

## The HR and Sustainability Nexus: An Untapped Asset?

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The idea of “sustainability” or the “triple bottom line” (profit, planet, people) is increasingly a vital goal in financial and corporate social responsibility. What is less obvious is that sustainability and HR may go together to contribute to high organizational performance.

In a [2003 article](#), Pete Ramstad and I predicted that sustainability would significantly change how human capital creates its most pivotal impact. More recently, in [“The Future of HR,”](#) Ian Ziskin and I suggested that a basic HR-sustainability connection is the “fatigue-sustainability” balance. Most organizations measure the wear and tear on tangible assets, such as mining trucks, far more than the stress on employees, such as mining engineers. Sustainable employment means [optimizing “slack” in human capital](#), just as with other organization assets.

How are HR and sustainability related? The first step is often to use HR programs to support sustainability. [IBM incorporates sustainability projects](#) in communities worldwide into its talent development system. Sometimes, HR’s leads sustainability. The CHRO at Gap, Inc. plays a leading role that started with attention to supplier working conditions, and evolved to global community and environmental initiatives.

A combination of a sustainable approach and strong HR role may be a recipe for high performance.

In our [Center for Effective Organizations](#) survey of global HR leaders, [“Excellence in HR,”](#) Edward Lawler and I found that “sustainable” was most frequently rated as the operating approach pursued to a “Great” or “Very Great” extent:

**Sustainable** (agile design, focus on financial performance and sustainability) 49.2%

**Bureaucratic** (hierarchical structure, tight job descriptions, top-down decision making) 32.6%

**Low-cost operator** (low wages, minimum benefits, focus on cost reduction and controls) 9.2%

**High involvement** (flat structure, participative decisions, commitment to employee development and careers) 39.0%

**Global competitor** (complex interesting work, hire best talent, low commitment to employee development and careers) 28.0%

We [found](#) that organizations with more sustainable operating approaches were higher on a whole host of advanced HR dimensions. Sustainable organizations seem more “HR friendly.” For example, the sustainable organization approach was positively related to the extent of these HR features:

Data-based talent strategy

Human capital strategy integrated with business strategy

Analytic support for business decisions

HR data supports change management

HR drives change management

Making rigorous decisions about human capital

Finally, *both* extensive sustainable approach and strategic HR (measured by the index above) were positively and independently related to ratings of organization performance relative to competitors.

Sustainability goes with strong HR, and both enhance performance.

This makes some sense when you consider the disciplines that you need to understand to pursue the triple bottom line. Certainly, finance, economics and operations will be vital, just as they are for the traditional financial bottom line. Yet, your finance, accounting and operations experts may not be sufficient to navigate a world of sustainability. Sustainability reflects “softer” disciplines such as politics, values, attitudes, informal relationships, psychology and even anthropology. These are the disciplines that have long been used to predict and explain effective employment relationships and talent management. Your HR leaders should be good at these disciplines, and if they are, they can make a unique contribution to sustainability.

So, look around the table at your next strategic discussion of sustainability. Is your HR leader there? Does HR play a reactive or a leadership role in your sustainability efforts? It may be worth considering whether you can better tap the HR “asset” for higher performance in a sustainability-focused world.

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