STUDENT SUMMARY NOTES

chapter 16
green HRM and environmental sustainability

Chapter overview

In this chapter we examine the debate on climate change and the perceived drive to incentivize organizations to increase their environmental sustainability activities. In this context, the chapter focuses on the development of 'green' human resource management (GHRM). It begins by introducing the concept of organizational environmental sustainability and discusses its importance to contemporary management. The chapter then identifies the main drivers of sustainable workplace practices and behaviours before going on to explain the role of HRM in creating low-carbon workplaces (LCWs) – what they are, and how effective they are encouraging low-carbon behaviours.

Chapter objectives:
1. After studying this chapter, you should be able to:
2. Explain the nature of environmental sustainability
3. Identify the main drivers of sustainable workplace practices and behaviours
4. Explain the benefits expected from implementing sustainability initiatives
5. Explain the role of HRM in creating a low-carbon workplace

Introduction

The chapter describes how organizations are both part of the problem as well as part of the solution to carbon accumulation. Environmental sustainability incorporates ecological or environmental considerations (e.g., carbon emissions) with organizational needs (e.g., profitability) in such a way as to promote benefits for the environment.

The meaning of environmental sustainability

1. The meaning of sustainability is multidimensional. In the 1980s there emerged the now classical definition of sustainable development: 'development that meets the needs of the present without compromising the ability of future generations to meet their own needs.'

2. The Brundtland Commission emphasized the interconnectedness of sustainability of ecological, social, and economic factors in human activity. The Commission's report also introduced the concept of social justice.

3. Environmental management is an attempt to control the human impact on and interaction with the natural environment in order to preserve natural resources. In the workplace, this includes encouraging energy efficiency, waste reduction and recycling etc.. At the individual level, pro-environmental behaviour entails changes to 'ways of doing'.

4. 1990s the term 'triple bottom line' or 'P3' – People, Planet and Profit – emerged and sustainability is no longer a fringe issue. HR policies and practices impact work and, by extension, employee behaviour, labour productivity and environmental sustainability.

5. Environmental management system (EMS) is a tool for managing the impacts of organizational activities on the environment. It incorporates people, procedures and working practices into a formal structure, promotes continual improvement and engages top management in support of the EMS.

Drivers of workplace sustainability

1. Managers' attempts to create sustainable workplaces are often less effective because they do not understand the 'drivers' of change. The data draws upon author's own research. Internal and external drivers include employees' attitudes, employees' behaviours, external regulatory bodies and the management of organizational risk.

2. Change agents need to understand that their own leadership behaviour, the organization's culture and climate directly and indirectly affects managers' and other employees' behaviours.

Study tip: Review the material on leadership and organizational culture in Chapters 14 and 15.

3. Internal drivers include the personal or ethical values of managers, employee environmental champions, a desire to reduce operational costs, employee engagement, the organizational culture, investor pressure and CSR considerations.

4. External drivers are associated with legislative and regulatory compliance. For example, the Scottish government's new procurement policy. They also include, energy costs, gaining competitive advantage, access to government funds, and stakeholder pressures. Table 16.1 (p. 505) lists top six internal and external drivers encountered in author's research.

> **HRM in practice 16.1** 'Carney urges companies to reveal carbon footprint'
> This example (p. 506) discusses the most effective way to make multinational corporations act responsible towards the natural environment: Ask yourself, or discuss in your peer study group; is it through legislation, market forces, consumer boycotts or moral persuasion?

Benefits expected of implemented sustainability initiatives

1. From a management perspective, there are a range of both quantifiable and non-quantifiable benefits from investment in sustainable practices. For example, at retailer Marks and Spencer (M&S), energy efficiency in 2011/12 saved the company £22 million; reducing packaging saved £16.3 million; vehicle fuel efficiency saved £2.1 million; and waste reduction and recycling saved £6.3 million.

2. The benefits of pro-environmental behaviours and initiatives are typically classified as 'internal' and 'external'. The internal benefits can be grouped into three categories: (1) organizational benefits; (2) financial benefits; and (3) people benefits. Table 16.2 (p. 509) shows the expected internal benefits identified in the author's research.

3. External benefits can be grouped into three categories (1) commercial benefits; (2) environmental benefits; and (3) communication benefits. Table 16.3 (p. 510) shows the expected external benefits identified in the author's research.

Creating a low-carbon workplace through leadership and culture change

1. A key question posed is whether leaders can deliver a decarbonized

workplace. The goal of environmental leadership is to motivate followers to achieve high levels of environmentally related performance. Environmental leadership is defined as 'the ability to influence individuals and mobilize organizations to realize a vision of long-term ecological sustainability'.

2. Environmental leaders typically demonstrate transformational patterns of behaviour including charisma, two-way communication, values of collaboration, and orientation towards changing work systems that reduce the environmental impact of an organization.

3. Pro-environmental leaders are more likely to (1) possess personal values that go beyond self-interest, (2) have favourable attitudes toward the natural environment, (3) perceive social pressure to support environmental and sustainability initiatives, and (4) view environmental issues as commercial opportunities for their organization.

4. Supporting the change process, leaders and managers need to consider organizational culture and climate. The organization's culture emphasizes values toward the natural environment in such a way that employees have shared perceptions of those values.

5. A pro-environmental climate - defined as employees with shared perceptions of pro-environmental policies, procedures, and practices that an organization rewards and supports – acts as a mediator between the perception of pro-environmental HR practices and the pro-environmental behaviour of employees.

