

DRIVING SUCCESS  
Human resources and sustainable development



World Business Council for  
Sustainable Development



HRH THE PRINCE OF WALES'S  
BUSINESS & THE ENVIRONMENT PROGRAMME  
DEVELOPED BY THE UNIVERSITY OF CAMBRIDGE PROGRAMME FOR INDUSTRY



UNIVERSITY OF  
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# What is sustainable development?

The term sustainable development means different things to different people. But, in essence, it is concerned with meeting the needs of people today without compromising the ability of future generations to meet their own needs. Sustainable development therefore involves:

- **A broad view** of social, environmental and economic outcomes;
- **A long-term perspective**, concerned with the interests and rights of future generations as well as of people today;
- **An inclusive approach** to action, which recognises the need for all people to be involved in the decisions that affect their lives.

## Integrating sustainable development in your organisation

Sustainable development is not just the responsibility of environmental specialists or communications professionals. It requires contributions from people across all functions of an organisation.

Who is responsible	Supply Chain Management	Human Resources	Marketing	Finance	Public/Corporate Affairs
<b>Responsible for what</b>	Risk Management Product Responsibility	Employee Recruitment and Retention Motivation Competencies	Brands Reputation	Fiduciary Responsibilities Reputation	Reputation
<b>To whom</b>	Management Suppliers Standard Setting Bodies NGOs Competitors	Management Employees Wider Business Community Institutions Regulators	Corporate Affairs Market Awareness International Agencies Regulators Competitors Customers Media NGOs	Shareholders Finance Directors Management The Market Competitors Investors Shareholders Assessment Bodies Regulators	Management Employees NGOs Advisory Panels Competitors Wider Business Community Institutions Regulators
<b>Through what mechanisms</b>	Greater role in strategy Audit Training Standards/Monitoring/Compliance Establishing working relationships	Peer learning Training and development Creating culture amongst employees Leadership	R&D Stakeholder Intelligence (customer feedback, dialogue, benchmarking)	Analysis Investor surveys Annual General Meetings (AGMs) Disclosure	Connecting business functions and management with stakeholder concerns Relationship building
<b>Cross-functional Connection</b>	Sales Marketing Corporate Affairs Product Development	Corporate Affairs Marketing	PR Marketing Corporate Affairs	Public/Corporate Affairs Marketing	All functions and units
<b>With what outcomes</b>	Deliver accountable supply chain through strategic embedding	Use sustainable development as a marketing tool and to enhance employee performance	Create more sustainable products and services	Meet broader fiduciary responsibilities	Raise company profile

Adapted from Beyond Reporting: Creating business value and accountability, Engen, T, and Di Piazza, S, 2005

This briefing has been prepared by Mike Peirce of CPI and Katherine Madden of WBCSD, with case study material from Danielle Capenter Sprungli, WBCSD, cartoons from David Lewis, copyediting from Dr Sophie Mills and quotes from HR professionals drawn from an Ashridge research report prepared for the WBCSD's Accountability and Reporting programme. The advice from Jake Reynolds and Jon Hanks of CPI has been invaluable throughout the process.



## This briefing has been designed for HR managers and people with responsibilities for recruitment, performance evaluation and training and development.

“CSR – HR = PR.  
If employees are not engaged, Corporate Social Responsibility becomes an exercise in public relations. The credibility of an organisation will become damaged when it becomes evident that a company is not ‘walking the talk’.”

ADINE MEES AND JAMIE BUNHAM, CANADIAN BUSINESS FOR SOCIAL RESPONSIBILITY

**Driving Success** describes three critical challenges facing human resource professionals today – practical problems identified and debated by HR managers themselves.

- Recruiting and retaining top talent (pp 4-7)
- Creating incentives for exceptional performance (pp 8-11)
- Enhancing critical competencies (pp 12-15)

It focuses on the issue of sustainable development – a term which many HR managers have become accustomed to hearing alongside jargon such as stakeholder engagement and Corporate Social Responsibility (CSR).

Sustainable development is a compelling idea for many people. It is concerned with how business can contribute to some of the most significant challenges that the world faces today – from climate change and biodiversity, to working conditions and health amongst the poorest in the world.

But HR managers have often struggled to introduce sustainable development within their organisations. How, for example, should they integrate these issues into programmes for recruitment and staff development, and how can they use their knowledge of the business to bring critical issues to the attention of senior management?

**Driving Success** is not an A to Z manual on HR and sustainable development, but it does provide a starting point to think about the key issues in your company today.

- The briefing guides you through a series of questions – summarised on pp 16-17 – which take you from the broad challenge of sustainable development to some practical actions.

The briefing does not claim there are any easy routes for HR managers to benefit from the challenge of sustainable development. Instead it asks you to test the role and relevance of sustainable development in your everyday work: how it can help your business address its strategic goals and generate long-term value; and what you can do to make this happen.

In short, how can you make sustainable development good for your career and good for your company?

**Driving Success** highlights a variety of ways in which companies are beginning to respond to sustainable development opportunities.

- The cases are distributed throughout the briefing, and are supplemented by a set of further resources on pp 18-19.



