Best-Practice

Employees, Sustainability and Motivation
Increasing employee engagement by addressing sustainability and corporate social responsibility

Tobias Froese
10025816
Erdkampsweg 3
22335 Hamburg
froese.tobias@hotmail.com

Betreuer: Prof. Dr. phil. Ulrich Kern
Anzahl des Fachsemesters: 7

Hamburg, 09.11.2013
Abstract

An increasing number of studies indicates that we as humans exploit the planet earth to an extent that is no longer bearable. Put differently, we actively destroy our very own basis of existence. Especially considering the generations to come. Therefore, it is becoming increasingly important for companies to develop more social and environmentally friendly ways to produce and distribute their products and services. Moreover, this is reinforced by the rising public awareness for sustainability issues. Apart from that, the demographic change makes it increasingly difficult to attract and hire enough qualified employees. Besides, many employees all over the world miss a deeper meaning in what they are doing and hence job-related motivation and engagement is alarmingly low.

Nevertheless, the combination of the problems mentioned above may result in a comprehensive solution. The approach is to actively involve employees into sustainability and corporate social responsibility (CSR) issues and thus lead employees to the perception of their jobs as being meaningful. Consequentially, an increased engagement is expected which in turn is positively related to business performance and profitability. In sum, the paper at hand proposes an employee focused process model that companies can use as a guideline towards more sustainability, CSR and engagement.
Table of contents

Abstract ............................................................................................................................................... 0
List of figures ....................................................................................................................................... 1

1 WHAT ARE WE LOOKING AT? ........................................................................................................... 2
  1.1 OUR ENVIRONMENTAL, POLITICAL AND SOCIAL SITUATION ............................................. 3
  1.2 THE WORLD OF EMPLOYMENT IS LACKING ENGAGEMENT ............................................... 4
  1.3 A BASIC DEFINITION OF SUSTAINABILITY ............................................................................ 6
  1.4 A BASIC DEFINITION OF CORPORATE SOCIAL RESPONSIBILITY (CSR) ......................... 7

2 THE PROCESS TOWARDS SUSTAINABILITY, CSR & ENGAGEMENT ......................................... 9
  2.1 THE INITIATION OF A VISION .................................................................................................. 11
    2.1.1 WHAT ARE THE TRIGGERS? ............................................................................................ 11
    2.1.2 COMMITMENT, VISION & STRATEGY ............................................................................ 12
  2.2 SETTING THE FOUNDATIONS FOR A CHANGE ....................................................................... 15
  2.3 DEVELOPMENT & TRACTION: MAKING USE OF HRD ACTIVITIES .................................... 17
    2.3.1 A BASIC DEFINITION OF HUMAN RESOURCE DEVELOPMENT (HRD) ....................... 17
    2.3.2 HANDS-ON EMPLOYEE DEVELOPMENT ....................................................................... 18
  2.4 THE ADAPTION OF PROCESSES AND STRUCTURES ............................................................ 20
  2.5 THE FINAL REPERCUSSION ON EMPLOYEES .................................................................... 23

3 REVIEW AND CONCLUSION .......................................................................................................... 25
  3.1 DIRECTIONS FOR FUTURE RESEARCH ............................................................................... 26

References ........................................................................................................................................... 27

Ehrenwörtliche Erklärung .................................................................................................................. 29

List of figures
- Figure 1: The global footprint 1961 – 2008 (World Wildlife Fund, 2012, p. 6) (p. 3)
- Figure 2: Worldwide work engagement (Gallup Institute, 2013, p. 12) (p. 5)
- Figure 3: The three dimension of sustainability (cf. Pittsburgh State University, 2013) (p. 7)
- Figure 4: The CSR-System (Smith, 2011, p. 12) (p. 8)
- Figure 5: The process to sustainability, CSR and engagement (created by the author) (p. 10)
- Figure 6: Corporate sustainability and its interdependences (Baumgartner and Ebner, 2006) (p. 11)
1 What are we looking at?

The expectations placed on corporations, governments and institutions are changing dramatically. In addition to ensuring profitability, organizations are increasingly expected to focus on social, environmental and economic goals (Garavan and McGuire, 2010, p. 488). And there is a good reason. If we as humans proceed doing “business as usual”, it is estimated that we will need the equivalent of two planets by 2030 to meet our annual demands (World Wildlife Fund, 2012, p. 3 f). Moreover, it is often assumed that organizations are the main cause of environmental problems (Renwick et al., 2012, p. 8) and those in turn are often a reason for social problems (World Wildlife Fund, 2012).

Besides, the world of employment is facing a radical change. Employees are increasingly questioning the meaning of their work. Those companies that will not find answers to employees’ concerns, will loose the fight for qualified and engaged staff (Wißmann, 2013, p. 17). Expressed differently, the need to more effectively understand and use employees’ concerns, talents, skills and energy is becoming more important than ever (Gallup Institute, 2013, p. 6).

The thesis is that the combination of these problematic situations can result in a comprehensive solution that includes more sustainability, corporate social responsibility and employee engagement. However, to achieve this solution companies have to go through an incremental change. Therefore, the approach of the paper at hand is to create and review a procedure model for the corresponding change process.

In order to do so the paper is structured as follows:

To introduce the reader to the overall issues a brief description of the current social, political and environmental conditions as well as the state of the global work engagement will be given. Afterwards some basic definitions of sustainability and corporate social responsibility (CSR) will follow. Part two will then work out the hypothesised process model and subsequently examine the individual steps in greater detail. Finally a review and conclusion completes the paper at hand.
1.1 Our environmental, political and social situation

Newly industrialized countries such as China or India are experiencing a vast economic growth. This development intensifies the competition for rare resources like oil and has “added a geopolitical dimension to sustainability” (Lublin et al., 2010, p. 1). Furthermore the world is facing an intense growth of population and a decreasing availability of water resources. As a consequence “water shortages will be the key constraint to growth in many countries. And one of our scarcest natural resources – the atmosphere – will require dramatic shifts in human behaviour to keep it from being depleted further” (Davis et al., January 2006).