> **Study Tip:** Extant research suggests leaders and organizational culture and climate influence employees' and their organizations' environmental performance. However, there is a debate on whether managers can reengineer culture. The problem of 'cultural congruence' and of why values must be aligned with sustainability interventions should be noted. See, for example, Davis and Coan (2015) and Hayes (2014). This debate is closely linked to Chapter 15 on organizational culture. Review **Figure 15.2 p.480**.

Creating a low-carbon workplace through HR practice

The chapter underscores the role of a cluster of HR practices in developing employees' pro-environmental behaviours. Drawing on Fernandez et al.'s (2003) work it reports on the impact pro-environmental or 'Green' HR practices have when inserted into the organization's architecture.

An LCW requires new roles and low-carbon behavioural activities for

managers and other employees. Low-carbon behaviours occur at three levels: individual, social, and material.

Research by Cox's et al. (2012) suggests that behavioural interventions tend to be most successful when they consider these three contexts holistically, and not simply focus on trying to change individual employee attitudes or just installing new technology.

The literature on GHRM emphasizes that a set of integrated HR practices covering recruitment, selection, performance management, training and development, rewards and employment relations can promote pro-environmental behaviours and build a more environmentally sustainable organizational culture. See **Figure 16.1 (p. 514)** Creating an LCW through HR practices.

Recruitment and selection

Environmental sustainability has become an important dimension shaping the recruitment and selection process. Attracting top candidates is easier for organizations known for their superior environmental stewardship. Ecological values can be embedded in the workplace is by selecting people with green-related skills and values. NB refer back to the discussion in Chapter 5 on the validity and predictive power of these selective assessment techniques (p.159).

Training and workplace learning

The issues of sustainability, organizational change and training and learning are closely interrelated. Training and workplace learning is a primary intervention for developing pro-environmental behaviours. Much of investment in training is related to energy-saving and waste management.

Performance management and appraisal

Organizations with successful proactive environmental sustainability programmes have environmental criteria systematically integrated into employee performance appraisal systems (PASs). Without performance appraisal, pro-environmental behaviours may come to a standstill.

Reward management

A well-designed reward system can help to motivate employees to achieve satisfactory performance levels, including in environmental performance (look back at Chapter 8). The existence of rewards systems that take environmental performance into account is an indirect reflection of the level of management commitment to environmental management.

Employment relations

The notion that workplace employment relations have undergone a transformation over the last three decades – the rise of employee voice (see Chapter 9) and the decline in trade unions – informs the analysis of GHRM. Informal and formal modes of employee voice can play a key role in getting organizational actors to think about and engage in sustainability initiatives. See also Chapter 10.

HRM and globalization 16.1: US and South African unions form blue-green alliances
This example (p. 518) discusses how some trade unions have formed an alliance with environmental groups, 'blue-green' alliances.

HRM as I see it
Watch the interview with the HR professional Markus Hiemann (p. 520). Ask yourself, or discuss in your study groups: [1] How has the idea of sustainability evolved over time? [2] Should sustainability be driven from the top down or from the bottom up? [3] How can sustainability goals be combined with performance management?

Critique and paradox in environmental management

1. The prescriptive literature presents culture and HR practices as variables that can be easily manipulated to produce ideal types of integration to 'fit' new corporate goals. But note the paradoxes of such a strategy. E.g., unions can potentially act as the pivotal agency of environmental change, but as in the case of nuclear energy and fracking, unions face dilemma, environmental protection vs. jobs.

2. Mainstream environmental studies tend to fail to engage sufficiently with conflicts of interest. Sustainability debate can be mere rhetoric, a smokescreen for perpetuation of the status quo, and work intensification.

3. Arguably a truly sustainable society is one where wider questions of social needs and welfare, and economic opportunity are integrally related to environmental limits imposed by supporting ecosystems.

Engaging in critical thinking

Chapter Case Study: Energy Co.

This case is designed to illustrate the challenges of using performance appraisal to promote ro-environmental behaviours. Although performance measurement and appraisal are often seen as key features of an organization's strategic drive to achieving an LCW, in practice, integrating performance appraisal with sustainability objectives presents many challenges, particularly the measurement of environmental performance across the organization.

Tip to students: To write the report, refer back to Chapter 6 on Employee performance and development, in particular **Figure 6.1** (p. 192) A performance management cycle; **Figure 6.2** (p. 196). A comprehensive report on this case will note the potential for tension between performance appraisal that is oriented towards judgements. Finally, do refer back to the section on 'Tension and Paradox' in Chapter 13 (p.436) for potential impacts of low-carbon technology on people.

Tip to students: The debate on creating a low-carbon workplace has many parallels with the debate on creating a high-performance workplace (Chapter 13). For a contrasting and broader view of re-engineering the workplace, refer to read the article by Willmott (1995), which offers a critique and a counter argument. Also refer to the Special edition of *New Technology, Work and Employment*, Volume 23, No. 3 (2008), which examines the limits of high-performance workplaces that is relevant to the debate on 'greening' the workplace.

Reflective question/essay question

"Low-carbon management initiatives is the latest wave in a series of management fads to increase employee cooperation and productivity". Discuss.

Tip to students: A comprehensive answer to this questionwould, after defining the terms, would explain developments in environmental management and identifying common strands in job redesign literature (Look at Table 13.1 to help). The outcomes of reduced carbon emmissions and new skills and job satisfaction need to be judged against the alleged negative consequences by critics.