement. Senior HR VPs have also been featured on phone calls with investors to reinforce the strength of workforce culture.
5. **[Training and Development]** A company provides training to its employees on how to join the board of directors of local non-profits. The company then tracks the number of hours employees volunteer at these organizations as well as the number of employees in leadership positions.

This company has been able to correlate employee volunteerism with employee retention and engagement.

6. **[HR Line]** A company with a global supply chain has its sustainability team partner with its local HR team to audit their international factories and suppliers. The sustainability team asks HR to analyze these audits in the context of local culture, legal requirements, and corporate code of conduct.

### **The Future of Sustainable HRM**

- **[Convergence]** The fields of HR, CSR, and sustainability are converging into a single business entity that encompasses a wide variety of both internal and external stakeholders. Companies are realizing that these functions can no longer operate in isolation and focus solely on their own stakeholders.
  - HR departments should consider rebranding themselves as a cross-disciplinary “People and Communities” business unit that combines HR, CSR, and sustainability.
- **[Divergence]** Sustainability is becoming embedded within every role, function, and business unit within organizations, rather than siloed within one central sustainability team. As organizational architects, HR professionals will need to understand how sustainability pertains to every position within their organization.
  - “People compare sustainability today to quality deployment back in the 1980s. When people first started looking at improving quality in manufacturing, they created specialized teams to focus on it. Now quality is embedded throughout the organization and there’s some tools to help everyone do this.” (Interview Participant 36)
- **[Education]** Sustainability is now becoming central to corporate strategy as investors weigh ESG factors more heavily in their portfolios. This shift in priority requires employees who can execute on sustainability strategies. Over time, sustainability and triple-bottom-line decision-making will increasingly permeate core curriculums of academic institutions and corporate training curriculums.
- **[Value Proposition]** HR is currently positioned as a cost center in companies. In a resource scarce world with shifting employee expectations, companies will need to pivot to sustainable business models dependent on a circular economy and sustainable human resource management practices. In this new world, HR and sustainability will be repositioned as value-drivers rather than cost-centers.
- **[HR Roles]** More frequently, HR professionals will be on the front lines working directly with procurement teams and suppliers to ensure ethical supply chains that honor human rights. HR professional roles will combine community engagement, recruitment, and social work to hire and retain workers in marginalized communities. HR specialists who consult across business units to embed sustainability will become increasingly common.
- **[Transparency]** With the rise of big data and social media platforms, transparency is becoming the new norm. Movements like #metoo have raised the profile of important but formerly overlooked issues. Supply chain transparency, carbon usage, and other oft-ignored issues will be brought to public attention. Companies will be praised or persecuted depending on their position and practices. HR can help highlight and mitigate these risks, while identifying value-adding opportunities for firms to get ahead.



## 4 Steps HR Professionals Can Take Right Now to Join Sustainable HRM

1. **[Learn]** Learn more about your company's sustainability strategy and initiatives. Educate yourself on sustainability—especially environmental sustainability—including the technical terminology and trends so that you can more effectively engage with your company's sustainability team.
2. **[Collaborate]** Meet with your organization's sustainability team and clearly articulate your value proposition as an HR professional who can help embed sustainability throughout the organization. Share with them this How-to-Guide to better facilitate your conversation.
3. **[Act]** Pursue quick wins to build momentum. Begin viewing all of your work through a triple-bottom-line sustainability lens to identify low barrier ways to embed sustainability in your current work. Over time and with promising results, sustainability will become an increasing part of your core responsibilities.
4. **[Connect]** Find a community to both give and receive insight and encouragement. Driving triple-bottom-line impact through change management can be a confusing and exhausting process at times. Being part of a Sustainable HRM community will inspire you and reinforce your resilience as an HR professional working at the intersection of people strategy and sustainability.