On the whole the global resource consumption is steadily increasing to sustain the worldwide economic growth. Still the resources themselves are limited. Which means that reserves are shrinking, whereas prices are rising (World Wildlife Fund, 2012, p. 6). An estimate by the World Wildlife Fund (WWF) emphasizes the relevance of this development: The world is striving for the western lifestyle but “if everyone lived like an average resident of the USA, a total of four Earths would be required to regenerate humanity’s annual demand on nature” (Cramer and Karabell, 2010, pp. 4 – 5). The following figure visualizes the human demands on the biosphere by comparing the renewable resources people are consuming against the Earth’s regenerative capacity. The figure clearly indicates that we as humans are in an ecological overshoot situation: it is currently taking 1.5 years for the Earth to fully regenerate the renewable resources that people are using in a single year.

![Ecological Footprint Chart]

*Figure 1: The global footprint 1961 – 2008 (World Wildlife Fund, 2012, p. 6)*

In consideration of the influences human behaviour has on nature, public and governmental concerns are increasing. Organizations are expected to actively consider issues that go be-
Beyond the traditional scope of profit-making organizations (Garavan and McGuire, 2010, p. 488). Energy consumption, climate change and the excessive consumption of raw materials receive the most public attention (Cramer and Karabell, 2010, p. 4). Besides outstanding incidents attract worldwide attention, whether arising from specific treaties to combat climate change (e.g. Kyoto in 1997), high-profile industrial accidents such as at the BP Texas City Refinery in 2005 or the Fukushima earthquake in 2011 which caused an explosion at the Fukushima nuclear plant. The result is a rising number of consumers who seek out eco-friendly products and services and prefer socially responsible companies. In addition governments are interceding with unprecedented levels of new regulation: “from the recent SEC [(United States Securities and Exchange Commission)] ruling that climate risk is material to investors to the EPA’s [(United States Environmental Protection Agency)] mandate that greenhouse gases be regulated as a pollutant” (Lublin et al., 2010, p. 1). Moreover the relevance of public concerns is increasing in times of social media, which allows people to share information about issues related to products and organizations (Milliman et al., 2012, p. 22).

What this all adds up to is the fact that managers can no longer afford to ignore social and ecological issues as a central factor in their companies’ long-term competitiveness (Lublin et al., 2010, p. 1).

1.2 The world of employment is lacking engagement

Looking at today’s employee engagement and attachment paints a bleak picture. Job satisfaction is steadily decreasing. Besides exceedingly few employees feel a stronger emotional affiliation with their place of work (Wißmann, 2013, p. 21). According to a report made by the Gallup Institute (2013) only 13% of employees across 142 countries worldwide are engaged in their jobs. In this context engagement connotes a continuous emotional involvement in and focus on creating value for the employing company. As the following figure shows 24% of the analysed employees are even actively disengaged. This means that they are negative and potentially hostile to their organization, and what is more, they continue to outnumber engaged employees at a rate of nearly 2 to 1 (Gallup Institute, 2013, p. 6).
In 2012 the business consultancy HayGroup and the online job portal StepStone recognised this issue. Hence they collaborated to perform a representative survey about work motivation. Among 18,000 German employers 80% stated that a friendly and cooperative working environment motivates them the most. The second most important factor for job-related engagement was a fulfilling job (66%). A decent wage came only in the third place (56%). Followed by good leadership and sufficient freedom of decision-making (HayGroup and StepStone, 2012). What is striking is the fact that sense and collegiality are more important than monetary incentives (Wißmann, 2013, p. 21 f).

Furthermore, the negative situation in regard to job-related engagement is even exacerbated by the current demographic trends around the world. On the one hand several regions around the world, like southern Europe, South Asia and the Middle East, are facing an unemployment rate among young people that breaks all records. On the other hand large economies, including China, Japan, Germany and the U.S., face talent shortages as their workforces age and shrink (Gallup Institute, 2013, p. 6). For example it is predicted that in Germany there will be a shortage of 4.5 Mio. qualified workers in 2030 (Plume, 2013, p. 5).

In sum the brief depiction above demonstrates the importance of creating attractive and engaging work places. Especially as engagement studies show a direct connection between employee engagement and business performance which is among others indicated by profitability, productivity, customer ratings and quality defect rates. Therefore, companies all over the world need to improve their ability to ensure that workers experience a friendly and cooperative work climate, are in the right roles and moreover appreciate their job as being fulfilling and meaningful (cf. Gallup Institute, 2013, p. 22). However, feelings arise from the inside and employers only chance is to create the right framework conditions so that employees feel motivated and engaged (Wißmann, 2013, p. 25).
1.3 A basic definition of Sustainability

The fundamental idea behind sustainability is that everything humans require to survive and live well depends directly or indirectly on the natural environment. Therefore the aim of sustainability is to create and maintain “the conditions under which humans and nature can live in productive harmony” (United Nations Environmental Protection Agency, 2012). Hence, the idea of sustainability is a long-lasting and future-orientated vision and mission statement in respect of social, political, economical and ecological aspects.

