



# Sustainability in Human Resource Management

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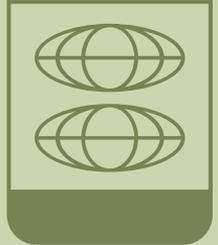
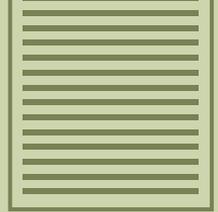
Guided by  
Prof. Dr. Ian Towers



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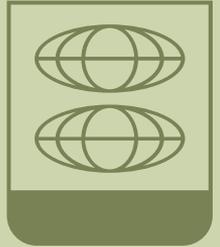
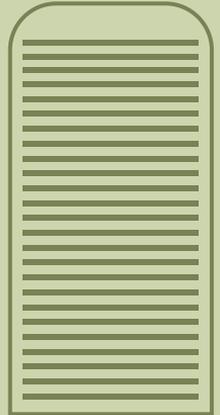
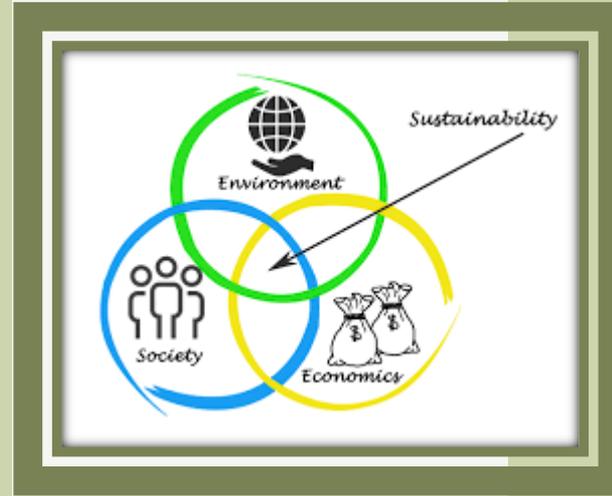
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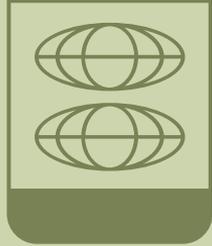
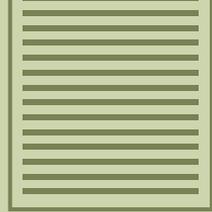


# What is sustainability?





**Sustainability** can be defined as  
“meeting the needs of the present  
without compromising the ability of  
future generations to meet their own  
needs”.<sup>1</sup>



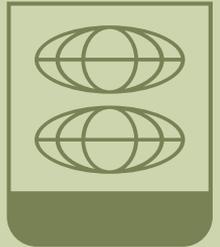
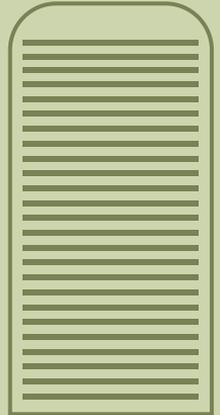
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1.(Brundtland Commission, 1987)

02



# What is Economical Sustainability?

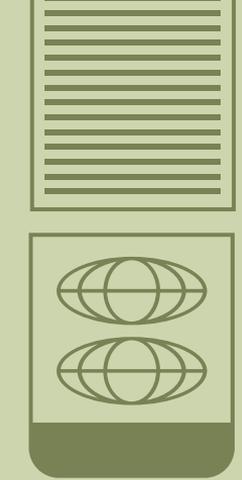




“**Economic sustainability** is the economic aspect of sustainable development: the practice of maintaining the profitability of an organization by considering its environmental, social, and financial impact over time. It means that businesses must be able to pave their way in society and make a profit while ensuring they don’t negatively impact the environment or surrounding communities.”<sup>1</sup>

