

HRD

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IN THIS ISSUE:

ROUNDTABLE:

*TRANSFORM YOUR HEALTH & WELLBEING
FROM REACTIVE TO PREVENTIVE*

HEALTH & WELLBEING

EDUCATION TO WORK

LEADERSHIP REDEFINED

ENVIRONMENT IN CRISIS

LOVE

“PEOPLE ARE AFRAID OF USING
THE TERM "LOVE" IN THE WORKPLACE.
BUT LOVE IS ABSOLUTELY NECESSARY,
IF YOU WANT TO MAKE A DIFFERENCE”

RUDOLF MESSINGER
SENIOR HR ADVISER
(FORMER CHIEF OF HR - UNICEF)



NO PLANET B

The actions of business are critical to achieving net zero by 2050. But while it is good news that the number of businesses making the commitment is growing rapidly - 929 companies from the Forbes Global 2000 list had set targets by 2023, up from 417 in 2020 according to Net Zero Tracker - only a tiny proportion, four percent of these have credible plans to reach those goals. This net zero credibility gap isn't just a problem for the health of our planet.

"WHILE NON-NEGOTIABLE, THE RIGHT CULTURE WON'T TAKE HOLD UNLESS EMPLOYEES UNDERSTAND WHY THEIR ACTIONS MATTER AND HOW THEY LINK TO THE ORGANISATION'S DESIRE TO DO THINGS DIFFERENTLY"



ARTICLE BY JUDY KUSZEWSKI, CEO - SANCROFT

It is only once those at the top accept the sense of urgency around the need to transform that HR Leaders can start to address the second priority for net zero action, culture change. A critical element of culture change is acknowledging and addressing the net zero knowledge gap so that individuals and teams understand how their choices are key to achieving net zero commitments. A net zero transition relies on people throughout the organisation - from leadership to frontline colleagues - embracing and sustaining a change in mindset, priorities and ways of working. This means a third priority for HR leaders is to build the capability to deliver change among the workforce. The first task in this space is to establish a baseline for the knowledge required to sustain change and map any gaps that may threaten progress at functional and organisational level.

This analysis will allow L&D teams to design integrated learning roadmaps from onboarding to role-specific skills programmes or that will embed sustainability principles and practices at all levels. To be effective this exercise must cover the entire workforce ecosystem including agency staff and contractors whose influence matters just as much as direct employees. For this capability-building to work, a 2021 paper from McKinsey makes two observations about what it takes to successfully implement a programme like this. The first is that research shows that transformation is 5.3 times more likely to succeed when senior leaders model the behaviour they are asking employees to make. Therefore, senior leaders need to be the first to complete a capability building programme. The second is that to create a foundation for change, the programme must directly engage at least 25 percent of employees in order to for behaviours to change, so every programme needs time and scale.

Organisations that have already taken steps to shift their commercial model away from linear consumption to focus on the reduction, recovery and reuse of resources required for a net zero business environment will already understand the profound and ongoing nature of the

organisational change required for future success. HR teams have a pivotal role as partners in explaining and supporting that change. At the highest level, this means charting the transformation journey, identifying milestones and bringing a perspective on how to bring about the major shifts in workforce, workplace and culture required to facilitate commercial changes. Underpinning that, HR will need to identify the roles and skills required across the organisation, where that talent can be found internally and in the external labour market.

"A NET ZERO TRANSITION
RELIES ON PEOPLE
THROUGHOUT THE
ORGANISATION - FROM
LEADERSHIP TO FRONTLINE
COLLEAGUES - EMBRACING
AND SUSTAINING A CHANGE
IN MINDSET, PRIORITIES AND
WAYS OF WORKING"

Based on this work, HR teams will need to present options for the optimal location for activities, the viability of specific operations, the cost of change and detailed path to transition. There will also have to be input on feasible timelines, costs and options for reskilling, redeployment or redundancy and likely source and manage the consultancies who can support that work. Before supporting wider transformation, there is significant scope for HR to influence an organisation's net zero footprint through its own procurement and policy choices which support net zero goals. With HR teams increasingly likely to influence decisions around office accommodation and travel policy, it can take a lead in embedding sustainability as a key selection criterion.

HR teams also have the opportunity to incorporate net zero considerations into supplier choice for employee benefits

such as pensions and healthcare as well as in company cars and other lifestyle perks which are on offer to employees. As organisations look to change and embed a sustainability-oriented culture, HR teams will need to review reward and recognition schemes so they encourage the new values and behaviours required for the organisation. By taking action in the areas of buildings and travel in particular, HR teams can help address two of the biggest contributors to the UK's greenhouse gas emissions. Influencing supplier choices can provide a blueprint for wider changes to procurement and sourcing. One of the most significant and immediate challenges arising from net zero is the increased demand from investors, regulators and consumers for sustainability data.

While the UK has yet to announce its own requirements for mandated sustainability reporting, the EU's Corporate Sustainability Reporting Directive gives organisations a clear idea of the kind of disclosure which will be required in the future. While HR teams cannot expect to direct this reporting activity, they can and should set the standard for how teams plan, organise and report ESG data through its own reporting on sustainability factors such as equal pay, diversity and supply chain ethics, as well as governance issues such as controls on anti-bribery or modern slavery. Reaching credible net zero goals requires seismic changes to operations, workforce priorities, capabilities, behaviours and reporting, all of which form part of HR's influence and expertise. It is in every sense a people challenge and success relies upon HR leaders recognising the power they have to shape how their organisations respond and take action, pointing out that a goal without a plan is just a wish.

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