# Recruiting and retaining top talent

**Companies can only succeed in the long-term if they recruit and motivate people who are able to respond to and shape the challenges of the future. These are the individuals with the capacity to create competitive advantage from the opportunities presented by changing markets, with the desire to learn from customers, consumers, suppliers and colleagues, and who possess the ability to build and influence long-lasting and effective partnerships.**

The recruitment of new employees helps to demonstrate a company's aspirations, highlighting the skills and attitudes to which it attaches the highest priority. The choice also provides a major opportunity to communicate the values and successes of the organisation – to explain why the company offers the most attractive place for a person to develop their career.

Yet this competition for top talent is nothing new; and if the challenge for HR managers is to spot the best people and win their favour, what then is the role of sustainable development in recruitment and retention?

HR managers answer this question in two main ways, addressing (as the cartoon illustrates) the expectations of both employees and employers.





**Society's expectations of business are changing, and an increasing number of applicants pre-assess the social and environmental performance of companies before choosing an employer.**

The pride shown by the winners of employee benchmarking initiatives – such as Fortune magazine's *Best Companies to Work For* index and the *Great Place to Work* survey – highlights the importance attached to workplace issues as a source of corporate reputation.

Whilst there's little evidence that people apply for jobs on the basis of company ranking, the quality of performance on benchmark issues – including intellectual interest, job security, respect and rewards, learning opportunities and the organisation's contribution to society – are important criteria for more and more people.

For example, three-fifths of the graduates and potential employees surveyed by Accenture in 2004 rated ethical management as an important factor in their job search.

Similarly over two-thirds of the students (68%) in a global survey by GlobeScan in 2003 disagreed that salary is more important than a company's social and environmental reputation when deciding which company to work for.

And a KPMG survey found that among workers who feel their bosses lack integrity, only 20% would recommend the workplace to recruits. In comparison, 80% of the respondents who believed their company had strong ethics would recommend their organisation.

"Pride in one's employer is a grossly underestimated factor. Of course there is a lot of talk about pay and conditions, but don't forget the dinner party factor."

HR MANAGER,  
ASHRIDGE/WBCSD SURVEY

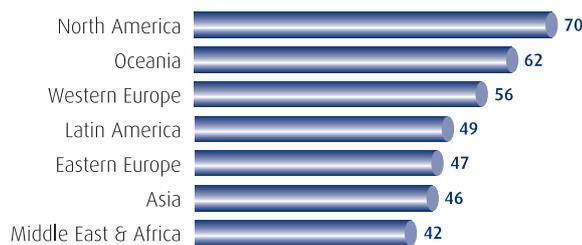
### Impact of Corporate Social Irresponsibility on Student Behaviour

% Very Likely

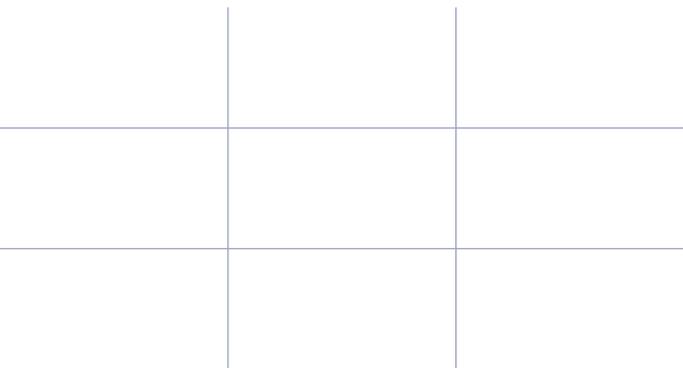


### Not Apply for a Job at Company because of Social Irresponsibility

% Very Likely, by Region



Source: Globescan



■ **Skilled people are becoming business' most valuable resource, and a sustainable development perspective may prove to be a vital component in a leader's set of competencies.**

Major differences have emerged in recent years between the market value of companies and the book value of their physical assets. This gap is typically explained by the increased importance of intangible assets – the value of a company's people, its brands, its relationships and its ways of working.

As people matter more to business success, the competencies that companies seek are becoming increasingly related to the management of relationships – to people's ability to network, to partner and to innovate. These skills may go far beyond the immediate requirements of a functional position, to a new recruit's ability to support the entire company in the longer-term.

But where can such flexibility and creativity be found? One rarely considered source is those people with a strong awareness of social and environmental issues. Some HR managers believe that these individuals possess a powerful understanding of the challenges facing business today, and frequently command the skills to engage with a wide diversity of institutions and people – including other businesses, governments, universities and not-for-profit organisations, as well as cross-functional teams in their own companies.

As one HR manager recently commented, "A sustainable development mindset pushes us to be better – it has encouraged a focus on performance, a consistent eagerness to improve and continual learning."

"We want an organisation made up of inquisitive people, for we are seeking innovation, constant improvements in the way people do their jobs, in all areas of the business. Conducting business as usual does not belong in an inquisitive culture."

WALKING THE TALK, WBCSD

### Weighing up the evidence

But do these arguments add up? Most importantly, how do they affect your company and its recruitment challenges?

In thinking about these issues, consider the following questions and examine the case studies on the following page.

- Does your business need individuals with a strong capacity to build relationships with a wide range of stakeholders?
- Are applicants really concerned about the ethics of your company and its social and environmental impacts; or do candidates only care when a buoyant employment market gives them the luxury to pick and choose?
- Are these concerns relevant for your business, or just for other companies in more controversial product sectors?
- Is social and environmental screening only evident amongst the graduate intake, or are these values also significant for senior recruits?