Already in 1987 the Norwegian prime minister and then head of the United Nations World Commission on Environment and Development Gro Harlem Brundtland introduced a definition that got to the heart of it:

“Sustainable Development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.” (Hübbner, 2002, p. 274)

For corporations there are two sustainability approaches. On the one hand corporations can primarily consider the environmental dimensions of their business in order to address corporate sustainability (CS). On the other hand CS can be a three-dimensional concept including environmental, social and economic issues (Garavan and McGuire, 2010, p. 491). The corresponding management approach is revealed in the so called “triple bottom line” which consists of the three “P”s profits, planet and people (Gerhardt et al., 2009, p. 2). The aspect people includes as well consumers and investors as employees. It considers how organizational activities affect people’s physical and mental health and well-being. For example the stress of work practices on the human system or the effects of substances like dyestuffs in the textile industrie (Garavan and McGuire, 2010, p. 491). In a more general interpretation the aspect people pursues the goal to positively influence all present and future relationships with stakeholders (Baumgartner and Ebner, 2010, p. 79 f). Last but not least a business in general is only sustainable if it is profitable and delivers returns for investors and value for customers. It is plausible that a company has to take its long term profitability into account to obtain economic success. Otherwise the company wont be able to positively contribute to social or ecological issues either. For example the aim to stay successfully in the market for a long time is directly connected to achieving a high degree of security of employment (Baumgartner and Ebner, 2010, p. 79 f). Altogether a company is only taking account of the full consequences of doing business, if all three dimensions are implemented in a satisfying way (Hindle, 2007). Hence the three-dimensional (triple-bottom line) corporate sustainability approach will be applied for the paper at hand.
1.4 A basic definition of Corporate Social Responsibility (CSR)

The concept of Corporate Social Responsibility (CSR) is not a new emergence, in fact it goes back to the 1920s. Ever since new definitions, practices and adoptions arose. This however makes it difficult to provide a universal definition (Smith, 2011, p. 2 ff). McWilliams and Siegel (2001) define CSR very generally as “actions that appear to further some social good, beyond the interests of the firms and that which is required by law” (Garavan and McGuire, 2010, p. 489). Based on experience values the International Standards Organizations created a standard (ISO 26000) for social responsibility of private (corporate) and public sector organizations which includes seven core dimensions: Organizational governance, community involvement and development, human rights, labour practices, the environment, fair operating practices and consumer issues. The focus of these 7 dimensions is on stakeholder management and ethical behaviour. However much space is left on how interpret and balance the different dimensions and hence impedes universal application. Or to be even more explicit, the ISO 26000 as well as CSR literature in general barely include management functions or concrete explanations on how to implement and utilize key CSR practices (Smith, 2011, p. 4 ff; Garavan nad McGuire, 2010, p. 489). On the contrary CSR is increasingly viewed as a priority objective of global companies which needs to be a part of corporate strategies, processes, and culture” (Garavan nad McGuire, 2010, p. 489). This statement is supported by a study made by McKinsey and Associates (2006) which indicates that it has become very attractive for companies to perform CSR activities. This is mainly due to the fact that companies are affected by complex socio-political issues, like climate change, ethics practices and health care, which calls for proper measures. CSR is viewed as an approach to manage these complex issues and reduce risks (Smith, 2011, p. 6). Furthermore companies depend on their public perception and reputation which in turn
Employees, Sustainability and Motivation
Increasing employee engagement by addressing sustainability and corporate social responsibility

is based on key factors like transparency, honesty, responsible employee treatment as well as ethical behaviour and good corporate citizenship (Smith, 2011, p. 7). In his paper "Defining Corporate Social Responsibility: A Systems Approach For Socially Responsible Capitalism" Richard E. Smith conducts an in-depth analysis. His proposed CSR definition is worded as follows:

“Corporate social responsibility is defined as a business system that enables the production and distribution of wealth for the betterment of its stakeholders through the implementation and integration of ethical systems and sustainable management practices.“ (Smith, 2011, p. 10)

Smith’s definition implies that CSR is a systematic approach, meaning that different interacting aspects have to be addressed as a whole in order to achieve “a CSR values system that allows the corporation to instinctively behave in a socially responsible manner” (Smith, 2011, p. 12). The concrete parts and their interrelations are visualized in the following graphic.

Moreover, his definition implies that CSR goes beyond surface-level activities like engaging in philanthropic activities or making donations. A comprehensive organizational commitment to environmental, social and ethical obligations and the incorporation of these obligations into the business culture together with the mobilization of employees to perform these obligations in their daily business is required (Garavan and McGuire, 2010, p. 490).
2 The process towards sustainability, CSR & engagement

The previously given definitions on sustainability and corporate social responsibility indicate that the two concepts have several overlaps and coherences. Approaches can be found arguing both sustainability is a part of CSR and the other way around. However, this definition issues will not be investigated on any further. What is important is that CSR and sustainability are desirable concepts from which companies can derive goals and strategies. Moreover, they are complex and require holistic long-term approaches considering especially environmental, social, economical, ethical and stakeholder aspects. Therefore, to properly address CSR and sustainability issues companies have to rethink and change their overall way of doing business. Expressed differently, the way to more sustainability and corporate social responsibility is a change process. Critical success factors for managing change, however, are to first of all plan the change very carefully and secondly an early and widespread communication. The dissatisfaction with the current state has to be surfaced in order to help employees feel the need to change. Moreover, the effects of the change on employees and the organization have to be considered. Very much in the sense of “The greatest lever for change is awareness” (Michael E. Angier) (Chatsworth Consulting Group, 2012, p. 2). Furthermore, it is very critical to actively involve the persons who are effected by the change. This helps to gain their support and buy-in. (Pojasek, 2008, p. 92 ff; Chatsworth Consulting Group, 2012, p. 1 ff) To come straight to the point, changes need an initial trigger, a plan, a supportive atmosphere and they start in the mind-sets of people. The believe is that in the context of this paper human resources (HR) has the potential to successfully realize the challenging task of altering employees mind-sets and realizing change towards more sustainability and CSR. Based on these brief depictions about change management and the information given in the previous chapters, a process model will be defined in the following:

1. The initiation of a vision

First of all, the process has to be initiated. The managerial level has to recognise the social and environmental concerns and subsequently commit to a change towards more sustainability and social responsibility. This is then the basis for changing busi-
ness procedures and developing new standards. Finally, a vision and a plan have to be defined.

