Chapter 37

Unleashing Talent in Service of a Sustainable Future

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Introduction

I’m going to be able to attract talent, because the talent wants to work with the best companies, and the best companies are those that not only get results, but do it in a way that creates a sustainable environment.

—C-suite executive from one of world’s most sustainable companies

Creating a sustainable future is the greatest challenge facing humanity today. Cries of concern emanate from every sector, industry, region, and profession, at every level of society—from the most local to the emerging global culture. There is a case for action and a burning platform. But who will lead the way? It is the talent who will make this happen, guiding the conversations, inspiring new ways of thinking, and creating the novel practices that will make this future a reality. This talent already exists. But it must be unleashed, aligned, and fully supported by the enterprise to rapidly shift its focus. Sustainability must be built into an organization’s talent management plan, and in turn the talent must be imbued with a mind-set that will allow it to bring about a sustainable future.

Current research shows that people deeply care about poverty and inequity, climate change, species extinction, clean water, clean air, and other critical social and environmental issues, but because they believe they care more about these issues than
do their companies, they are often “doing sustainability” in their personal lives but not living their values in the workplace. A corporate or organizational culture that doesn’t encourage greater employee involvement not only makes for dissatisfaction and frustration, it cheats itself. The organization loses out when employees, feeling bound by the confines of traditional job descriptions, are afraid to stretch themselves, take chances, and work in creative ways to effect changes in the service of a sustainable future.

An organization’s overall strategy, as well as its culture, systems, and structure, must encourage individuals to hone their unique skills in areas that engage their passions and ignite their highest level of thought and imagination. Along with explicitly aligning its strategies with sustainable goals, the organization must immediately take specific, practical steps to enable, incentivize, and support the talent that already exists and to reach out to the next employee generation. This work must be linked to the challenges of the twenty-first century as they pertain to people (governance, ethics, societal, and employee concerns), environmental stewardship (restoring the natural environment, biodiversity, climate change, etc.), and economic/financial profitability that will sustain the organization and its people for decades to come.

The twenty-first century presents the enterprise, society, and the environment with particularly complex situations and problems. But in the right hands, these obstacles can be transformed into opportunities. Effectively overcoming the hurdles endemic to the twenty-first century and taking hold of the advantages requires a combination of seasoned, Generation X and Millennial generation employees.

**Defining Sustainability in the Context of Global Human and Ecological Imperatives**

Meeting the needs of the present without compromising the ability of future generations to meet their own needs.

—*Our Common Future, UN Brundtland Report*

Issues of *environmental sustainability* are foundational to any discussion of the future. Scientists agree that global warming alone threatens human existence and that human activities are contributing to it, with the consequence of daily diminishing the number of species on the planet. In his classic book, *The Ecology of Commerce*, Paul Hawken introduced the term “the death of birth” to refer to this loss of biodiversity, with plant and animal species disappearing at 50 to 100 times the natural rate. Deforestation, as well as contributing to global warming and the extinction of species, is devastating huge areas of South America, Thailand, Indonesia, Sri Lanka, and Haiti, exacerbating the effects of such weather events as tsunamis and earthquakes. Throughout the planet, people are consuming resources at a level that far exceeds the planet’s capacity for regeneration. By 2009, this use had outstripped the Earth’s ability for renewal by 23 percent. Forty percent of the world’s people (more than 2 billion) do not have access to clean water or sanitation.
Issues of social justice are inextricably linked to poverty and other systemic problems. One in five children worldwide is not formally schooled, while the United States spends more money building prisons than schools.

The global population has increased by 500 million people since 1999, to more than 6.5 billion, and is estimated to grow by almost 50 percent to 9.1 billion, by 2050, with almost all increases occurring in developing countries. Eight hundred thirty-four million people are undernourished in developing countries. More than 3 billion people live on less than $2 a day. Furthermore, 80 of the world’s poorest countries are poorer now than they were 20 years ago.

What does this have to do with talent? The classic definition of sustainability from the UN Brundtland Report points to the obligation of each generation to take care of future generations. Yet we have just begun to think about how to address these formidable challenges in the context of empowering our next generations and equipping the talent to step up to the plate.

**Why Integrate Sustainability into Talent Management: Moral Responsibility**

You can’t ignore the impact your company has on the community and the environment. CEOs used to frame thoughts like these in the context of moral responsibility, but now it’s also about growth and innovation.

In the future, it will be the only way we do business.