## Approaches to success

Making sustainable development part of the employment value proposition

CASE STUDY

Founded in 2001, Helping Hands is part of EDF Energy's Employee Community Involvement Programme, and encourages all staff to take advantage of two days of paid work time to get involved in community projects. In 2004, more than 1,700 employees participated in Helping Hands, contributing more than 18,000 hours to community initiatives. Staff undertook 57 team challenges benefiting 20 schools and two community farms.

The programme has been enthusiastically received across all areas of operation, and 85% of those who participated say they feel better about working for the company as a result.

Assessing how workforce diversity contributes to performance

CASE STUDY

Deloitte Touche Tohmatsu (DTT) and its member firms use their worldwide Multiculturalism and Inclusion Initiative to demonstrate by their actions that they understand, value and benefit from the different backgrounds of their people.

In the United States, the US member firm set up the *Initiative for the Retention and Advancement of Women* in 1993. The programme aimed to create equal access to career building opportunities with progress towards the Initiative's goals incorporated into senior management targets. Another goal was to provide women – and men – at the US member firm with the support they need to manage their careers, families and personal pursuits successfully.

As a result, the percentage of female partners, principals and directors has grown from 6.5% in 1993 to 17.2% in 2004 – the highest proportion of women partners, principals and directors among the Big Four accounting firms in the US, according to Public Accounting Report's 2004 Annual Survey of Women in Public Accounting.

Working in partnership with employees and communities

CASE STUDY

In 2000, the aluminium and packaging company, Alcan, decommissioned a 91-year-old smelter in Kinlochleven, Scotland. To prepare for the closure, Alcan worked alongside its employees and the wider community to explore future opportunities for the region.

Alcan began an intensive stakeholder engagement initiative six years prior to the actual closure. Working with the local community and development agency, it donated land and buildings to the village to help its residents create alternative jobs. Its stakeholder engagement also laid the foundation for the development of eco-tourism in the region.

# Creating incentives for exceptional performance

**Employees are motivated by a complex mix of rewards. These range from financial security and bonuses to promotion and peer recognition, and from taking on new challenges to making a difference to the things they care about.**

The challenge for HR managers is to create the opportunities and incentives that maximise employee contributions to corporate performance – to help the company make the most of its people’s talents.

In particular, if people can be motivated to learn on a continuing basis, this can add immense value by enhancing the overall adaptive capacity of the organisation – its ability to respond quickly and flexibly to changes in its operating environment.

How, then, can a sustainable development perspective encourage employees to make a productive contribution to their company, the challenge illustrated by the cartoon below? And if a business has bought into the idea of sustainable development, how can its HR managers ensure that employee incentives are closely aligned with these wider objectives?





## ■ Sustainable development commitments and programmes can motivate employees to perform to their highest potential.

If company and employee values are aligned – with the company operating ethically, providing a suitable work-life balance and clearly demonstrating a concern for health and safety – then staff morale and commitment will increase, reducing staff turnover and boosting productivity.

The 2002 GlobeScan International survey showed that eight in ten people who worked for a large company felt greater motivation and loyalty towards their jobs and companies the more socially responsible their employers became.

Research by MORI for a major financial brand found that 70% of staff who were committed to the values of the company said that their productivity had increased in the past year. In contrast, among those staff who were not committed to the company, only 1% had improved their productivity.

And the evidence suggests that employees will be far more effective learners if they go to work with a sense of purpose, feel that they are working within a supportive learning environment, and have the opportunity to turn their commitments into productive action.

Other data suggest that individuals who participate in community development partnerships and programmes are highly motivated by the experience. For example, a survey from the Corporate Citizenship Company indicates that employees who are involved with community programmes are significantly more likely to recommend the company, stay with it, and be motivated in their jobs. People can also learn from community partners and contribute new knowledge and leadership skills to their company.

## Sources of employee motivation

<b>Achievement:</b> the sense that work will lead to fulfilment through the accomplishment of work goals.	<b>Growth and development:</b> the sense that new capabilities will result from participation in work activities.
<b>Advancement:</b> the sense that good performance will be rewarded by added responsibility, status or promotion in the organisation.	<b>Intellectual interest:</b> the sense that work activities will coincide with personal areas of interest.
<b>Belonging:</b> the feeling of fulfilment, pride and loyalty obtained by working with other people on common challenges.	<b>Job security:</b> the sense that good performance will lead to a more longer-lasting work opportunity.
<b>Challenge:</b> the sense that work activities will be exciting and stimulating.	<b>Pride in organisation:</b> the sense of pleasure taken in associating with the organisation, based on its reputation, culture and policies.
<b>Contribution to society:</b> the feeling that work makes a worthwhile contribution to society, adding meaning and purpose to everyday actions.	<b>Recognition and respect:</b> the sense that contributions will be acknowledged and appreciated by colleagues.
<b>Involvement:</b> the sense of ownership over work objectives arising from the freedom to act under one's own initiative and to participate in decisions.	<b>Responsibility:</b> the care and commitment flowing from the management of people and involvement in decisions.
<b>Financial reward:</b> the sense that good performance will be rewarded by greater financial benefits.	<b>Work environment:</b> the sense of well-being produced by the physical surroundings of the workplace.

Source: Helping People Learn, CIPD, 2004


■ **Employee targets and incentives need to be aligned with the goals of sustainable development.**

Many companies have adopted an approach to business that recognises the role of social and environmental issues in enhancing commercial performance; their leaders argue, for example, that it can strengthen their reputation, enhance organisational learning and boost operational efficiency.

