HUMAN RESOURCES AND RESPONSIBLE MANAGEMENT

WITH A FOCUS ON RECRUITMENT

- Traditional perspectives of HR focuses on internal outcomes related to efficiency and growth.

- Responsible human resources (HR) performances focuses on outcomes of HR decisions on people, society and the environment

- Traditional perspectives of HR performance seek more efficient management, organisational development and economic growth.
- Responsible human resources (HR) seeks these same goals, but differs because it also integrates sustainability, responsibility, and ethics throughout all aspects of HR.

The sought-after result is for HR to visibly demonstrate how employees help to optimise the triple bottom line, create stakeholder value, and make morally correct decisions.

Triple bottom line is a framework with three parts: social, environmental (or ecological) and financial. These three divisions are also called the three Ps: people, planet and profit, or the "three pillars of sustainability".

THE GOAL: HR-RM SYMBIOSIS

- The goal of responsible HRM in any organisation is to provide tools and processes that enable and support the embedding of a responsible business culture and practices at all levels in the organisation.

  This is done by both supporting responsible business objectives with aligned HR and by performing the HR function in a responsible way.
- This is a dual role:
  - On the one hand, HRM must understand how the organisation implements responsible management and provide appropriate HR solutions,
  - On the other hand, HRM must understand the wider implications of HRM actions on society and practice responsible HR as a core approach

  What this does is create and **HR-RM symbiosis**.

HR-RM SYMBIOSIS

- This refers to the mutually reinforcing relationship in which responsible management (RM) needs employees' engagement in responsible business.

Human resources, as stakeholders, benefit from responsible management activities.

- **First**, human resources must support responsible business objectives.

How?

- Companies cannot ignore the threats of climate change to long term sustainability
- Companies adopting a low-carbon strategy leading to the reduction in a company's **carbon footprint**
- Companies rely on their employees collaborating by reducing energy consumption in offices, recycling of waste, reducing business travel, adopting virtual tools for meetings and using alternative transportation to get to and from work, **going green** and relying on employees to promote this on clients and consumers

Carbon footprint - historically defined as "the total sets of greenhouse gas emissions caused by an organisation, event, product or person".

Going green - Going green means implementing certain lifestyle changes designed to help you live in a more eco-friendly way. It means becoming more environmentally aware and changing your behavior and lifestyle to reduce the amount of pollution and waste you generate.

- **Second**, Human resources must implement responsible management into its own department and perform HRM responsibly.

Responsible business begins at home – one of the key HRM function is its role in ensuring that employees are treated responsibly so that they can deal in a similar way with each other as well as external stakeholders in a responsible way. HR policies can affect the quality of employees' lives, eg. In relation to managing stress, health and wellness, work-life balance, long term skill development and employability. All HRM decisions have a wider impact on society than the immediate and internal effects on employees and management.

HRM has a responsibility to be proactive in leading the establishment of a responsible-business-enabled culture within any business by transforming HRM into responsible HRM.

The difference between HRM and responsible HRM

- Human resources is the function dealing with the management of people employed within the organisation

- Responsible HRM includes the responsibility to manage the employee-stakeholder and HR’s contribution to responsible business performance, and responsibility to the triple bottom line, stakeholder value and moral excellence.

THE BUSINESS CASE FOR RESPONSIBLE HRM

How can HR adapt its approach in a way that will deliver tangible business benefits?

- ***Advancing diversity****:* All HR processes can be leveraged to create an inclusive culture where the entire workforce can contribute to greater innovation, improved customer relationships, and reduced workplace conflict, as well as enjoy higher motivation, productivity and workplace loyalty. This means designing HR processes that actively seek out candidates from diverse backgrounds, proactively training managers to hire with an inclusive mind-set, purposefully creating a workplace that respects the needs of different employees, especially minority groups, and sensitively promoting diversity in internal communications.

- ***Going Green:*** Reducing environmental impacts is one of the most serious challenges of the day. HR should be supporting employee practices related to electricity usage, use of paper for printing, recycling, waste reduction, as well as supporting employees becoming ambassadors for a sustainable planet.
- ***Employee well-being:*** Employer investment in employee well-being will deliver big returns. Stress management, nutrition, exercise and other lifestyle habit will lead to reduced health risks, therefore, reduced absenteeism, reduced health care costs, higher productivity and longer job tenure.