—Paul Cescau, CEO, Unilever

Concern for the planet and its inhabitants is a business as well as moral issue, with implications for all aspects of an organization’s health and profitability. Increasingly, organizations are moving to infusing concern for people, planet, and profits into their core strategy, and in doing so are attracting the best, most highly qualified talent. No longer is sustainability a moral imperative that is the province of a few “do-gooders.” It is becoming business as usual and necessary if a company is to secure, keep, and grow the most effective, productive, and proficient talent.

In a recent study, forty percent of MBA graduates rated a company’s commitment to CSR (corporate social responsibility) as an “extremely” or “very” important measure of the company’s reputation. Ninety-two percent of students and entry-level job seekers look to work in an environmentally friendly company. Eighty-three percent of employees in G7 countries say that a positive CSR reputation deepens their loyalty and increases their motivation.

Companies with strong reputations for having a triple-bottom-line or sustainability focus accrue benefits in several areas related to talent management, including reduced recruiting costs, reduced attrition costs, and increased employee productivity. Furthermore, 92 percent of employees “would feel better about themselves” if they worked for a socially responsible corporation, according to a national survey, and
96 percent would like to work at a “successful company that also aspires to do good.” Respondents also believe that companies have an obligation to help the environment (93 percent) and that employers should support social issues (72 percent).


I’m always looking for an engineer that’s thinking beyond building the structure, but understands that building that structure impacts the people around the community. So hiring those people is one of the greatest sustainability benefits HR can bring.

—HR executive in one of the world’s most sustainable companies

In this section, we offer ways to integrate sustainability into your organization’s talent management systems. First, we propose four fundamental principles for making this shift. Second, we review a framework for building a foundation, creating traction, and engaging all the key stakeholders in the process of embedding sustainability into talent management systems and processes. Third, we suggest several tools.

Guiding Principles for Integrating Sustainability into Talent Management

I. Tie Your Talent Management Plan to Your Sustainable Business Strategy

The first principle is to ensure that your sustainability strategy is central to your business strategy. The sustainability strategy will not work if it is a “bolt on,” or seen as a program du jour. Once the sustainability and business strategies are fused, you can begin to build your talent management strategy as a key enabler of your sustainable business strategy.

The talent management strategy needs to reinforce, support, and breathe life into your business strategy. Put the top talent in your organization to work on your sustainable business strategy. Identify opportunities to implement sustainability initiatives and to energize and reward key players.

II. Embrace the Qualities of a State-of-the-Art Sustainable Enterprise

The state-of-the-art sustainable enterprise can be identified by the following characteristics and activities:

• Reflects a long-term, collaborative, and “holistic,” or systems-oriented, mind-set
• Adopts a triple-bottom-line focus in which the central strategy simultaneously embraces social, environmental, and economic factors for short- and long-term performance
Emphasizes ethics-based business principles and sound corporate governance practices
Promotes transparency and accountability
Pays attention to the effects of its operations on the planet’s five capital stocks—natural, human, social, financial, and manufactured capital—that is, it ensures that rather than depleting or decreasing these, it generates or regenerates them
Considers rights and interests of all relevant stakeholders, not only company shareholders
Gives stakeholders opportunities to participate in all relevant decisions that affect them
Promotes meaningful systemic change among its peers, within its neighboring communities, and throughout its supply chain

III. Examine and Reinvent Your Values
Most companies have defined and articulated a set of corporate values for their employees, customers, shareholders, and other stakeholders. Sustainable enterprises embrace specific values that focus on particular issues, values associated with “equity, justice, freedom, honesty, humility, and peace, among others” (Twomey et al. 2010).

The focus on sustainability values provides a powerful and exciting opportunity for engaging your organization’s top talent, encouraging them to stretch themselves and bring their most innovative and creative thinking to the table. It also affords the organization a chance to reexamine its core values in light of what appears to be an ever-increasing emphasis by the consumer on a company’s values and its success in embodying them in its products or services, with the brand more than ever affecting the choices the consumer makes. In an online survey of 500 consumers, 58 percent responded that a product’s environmental impact influences their purchase decision.

Within the organization, top talent’s actions speak louder than words, as they must lead by example and make difficult but important choices in guiding the enterprise toward a more sustainable future. (For a deep inquiry into these issues, see Twomey et al. 2010.)

The popular green initiatives, while noteworthy and necessary in the company’s overall sustainable operations, are not enough to transform the company to be fully sustainable.