But if this strategy is to succeed, employees need to see the sustainable development objectives clearly reflected in their personal targets and rewards. Performance appraisal must take into account the contribution of individuals and teams to longer-term social and environmental goals as well as short-term financial objectives. For example, if all the bonuses for a procurement team are dependent on achieving lowest cost contracts, it will be no surprise if they display little interest in the working conditions of the supplier base.

One HR manager has noted the approach taken in their company: “All employees have an agreed contract with HR. It is monitored with performance bonuses based on economic, social and environmental performance. It sends a signal.”

“My key objective for the future is to motivate employees. It will be necessary to find synergies with everything else going on in the company.”

HR MANAGER, ASHRIDGE/WBCSD SURVEY

**Weighing up the evidence**

But do these stories stand up to scrutiny? The published data on the motivational impact of sustainable development is almost uniformly positive, but does it ring true for your company? And how can you bring staff incentives in line with your company’s wider objectives?

In thinking about these issues, consider the following questions and examine the case studies on the following page.

- Do sustainability values inspire future leaders in your company, or are such issues essentially irrelevant to productivity?
- What are the most effective ways in your company to incentivise performance in line with its sustainable development objectives?
- What are the right measures and indicators to assess the success of individuals and teams in contributing to sustainable development?
- How can you use the knowledge of the HR department – and, in particular, your understanding of skills and working practices across the organisation – to encourage managers to incorporate social and environmental issues in business scorecards and incentives?



## Approaches to success

Building awareness of the company's sustainable development commitments and performance

CASE STUDY

Novo Nordisk's TakeAction! programme aims to integrate and embed a sustainable development mindset and culture in the organisation. It informs, supports and inspires employees to engage in voluntary work within Novo Nordisk's therapy areas.

To many Novo Nordisk employees, this approach to sustainable development contributes to their job satisfaction and supports their decision to remain with the company. In Novo's annual survey, eVoice, employees are asked whether environmental and social issues are important for the future of the company. In 2004, the average response was 4.2 on a scale from 1-5, with 5 being the highest score.

Incorporating sustainable development in performance evaluation, remuneration and personal development plans

CASE STUDY

SC Johnson's strategy to improve its environmental impact is based on being selective in the materials the company purchases to manufacture its products. The company's approach is to classify and screen the ingredients used in all its products, and use the information to make measurable improvements in the company's ecological footprint.

The company's Greenlist™ provides an environmental rating for all ingredients used in its products and is used by all its chemists. Annual Greenlist™ goals are tied to the bonuses of people at officer and management level – the people who manage and impact the process directly. Further bonuses to achieve Greenlist™ goals by raw material category are set within the relevant R&D group and linked to annual merit increases.

Inspiring people to learn in partnership with NGOs and local communities

CASE STUDY

Severn Trent, a provider of water, waste management and utility services, became involved with the Cromford Venture Centre in the UK following a visit in 1995. The visit highlighted economically depressed areas that had been affected by the national downturn in manufacturing. The Venture Centre was founded upon the belief that young people respond positively to opportunities for self-development if they are offered in surroundings that provide a stimulus for new activities and experiences. The company could see that the Centre would be the ideal catalyst to help disadvantaged young people improve their prospects.

Severn Trent decided to build a strong relationship with the Centre, making an effort to understand its objectives and needs, and to involve Severn Trent employees as fully as possible at every opportunity. Severn Trent has a network of senior and middle managers who champion and support its Group-wide Employee Volunteering Programme. Employees from a variety of companies within the Group have volunteered their own time to the Venture Centre in various guises, including fundraising.

# Enhancing critical competencies

**Companies must continually enhance their workforces' skills to respond to the emerging demands of customers, investors and society as a whole – requirements that change with the ways that people live and work.**

The challenge for HR managers is to clarify the competencies required to deliver the company's strategy, as well as to cope with changing competitive circumstances.

Success will depend on identifying the most effective means of building these competencies, whether through formal training programmes, mentoring, peer-to-peer learning, or involvement in community programmes.

Amidst this variety of approaches to building employee skills, illustrated in the cartoon below, what then is the value of learning programmes on sustainable development? And who should be the target of these initiatives?





■ Sustainable development provides a fresh, invigorating, perspective of the world, which can foster innovative approaches to a variety of business problems.

Training in social and environmental dilemmas builds skills which are relevant in many situations – from leadership and team-working, to negotiating and problem-solving. As the box on this page shows, a sustainable development perspective informs the way people think and act in critical business areas.

One HR professional has confirmed the opportunities: “We run our classes in business ethics where managers are encouraged to take the larger ethical view of situations. Our training is also about helping people to share a problem early so that it can be tackled before it gets big...the worst thing an employee can do is carry the burden themselves.”

**Sustainable development competencies**

The University of Cambridge Programme for Industry’s (CPI) Competency Map is a simple and robust model of the core competencies that are required by people to integrate a sustainable development perspective into their work.