### Want to learn more?

1. [The Erb Institute for Global Sustainable Enterprise \(University of Michigan\)](#)
2. [The Role of HR in Corporate Sustainability \(CIPD\)](#)
3. [The Coronavirus Pandemic Could Elevate ESG Factors \(Wall Street Journal\)](#)
4. [B-Corporation and the B-Economy \(B-Corp\)](#)
5. [United Nations Global Compact – CEO Study on Sustainability \(Accenture\)](#)
6. [GRI Sustainability Reporting Standards \(GRI\)](#)
7. [Society of Human Resource Management \(SHRM\)](#)
8. [United Nations Sustainable Development Goals \(SDGs\)](#)

### About the Author

- Chris Owen is a People Strategy Consultant at Microsoft. He graduated from the University of Michigan Ross School of Business and School for Environment and Sustainability as a dual MBA/MS. Prior to graduate school, Chris served for three years in Ecuador with the U.S. Peace Corps, first as a business consultant in the natural resource conservation program and then as a Regional Leader who trained and managed new volunteers. Before Peace Corps, Chris co-founded Hosea's Heart, a non-profit organization in eSwatini, and enjoys doodling and cycle touring in his free time. Contact Chris at [owenross@umich.edu](mailto:owenross@umich.edu) or [www.linkedin.com/in/chris-owen/](http://www.linkedin.com/in/chris-owen/)

### Conclusion: Ten Key Insights

This research produced ten key insights which may help accelerate the integration of HR and sustainability:

1. Both HR professionals as well as sustainability professionals are largely unaware of the potential synergies between the two fields. The intersection of people strategy and sustainability offers a

huge opportunity to organizations for advancing sustainability, driving profitability, and reinforcing organizational resiliency.

2. The obstacles to successfully embedding sustainability in organizations are many. Challenges are much easier to identify and be discouraged by than the opportunities. This reinforces the importance of cross-functional collaboration among people strategy and sustainability professionals.
3. The skills HR professionals can offer—stakeholder engagement, communication, and change management—are exactly the skills that sustainability teams need to advance their initiatives.
4. The future of sustainability in companies is integration. Employees do not have time, energy, or financial resources to “add” sustainability to their current projects. It must be embedded as core responsibilities which are rewarded within their roles. This is the job of HR.
5. Sustainability and CSR initiatives must be practical, strategic, and data-informed to be impactful and enduring. HR and sustainability professionals must both be well-versed in the business case for their work.
6. Sustainable HRM is the future of HR. This requires the development of new skillsets for HR professionals including expert change management and consulting skills, strategic triple-bottom-line decision-making, an understanding of behavioral economics and choice architecture, and broad content knowledge on sustainability. This is not a deviation from HR’s core function, but rather, the evolution of their capability and potential impact.
7. The title “HR” is outdated and an impediment to impact. HR departments are perceived as administrative, lacking innovation, , bureaucratic and legalistic, and strictly focused on internal people operations. A rebranding effort for the function is in order which more clearly communicates the expanding scope of HR, such as “People and Communities.”
8. DEI is on the rise. This has been revolutionary in companies these past 5 years. Will sustainability follow the same path these next 5-10 years, especially with the definition of sustainability broadening to include social impact initiatives as well? The sustainability movement would benefit from identifying and applying effective change strategies from the DEI space.
9. Awareness leads to innovation and collaboration. Many people strategy professionals and sustainability professionals had ‘ah-ha’ moments during these interviews which helped them realize the potential impact of the integration of HR and sustainability. The purpose of this guide is to convert those ‘ah-ha’ moments into additional conversations and, eventually, action and innovation.
10. Most information on Sustainable HRM has been written for a niche academic audience, rather than practitioners. The purpose of this how-to-guide is to broaden the accessibility to this topic. To truly advance this field, future Sustainable HRM materials should be written with busy but interested human resource and sustainability practitioners in mind.

## **Appendices**

### **Appendix A. People Strategy Professionals Interview Codes**

1. No connection
  - a. The common perception among PSPs of the relationship between HR and sustainability is a confusion, tension, or simply a lack of connection between the two disciplines.
2. Sustainability leadership