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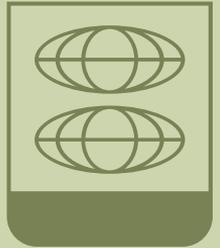
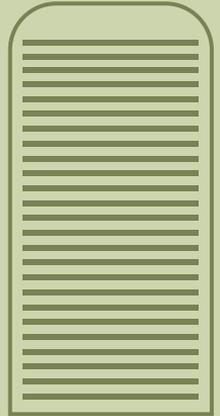
1.(Simon, 2023)



03



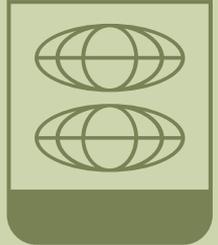
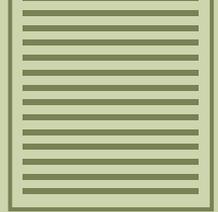
# What is Environmental Sustainability?



Sustainability in HRM



“**Environmental sustainability** is the ability to maintain an ecological balance in our planet’s natural environment and conserve natural resources to support the wellbeing of current and future generations.”<sup>1</sup>



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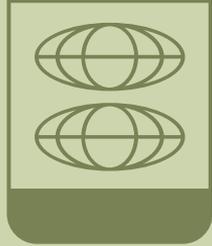
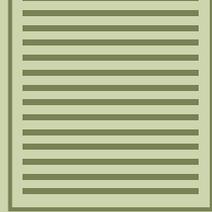
1.(What Is Environmental Sustainability? | Microsoft Sustainability, n.d.)

04



# What is Social Sustainability?





“**Social sustainability** is about making sure that communities and societies can thrive and continue to exist in a healthy, fair, and equal way. It focuses on improving people’s quality of life, fostering strong relationships, and ensuring everyone has the chance to fulfill their potential.”<sup>1</sup>

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1.(Ricee et al., 2023)



05



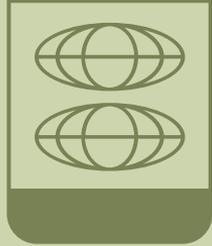
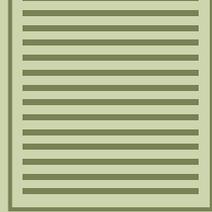
# What is Human Resource Management?





**Human resource management** is a contemporary, umbrella term used to describe the **management and development of employees** in an organization.

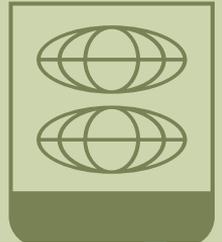
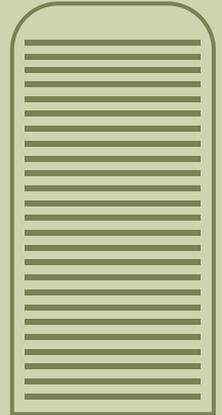
0. Proactive HR Planning.
1. Recruitment and Onboarding.
2. Compensation and Benefits.
3. Training and Development (Career Assistance).
4. Performance Analysis, Appraisals and Promotions.
5. Employee Retention and Engagement.
6. Design and Maintain workplace HR Policies.
7. Resolving Conflicts.
8. Ensure Health and Safety of Employees.



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# What is Sustainable Human Resource Management?

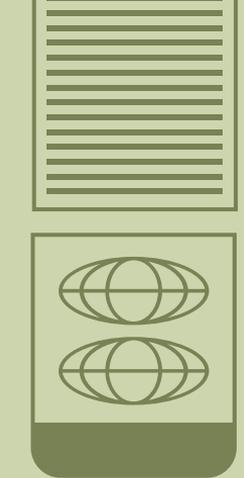




“**Sustainable HRM** involves creating policies and practices that promote social and environmental sustainability while also supporting employee well-being. This includes fair and equitable employment practices, safe and healthy working conditions, opportunities for employee development and training, and diversity and inclusion initiatives”.<sup>1</sup>

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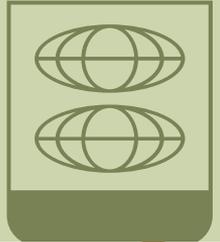
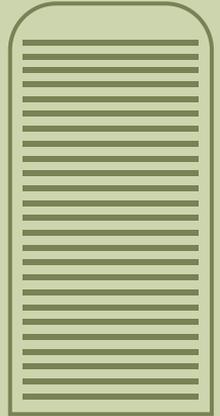
1.(Lopez-Cabrales, Pérez-López, & González-Benito, 2009).