Competency Theme	Competency Element	Understanding (Know-what)	Experience (Know-how)	Attitudes
		Essential knowledge and skills (know-what)	How understanding is translated into practical action (know-how)	Personal values and ways of working
Strategy  Sense-making and planning	<b>External Context</b>	Understanding the local and global context in which your organisation operates, including the most significant opportunities and risks that it faces.	Prioritising issues in terms of the level of opportunity and risk they present to the organisation, now and in the future.	<b>Broad view:</b> The importance you attach to balancing environmental, social and economic value.
	<b>Internal Focus</b>	Understanding how your organisation can respond to the opportunities and risks for greatest business and social value.	Formulating strategic objectives that address the organisation’s opportunities and risks, supported by business cases, resources and champions to put them into practice.	
Stakeholders  Managing relationships	<b>Stakeholder Approach</b>	Understanding why a stakeholder approach is essential to your organisation’s long-term success.	Determining who your stakeholders are, how the organisation affects them, and what they think about the organisation.	<b>Inclusive approach:</b> The importance you attach to responding to the needs and aspirations of all people affected by your activities.
	<b>Dialogue and Partnership</b>	Understanding how to engage with stakeholders in order to foster co-learning and build effective relationships.	Engaging in dialogue with stakeholders and responding to their legitimate concerns in a transparent and effective fashion.	
Leadership  Creating change	<b>Learning</b>	Understanding the competencies you need to help your organisation deliver its strategic objectives.	Developing and participating in learning and development processes that support the organisation’s strategic objectives at personal and team levels.	<b>Long-term perspective:</b> The importance you attach to recognising the interests and rights of future generations.
	<b>Action</b>	Understanding the most effective approaches to influencing others and creating change in your organisation in line with its strategic objectives.	Demonstrating personal commitment to the principles and values of sustainable development, encouraging and enabling others to make this a focus of business action.	


■ **Sustainable development knowledge and skills should be spread widely across the organisation using a variety of approaches.**

It is vital that the values and strategy of the business be understood and accepted by as many employees as possible.

This does not imply that learning should be uniform. Specialist responsibilities – for example, to assess labour conditions in global supply chains – will normally be assigned to particular individuals, and will require specific training and development programmes. And different business functions – from marketing to finance to risk management – may also need to have the corporate sustainability vision phrased in the language and culture of the function.

But a common perspective is invaluable. As one HR manager explained, *“For sustainability to be fully part of the business, it needs to be part of the business model. There is a sustainability liaison committee that ensures that it is integrated across all divisions and functions...it helps us to understand the main challenges for the whole company going forward.”*

A survey of HR managers by Ashridge for the WBCSD has recently suggested that executive development remains the most obvious route to building a workforce more attuned to a company’s environment. One HR manager has confirmed: *“Leaders receive a lot of training and development in this company. We continue to develop values and emotional intelligence in leaders, intellectual scanning, the ability to spot dilemmas in the community and in the business, and cultural awareness.”*

*“Formal training programmes are still king, but the value of peer-to-peer learning and community involvement is increasingly recognised.”*

HR MANAGER, ASHRIDGE/WBCSD SURVEY

**Weighing up the evidence**

It is critical to build the competencies of people in your organisation. But do sustainable development perspectives and skills address your company’s needs for learning? And how can you capture the attention of departmental managers?

In thinking about these issues, consider the following questions and examine the case studies on the following page.

- What are the competencies required for success in your company?
- Will training in sustainable development help to deliver the innovation and learning your company needs to improve performance in the long-run, as well as deliver immediate business objectives?
- How can you encourage other colleagues – often under immense operational pressure – to address the company’s requirements for staff development?



## Approaches to success

Identifying sustainable development competencies

CASE STUDY

The carpet manufacturer, Interface, has learned the importance of making sustainability a 'whole company' approach. Sustainability has been built into all business decisions – from the raw materials it sources to the way the company reclaims its customers' used products. The company based its strategic orientation on a sustainability framework, which included the elimination of waste and of harmful emissions, the sole use of renewable energy, adopting closed loop processes, using resource-efficient transportation, energising all stakeholders around the vision, and redesigning commerce.

To ensure this strategy is implemented, all employees have been trained in the principles of systems thinking, and are required to examine the impact of their work and how they could work more sustainably.

Generating learning across the organisation

CASE STUDY

KPMG UK has undertaken a series of initiatives to embed responsible consumption in the organisation. It has concentrated on its supply chain and the development of staff awareness through education and training. Supporting the central team, a network of responsible consumption coordinators in each UK office acts as a catalyst for change. A reward system, whereby savings made from reductions in consumption are shared with the staff-selected charity, motivates employees to bring forward innovative ways to reduce consumption. Training each coordinator and providing toolkits to support their efforts has established a group of highly effective local change agents, supporting and reinforcing the structural changes taking place in the firm.

Working in partnership to build sustainable development competencies

CASE STUDY

When Vodacom was granted its cellular telecommunications licence in the early 1990s, one of the conditions was that the company had to deploy 22,000 subsidised public cellular telephones in under-served and rural areas which had limited or no access to fixed-line services. To reach this goal, Vodacom set up stationary phone shops or kiosks with multiple lines, all connected to Vodacom's existing infrastructure through a wireless link.

When the project began, Vodacom went to communities to find interested individuals who were used as part of the deployment strategy. These individuals were given support through, among other things, business training. Ten years later, Vodacom still provides training and has introduced an incentive programme based on the phone activity and revenue generated by each phone.

# Planning for change

## So what does sustainable development mean for HR managers?

How can the challenges, comments and case studies outlined in this briefing help to inform the development and implementation of a robust HR strategy – an approach that reflects commercial realities, not to mention the practical challenge of being understood and accepted by people throughout the company?