. . . An examination of the current values-in-use will begin a shift in both operations (tangible) and processes (intangible) as a first step on the path to sustainability.

The authors recommend that HR can and should play a pivotal role in embedding the dialogue about values and sustainability into such traditional HR functions as recruitment, hiring, and training. “If HR attempts to move to the sustaining practices without changing the values-in-use, they will not only be ‘swimming upstream,’ but they will also not be laying the foundation for a larger organizational transformation” (Twomey et al. 2010).

Exhibiting an organization’s values in one’s work is also becoming essential to employee success. “People here don’t get promoted if they don’t have the values
... [and] a sustainable mind-set,” said an executive from one of the world’s most sustainable companies.

IV. Align Your Talent Management Systems, Processes, and Practices with Sustainability

Once these foundational elements are in place, it will be infinitely easier to align your talent management systems, processes, and practices with sustainable strategies and values. Like building a house, the foundation has to be solid, and it has to come first. There are two key systems to align. To be effective, they must be aligned in tandem: leadership development and performance management, which includes recognition and reward.

Leadership Development

Leaders in sustainable enterprises have a “way of being” that is distinctly different from the command-control hierarchical management styles prevalent in the twentieth century. They interact with the people inside the organization as if it were a living system, recognizing that it is operating in the larger ecosystem of the world. In addition, they work with all aspects of the organization to create conditions that encourage people to self-organize and to unleash their natural energy and creativity. The leaders, together with the staff, foster the principles and practices of a self-initiating culture, with the purpose of co-creating the future.

Key concepts for sustainable leadership are authenticity, trust, integrity, and mutuality. These are described in detail with case studies, tools, and examples in “Leadership for a Sustainable Enterprise” (Knowles, Twomey, Davis, and Abdul-Ali) in The Sustainable Enterprise Fieldbook: When It All Comes Together (Wirtenberg, Russell, and Lipsky 2008).

Pfizer, through its Global Health Fellows Program, sends 40 of its most talented people from every level of the organization to work on “high-impact capacity building projects” to developing countries to help address systemic health-care challenges and at the same time strengthen their leadership skills. This three- to six-month work assignment’s focus is sustainability.

Organizations are creating models to help leaders make the transformation from a command-control culture to sustainability. In addition to developing models, companies are training leaders in sustainability practice. Alcoa, for instance, has adopted a program in its Brazil businesses in which leaders use an online training tool called Chronos to learn about the concept of sustainability.

Performance Management

Recent research found “some of the lowest scores for HR leaders related to helping other executives see the links between sustainability strategy and HR investments, connecting sustainability strategy to talent and performance management systems, and working across boundaries inside and outside the organizations. This was true even in organizations most deeply involved in sustainability” (Harmon et al. 2010).
It is our conclusion that while HR executives care deeply about most global issues, they do not find many incentives in their organizations for acting on their concerns. Thus, it is critical that recognition and reward systems become aligned with and supportive of sustainability initiatives, and equally important, that the human and financial capital be made available to translate these commitments into reality.

**Frameworks for Engaging Top Talent in Building a Sustainable Enterprise**

Building on these four principles, we now move to a framework for thinking about how to engage top talent in all aspects of building a sustainable enterprise. The “Seven Core Qualities of Highly Successful Sustainability Strategies,” shown in Figure 37-1, were first identified in a study of nine of the world’s most sustainable companies (Wirtenberg, Harmon, Russell, and Fairfield 2007), validated through a worldwide study commissioned by the American Management Association (AMA 2007), and expanded on more recently in a study of HR leadership and sustainability strategy (Harmon et al. 2010).

At the foundation level of the core qualities pyramid, the journey to sustainability must have top management’s visible support; it must be guided by deeply held sustainability values, and sustainability must be central to the core business strategy. At the second level of this pyramid, building traction requires aligning all the hard and
soft organizational systems, including your supply chain, IT, performance management, compensation, and other systems and processes. This traction is then reinforced through extensive metrics, measurements, and reporting systems. The most sustainable companies are extremely measurement-driven, helping top talent, and all employees, understand what’s most important and rewarding them for meeting the stringent and ever-expanding goals and objectives that are being set around sustainability. These include specific sustainability key performance indicators (KPIs) on each of the social, economic, and environmental aspects of sustainability.

At the pinnacle of the core qualities pyramid is what we call collaborative integration, the state in which a broad spectrum of stakeholders work together to integrate many diverse initiatives and functions on behalf of sustainability. Since this tends to be the most difficult area for companies to accomplish when creating a sustainable enterprise, we recommend that teams of top talent be assigned to work together across the enterprise to address the cross-functional and broad stakeholder challenges and opportunities.