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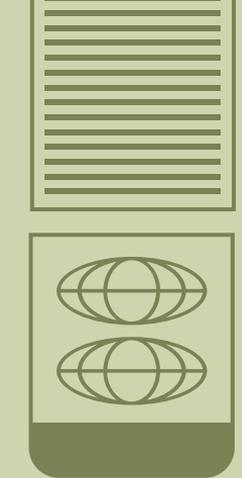


# Goals of SHRM



# Goals of SHRM

- ✓ Creating and developing employee skills, values, motivation, and trust, incorporating the “triple bottom line” approach.
- ✓ Striving for the sustainability of all stakeholders of the organization through practices that express equity, development, and wellbeing.



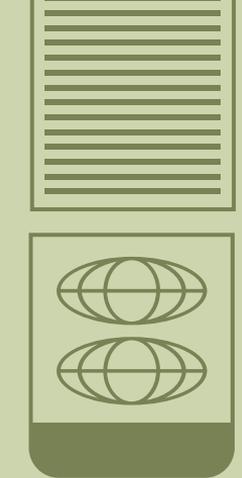


# Types of Sustainable HRM<sup>1</sup>

1. Socially Responsible HRM.
2. Green HRM.
3. Triple Bottom Line HRM
4. Common Good HRM

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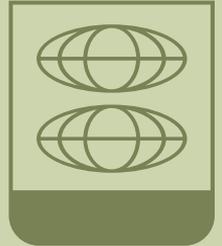
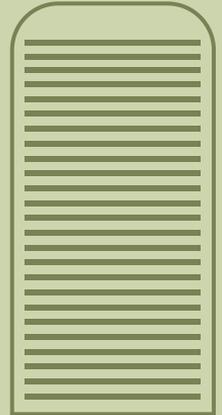
1.(Ehnert et al, 2020)



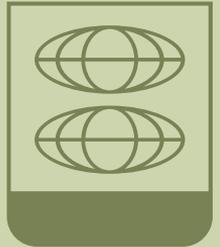
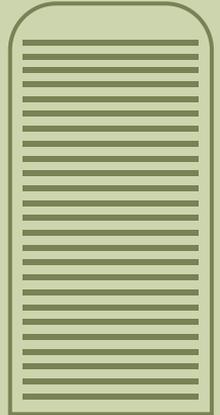
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# Companies and their practices towards Sustainable HRM

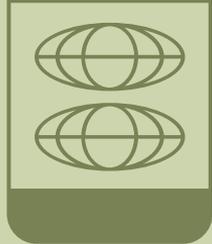
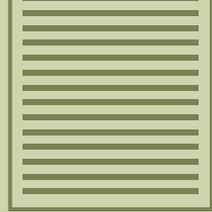


# Patagonia





# Introduction



According to Fowler and Hope (2007) Patagonia is an outdoor apparels companies which stands for sustainability and eco-friendly products all over the world and certified by Fair trade®.<sup>1</sup>

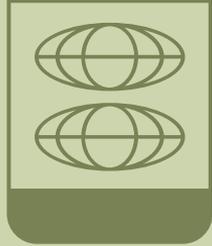
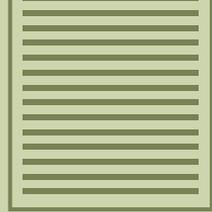
The company founded by Yvon Chouinard in 1973 with the idea of sell climbing equipment and is operating in 50 countries with 3,000 employees.