2. **Foundation and knowledge acquaintance**
   In the next step (step two) the HR department has to be put in charge of implementing corresponding measures. Additionally, in order to be in the position to do so, the persons responsible have to acquire a foundational knowledge, first.

3. **Employee development and traction**
   The third step focuses on concrete implementation activities – like supervisory support or training – to develop the support and competencies required for achieving sustainability and CSR.

4. **Process and structure adaption**
   The fourth step is the result of the previous steps. It is about making use of the developed knowledge. Put another way, it is about starting to truly integrate CSR and sustainability into the procedures, structures and strategic goals of the company.

5. **The final repercussion: Motivation and Engagement**
   Finally, assumed the previous steps are realized successfully, employees as well as external stakeholders should now recognize and feel the demanded change for the better, the change towards more sustainability and CSR. This again, in case our model is vindicated, increases employees motivation and engagement and thus altogether has a positive outcome on business performance and profitability.

The following graphic visualizes the main steps of the described hypothesised process.
2.1 The initiation of a vision

To begin with, possible initiation factors for the process towards sustainability and CSR goals will be depicted. The following sub-chapter will describe concrete starting steps.

2.1.1 What are the triggers?

Within companies there is a rising awareness for the urgency to integrate sustainability and social responsibility aspects into their regular business activities. This mainly due to external pressures (i.e. social concerns, regulatory forces or competitive advantages) which call for more sustainable business routines and strategies (Paille´ et al., 2012, p. 1; Paille´ et al., 2012, p. 6). However, also concerned employees themselves are reported as a source of pressure to address for example environmental issues (Renwick et al., 2012, p. 6). The following figure illustrates these interdependences of external factors and internal corporate sustainability.

![Figure 6: Corporate sustainability and its interdependences (Baumgartner and Ebner, 2006)](image)

Moreover Cantor et al. state that due to increased pressures from key stakeholders who value sustainable organizations, the importance of employees who engage in pro environmental behaviours rises (Cantor et al., 2012, p. 45).

Nevertheless, corporations often have trouble implementing sustainability activities as this implies long-term activities and business process changes. Therefore, in many cases the change towards more sustainability and corporate social responsibility is simply done by a changed rhetoric and image campaigns. In other words, it is done by “green washing”
(Baumgartner and Ebner, 2009, 76 f). Yet, green washing does not fulfil the real demands for sustainability and CSR since the concrete implementation of corresponding measures into the creation of value is not included (Lin-Hi, 2013). Therefore, to sufficiently address ecological and social issues managers have to commit to sustainability and corporate social responsibility and truly initiate and push corresponding process changes and strategies (Paille’ et al., 2012, p. 6).

2.1.2 Commitment, Vision & Strategy

Top management support is one of the most important facilitators of pro-environmental and social initiatives (cf. Dilchert and Ones, 2012, p. 506). Therefore, it is here seen as a basic prerequisite for the further process. Once the managerial level, respectively the persons in charge, have recognised the importance of sustainability and CRS they have to elaborate on how to address and implement the social, ecological and economic aspects of CSR and sustainability into business procedures and strategies. They have to develop a vision as a guideline for shaping the strategy and the subsequent actions (cf. Paille’ et al., 2012, p. 3). The extend to which these changes take place leaves room to different generic possibilities. There are the following graduated sustainability strategies (Baumgartner and Ebner, 2006, 78):

- Introverted – risk mitigation strategy: focus on legal and other external standards concerning environmental and social aspects in order to avoid risks for the company
- Extroverted – legitimating strategy: focus on external relationships, license to operate
- Conservative – efficiency strategy: focus on eco-efficiency and cleaner production
- Visionary – holistic sustainability strategy: focus on sustainability issues within all business activities; competitive advantages are derived from differentiation and innovation, offering customers and stakeholders’ unique advantages.

The aim of this paper is to create a theoretical process model which corporations have to pass through in order to successfully realize the holistic sustainability strategy. The reason to aim at this – in a way – final stage of an evolutionary process is that it is as well the most challenging as the most rewarding stage. It meets the needs of our current situation and predicted future. Furthermore it addresses the demands of stakeholders like customers, governments and employees, it considers every sustainability aspect (people, planet and profit) and creates a lasting competitive advantage (J. Milliman et al., 2012, p. 33; Lublin et
Employees, Sustainability and Motivation
Increasing employee engagement by addressing sustainability and corporate social responsibility

al., 2010, p. 1ff). Besides, already the remarks on sustainability and CSR advised that a holistic approach is required. Therefore, to further discuss the visionary strategy in greater detail a systematic approach will be applied. In this context systematic means to consider both the outside-in as well as the inside-out effects. A merely outside-in view would also be conceivable, considering only external factors and the implicated market opportunities. The systematic visionary strategy, however, supplements this conventional approach with a view based on the internal resources. For the inside-out effects sustainable and socially responsible development has to be deeply integrated in the normative level of the company (Baumgartner and Ebner, 2009, p. 78). The following conceptions focus on internal interrelations and approaches for more sustainability and CSR. To be more specific, the focus is human resource activities, employees, knowledge management and processes. To establish a joint understanding and shared basis for the further deliberations a short definition of processes and knowledge management is given.