Several issues stand out. The strategy and tactics adopted must be achievable by the HR team within its budgetary constraints and the skills, experience and interests of its people.

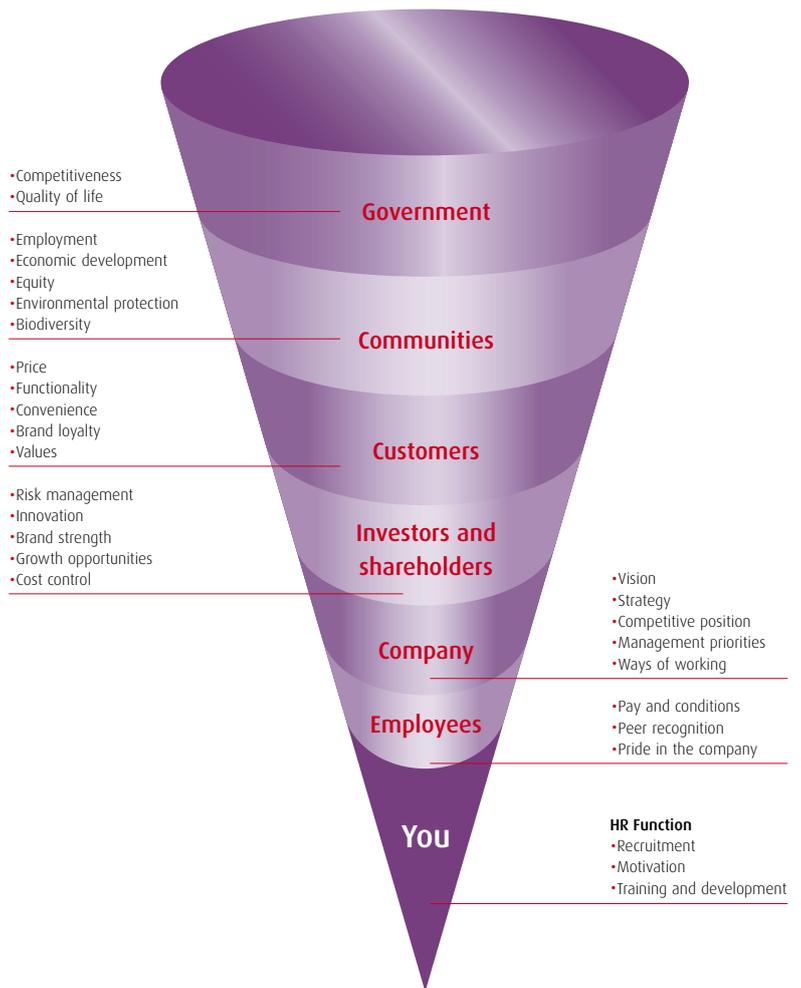
But, more than this, the HR strategy must respond to the wider environment in which the company is operating:

- Reflecting and inspiring the ambitions of the HR team and other employees;
- Aligning with the company's strategy, values and culture;
- Helping to deliver sustainable returns to investors;
- Helping to address customer needs;
- Identifying and responding to emerging societal trends;
- Responding to governmental and regulatory expectations, and influencing the public policy agenda.

You will have your own priorities – issues that reflect the particular objectives and working practices of your company, and other aspects of its competitive and regulatory environment.

But to help you get started, the table opposite highlights some introductory issues and questions relating to some of the core responsibilities of HR managers: recruitment, incentives and competency development.

## The HR environment





	Employees and Company	Investors and Shareholders	Customers	Communities and Government
<b>Recruitment</b>				
Integrating sustainable development issues into the recruitment process.	Are sustainable development issues included in job descriptions and assessment materials?			
Monitoring the long-term competency requirements for your company.	Has the company identified key sustainable development competencies?	Which competencies will improve productivity and deliver innovation?	Which competencies will enhance the value of the customer proposition?	Which competencies will deliver value to society?
Providing new employees with information about sustainable development policies and commitments.	Are sustainability issues included in induction materials?			
Using recruitment procedures which support the equitable representation of applicants and recruits in terms of gender, age, racial and ethnic groups, sexual orientation, disabled people and other relevant groups.	Are monitoring systems in place to ensure that the workforce is representative of the communities in which it operates?	Is the company at risk of reputational damage or legal challenge?		What are the key diversity issues?
<b>Incentives</b>				
Incorporating social and environmental considerations within the company's performance management and appraisal systems.	Are monitoring systems in place?	Are executive bonuses linked to social and environmental performance?		
Identifying and supporting an appropriate work/life balance.	Are initiatives in place to promote an appropriate work/life balance within the company? Are systems in place for employees to contribute to decision-making processes?	How do employee packages contribute to financial performance?		What are key employee benefit issues?
Encouraging employees to participate in corporate community involvement programmes.	Are employees involved in discussing the company's choice of community programmes?			What are the most significant social and environmental benefits to which the company could contribute?
<b>Competency development</b>				
Including social and environmental issues within employee training and development programmes – at all levels, from technical health and safety considerations on the shop floor, to strategic sustainability issues at executive management and board level.	Are sustainability-related training programmes in place?		Which training programmes will enhance the value of the customer proposition?	
Ensuring that training programmes consider the business risks and opportunities from sustainable development and how to identify them.	Do training programmes cover the full range of social, environmental and economic risks and opportunities?	What are the financial opportunities from enhanced training in sustainable development?		
Identifying the most effective means of building sustainable development competencies – for different business functions and different levels of seniority.	Which learning approaches are most effective in diverse parts of the organisation?			