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1.(Patagonia, 2020b)



# ❖ Sustainable HRM



- ✓ Patagonia proactively nurtures its internal relationships with CSR on all levels.
- ✓ In 2017 Patagonia engaged further with regenerative agriculture and formed a group of experts to explore the possibility of creating a holistic farm-level certification program.<sup>1</sup>
- ✓ In 2018, Patagonia becomes a signatory on the Responsible Recruitment pledge drawn up by the Fair Labor Association and American Apparel and Footwear Association.<sup>2</sup>

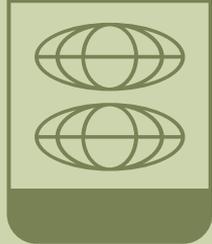
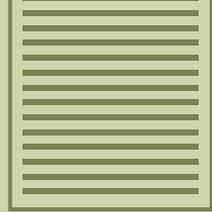
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1.(Patagonia,2023)

2.(Patagonia,2023)



# ❖ Sustainable HRM (cont.)



- ✓ Throughout the pandemic, Patagonia continues paying Fair Trade premiums to support workers in its factories.<sup>1</sup>
- ✓ They value diversity of all kinds. Patagonia aims to employ as many true Patagonia customers as possible.
- ✓ In Patagonia, they try to hire from within as much as possible.

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1.(Patagonia, 2023)



# ❖ Benefits for Patagonia Employees



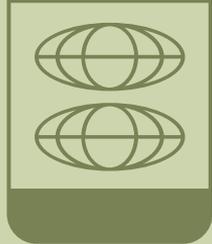
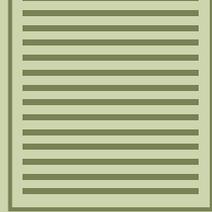
1. The employees working 36 hours from Monday to Thursday and get every second Friday off.
2. Volunteer service for an environment project or organization is paid.<sup>1</sup>
3. Since 1983 Patagonia offered childcare in the form of bilingual programs and training for child development.<sup>2</sup>
4. The employees are granted to take time for their favorite sport, called “Let my people go surfing” policy, during worktime.<sup>3</sup>

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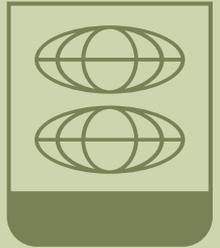
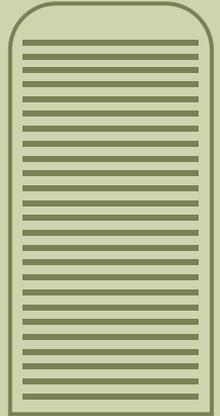
1.(Zint & Frederick, 2001)

2.(Mayer, 2017)

3.(Rattalino, 2018)



IKEA





# Introduction



IKEA is a Swedish furniture company, was founded by Ingvar Kamprad as a very small and local company in 1943, selling pens, wallets, picture-frames etc.<sup>1</sup>

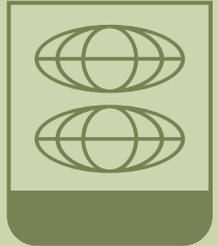
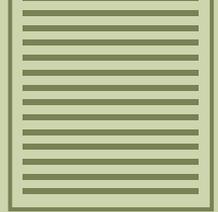
## Current focus areas on Sustainability:<sup>2</sup>

1. Healthy and Sustainable Living.
2. Circular and Climate Positive.
3. Fair and Equal.

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1.(IKEA,2018)

2.(IKEA,2023)





# ❖ Employees and Branches

- 231,000 IKEA co-workers (6,000 more co-workers compared to FY21)
- IKEA has a total number of 460 branches through out the globe divided as Europe(277), middle east(17), Asia(79), Africa(4), Oceania(11), South America(2),North America(70).
- Germany has the most number of IKEA stores in the world.<sup>1</sup>

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1.IKEA Sustainability Report FY2022)