- a. PSPs noted that sustainability is rarely led by HR departments. Localization of leadership for sustainability initiatives varies across organizations, though HR is universally uninvolved.
3. Narrow sustainability initiatives
  - a. People strategy professionals rarely identified environmental sustainability initiatives within their organization, which reflects their lack of inclusion in these initiatives. PSPs largely noted philanthropic, employee sustainability, and social sustainability initiatives.
4. Limited role of HR in sustainability
  - a. PSPs suggest that the main role of HR professionals in sustainability is to facilitate connections and mobilize people through communication, coaching, and strategic leadership.
5. Numerous and diverse obstacles
  - a. PSPs identified numerous and diverse obstacles to advancing sustainability within their organizations including poor communication, lack of financial resources, unsupportive culture and company policies, poor management and lack of senior leader sponsorship, lack of direct authority by HR and long-term discouragement.
6. Numerous and diverse skills required
  - a. PSPs identified numerous and diverse skills to embedding sustainability within their organizations including communication, change management, a business mindset, influence without authority, understanding sustainability, creativity, and character.
7. HR's unique contribution
  - a. PSPs suggest that HR professionals can make several unique contributions to advancing sustainability by focusing on people strategy sub-disciplines including culture curation, talent attraction and retention, cross-functional stakeholder engagement, training and employee development, and compensation structures.

## **Appendix B. Sustainability Professionals Interview Codes**

1. Disconnected
  - a. SPs also emphasized the perceived disconnection between HR and sustainability and need for integration of these disciplines. HR's contribution to sustainability was largely framed as a talent retention opportunity by SPs.
2. Numerous sustainability initiatives
  - a. Unsurprisingly, SPs identified numerous and diverse sustainability initiatives within their organizations including supply chain, sustainability reports, human rights, operational efficiency, sustainable strategy, sustainable materials, energy, food sustainability, and DEI.
3. Numerous obstacles to advancing sustainability
  - a. Similar to PSPs, SPs identified numerous and diverse obstacles to advancing sustainability within their organizations including strategy misalignment, miscommunication, insufficient resources, lack of direct authority, lack of buy-in by leadership, poor change management practices and poor metrics for measuring impact, lack of partnerships, lack of education by employees.
4. Role of HR in advancing sustainability

- a. SPs focused largely on people development as HRs role in advancing sustainability. This included training of employees, people analytics, employee incentives, employee retention, and communication.
- 5. Gaps in sustainability teams
  - a. SPs noted that the biggest need for their sustainability teams were more resources to do their work. Furthermore, sustainability teams needed help creating change through communication and creating aligned incentives to encourage sustainable behavior.
- 6. Unique contribution of HR to sustainability
  - a. SPs suggested that the unique contribution of HR professionals to sustainability is as social architecture experts who manage culture, compensation, people metrics, and employee wellness.
- 7. Future of HR and sustainability
  - a. SPs emphasized that the future of sustainability in organizations is integration. Sustainability will be embedded in every role and be integrated into organizations' core strategies.

### **Appendix C. Interview Script: People Strategy Professionals**

[INSERT NAME],

Thank you for sharing 15-minutes of your time to discuss the role of people strategy professionals in the sustainability movement. Both you and the organization you represent will remain anonymous and all questions are optional. With that in mind, may I record this conversation?

For this research, the term 'people strategy professional' refers to people operations managers, human capital consultants, and/or human resources professionals. 'Sustainability' is defined as "the commitment by organizations to balance financial performance with contributions to the quality of life of their employees, society at large and environmentally sensitive initiatives."

After conducting 40 interviews, I will summarize key themes and create a "How-to-Guide" for people strategy professionals who want to contribute to environmental sustainability, create social impact, or help their organization support the UN Sustainable Development Goals.

Do you have any questions before we begin?

1. What is the first word or phrase that comes to mind when you hear "HR and sustainability"?
2. In your current or most recent professional role, who within your organization or department has led or typically leads environmental sustainability or social impact initiatives? If this is not a people strategy professional, does this person typically invite the participation of a people strategy professional in these types of initiatives?
3. 'Sustainability' is defined as "the commitment by organizations to balance financial performance with contributions to the quality of life of their employees, society at large and environmentally sensitive initiatives." Have you, within your function as a people strategy professional, participated in or led an environmental sustainability or social impact initiative, or have you observed or heard of a fellow people strategy professional who has done this? If so, please describe.