To achieve the highest degree of success, we recommend involving top talent at every step of the process. As shown on the right side of the “Sustainability Pyramid Framework” (Figure 37-2), top talent can be instrumental in formulating strategy, ensuring top management support, and developing leaders at every level of the organization. As noted above, top talent is critical in designing, embracing, and living the values through which sustainability comes alive in the organization. This talent is essential to the workforce engagement strategy, as they will be looked to for guidance and inspiration. Indeed, with the support of HR and organization development professionals, we recommend that the entire transformational change process be visibly led by top talent after they’ve been given the freedom, resources, and support necessary to ensure their success.

**Figure 37-2** What Is Sustainability?
Several tools can be instrumental in helping infuse sustainability into talent management systems and processes. First, design and implement competencies that align with your sustainable business strategy. Once this is done, the competencies can readily be incorporated into each of your talent management systems, processes, and practices:

- **Recruitment and selection.** Design and deliver sustainability criteria for recruitment and promotion. Build the competencies into your behaviorally based interview guides.

- **Training and development.** Develop face-to-face and online training programs to educate managers and employees around sustainability. Top talent can be engaged as speakers and trainers wherever possible to demonstrate and heighten their commitment. They can also participate in employee orientation, focusing their remarks around the sustainability strategies of the company and associated competencies.

- **Coaching and 360 feedback.** The competencies can be embedded in 360 feedback tools and processes. Then leaders can be coached to ensure their mind-sets and behaviors are consistent with the sustainability strategic intent.
• **Performance management.** The competencies can easily be incorporated throughout the performance management system; goals and objectives for every employee can be set against them; development plans and career paths can be linked.

• **Compensation.** Structure compensation so it is tied to sustainability goals and make advancement and promotions contingent on demonstrated commitment to sustainability, including measurable results in moving your company forward on its sustainability journey.

• **Career advancement.** Turn sustainability leadership expectations into clear executive competencies and performance standards as a key element of the career advancement process.

II. **Communications: Creating an Ennobling New Conversation for the Future**

A second key tool top talent can deploy in service of sustainability is in the area of communications. The opportunity and the challenge is to craft a compelling and inspiring sustainability story. This story must be inclusive and widely shared inside and outside the organization. The idea is to engage the entire organization in a conversation designed to give rise to a vision of what’s possible, with sustainability being the fuel that unleashes everyone’s energy, exciting and ennobling them by giving new meaning to their work and bringing whole new possibilities into being.

III. **Employee Initiatives and Opportunities to Engage Top Talent in Sustainability**

A third set of powerful tools are employee initiatives and opportunities for employees to contribute at every level and in every function of the organization. For example, many companies are launching “Green Teams,” sponsored and supported by top talent, to improve morale, encourage innovation and risk taking, reduce costs, seize opportunities, and enhance the company’s reputation and brand.

Offering opportunities for employee volunteerism is a great way to engage talent in service of sustainability. This might include allowing employee participation in community volunteer programs during company time and offering other types of socially responsible activities. Similarly, from an environmental perspective, top talent can lead the way in reducing pollution by promoting conservation at home and in the office, encouraging telecommuting, biking, and the use of mass transit, and conserving electricity. Top talent should also be incentivized to develop “green” products and services wherever possible, green the supply chains, conduct life-cycle analysis of new products, and reduce the carbon footprint of the company (for related research and ideas, see Srourfe, Liebowitz, and Sivasubramaniam 2010).

**Next Steps for a New Century: All Hands on Deck**

Essential to a sustainable future is the movement to a green economy. This offers some of the most tantalizing occasions for introducing concrete practices, but as it is currently formulated, it does not go far enough. True sustainability requires profound
shifts in our mind-sets and ways of living, demanding that we question the deeply embedded concepts of endless consumption and “growth” as the sine qua non of success and measurement systems of wealth based on gross domestic product as opposed to indicators that measure and value the quality of life. All this can and must be changed to ensure a sustainable future for us all. But that is a conversation for another book, albeit a very important one.

Infusing sustainability into our talent management systems means a lot more than dropping words into a competency model or putting a training course together. We each will need to look deep into our souls to determine the legacy we want to leave our children and grandchildren. And then each of us must do what is needed, wherever we are, with the talent we have.

References
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