# Sustainable HRM in IKEA



1. Equality, Diversity, and Inclusion (EDI).<sup>1</sup>
2. Influenced by Maslow's hierarchy of needs.<sup>2</sup>

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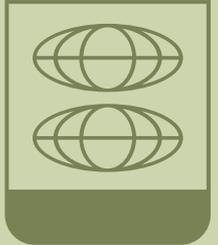
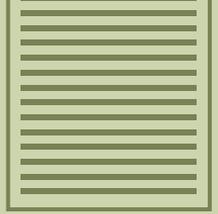
1. IKEA Sustainability Report FY2022)

2. (Smith, 2018)





# EDI



1. An Inclusive IKEA.
2. Gender Diversity.
3. Gender Equal Pay commitment.
4. Supporting employment for people with disabilities and disadvantages through partnership with Saitex in Vietnam.
5. IKEA became partners with the NGO Business Disability Forum (BDF).
6. Survey focused on diversity and inclusion.
7. DECIDE Unconscious Bias training programme.





## Maslow's hierarchy of needs

1. <https://www.thoughtco.com/maslows-hierarchy-of-needs-4582571>.



# ❖ Applying Maslow's hierarchy of needs to IKEA



- Maslow's hierarchy of needs is basically a model to understand the motivations for human behavior.
- IKEA's vision is to create a better everyday life for people and that includes their employees, they believe in their employees, involve them, care about them and making sure that they feel welcome and valued.<sup>1</sup>
- IKEA strives to measure and understand employees' needs and motivations through effective feedbacks to implement the needed extrinsic or intrinsic rewards.<sup>2</sup>

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1.(Anjum, 2013; IKEA, 2021; Nielson, 2021)

2.(IKEA,2021)





## ❖ Maslow's hierarchy of needs for IKEA (cont.)

- They are integrating financial and nonfinancial rewards and implementing initiatives that supports life balance while creating a working condition that values and understand employees' needs, they created rooms for entertainment, nursing, relaxation, prayer/meditation.<sup>1</sup>
- Connectiveness, unique recruitment, training and development, embracing “happy employees=happy customers” are some of IKEA's great values.<sup>2</sup>

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1.(Devendra and Kumar, 2013; Cirillo et al., 2018; Hiền, 2021; IKEA, 2021;)  
2.(kats,2014)





## ❖ Maslow's hierarchy of needs for IKEA (cont.)

- Additionally, IKEA embraces employee initiatives to such as equal and fair environment, daycare facilities, parental leave, transport, training and development, and pension support.<sup>1</sup>
- Work from home, job sharing, part time working, shift swapping are examples of IKEA's workplace flexibility that supported hiring and retaining their skilled co-workers.<sup>2</sup>

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1.(Lamba,2018)

2.(IKEA,2021)





## ❖ Maslow's hierarchy of needs for IKEA (Rewards and Recognition)

### Basic Psychological Needs :

Steady and competitive salaries, Steady salaries even during COVID-19

### Safety and Security Needs:

Providing good health insurance, Ensuring job security, Steady payments during COVID 19

### Belongings and Social Needs:

Assuring that working environment is inspiring, fun and fast-paced, Using and encouraging open communications and team work, Flexible working environment, organizing small events such as team breakfasts or lunches.

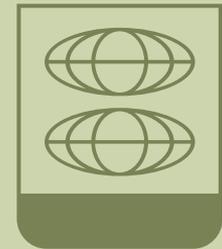
### Esteem and Needs of Achievement

Paying year-end bonuses that value good performance; Respecting employees of all grades; Implementing a working environment characterized justice, diversity, equal opportunities, equal payment and social recognition.