# Guidance for the sustainable development manager

**As the language of sustainable development enters the business mainstream, the responsibility for managing social and environmental issues is slowly shifting from the corporate fringe to an important business function.**

Sustainable development specialists (and those with equivalent positions or responsibilities) are no longer just responsible for the management of philanthropic initiatives, community engagement programmes or environmental impact assessments.

Instead, in leading companies, these managers are expected to act as agents of change: to develop the structures, systems, ways of working and personal values that will support the organisation's sustainable development objectives; and to encourage others in the company to act as enthusiastic agents of change.

This functional briefing (and others in the series) clearly doesn't provide a complete solution – this is the first step in developing a comprehensive business case for functional specialists. However, the briefings do provide a series of questions with which to trigger conversations across your company and influence its future direction.

## How the brief was prepared

This briefing was developed to provide both supporting materials for BEP's Senior Executives' Seminars and as part of WBCSD's Capacity Building programme, which provides tools and training to help companies implement sustainable development initiatives across their operations.

The functions chosen for this briefing were selected by sustainable development managers themselves – identified as the critical enablers and blockers of change at a workshop held by CPI.

The briefing was developed through a range of interviews, cross-industry workshops and research, including an Ashridge report prepared for the WBCSD's Accountability and Reporting programme. The briefing was reviewed by individual company members of WBCSD, partners of CPI, and alumni and core faculty of BEP.

We would like to thank everyone who contributed their ideas and comments, and in particular those who shared their experience in the consultation sessions and interviews. If you are interested in hearing more about these leading companies and how they are moving sustainable development into the mainstream, please contact CPI, WBCSD, or the following members of the WBCSD Capacity Building programme.

- Karin Ireton: [Kireton@angloamerican.co.za](mailto:Kireton@angloamerican.co.za)
- Dawn Rittenhouse: [dawn.g.rittenhouse@usa.dupont.com](mailto:dawn.g.rittenhouse@usa.dupont.com)
- David Russell: [darussell@dow.com](mailto:darussell@dow.com)
- Mark Wade: [mark.wade@shell.com](mailto:mark.wade@shell.com)

The briefing is released in the names of BEP, CPI and WBCSD. Although the briefing builds on the experience of each organisation, the views expressed do not necessarily reflect those of every member company, partner or associate.



## Using the briefing

From discussion with our networks and members, we expect the briefing to be used in a number of ways and we look forward to hearing about your experience:

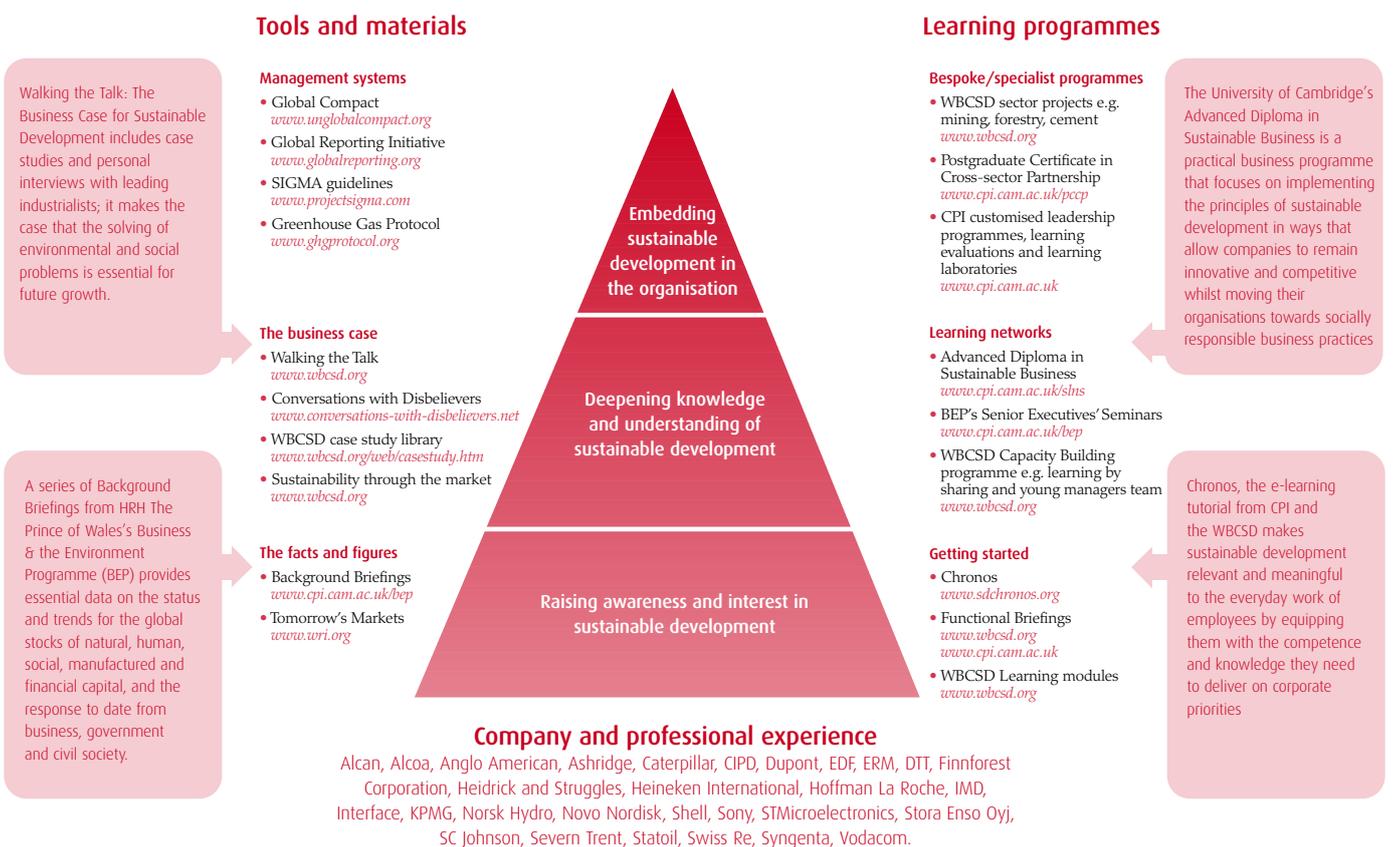
- **As a tool to raise awareness and deepen understanding of sustainable development issues in the HR function.** The briefing can be distributed directly to functional managers as a stand-alone awareness-raising tool.
- **As a resource to build bridges between sustainable development specialists and the HR function.** The briefing can provide the basis of a dialogue with the HR function to discuss issues and opportunities for the promotion of sustainable development.
- **As a source for company training materials.** The briefing can provide the supporting information or evidence for bespoke company training materials. (Reasonable reproduction of material included in the briefing is accepted by all parties, but the source document should be referenced in all cases.)