- ***Human rights:*** More than 200 million children illegally employed around the world, more than 12 million people in forced labour, and millions of employees who do not enjoy the basic right to freedom of association. This would not happen if the HRM voice carried weight in the executive suite. To ensure that this is done will require a new skill on the part of HR managers

THE NEW SKILLS FOR RESPONSIBLE HRM

Example: A business wishing to expand (new facility and new location) may be met with challenges from the local communities with regards to how this will affect their lives.

New factory may add to air pollution

New megastore might affect the livelihood of small storeowners

In addition to the development of a keen understanding about what social and environmental responsibility means for HRM, HRM must develop the ability to engage effectively with internal and external stakeholders and take their needs and concerns into account when developing HR policies and practices.

THE ROLE OF THE HR MANAGER IN ADVANCING RESPONSIBLE BUSINESS

There are five traditional core (HRM) processes or phases, relevant to any organisation:

1. **Phase 1: Recruitment**
2. Phase 2: Training and Development
3. Phase 3: Performance Management
4. Phase 4: Compensation, Benefits and Employee Well-Being
5. Employee Relations and Communication

PHASE 1: RECRUITMENT

"There is growing evidence that a company's CSR activities comprise a legitimate, compelling and increasingly important way to attract and retain good employees" (Laasch & Conway, 2015)

- The hiring process is a never-ending one, especially for large businesses. This process must lead to sustainable development, ensuring a positive triple bottom line by protecting, creating and sustaining social, environmental and economic business value.
- Traditional recruitment process involves the attracting, screening and selecting of personnel. (JD's, KSA's)

- **Obtaining candidates in a Responsible Way**
  - ✓ Advertise vacancies using traditional channels viz. internet, newspapers, or recruitment agencies
  - ✓ Jobs could be advertised as “equal employment opportunities”
  - ✓ Applications will be received from traditional candidates which, normally, excludes potentially capable candidates who do not meet the criteria
  - ✓ A responsible approach to recruitment will demand that HRM seeks out potential candidates (even those that do not meet the criteria) using a broader range of recruitment channels and retaining some flexibility about educational and experience preconditions

- ✓ Potential candidates (even those that do not meet the criteria) will be identified, even if additional efforts will need to be made in training and development of relevant skills in the early stages

- ✓ Traditional approaches will generate a limited group of candidates, whereas, a proactive diversity approach will lead to more effective recruitment processes and deliver a wider range of candidates

- ✓ This will help in achieving a competitive advantage in the “war for talent”

THE SELECTION PROCESS

- Traditional selection process (eg interviews, assessment centres) leading to finding a “match” or “fit”

- In the responsible selection process HRM must ensure that this “fit” is present by ensuring both the candidate’s abilities and values are carefully explored and that HR has a clear understanding of the candidate’s preferences and aspirations.

- A company must hire employees who are aligned with its objectives, and this means finding not only the most capable employees but also the most suitable employees.

- In responsible selection process use is made of the behavioural interview approach. This approach requires skill and training.

- The responsible screening process must include managers who are fully trained in the theory and practice of this approach when they interview candidates.

- Managers must neutralise personal preferences that might lead to discriminatory decisions in the selection process.
- HRM must ensure that candidates have the opportunity to learn enough about the organisation to make a balanced decision.
- Managers must have enough information to be able to respond to candidates’ queries.

HIRING IN THE RESPONSIBLE ORGANISATION

The following situation must exist:

- Openness and transparency must exist throughout the process so that candidates can make balanced decisions
- In developing the employment contract, the company must proactively ensure that the candidate has all the information about the company terms and conditions of employment in writing
- Employment contracts that are offered must be fair and represent the interests of the employee and not only of the company

GROUPWORK
YOUR THOUGHTS

1. **What role do you think that young professionals and business school students play/should play in changing businesses and the economic system toward more sustainability?**

2. **How do you think universities, in general, and business schools, in particular, should prepare students for jobs in responsible management? What are the required skills? Are universities doing a good job in this respect?**

3. **Is there a development toward a responsible management profession? What would you recommend students should do if they are interested in working in responsible management jobs?**