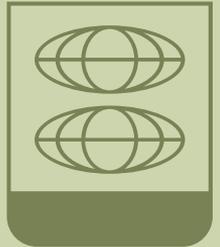
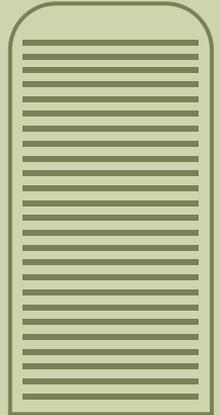
### Self Actualization Needs:

Promotions; Providing educational assistance; Equal opportunities for promotion and career advancement; Providing challenging and meaningful working environment ; Delegating challenging tasks and roles; Encouraging innovating and creativity, Openly discussing individual personal goals and career opportunities

Illustration of IKEA rewards and recognition system using Maslow's needs hierarchy (Anjum, 2013; Devendra and Kumar, 2013; Cirillo et al., 2018; Hiên, 2021; IKEA, 2021; Nielson, 2021).



# Siemens



# ❖ Introduction

SIEMENS

A German multinational conglomerate corporation and the **largest industrial manufacturing** company in Europe. It offers its products and services in the following areas:

1. Building Technologies
2. Energy
3. Drive Technology
4. Financing
5. Healthcare
6. Automation
7. Mobility
8. Siemens Global Service
9. Consumer Products



Sustainability in HRM



## ❖ Employee

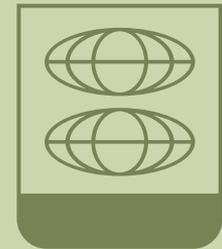


SIEMENS

Employee Strength : 311,000 as of 2022, a 2.64% increase from 2021.

## ❖ Sustainability

- Influenced by The **United Nations' 17 Sustainable Development Goals (SDGs)**.
- Associated with Siemens' new **DEGREE sustainability framework**.
- Siemens helps achieve most of the SDGs in the UN's Agenda 2030 in 4 important ways:
  1. Through products and solutions.
  2. By doing business responsibly.
  3. Through expertise and thought leadership.
  4. Through corporate citizenship activities and community engagement.



# ❖ DEGREE Framework



SIEMENS

Siemens DEGREE framework sets clear and measurable ambitions:

1. **Decarbonization:** to fight global warming
2. **Ethics:** foster a culture of trust, adhere to ethical standards, and handle data with care.
3. **Governance:** apply state-of-the-art systems for effective and responsible business conduct
4. **Resource efficiency:** achieve circularity and dematerialization
5. **Equity:** foster diversity, inclusion, and community development to create a sense of belonging.
6. **Employability:** enable our people to stay resilient and relevant in a permanently changing environment.



# ❖ Ethics



SIEMENS

- **Key Ambition:** To train **100% of Siemens' Employees** on Siemens' Business Conduct Guidelines every three years. (99.9% as of 2022)
- **Co-founder of "Charter of Trust".**
- Influenced by UN's 16<sup>th</sup> SDG, "Peace, Justice, and Strong Institutions".
- **Siemens Group Code of Conduct encompasses**, but is not limited to, the following points:
  - **Fair working** conditions (pay, working hours, vacation),
  - Right to **freedom of association**,
  - Responsibility for **health and safety standards**,
  - Prohibition of discrimination,
  - Prohibition of forced labor and child labor,
  - Provision of anonymous grievance mechanisms.

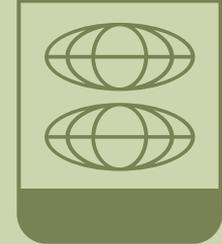


# ❖ Equity



SIEMENS

- Committing to diversity, equity and inclusion.
- Own Diversity, Equity, & Inclusion (DEI) Organisation lead by Chief Diversity Officer.
- Key Ambition: **30% female** share in **Top Management** by 2025. (27.7% as of 2022 as per Siemens Sustainability Report).
- Offering collegial counselling.
- The German model project “**Trans\* at work**” was launched in the year 2022 and “**Trans Advocates**” were named to serve as the first point of contact for any issues related to the same.
- Initiatives such as :
  - **Global Leadership of Women@Technology & Innovation** and **GROW2GLOW**.
  - The **Ability@Siemens**, **#PurpleLightUp** and **Valuable 500** are some initiatives/programs for disabled employees.