- **As a component of staff development programmes.** The briefing can be used as preparatory or take-away reading material for staff development programmes on sustainable development in the HR function. Alternatively, specific elements of the briefing can be used as a source for parts of your development programmes.
- **As a resource for strategy planning.** The briefing can be used by business leaders (with or without the direct support of sustainable development professionals) to inform the strategic development process within the HR function.

A range of other materials can be used alongside the functional briefing. The diagram below highlights just a few of the learning materials and programmes available from BEP, CPI, WBCSD and elsewhere, which can help at each stage of the process of organisational change.

The diagram also indicates some of the companies with emerging experience in the implementation of sustainable development programmes.

## Sustainable development resources



## The World Business Council for Sustainable Development

The World Business Council for Sustainable Development (WBCSD) is a coalition of 175 international companies united by a shared commitment to sustainable development via the three pillars of economic growth, ecological balance and social progress.

Our members are drawn from more than 30 countries and 20 major industrial sectors. We also benefit from a Global Network of 50+ national and regional business councils and partner organizations.

Our mission is to provide business leadership as a catalyst for change toward sustainable development, and to support the business license to operate, innovate and grow in a world increasingly shaped by sustainable development issues

Our objectives include:

Business Leadership – to be a leading business advocate on sustainable development.

Policy Development – to participate in policy development to create the right framework conditions for business to make an effective contribution towards sustainable development.

The Business Case – to develop and promote the business case for sustainable development.

Best Practice – to demonstrate the business contribution to sustainable development solutions and share leading edge practices among members.

Global Outreach – to contribute to a sustainable future for developing nations and nations in transition.

[www.wbcsd.org](http://www.wbcsd.org)

## HRH The Prince of Wales's Business & the Environment Programme

HRH The Prince of Wales's Business & the Environment Programme (BEP), which is run by the University of Cambridge Programme for Industry, was established in 1994 by HRH The Prince of Wales.

The Programme helps senior executives explore the business case for sustainable development and integrate sustainability principles into their organisations. Business leaders and representatives from the public sector and NGOs participate in one of the Seminars held each year in Cambridge, New York, Salzburg and Cape Town. The Programme has introduced over 1,000 executives from over 400 organisations in more than 30 countries to the sustainability debate. They then become members of an active and influential alumni network.

The Programme is sponsored globally by ABN Amro, BP, Cisco, Ford Motor Company, International Finance Corporation, RWE Thames Water, Shell International, Unilever and Vodafone.

Regional partners in Europe are BAA, Barclays, Enviros Group and National Grid Transco; and in Southern Africa are Anglo American, Barloworld, Engen Petroleum, Development Bank of Southern Africa and SC Johnson.

[www.cpi.cam.ac.uk/bep](http://www.cpi.cam.ac.uk/bep)

## The University of Cambridge Programme for Industry

The University of Cambridge Programme for Industry (CPI) provides leadership development programmes and learning services for senior individuals and major organisations around the world. Its focus is on developing capacity within business, governments and civil society to respond to contemporary societal challenges.

CPI's expertise lies in understanding how people learn and in developing learning processes that can change individuals and organisations in ways that will move society towards sustainability. Its programmes draw on world-class contributors from academic, policy and practitioner circles and its active alumni networks provide a vehicle for ongoing debate and development. CPI collaborates with academic and other partners and its work is underpinned where relevant by applied research.

The work of CPI supports the mission of the University of Cambridge, which is to contribute to society through the pursuit of education, learning and research at the highest international levels of excellence.

[www.cpi.cam.ac.uk](http://www.cpi.cam.ac.uk)