

## The greening of strategic HRM scholarship

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The Greening of Strategic HRM Scholarship

Susan E. Jackson

Rutgers University

And

Janghoon Seo

Georgia State University

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## Abstract

The topic of environmental sustainability is attracting increased attention among management scholars. Despite its importance to managers, employees, customers and other stakeholders, however, there is very little scholarship that considers the role of human resource management systems in organizations striving to achieve environmental sustainability. In this article, we propose several specific questions that such scholarship could address. By seeking answers to these questions, HRM scholars could contribute to improved organizational effectiveness and at the same time develop new theoretical models that more adequately reflect the complexity of organizational phenomena.

## Introduction

During the past two decades, management scholars have shown increasing interest in promoting business practices that are compatible with achieving environmental sustainability. The Academy of Management added a new division for members interested in the scholarship, teaching and discussion of Organizations and the Natural Environment (ONE). Numerous business schools have established research centers devoted to the topic. Policy makers and nongovernmental organizations also have been active, as Shrivastava and Berger (2010) describe in detail in this issue of *Organization Management Journal*. Of particular note, the UN Global Compact in collaboration with the Association to Advance Collegiate Schools of Business (AACSB) and several other organizations developed the PRIME (Principles for Responsible Management Education), which encourages scholars and managers to jointly work on developing new knowledge to promote environmental responsibility (PRIME, 2010).

Despite these developments, the topic of environmental sustainability is not reflected in the research agendas of most areas of management scholarship. The field of human resource management (HRM) is one of the minimally engaged areas of specialization. Consider the following: In 2009, the Academy of Management chose “Green Management Matters” as the theme for its annual conference. Even in this year when Green was the theme, the number of sessions devoted to the topic was quite small. Our estimates of the percentage of relevant Professional Development Workshops, Paper Presentation sessions, and Symposia sponsored by selected divisions are as follows: Entrepreneurship = 9%; Business Policy and Strategy = 5.5%; Human Resources = 4.5%; and Organizational Behavior = 1.5%. In 2010, without the

Green Management Matters theme as a stimulus, the figures were even smaller: Entrepreneurship = 4%; Business Policy and Strategy = 3%; Organizational Behavior = 1%; and, Human Resources = none.

An exhaustive literature review by Renwick, Redman and Maguire (2008) supports the conclusion that the field of HRM has been slow to see the relevance of environmental concerns. Their review of books and articles addressing “Green HRM” published from 1988 to 2008 yielded a list of approximately sixty publications that included some type of relevant information. The closely related field of industrial-organizational psychology has been equally unresponsive to environmental issues. A survey of members of the Society of Industrial and Organizational Psychology revealed a barren research landscape with very few green shoots (Huffman, Watrous-Rodriguez, Henning, and Berry, 2009).

The articles by Renwick et al. (2008) and Huffman et al. (2009) suggest many interesting opportunities for research at the intersection of specific functional HRM areas (i.e., staffing, training, performance management, compensation) and environmental sustainability, but they provide very little guidance for interested scholars working in the area of strategic HRM scholarship. We are confident that research reflecting a functional HRM perspective will soon flourish. On the other hand, scholarship focused at the intersection of strategic HRM and environmental sustainability has yet to reveal itself. It seems that the greening of strategic human resource management (hereafter referred to as strategic HRM) scholarship represents a ‘blue ocean’ research topic for the future. With that in mind, we describe a modest agenda for strategic HRM scholars interested in contributing to the management of

environmentally sustainable organizations. We believe the field of strategic HRM will be reinvigorated when it begins to focus on the challenge of environmental sustainability.

Guiding our commentary is a conviction that advances in strategic HRM scholarship will be stimulated by research that helps managers effectively respond to specific strategic problems. Addressing environmental sustainability presents an opportunity for strategic HRM scholars to adopt a problem-focused approach to their work, address the current concerns of managers, and thereby more directly contribute to improving organizational effectiveness.