**Knowledge management definition:**
Knowledge management deals with the acquirement, development, transfer, maintenance, organisation and application of knowledge (Frost, 2013). Therefore in simple terms sustainability and CSR related knowledge management is the application of such activities with the approach to keep and expand the sustainability related knowledge in the organization (Baumgartner and Ebner, 2010, p. 79).

**Process definition:**
Processes are defined as the entirety of the interdependent and linked procedures within a system. By the use of processes inputs (materials, energy, information, money) are stored, transported or converted into new outputs (Berwanger et al., 2013). To have the ability to realize sustainable processes, corporations have to define how sustainability and CSR aspects are implemented into their processes (Wolf, 2012).

At this point a rough vision has been defined: The objective is a holistic sustainability and CSR strategy, concentrating on the following internal aspects: human resource activities, employees, knowledge management and processes. Though of course not neglecting the influences of and effects on external factors.

Subsequently it has to be defined how the economic plus the interrelated social and environmental aspects of CSR and sustainability can be initiated and realized. In the paper at hand an approach is chosen that puts the human resource department in charge regarding employees as the key source of competitive advantage (Paille’, 2012, p. 3). An approach
that can also be described in terms of strategic human resource management (SHRM). SHRM places the highest priority on linking human resource management (HRM) with the strategic goals and objectives of a company (Paille, 2012, p. 3), which in the context of this paper are among others sustainability and CSR.
2.2 Setting the foundations for a change

In the following it is discussed in greater detail how organizations can effectively realize sustainability and social responsibility objectives by developing their human resources. According to Garavan and McGuire the development of human resources (Human Resource Development (HRD)) can be subdivided into foundational, traction and integration activities (Garavan and McGuire, 2010, p. 499). The first step foundation can be interpreted as the preparation phase and is elaborated on in this chapter. It includes the definition of responsibilities and roles plus the building of basic knowledge. The second step traction is about transferring this knowledge to the workforce, in order to gain traction for a shared CSR and sustainability vision. The final step then focuses on the full integration of CSR and sustainability into all aspects of the organization. Recapitulated, the proposed process model of the paper at hand – especially the steps two to four – assort very well this three-staged approach.

As a first step the persons responsible for the implementation of HRD and their roles have to be defined. The roles of “HRD professionals” focus as well on creating policies as on the implementation through appropriate practices (Garavan and McGuire, 2010, p. 501). To be more specific, there are four roles that HRD professionals can perform: strategic partner, administrative expert, change agent, and employee champion. Garavan and McGuire describe these roles as follows:

“The administrative role enables the HRD specialist to develop the infrastructure to implement those strategies. The change agent role enables real cultural change to take place in the organization and facilitates the integration of these activities into strategy, culture, structure, and behaviour. The employee champion role helps to ensure that employee knowledge, skill, and competencies are linked to societal strategies and that issues of concern to employees are advocated at senior levels within the organization.” (Garavan and McGuire, 2010, p. 501 f)

Nevertheless, to be able to develop the workforce of a company the responsible personnel has to overcome some essential challenges and first of all put itself in the position where it has the ability to train and influence the workforce. There is no universally applicable approach for implementing human resource activities in order to make a contribution to CSR and sustainability. The respective activities have to consider the initial conditions of the company, like the enterprise size, the sectorial and institutional context, former HRD activities and the skills and competencies of those responsible for driving the HRD agenda (Gar-
avan and McGuire, 2010, p. 492). This also means that emerging societal trends as well as relevant environmental, social and ethical issues have to be identified in order to be able to respond to them. Above that, the responsible HR employees have to emphasize how HRD activities can contribute to delivering sustainable returns to investors, responding to government as well as regulatory expectations. Activities to develop the human resources have to unveil their strategic contribution to achieving an integrated sustainability agenda. The HR department has to understand how its strategies and practices can support sustainability goals (Garavan and McGuire, 2010, p. 491). In the knowledge management context this can be interpreted as sustainability and CSR knowledge has to be acquired first before it can subsequently be transferred, maintained and applied.
2.3 Development & Traction: Making use of HRD activities

The intention is now to give some concrete examples on how the implementation of sustainability and CSR activities can take place. Since the activities concentrate on employees they mainly – though not exclusively – refer to Human Resource Development (HRD) activities. Therefore, HRD will be described in advance in the following sub-chapter.

2.3.1 A basic definition of Human Resource Development (HRD)

As stated before, the development towards more sustainability and corporate social responsibility can be classified as a change process that requires change management practices. In this context Human Resource Development (HRD) has the potential to be the method of choice, since it implies a set of “knowledge and strategies in executing change, changing organizational culture, engaging with organizational stakeholders, and developing concrete strategies and actions” (Garavan and McGuire, 2010, p. 490). Therefore, HRD is viewed as having a high potential to help organizations achieve societal, environmental and economic goals (Garavan and McGuire, 2010, p. 489).

