Eco-consciousness in Human Resource Management

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Abstract: The human capital of an organization together with the various factors surrounding it constitute the cornerstones of building a sustainable business. Though the philosophy and operations drives the sustainability of a business it is the human resources who craft and execute those eco-policies and create that green corporate culture. Without developing personnel and implementing sustainable strategies, it's rather difficult to go green successfully. That's why human resource (HR) practices are a key component of sustainable business development. This paper looks into the various HR practices which help the companies become green.

Key words: Human capital management, green practices

The word 'green' can contain and mean a variety of things. For example, being 'green' can mean the responsible disposal of industrial waste, saving endangered species, recycling, reducing or avoiding 'noise pollution', conserving energy, using alternative sources of energy (solar, wind or wave power), minimizing the 'greenhouse effect' and damage to the ozone layer.

The ‘green management’ emerged in 1990s and has become a popular slogan since. A “green” business strives to have a positive impact on the environment and community. It develops and practices business strategies that go beyond regulation and demonstrate commitment to a healthy and sustainable future. A green business adopts principles, policies, and practices that improve the quality of life for its customers and employees.

This paper examines the nature and extent of green HR initiatives undertaken by organisations by adopting a literature review approach in collecting information about the various green HR practices followed by organisations across the world.

The Value of Being Green According to a 2011 study by MIT, sustainability is now a permanent part of 70% of corporate agendas. Most companies now also consider green practices to be vital to remaining competitive and many affirm that these practices are contributing to profits. Some of the reasons for going green include: Setting a positive example for employees which boosts morale and company loyalty, Attract talent, increasing employee satisfaction and pride in the workplace, Gaining a competitive advantage by differentiating as a green company, Providing a cleaner and healthier work environment, Take advantage of tax credits and incentives, Support innovation and new opportunities, i.e. “up cycling,” “repurposing,” “ecological restoration,” “crowd funding,” etc. Improve brand image and competitiveness, thus attract investors.

Green Transformation Many organizations are still considering the feasibility of going green in their business while others are exploring the desirability of adapting to a green business strategy. However, in order for HR to consider becoming green and incorporating green practices in their strategies and people development plans, it is critical that organizations adopt a strategic decision to incorporate a green approach to their desired business results. The most important way of doing this is to make changes both to the internal and external value chain that defines the business in its industry together with the competitors, and to the supply chain that directly impacts the final business results. The framework below (Figure 1) indicates an organization’s developmental decision to make the move to green performance within the context of corporate sustainability.

Figure 1: Green transformation within the context of corporate sustainability

Figure 2 Overview Models of Environmental HRM Functions (Milliman and Clair, 1996: 51)

Developing Green practices:

The ‘Green Wall’ which is the split between environmental management and business management has to be broken down for effective green practices. A model of incorporating the green factor into HRM and institutionalizing the efforts is shown below.
Green people practices

Recruitment

1. Green recruiting at Google: Google, the world's only "recruiting machine," leads the way not just in its environmental practices but also in publicizing their environmental record and approach. Like many emerging green companies, Google has hired a director who coordinates corporate environmental efforts in an attempt to match their corporate business strategy with their environmental efforts.

2. Green Recruiting Helps Bring in Top Talent - General Electric: In the race to attract the most talented, innovative employees, General Electric is painting themselves green, a rich environmental green to boost their recruiting leverage.

3. Continental Airlines: Continental Airlines are the only company with 12 full times “staff environmentalists” on the payroll who are constantly pairing up with engine manufacturers to design greener, more efficient processes into company operations.

Organizational Culture

1. "Tone-from-the-top" Principle - Siemens: The behavior of managers plays a decisive role in the creation of an integrity culture. "Only clean business-everywhere and at all times. Compliance has the highest priority at Siemens as part of their corporate responsibility." All Siemens managers are required to spread this message from Siemens president and CEO Peter Loscher throughout the company. By the end of the period being reported, members of the managing board, the chief compliance officer and top managers of the compliance organization had visited a total of 54 regional companies. The visits focused in particular on those countries that are especially important for the success of the compliance program due to their high business volume or existing corruption risks. Their top management acted as compliance ambassadors and spoke to employees at hall meetings and with local managers about the importance of compliance. These efforts paid off, because a worldwide employee survey on compliance conducted, confirmed that their messages have reached their employees.

Performance management

1. Performance management at Siemens: Siemens’ most important HR management instruments are their Performance Review Process and their Siemens Management Review. Now practiced company-wide, their purpose is to enable management-level and non-managerial employees alike to set clear personal goals and to give and receive continuous, open feedback. They provide a transparent measure of employees’ environmental performance and accomplishments and, as such, determine future career development and remuneration.

Green Leadership Commitment:

1. Avaya’s green core team: While Avaya products provide a measurable path to a greener performance, Avaya is taking a holistic approach to its green objectives. Its executive team oversees the Green Core Team and considers Avaya’s environmental stewardship a top priority. The Green Core Team’s role is that of a catalyst and driver for company-wide green targets, roadmaps and actions.

Job descriptions

1. Land Rover's Environmental Job Description: In the Rover Group, UK, environmental responsibilities were introduced in all job descriptions; therefore environment was defined as a criterion for the selection of new employees.

Team Organizing

1. Green Core Team – Avaya: Avaya's executive team oversees the Green Core Team and considers Avaya's environmental stewardship a top priority. The Green Core Team's role is that of a catalyst and driver for company-wide green targets, roadmaps and actions.