### **Strategic HRM Assumptions**

Strategic HRM scholarship emerged approximately thirty years ago and has since evolved to include several streams of theory and empirical research (for reviews of this body of work, see Becker and Huselid, 1998; Jackson and Schuler, 1995; Schuler and Jackson, 2007; Lengnick-Hall and Lengnick-Hall, 1988; McMahan, Virick and Wright, 1999; Wright and Gardner, 2002). Three pervasive assumptions of strategic HRM provide the foundation for integrating this area of scholarship and practice with current initiatives being taken by firms striving to achieve environmental sustainability. We briefly describe these assumptions next, to provide a brief context for readers who are not familiar with the strategic HRM landscape. Subsequently, we offer several suggestions for expanding strategic HRM scholarship and practice to reflect the urgent need for practical solutions for achieving environmental sustainability.

#### **Effective HRM contributes to firm performance**

For many scholars and practitioners, “strategic HRM” implies that the primary objective to be achieved through HRM activities is improved firm performance. As the practice

and study of “personnel” began evolving into “strategic HRM,” efforts to demonstrate the effectiveness of HRM employed the methods of economic utility analysis (e.g., Schmidt *et al.*, 1979) and cost accounting (e.g., Cascio, 2000). Today, the effectiveness of HRM practices is often assessed using estimates of economic value added or return-on-investment (e.g., see Becker and Huselid, 2001; Fitz-Enz, 2002). Such metrics place considerable emphasis on monetary costs and monetary returns, and reflect great deference to the financial interests of shareholders and other owners.

For strategic HRM scholars and practitioners interested in achieving environmental sustainability, a narrow focus on financial performance measures is inadequate. Familiarity with a much broader array of ecological performance metrics—including those that are the target of government regulations and those that are reflected in specific industry standards--becomes necessary. Nevertheless, strategic HRM's emphasis on using HRM systems to improve firm performance—however measured---provides a suitable foundation for the future greening of the field, because the same theoretical perspectives can be applied rather easily in this new research domain.

### **Effective HRM is aligned with the business strategy and context**

Another feature of strategic HRM is the assumption that effective organizations strive to align people management practices with business-related contingencies and strategic objectives (Miles and Snow, 1984; Schuler and Jackson, 1987). Strategic HRM involves matching HRM practices to the strategies pursued by the organization (Lundy and Cowling, 1996). For example, “prospectors” may fill executive positions by recruiting external talent in order to acquire the cutting edge competencies needed for

technological innovation, while “reactors” may fill executive positions with internal talent because they value knowledge about the organization’s own internal processes (Hambrick, 2003). As another example, Arthur (1994) found that commitment-focused HRM practices produced more value for firms that pursued a differentiation strategy, while control-focused HRM practices produced more value for firms pursuing a low cost strategy.

The principle of alignment between HRM practices and business strategies requires developing a sophisticated understanding of the alternative strategic paths that environmentally sustainable businesses can pursue. Different sets of HRM practices may be appropriate depending on whether the business strategy emphasizes, for example, improvements in efficiency, advances in technology, or developing new markets (e.g., see Hoffman, 2007; Shrivastava, 1995). Presumably, strategy implementation relies on the HRM system to create the social and behavioral conditions required. An implication of this assumption is that strategic HRM scholarship will have to recognize and address the many alternative strategies that a business may choose to achieve environmental sustainability.

### **Alignment among HRM practices**

A third feature of strategic HRM is the assumption that effective workforce management requires achieving an appropriate alignment among the many specific practices that comprise an HRM system (e.g., activities related to staffing, performance management, and rewards). Properly aligned, HRM practices reinforce each other; misaligned practices work against each other and interfere with organizational success (Delery, 1998; Schuler and Jackson, 1987).



Presumably, an organization's declared vision, mission, and values serve as partial guides to the development of internally aligned HRM systems. When taken seriously, statements of an organization's vision, mission, and values provide a shared understanding of what the organization is striving to be—its desired identity. Thus, vision, mission, and values statements serve as touchstones for both employees and HRM professionals (Pfeffer, 1998; see also, Boswell and Boudreau, 2001).

To date, strategic HRM scholarship has yielded little applicable knowledge for practitioners seeking to create alignment among the elements of an HRM system, which includes both specific practices (recruitment, selection, performance measurement, talent development, compensation, and so on) and the firm's aspirations as reflected in its statement of vision, mission, and values. Perhaps the challenge of creating alignment among the elements of an HRM system will become more tractable when tackled for firms that share the common objective of achieving environmental sustainability.

Next we consider some specific questions that might be answered by new scholarship at the intersection of strategic HRM and environmental sustainability.

