

Advances in Strategic Human Resource Management
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HRM from the Perspective of Sustainability and Humanistic Management
Lecture - 09 A
Role and Challenges of Sustainable HRM

[FL]. In this session, we are going to study about the role of Human Resource Management in Corporate Sustainability and Corporate Social Responsibility.

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After this session, participants should be able to:

1. Recognize the role of HRM function in Corporate Sustainability
2. Recognize the role of HRM function in Corporate Social Responsibility
3. Distinguish the economic, social and ecological aspects of sustainable HRM

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After attending this session, you should be able to recognize the role of HRM function in corporate sustainability. You should be able to recognize the role of HRM function in the

CSR as well. In this session, we are going to discuss and which you should also be able to distinguish the economic, social and ecological aspects of sustainable HRM.

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Grand Challenges

Economic, social and environmental problems facing the world –

- Climate change,
- Poverty and hunger,
- Growing economic insecurity, and
- restricted access to education.

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In order to understand the role of HRM in the sustainable development and corporate social responsibility, we must understand the grand challenges this whole world is facing. These grand challenges are related to economics, social and environmental problems. For example, climate change, poverty and hunger, growing economic insecurity, restricted access to education, to a large portion of population, all these are the grand challenges.

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Challenges in International Political Landscape

- Rise of anti-globalization sentiments
- Inflow of migrants and refugees
- Xenophobic backlash in many countries,
- Hegemony of China
- Terrorism on the name of religion

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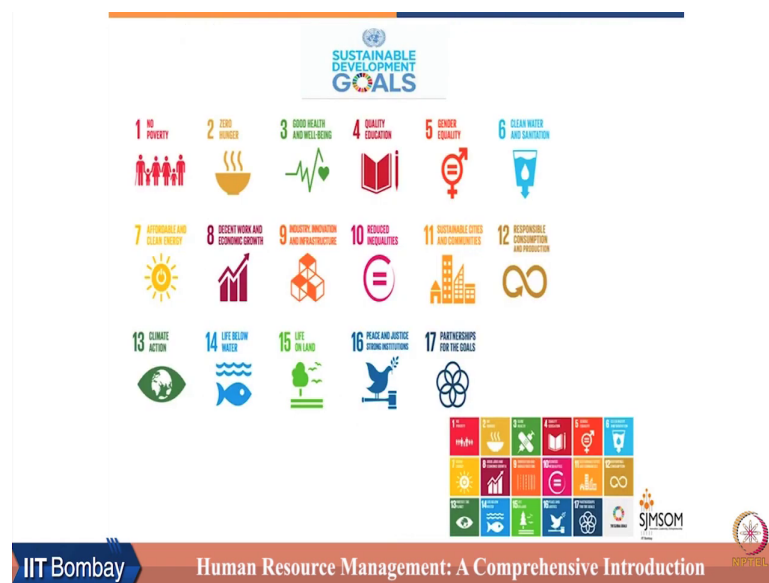
In the international level, at the international political landscape, also we are looking at a rise of the anti-globalization sentiments. At one point of time, globalization was pursued and conveyed as a panacea to all the problems, but now the negative aspects of the globalization is coming up and as a result many societies and countries are more and more skeptical about it.

So, they are rising against it. In many parts of the world due to political conflicts turning into the war or the civil war kind of situation, inflow of migrants and refugee is happening in many parts of the world, xenophobic backlash is being observed in many countries. China is also acting as a superpower and exercising and trying to exercise the hegemony all across different parts of the world.

Terrorism on the name of religion has become very prominent threat in the current times. So, we can see at the international political landscape, many such challenges are emerging, have emerged and they are bound to impact how as a civilization we address the grand challenges in front of us, how business organizations play role in addressing those challenges.

And, how HRM function can impact those grand challenges on the face of these major international features and how HRM respond to the requirement of the time on the face of this situation.