- a. What obstacles or challenges did you face or observe in the launch or implementation of this initiative? Did any of these challenges pertain to your function as a people strategy professional? If so, please describe. Or, what obstacles or challenges do you think people strategy professionals would face in launching or implementing an environmental
  - b. What were the outcomes of these initiatives?
  - c. Do any other examples of people strategy professionals contributing to environmental sustainability or social impact initiatives come to mind? If so, please describe (and if not, that's okay).
4. What specific skills as a people strategy professional do you think are most valuable for launching or implementing environmental sustainability or social impact initiatives?
  5. Lastly, what do you think is a unique contribution that people strategy professionals can make to the sustainability movement; or, more generally, what role do you think people strategy professionals can play in the sustainability movement?

Reflecting upon the aforementioned questions and this topic at large, do you have any remaining comments or questions that you would like to share?

The term 'people strategy professional' refers to people operations managers, human capital consultants, and/or human resources professionals. Would you, at present or at any point in the past, consider yourself a "people strategy professional"? If so, in total, how long have you worked in this function?

That concludes our interview. Thank you for your time today! This research will be complete in August 2020, at which time, if you are interested, I would be happy to share with you the completed "How-to-Guide" for people strategy professionals who want to contribute to the sustainability movement, create social impact, or help their organization support the UN Sustainable Development Goals.

Again, thank you for your participation in this research!

#### **Appendix D. Interview Script: Sustainability Professionals**

[INSERT NAME],

Thank you for sharing a few minutes of your time to discuss the role of people strategy professionals in the sustainability movement. Both you, the organization you represent, and any organizations you mention will remain anonymous. Furthermore, all questions are optional. With that in mind, may I record this conversation?

For this research, the term 'people strategy professional' refers to people operations managers, human capital consultants, and/or human resources professionals. 'Sustainability' is defined as "the commitment by organizations to balance financial performance with contributions to the quality of life of their employees, society at large and environmentally sensitive initiatives."

After conducting 40 interviews, I will summarize key themes and create a "How-to-Guide" for people strategy professionals who want to contribute to environmental sustainability, create social impact, or improve the triple-bottom-line within their organization.

Do you have any questions before we begin?

1. What is the first word or phrase that comes to mind when you hear “HR and Sustainability”?
2. What is an example of an environmental or social impact initiative that your team or organization is currently or has recently focused on? I’m just trying to get a sense of current trends in the industry.
  - a. What have been the most important sustainability initiatives your team or organization has worked on during this past year?
3. What have been some of the biggest challenges or obstacles in the launch or implementation of those initiatives? Or, more broadly, why do sustainability initiatives not achieve their intended outcome in your organization?
4. Did your team invite the participation of a people strategy professional in these initiatives? If so, how did they contribute to those initiatives? If not, could you imagine a way that a people strategy professional could have contributed to the success of these initiatives?
  - a. What would prevent you or your team from reaching out to people strategy professionals for help?
  - b. What are skills gaps that you’ve noticed in your sustainability teams?
  - c. What specific skills or knowledge do you think people strategy professionals could contribute to your team to help with the launch or implementation of environmental or social impact initiatives at your organization?
  - d. Can you think of any other opportunities for people strategy professionals to contribute to your team or sustainability initiatives within your organization?
  - e. Do you have other examples of people strategy professionals contributing to environmental or social impact initiatives in your organization come to mind? If so, please describe (and if not, that’s okay).
  - f. Do you see opportunities for the work of people strategy professionals to align more with the strategic initiative of organizations regarding their sustainability efforts?
5. Lastly, and more broadly, what do you think is a unique contribution that people strategy professionals can make to sustainability initiatives within your organization or the sustainability movement in general?
  - a. What do you think the role of people strategy professionals is in the sustainability movement?
  - b. Do you see any strategic overlap between people strategy, CSR, and/or sustainability within organizations?

Reflecting upon the aforementioned questions and this topic at large, do you have any remaining comments or questions that you would like to share?

Would you, at present or at any point in the past, consider yourself a professional focused on environmental sustainability or social impact? If so, in total, how long have you worked in this function?

That concludes our interview. Thank you for your time today! This research will be complete in August 2020, at which time, if you are interested, I would be happy to share with you the completed “How-to-Guide” for people strategy professionals who want to contribute to environmental sustainability, create social impact, or improve the triple-bottom-line within their organization.

Again, thank you for your participation in this research!

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