### **Future Directions for the Greening of Strategic HRM**

What questions might strategic HRM scholars and practitioners address if they focus their energies on helping organizations achieve environmental sustainability? Can they build on the existing state of strategic HRM, or should they set out to completely reshape the field? In this section, we describe several opportunities for work that integrates strategic HRM and environmental sustainability. Our discussion suggests that

organizations will benefit from work that takes strategic HRM scholarship and practice in new directions.

### **From content-focused to process-focused scholarship**

To date, scholars of strategic HRM have developed and tested hypotheses that specify how the content of HRM systems helps explain variance in firm performance. Like their colleagues in other fields of management, they typically conduct large, cross-sectional surveys to test their theories (see Van de Ven, 2007). The focal question addressed by such research is: What are the content elements that comprise the best HRM system in a given context? What is the best way to recruit new employees? What is the best way to train them? What is the best way to pay them? Answers to such content questions are elusive.

Meanwhile, in the absence of clear answers to such questions, HRM practitioners must nevertheless tackle the challenges of interpreting their situations, negotiating solutions that optimize results, monitoring effectiveness, and sustaining a sense of continuity, while also retaining organizational flexibility to continually adjust and improve. As Bartunek (2008) observed, the “theories” that practitioners rely on to address such challenges in their daily work are theories about process. Practitioners choose their actions based on implicit and explicit mental maps of how specific actions are likely to effect change and influence organizational outcomes, and they find it difficult to see the relevance of research designed to test variance theories.

A process-based approach to understanding strategic HRM represents an alternative perspective that may lead to useful, practical knowledge that can be applied in organizations striving to achieve environmental sustainability. It presumes that the

means by which organizations develop their HRM systems are more important determinants of system effectiveness than are the specific content of the system. In other words, the effectiveness of the processes used to align the HRM system with the objective of environmental sustainability should be the focus of future research.

Unfortunately, the scholarly strategic HRM literature yields few lessons for practitioners faced with the challenge of navigating through the process of evaluating, planning, implementing, and revising an HRM system. New scholarship that offers guidance for practitioners responsible for managing HRM systems that support the achievement of environmental sustainability goals is badly needed. Managers need practical knowledge that they can apply to ensure that their employees' behaviors are responsive to a dynamic environment and consistent with the organization's strategy, vision, mission, values, and so on. As more and more organizations adopt environmental sustainability as a foundational principle, opportunities are created for research that yields practical answers to questions such as these:

- Where in the organization (which functions, at what levels) are managers most likely to readily understand the value of aligning HRM with environmental goals, and become willing partners in change efforts?
- How can managers assess the degree to which their HRM system is aligned with their environmental philosophy and objectives?
- What steps can be taken to improve the degree of alignment across the many elements of an organization's system for managing employee behavior?
- What obstacles are managers likely to encounter as they try to achieve alignment, and how can these obstacles be managed?

## **Addressing the concerns of multiple stakeholders**

As we have noted, one salient feature of strategic HRM scholarship is its focus on establishing the economic value of appropriately designed HRM systems, thereby elevating the importance of investors as the stakeholders of primary concern. By focusing so much effort on demonstrating the economic value of HRM systems, strategic HRM scholarship (especially the American variety) has drawn substantial criticism from scholars (especially Europeans) who view organizations as interdependent with a larger set of stakeholders (e.g., Larsen and Mayrhofer, 2006). Scholarship at the intersection of strategic HRM and environmental sustainability presents new opportunities for both camps to elaborate their perspectives.

On the one hand, efforts to establish a link between environmental sustainability and positive financial outcomes have been somewhat fruitful (e.g., Ambec and Lanoie, 2008; Sharfman and Fernando, 2008). Working together, strategic HRM and sustainability scholars may now be able to establish that positive financial outcomes are more likely to accrue in firms that effectively align their HRM systems to support their environmental initiatives.

On the other hand, the integration of strategic HRM and environmental sustainability scholarship may also offer an opportunity to break away from the narrow economic interpretation of what it means for HRM practitioners to play a “strategic” role in organizations. Rather than assuming that “strategic” equates to showing the financial consequences of HRM policies and practices, the stakeholder perspective recognizes the legitimate concerns of many constituents (e.g., McWilliams et al., 2006). Advocates

for corporate social responsibility and the so-called “triple bottom line” perspective represent a shift in the world views of some managers and scholars (Colbert and Kurucz, 2007; Mirchandani and Ikerd, 2008; Savitz and Weber, 2006).

