

RILA Issue Brief:

The Value of Sustainability for HR in Retail



A company’s sustainability program helps ensure its products, services, and operations have a positive impact on people and the environment—from the raw materials it uses, practices at its suppliers’ sites, modes of transportation, the use of its products by consumers, and the eventual disposal of waste or spent product. Today, employees expect this of the companies they work for. Fifty percent of U.S. employees say they [will not work for a company](#) that does not have strong sustainability commitments and seventy percent want an opportunity to contribute to those commitments.

Human Resources & Sustainability

The priorities of the Human Resource and Sustainability departments are tightly connected. Important priorities for HR—increasing the commitment and motivation of employees, and attracting and retaining talent—are advanced in companies that have strong sustainability programs.

Benefits of Sustainability for HR

Studies show “a company with purpose” tops the list for attracting and retaining top talent, and fifty-five percent of U.S. employees would work for a socially responsible company [despite a lower salary](#). The sustainability program plays an important role in attracting talent, as it is an expression of the company’s purpose and provides the meaning employees are looking for.

The sustainability program can also support HR with employee retention. Seventy percent of U.S. employees are more likely to be loyal if they have opportunities to make a positive difference, and nearly eighty percent “want to be an active

participant in helping their company improve its responsible business practices by providing feedback, ideas and potential solutions.” HR can work with sustainability professionals to expand job-specific training, formalize the contributions employees can make—and expect to make—to the company’s sustainability goals, and link sustainability with employee compensation.

Tips for HR professionals utilizing sustainability programs to meet HR goals:

1. Team up and take inventory. What is the company doing on sustainability and can it be used more effectively to help HR reach some of its traditional objectives?
2. Examine the connections among sustainability, employee engagement, and business results.

From the book [Talent, Transformation and the Triple Bottom Line](#) by A. Savitz.

Author and researcher [Andrew Savitz](#) urges HR professionals to incorporate “sustainability into traditional roles of managing HR processes, from recruitment to separation, developing organizational

capacity, leading or facilitating culture change, and helping to motivate employees” as a means to strengthen performance on engagement and other key HR metrics.

Key to Success

It is important for the HR and sustainability functions to recognize that they define “employee engagement” differently. For HR, it is a measure of employee commitment and motivation to the company overall, while for sustainability professionals it is a measure of employee participation in the sustainability program. There is a growing body of [evidence linking employee engagement](#)—the type HR measures—with sustainability performance and overall business results. At global equipment manufacturer [Ingersoll Rand](#), for example, employee actions on sustainability correlate with direct improvements in overall employee engagement. Using data to establish the connection led to a new working relationship that leverages sustainability programs to support the HR function.

Another key to success is to recognize sustainability can be a way to engage people in a very human process that motivates change. The sustainability department should work with HR to translate their respective business objectives to metaphors and stories that illustrate how each employee can contribute to making the company a better place to work and a stronger corporate citizen.

How Does Sustainability Enhance HR in Retail?

A number of [retailers’ practices](#) illustrate how the sustainability program can support the HR department:

1. Job descriptions that include sustainability priorities to attract top candidates.
2. Job-specific training that underscores the connections between sustainability and the employee’s daily work, motivating employees.
3. Collaborative internal forums to recognize high-initiative employees and share best practices with colleagues.
4. Sustainability “ambassadors” to provide store associates with a role in monitoring store performance and providing feedback to corporate teams.

5. Awards, contests, and events to formally recognize employees that contribute to the company’s sustainability priorities.

6. Sustainability teams to engage corporate employees across the enterprise, from communications to public relations, legal, product development, merchandizing, procurement, sourcing, and building design and construction.

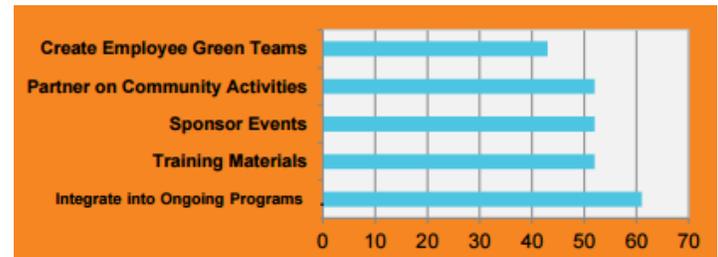


Figure 1 HR & Sustainability Top Collaboration Activities (% of RILA members)



Figure 2 Employee Groups Engaged on Sustainability (% of RILA members)

Finally, HR professionals are often key participants in retail [Sustainability Executive Councils](#), which draw on the capabilities, perspectives, and influence of EVPs and SVPs from merchandising, private brands, marketing, legal, and others. With a seat at the table, HR professionals learn how the sustainability program can enhance engagement and recruitment. The Council benefits from [HR’s perspectives](#) and insights on employees and hiring candidates which help shape the sustainability agenda.

Additional Information

Leadership Steps for HR and Sustainability. RILA and the CRC's [Retail Sustainability Management Leadership Model](#) includes a dimension on HR to enable retailers to benchmark their activities:

Human Resources	
Initiating	<ul style="list-style-type: none"> Educates through basic environmental-awareness signage in stores
Progressing	<ul style="list-style-type: none"> Works with HR to develop store sustainability team(s) or sustainability advocates to monitor on-site performance and provide feedback to corporate sustainability team Hosts events for corporate employees to learn about sustainability in their retail roles and in their home (e.g., Earth Month events)
Excelling	<ul style="list-style-type: none"> Posts store sustainability performance (e.g., energy consumption, waste/recycling generation) for all store associates to compare their store to other similar stores
Leading	<ul style="list-style-type: none"> With HR, provides collaborative forum for high-initiative employees to receive recognition for their sustainability efforts while sharing best practices with colleagues With HR, develops and administers employee orientation and ongoing training programs Embeds sustainability into existing HR and corporate communications' roles Holds highly visible senior leadership meetings on sustainability where store employees, sourcing, merchants, logistics, and other staff are recognized
Transforming	<ul style="list-style-type: none"> Through existing HR and corporate communications channels, regularly educates employees on company sustainability vision and business case to underscore relevance to employee daily work Trains in-store employees to educate customers about company's sustainability/eco-awareness efforts

Additional resources for HR professionals include:

- Andrew Savitz "[Talent, Transformation and the Triple Bottom Line: How Companies Can Leverage Human Resources to Achieve Sustainable Growth](#)" 2013, which includes a chart comparing traditional to sustainability-driven HR; and
- [United Nations Global Compact, HR & Sustainability Brief](#)

Visit www.rila.org/sustainability for more tools and resources.