In their article Dr. Muhammad Tariq Khan et al. present an organizational model of HRD based on a comprehensive literature review. They argue that the definitions of HRD vary distinctly, especially depending on the context and on whether the perspective is broad or narrow (Khan et al., 2012). Moreover HRD has “emerged from within two distinct traditions: one that is functionalist and emphasizes performance and the other that emphasizes human learning and development” (Garavan and McGuire, 2010, p. 488). However, Khan et al. come to a conclusive and comprehensive definition that is therefore quoted in the following:

“Whereas the scope of HRD in organizational perspective has broadened and extended beyond a narrow concentration on training and development to include organizational and systems-level issues that influence the development of broad skill sets including behavioral skills, abilities, and knowledge associated with learning in technical, social, and interpersonal areas and also expanded to include a strong connection to corporate strategy, individual responsibility for learning, extension into team learning, incorporation of career development, an emphasis on internal consultancy, organizational learning and knowledge management and the nurturing of the intellectual capital of an enterprise, so HRD is a process of developing and unleashing expertise for the purpose of improving individual, team, work process, and organizational system performance. HRD along with education and training also involves activities related to, empowerment, awareness rais-
Employees, Sustainability and Motivation
Increasing employee engagement by addressing sustainability and corporate social responsibility

According to Garavan and McGuire it is a new attempt to utilize HRD practices to achieve sustainability and CSR objectives. Typically HRD activities concentrate on solving problems and dilemmas such as shareholder interests and quarterly forecasts that exist within the organization (Garavan and McGuire, 2010, p. 499). Nevertheless, HRD initiatives possess the potential to achieve balanced sustainable development which is in harmony with local communities and the environment, if the focus is expanded to national concerns and operating within a cross-national, international, and global context (Garavan and McGuire, 2010, p. 499). Furthermore, I argue, if HRD activities focus on the triple bottom line (economic, environment, society), they transfer, develop, maintain and support the application of respective knowledge.

2.3.2 Hands-on employee development
Management encouragement and supervisory support
Encouragement and support by managerial staff for social or environmental initiatives is a way to gain employees’ respective engagement to achieve environmental or social improvements (cf. Paille` et al., 2012, p. 6). Especially supervisors are in the position to fill the role of the change agent who facilitates the integration of sustainability and CSR activities into strategy, culture, structure, and behaviour. This is because supervisors give guidance on how employees should invest their time and effort. They can be initiators of risk taking, idea generation and experimentation on the job. Therefore Cantor et al. hypothesize that supervisory support can have a huge impact, if employees recognise that their supervisors provide the resources and feedback to participate in environmental initiatives. Especially as supervisors actively foster a shared vision and consensus for new organizational practices among the employees they work with. Cantor et al. find evidence that this hypothesis is true. According to Larkin and Larkin (1996) supervisory support can even have a deeper impact on employees work than top management support, meaning that employees attend more to the words and actions of their direct supervisors (Cantor et al., 2012, p. 37).

Training
Apart from supervisory support training is another key intervention to demonstrate organizational support and awareness for sustainability impacts (cf. Renwick et al., 2012, p. 3). In general training allows companies to acquire and develop their human capital which in turn
enhances organizational capacity (Cantor et al., 2012, p. 38). The provided information and objectives of trainings can vary “from the conveying of technical information, to socialization, to the acceptance of new ideas” (Cantor et al., 2012, 37). In any case the contend of training signifies the objectives and values of an organization. Furthermore as training can provide the respective skills to achieve these goals, it can have a huge impact on companies’ ways of working and thinking (cf. Renwick et al., 2012, p. 3). It is here related to the development of social and environmental abilities and implies practices such as selecting, recruiting, training and developing social and environmental knowledge. Moreover it also has a relation to the management and supervisory support mentioned above. It can encourage leadership and supervision to be supportive of sustainable and socially responsible activities (cf. Paille’ et al., 2012, p. 3; Renwick et al., 2012, p. 4 f). Cantor et al. are able to present several studies that support the close connection between successful organizational change towards more sustainability and respective training programs. Hence they conclude that training programs can not only train techniques like for example eco-design, life cycle assessment and recycling, but also signal the support for eco-friendly or social behaviours (cf. Renwick et al., 2012, p. 3; Cantor et al., 2012, p. 38).

Rewards and appraisal
Rewards and appraisal are another possible factor to motivate behaviour and reinforce job attitudes (Renwick et al., 2012, p. 5 f; Paille’, 2012, p. 3). Well structured rewards, meaning that there is a clear connection between certain actions and rewards which seems fair and comprehensible to the employees, indicates that the organization values: (1) the individual’s contribution to the firm, (2) independent decision-making, (3) professional development activities, and (4) professional behaviour (Cantor et al, 2012, p. 38). Therefore the assumption is as follows: in case the connection between action and reward shows a clear reference to sustainability and CSR issues, it can engage employees to search for innovative solutions to environmental, economic and social problems (Cantor et al, 2012, p. 38).
2.4 The adaption of processes and structures