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Sustainable development is expressed in terms of 17 sustainable development goals. These were adopted by all the members of the UN. These goals are related to reducing poverty, hunger, providing good health, well-being, providing good education, ensuring gender equality, making the clean water and sanitation available to all the people across the world,

making the clean energy affordable, providing decent work and economic growth to the world population.

Facilitating industry innovation and infrastructure, reducing inequality, sustainable cities and communities, responsible consumption and production, peace and justice and having strong institutions, partnership for the goals, life and life on land, life below water, climate action. These are the sustainability goals, seven sustainability goals which are adopted by all the countries of the world.

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Corporations as Important and Necessary Social Change Agents

- Growing number of partnerships between corporations and governments,
- Emergence of dedicated CS/CSR departments in many large companies,
- Proliferation of voluntary self-regulatory codes like the UN Global Compact.
- 'Profit-with-purpose' business models
- Goal of creating shared value
- Pursuing triple bottom line (i.e., people, planet, prosperity)

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Corporations naturally have to play a very important role in achieving these goals. Corporations are not only business entities, but they are also increasingly recognized as agents for social change. And, we see growing number of partnership between corporations and governments to address many of such challenges. There is a emergence of dedicated

corporates sustainability or corporate social responsibility departments in many large companies.

There is a proliferation of voluntary self regulatory codes like UN Global Code, like Green Business related codes, like supply chain related the sustainability of the supply chain related codes, use of the forest material they are codes related to that. So, codes related to pollution, codes related to the efficiency of the vehicle, there are many many professional organizations, which are developing codes of the best practices, of the standard of their procedures voluntarily.

So, they are not waiting for governments to decide and come up with the regulation about certain control and certain standards of process, but they are coming up their with their own goals, with their coming up their own codes. And so, that is what we are seeing all across the world.

Profit with purpose is recognized, this is being talked about in the corporate world. We discussed some bit of it in a session on humanistic management, which this that was part of the session on the positive employ relationship. Goal of creating shared value, not only developing value – not only developing economic value for the shareholders, but creating wealth for all the stakeholders it is more, it is accepted more and more as a gold standard for business.

Pursuing triple bottom line that means, a constantly looking at the impact of business on not only the bottom line, which is the profitability of the organization, which is the bottom line related to prosperity of the company. Looking at the impact of all those process on people and planet, that is also becoming a norm and more and more corporations, big and small both are awakening to this. Not only awakening, but they are integrating these things in their measurements, in their performance tracking and naturally in their way of doing business.

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Potential Role of Corporations as Social Change Agents: An Example

“We now have the opportunity to eradicate poverty and deal with the issue of climate change. What bigger opportunity do you want to see? Companies make up 60% of the global economy. If they don't play an active part, how can we solve [these crises]?”

Paul Polman, the CEO of Unilever

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So, here is the quote by Paul Polman, the ex CEO of Unilever, he said that, “We now have the opportunity to eradicate poverty and deal with the issue of climate change, what bigger opportunity do you want to see? Companies make up 60 percent of the global economy. If they do not play an active part, how can we solve these crisis?”

So, there is a greater awakening that corporations need to pitch in to address the grand challenges this world is facing and those grand challenges are very well captured in the sustainability goal adopted by the all the country members of the UNO.

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Sustainable HRM: Substantive and Symbolic

Degree to which firms' sustainability efforts and CSR activities are cause-serving is called substantive.

Research also points to business-as-usual tendencies and 'decoupling strategies' – or 'greenwashing', i.e., demonstrating symbolic social or environmental responsibility while leaving the core business untouched.

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In that context, we need to understand the role of HRM. So, sustainable HRM, we hear about it. It can be of substantive and of symbolic nature. It is called substantive when the firm sustainability effort and CSR activities are integrated in their processes and they are serving the cause of the business.

Whereas, research also point out that business as usual tendencies, decoupling strategies or green washing that is a demonstrating some symbolic acts here and there about the social environmental responsibility while leaving the core business untouched that is what we call symbolic sustainable HRM. So, what we are going to discuss in this session are the substantive, sustainable HRM practices.