Training

1. Raising Employee Awareness - Land Rover Group, UK: Land Rover Group encourages all their employees to play a role in reducing the impacts of operations. All Land Rover employees receive environment training appropriate to their job, from basic awareness to spill response training. They communicate with staff about environmental issues through briefings and regular newsletters. Environmental notice boards at all sites display their sustainable development policy, key goals and environmental commitments. They run suggestion schemes to encourage employees to come up with new ways for us to reduce their environmental impacts. Their employees also learn about: environmental nest practice by observing the good work done by their colleagues and promoting these achievements through company magazines.

2. Employee Training – Siemens: These training help to ensure that their employees are fully equipped to answer questions on sustainability in the supply chain, professionally and precisely, and to take appropriate action. trained their procurement staff intensively but also those in key interfacing roles such as quality management, compliance and legal affairs. They also extended their procurement training program, adding a special module on supply chain sustainability which they co-developed with their operating units and based partly on real-world situations that they had experienced. In addition, they continued their successful program of procurement compliance conferences and put more than 400 senior managers in procurement, quality management, legal and compliance functions through mandatory training on compliance requirements and execution at events in Europe (Prague), India (Mumbai), the U.S. (New York), and Latin America (Mexico and Colombia). They also designed a special course for their global auditor training program in how to work with the corporate responsibility Module in regular supplier quality audits.

Employee education - Fuji Xerox: Fuji Xerox believes that the right values and mind-sets should be inculcated early on
in youths so that businesses can truly have a sustainability advantage. To develop the next generation green workforce, Fuji Xerox has teamed up with Singapore Infocomm Technology Federation (SiTF) in a green IT certification partnership to offer the Singapore Certified Green IT Professional (SCGP). The certification aims to equip IT professionals with a basic understanding of Green IT so that they can deploy it in their organisations. As part of its efforts to get employees and customers to ‘think and do green’, Fuji Xerox runs regular green awareness and education programmes such as the ‘Go Green Series’ in order to provide green teams with knowledge on how to green their office. The unique Go Green Series of seminars and workshops are conducted regularly at the Fuji Xerox Towers as well as on-site at various business establishments.

Rewards:

1. Roche ECOmpetition: The Roche divisional eco-delegates developed a Group-wide initiative which they called the ECOmpetition. This competition is designed to give employees an opportunity to contribute ideas and suggestions on how the company can further enhance its sustainability culture and performance. The ECOmpetition raises awareness of environmental protection and aims particularly to encourage sustainability by identifying ways which financial savings can be achieved through environmental protection.

Employees submit their suggestions as to how Roche can help to protect the environment or use energy or natural resources more efficiently, and prizes are awarded for the best submissions. The competition is open to individuals or teams of up to three employees.

Managers at the local site level then examine the feasibility of their employees’ suggestions, estimate the potential cost savings, and commit to implementing the proposed improvements.

Ideas are evaluated by a team consisting of the eco-delegates.

2. Share Matching Plan – Siemens: Siemens’ Share Matching Plan, open to their entire employee base, was launched to enable their people to share in the company’s environmental success and to help them accumulate assets. Under the terms of the scheme, participating employees receive one free Siemens share for every three shares they have purchased, provided the latter are retained for a period of three years.

3. Green performance related pay (GPRP): Monetary-based environmental reward systems have been developed, where for example, an important proportion of monthly managerial bonuses are dependent upon performance outcomes in EM, and company practice has examined the Greening of Performance Related Pay (PRP). e.g. Corporate India is also going green while deciding the top managers remuneration, companies like PepsiCo, Paints major AKZO Nobel, Dutch drug makers DSM and logistics giant TNT are among some of the firms that have made “green buildings, carbon emission standards and renewal sources of energy as a major parameter for executive remuneration for their executives.

Du Pont base their executive compensation and bonus system for middle managers and senior officers in part on environmental stewardship practices, where bonuses can be over 10 per cent if they develop an environmentally benign pesticide for agriculture or a non-polluting product. DuPont has an Environmental Respect Awards program which recognizes employee environmental achievements, and both Nordstrom and 3M offer rewards for suggestions that individual staff make to help the environment and increase firm profitability.

Grievance and Discipline: In general terms, grievance and discipline in EM has seen few firms following the lead of the British firm National Westminster Bank in encouraging internal “whistleblowing” regarding environmental breaches.

Green practices that can be practiced on a day to day basis are provided below:

1. Use of recycle paper, cans and bottles in the office & recognize departmental efforts.
2. Encourage staff to turn off lights; computers and printers after work hours and on weekends for further energy reductions.
3. Put your computer and printer on energy saving settings when you know you’ll be away for a while.
4. Turn lights off in restrooms, conference rooms, libraries, and so forth when the room is not in use.
5. Promote the use of public transportation, car pooling.
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8. Provide green promotion which includes loan discounts on fuel-efficient cars and energy saving home improvements, discounts at local green merchants.

Conclusion:

If HR departments are committed to harnessing that influence among staff, thereby encouraging positive and pro-active action, ‘green’ becomes far more than an effect, it becomes a cause – and the influence of a company in promoting that green cause can ultimately extend way beyond the walls of the organization, as environmentally committed employees internalize their green values and spread their green message via their friends and family members. More research can be done on a case study basis about the effectiveness of the green hr practices in the organisation.

Green is not a destination, it’s a journey

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