The HRD activities which were described in the previous chapters can be deemed as prerequisites for the systematic process changes towards more sustainability and CSR. In the first instance employees had to be attuned for sustainability and CSR issues and they had to become aware of the expectations regarding sustainability and CSR. Furthermore, they had to develop corresponding skills in order to be able to perform the related roles and tasks. Summed up employees have to be in the state where they comprehend, support and execute the integration of CSR and sustainability into daily business life (Wolf, 2012; Paille´ et al., 2012, p. 12). The now following adaption of processes and structures includes the definition of new roles, tasks, procedures and expectations. For this step it is very important to give employees freedom and possibilities to be actively involved (Renwick et al., 2012, p. 6). This, I argue, can also be interpreted as the application of the previously acquired and developed sustainability and CSR knowledge. To successfully realize these process changes, corporations have to implement sustainability and CSR aspects into their processes in such a way that the changes have real outward effects. An example of such outward effects could be an improved environmental performance. Environmental performance is defined as “a firm’s effectiveness in meeting and exceeding society’s expectations with respect to concern for the natural environment” (Paille´ et al., 2012, p. 1). It can be evaluated by indicators such as less environmental releases, waste minimization, improved recycling activities and pollution prevention (Paille´ et al., 2012, p. 1). Moreover not only does sustainability have a good impact on the environment, people and future generations, it also has the potential to generate economic benefits. According to J. Wolf companies have the chance to increase performance and generate sustainable competitive advantage by changing their processes towards more sustainability (Wolf, 2012, p. 96). However, to achieve these positive outcomes corporate managers have to consider and integrate multiple stakeholder perspectives into the sustainability and CSR adaptions. A very challenging task given the fact that stakeholder perspectives are often difficult to understand, heterogeneous or even conflicting in nature. Therefore, corporate managers need to develop advanced skills to integrate the varying sustainability expectations from different stakeholders into their processes. (In the overall process model the third step is intended for the development of such advanced skills.) Among stakeholders a differentiation can be made between internal and external stakeholders. To give a general definition: the capability of a company to integrate stakeholders is “the ability to establish trust-based collaborative relationships with different
entities inside and outside the firm” (Wolf, 2012, p. 95). However, in contrast to external stakeholders, like governments, customers, suppliers and non-governmental organizations (NGOs), internal stakeholders, such as staff and managers, have a unique knowledge of the firm which enables them to support it in defining and adopting organizational structures and processes towards more sustainability and CSR (cf. Wolf, 2012, p. 93). For example, employees are able to share critical information about the emission of toxic substances or materials and they often can offer practical solutions. This possible type of initiative within the workplace indicates that employees are generally key players in the development of social and “green” practices which help to improve production operations and processes (Dilchert and Ones, 2012, p. 503; cf. Paille` et al., 2012, p. 5).

To draw up an interim result, the previous deliberations encourage the focus on internal stakeholders (particularly employees). In addition, successful changes towards more sustainability and social responsibility integrate stakeholders as well as social, environmental and economic conditions and subsequently have positive effects on exactly those. Moreover, the approach via human resource activities is supported by a study made by Paille´ et al. which shows that human resource management adopted to sustainability goals can improve environmental performance (Paille´ et al, 2012, p. 9).

To now further investigate on the relationship between the acquired sustainability and CSR capabilities and the adaption of organizational structures and processes, the concept of the resource-based view (RBV) will be applied. Besides, this concept also anticipates a positive relationship between sustainability and competitiveness. According to the RBV concept every company consists of a “unique cluster of tangible and intangible resources and capabilities” (Wolf, J. 2012, p. 96). These differences in resources and capabilities lead to unique strategies, different rates of return and differing competitive advantages. A resource or capability which is “valuable in the eyes of the customer, rare, difficult to imitate by competitors and non-substitutable” (Wolf, J. 2012, p. 96) can have a positive effect on the success of a companies’ strategies and practices. Consequently the RBV suggests that firms can gain above-average profits and competitive advantages, if they have specific competencies at the organizational level (Garavan and McGuire, 2010, p. 499; Wolf, J., 2012, p. 96). The RBV concept suggests that organizational processes and routines which allow a firm to respond to calls for environmental protection can as well be such a specific competency. As indicated before promising organizational processes respond to customer and stakeholder demands and they involve a large amount of tacit knowledge and experience (Renwick et al., 2012, p. 7) and thus are difficult to imitate. Moreover, it also plays a role in prioritizing
the raised issues that need to be addressed in the short, medium and long term. Applied to the here developed process concept, this indicates that the focus on sustainability and CSR in organizational structures will lead to the development of socially complex and tacit structures. These in turn are a source of increased firm performance and competitive advantages (Garavan and McGuire, 2010, p. 499; Wolf, J. 2012, p. 96). Furthermore, Wolf suggests four organizational areas that are of particular relevance in order to adapt to sustainable processes: (1) assignment of responsibility for sustainability, (2) employee qualification, (3) adaptation of production processes and (4) adaptation of organizational structures (Wolf, J. 2012, p. 96 f). These areas are in line with the process steps 2, 3 and 4.
2.5 The final repercussion on employees

The fundamental hypothesis for this chapter and stage of the overall hypothesized process is as follows:

Companies that support activities which are perceived as positive, important and meaningful, like for instance environmental and social activities, have a good chance to increase employee's engagement and identification with the company.

This hypothesis is supported by a study made by the Massachusetts Institute of Technology (MIT) Sloan Management Review and the Boston Consulting Group. According to the study results employee recruitment, retention and engagement can be enhanced by organizational policies and practices that promote employee engagement in environmental behaviours (Cantor et al., 2012, p. 33). Furthermore, Paille et al. state that several opportunities can be gained from a more ethical and participative approach to environmental and staff management. The greatest benefits are among others higher staff motivation and a greater degree of job satisfaction (Paille’, 2012, p. 2). There are several theoretical concepts to explain this effect. Attachment theory can be used to understand how various aspects of work behaviour are correlated to certain attachment types. Social identity theory explains how individuals become attracted to groups and organizations and how they identify with them based on their CSR and sustainability activities (Garavan and McGuire, 2010, p. 493 ff). Cantor et al. again use and adapt the organizational support theory (OST) to further investigate on the relationship between on the one hand employees' behaviours and attitudes and on the other hand sustainability and CSR. Yet another concept is organizational citizenship behaviours for the environment (OCBE) (Paille’ et al., 2012, p. 4). In the following the attempt is made to describe the central ideas of the mentioned concepts in summary.