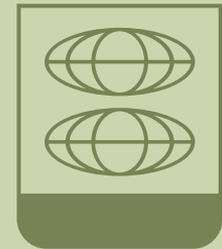


# ❖ Employability

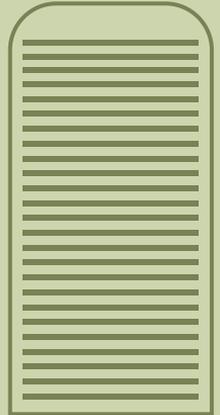


SIEMENS

- Siemens invested €205 Million in employee training. This equaled to an average of €667 per employee in fiscal 2022.
- Key Ambition:
  - **25 digital learning** hours by 2025. (21 hours as of 2022)
  - Reduce the injury rate (LTIFR) by 30% until 2025. (improvement of 19% as of 2022)
- **MyGrowth** Program by Siemens combines learning and career development tools and content, and is intended to promote continuous growth.
- **Healthy and Safe @ Siemens program** ensures employee health and safety.
- Corporate Citizenship is Siemens voluntary commitment that ensure:
  - Access to Technology
  - Access to Education
  - Sustaining communities



# Conclusion

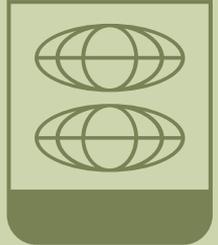
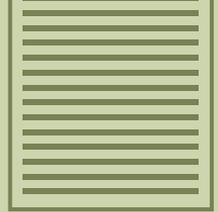


# ❖ Conclusion



- When we talk about sustaining **humans as resources**, we consider factors such as **work-life balance**, **employability** and opportunities that comes with **training** and promoting equality in the work environment.
- We see financial investments of companies into environment, economic, and social sustainability but it is high time that we see humans as an important resource of organizations as employees. HRM is a critical function in any organization which is responsible for managing and developing the workforce to support organization's success and sustainability.
- And that brings us to a question, are we doing enough for us, as humans, as employees? And this concluding video says exactly what we discussed in our presentation today.

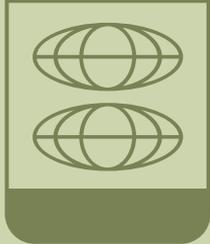
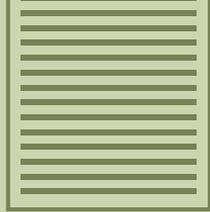
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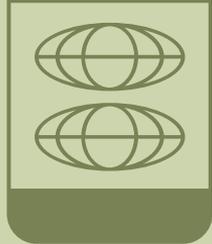
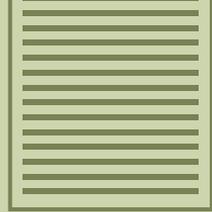
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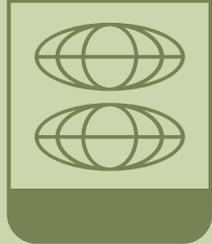
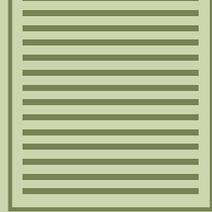
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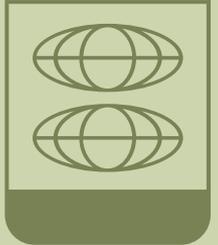
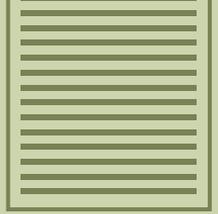
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*Thank you for your kind attention!*

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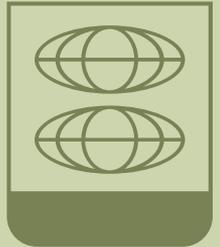
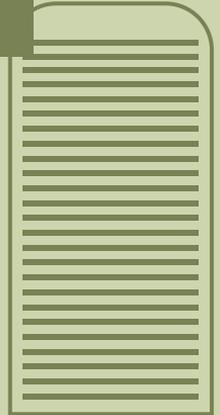
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Sustainability in HRM