The basic prediction is that employees recognise the perceived treatment and support from their company. And furthermore, if it is perceived as being positive, employees are willing to reciprocate. This initiates behaviours which include among others increased efforts to help the organization reach its objectives, good job performance and voluntary activities. Moreover empirical research has even demonstrated that the perceived organizational support is directly linked to employee’s affective organizational commitment which includes “emotional attachment to, identification with, and involvement in the organization” (Cantor et al., 2012, p. 35). Especially appropriate and respectful leadership, favourable work conditions, training and rewards are ways to increase the perception of organizational
support. These examples demonstrate that the usual target of support is the employee himself. However, it is extrapolated that this focus can be shifted to other entities such as the “organizational support of the environment” (Cantor et al, 2012, p. 35). To be concrete, companies can for example reward a designer for an environmental friendly product design or train their employees in sustainability issues like waste reduction and recycling. In addition to rewards and training, supervisory support and a good work-life balance are options to signal favourable treatment of the environment and social issues. The subsequent assumption is that such signals clarify the extend to which the company values these topics and seeks employee involvement in pro-environmental or -social behaviours (Wißmann, 2013, p. 21 f; Cantor et al., 2012, p. 36). And moreover, affective experiences can bring about change in social and environmental attitudes and behaviours (cf. Dilchert and Ones, 2012, p. 505 f). In case employees have developed such a positive and supportive attitude towards sustainability and CSR issues, even discretionary acts are to be expected. ‘Discretionary’ means that the respective person is free to act or not to act. Such discretionary acts may be personal initiatives to improve the job held by the employee or they may be directed toward colleagues in the form of mutual support among employees. A third possibility is support for the organization’s commitments (Paille´ et al., 2012, p. 4). Recapped, employees will identify with, focus on and involve in social and environmental behaviours to the extend to which their employer values CSR and sustainability issues. (Cantor et al, 2012, p. 44).

And what is more, in case this appreciation exceeds employees’ actual job duties, they may still fulfil discretionary sustainability and CSR tasks (Paille´ et al., 2012, p. 4). That is because a close fit between personal values and the organizations’ values is a real motivator and thus the chances are good to bring about highly engaged employees. With these findings in mind it is hardly surprising that companies increasingly start to adopt “green” activities, also in order to improve their selection attractiveness. (Dilchert and Ones, 2012, p. 505; cf. Renwick et al., 2012, p. 2; Paille´, 2012, p. 2 ff)
3 Review and conclusion

The way to more sustainability and corporate social responsibility starts with an environmental and social vision which is needed as a guideline for shaping a plan and a strategy. Second, responsibilities have to be assigned and employees must be qualified to understand the company’s vision. (cf. Paille´ et al., 2012, p. 3). On the whole, to thoroughly and successfully address sustainability and CSR people from all levels – from top management to frontline workers – have to be involved and be aware of social and environmental concerns (Pojasek, 2008, p. 89). The conducted literature review suggests that human resource activities, like training or managerial support and consultancy, focusing on the triple bottom line (economic, social and environmental) entail the potential to create a business culture that is aware of social as well as environmental issues and their interrelation to business aspects. The individual concerns of each employee have to converge to the company’s vision including its goals and strategies. For organizations that consequently aspire this status, it can be presumed that their employees’ work motivation and identification with the company will be reinforced. Employees will perceive their organisation’s endeavours as being positive and meaningful and thus be more engaged (Wißmann, 2013, p. 21 ff). In addition, activities to develop employees can be used to enhance the skills and competencies needed to create social, eco-friendly and profitable solutions, innovations and ways of doing business (Dilchert and Ones, 2012, p. 504; cf. Renwick et al., 2012, p. 3 f). At this point the internally taken measures and realized changes should have a positive influence on a company’s reputation and image (Garavan and McGuire, 2010, p. 500). Certainly sustainability and CSR values, like for example environmental protection, attract consumers and investors. Moreover, it improves the ability to recruit and retain highly talented and motivated job candidates. (Kashmanian et al., 2010, p. 1ff; MacLean, 2010, p. 104, Renwick et al., 2012, p. 2) All in all, it is indicated that sustainability and CSR are positively linked to economic outcomes and firm financial performance (Wolf, 2012, p. 94; Garavan and McGuire, 2010, p. 500).

Taken as a whole, the development of human resources – as it was described in the paper at hand – is the prerequisite and beginning of a lasting change. A change that begins in the minds of all staff. A change that continuous in the adaptation of visions, strategies, produc-
tion processes and organizational structures. A change that leads to sustainability, corporate social responsibility, motivation and engagement.

3.1 Directions for future research

The focus of the paper at hand was on internal resources and processes. A deeper analyse of the effects on external stakeholders and productivity and profitability was not included as this was beyond the scope of this paper. However, a adjusted study looking at these effects would be of interest. Furthermore, the hypothesised process model was evaluated using only a literature review. Therefore, even though the literature review supported the hypothesised model, a specified survey would be desirably to verify the results of this paper. Also because the literature search focused rather on finding supportive concepts than on finding contradictory reports, a further investigation would be desirable to reveal possible weak spots. In addition to that, the literature on the relationship of motivation and sustainability is still rare (Renwick et al., 2012, p. 10).
References

Increasing employee engagement by addressing sustainability and corporate social responsibility

Ehrenwörtliche Erklärung

Hiermit erkläre ich, dass ich die vorliegende Arbeit selbstständig, ohne Hilfe dritter Personen verfasst und keine anderen, als die angegebenen Quellen und Hilfsmittel benutzt habe. Alle Stellen, die wörtlich oder sinngemäß aus veröffentlichten oder nicht veröffentlichten Schriften entnommen wurden, sind kenntlich gemacht. Diese Arbeit hat in gleicher oder ähnlicher Form noch keiner anderen Prüfungsbehörde vorgelegen.

Hamburg, 01.11.2013

Ort, Datum Unterschrift