Strategic HRM scholarship has already demonstrated the usefulness of taking into account a variety of stakeholders’ concerns. For example, Brown, Sturman, and Simmering (2003) showed that compensation practices used in hospitals predicted both financial outcomes and patient care. HRM practices have been linked to customer satisfaction, also (Macey and Schneider, 2008; Schneider and White, 2004).

Alliance partners are another set of stakeholders influenced by an organization’s HRM practices. Cooperative alliances with firms along the supply chain and beyond are often essential for achieving environmental goals. Through alliances, firms can influence government actions, address shared research and development needs, expand access to new markets, and more. Although HRM professionals may understand that relationships with alliance partners can be influenced by their organization’s HRM system, alliance partners are seldom involved when assessments of HRM system effectiveness are conducted. Likewise, business managers seldom evaluate the HRM systems of potential alliance partners to gain information concerning environmental sustainability. As the current economic recovery progresses, mergers, acquisitions, and joint ventures will rebound. Then scholarship that addresses the question of how to evaluate HRM systems for their ability to support environmental objectives will be especially useful to businesses that wish to include such assessments as a component of their soft due diligence process.

Venturing into environmental sustainability may also sensitize strategic HRM scholars and practitioners to the symbolic importance of HRM systems. To date, the prevailing assumption has been that HRM systems produce value through their influence on the creation, production, and delivery of goods and services. The symbolic role of HRM practices is seldom recognized. Yet, as a recent study of executive compensation highlighted, some HRM practices may be adopted and retained even when they have no performance-related consequences. Berrone and Gomez-Mejia (2009) found that governance mechanisms such as tying executive compensation to the achievement of environmental performance were effective under some conditions. Furthermore, even when it had no influence on environmental performance, tying executive pay to environmental performance seemed to serve as a useful signal to managers and a variety of external stakeholders that the firm recognizes environmental performance as a legitimate indicator of effectiveness.

As customers, alliance partners, the media and other external stakeholders put increasing pressure on organizations to adopt eco-friendly practices, HRM systems will be one obvious target of their scrutiny. Thus, research is needed that provides insights concerning how external stakeholders perceive and evaluate HRM systems vis-à-vis their expectations for environmental sustainability. Questions that strategic HRM scholars could address include:

- How do various stakeholder groups form impressions of and evaluate the fit between stated environmental goals and the HRM system? Are some HRM practices more salient than others? Are some elements of the system given

more weight when evaluating the organization's commitment to environmental goals?

- Compared to other signals or indicators that stakeholders pay attention to, how much weight does a firm's HRM system contribute to its environmental reputation?
- What are the behavioral and attitudinal consequences for employees, customers and investors of inconsistencies among elements of the HRM system, and between the HRM system and other environmental management practices?
- How can firms conduct practical, high-fidelity audits of alliance partners' HRM systems to determine their consistency with environmental objectives?
- When HRM audits yield negative results or indicate the need for change, what are some effective techniques for promoting change across an entire network of alliance partners?

### **Strategic HRM in multinational companies (MNCs)**

As U.S. firms globalized, international HRM emerged as a robust area of scholarship and practice. Global firms strive to develop HRM systems that fit the contours of a complex, multifaceted, and shifting international landscape. Managing inter-unit linkages and internal operations in concert with the laws, culture, politics, economy, and general environment of particular locations present significant HRM challenges (Tung and Thomas, 2003).

North American MNCs often strive for a global approach built upon a few universal principles that provide a sense of consistency and internal integrity across the

entire system. Yet U.S. MNCs often find it difficult to develop global HRM systems that are internally consistent and effective across all locations (Schuler, Budhwar and Florkowski, 2002). Balancing sensitivity to local conditions against the desire to create integrated HRM systems that knit together the many parts of an MNC into a coherent global organization remains a rather significant challenge (e.g., see Pinsky, Kuss & Hoffmann, 2010; Tarique and Schuler, 2010).

Environmental sustainability is of considerable importance to many MNCs, which face significant regulatory, political and social pressures from governmental and nongovernmental agencies, environmental activists, employee unions, and consumers around the world. As the attention of various countries becomes increasingly focused on environmental sustainability, regulatory, political, and social pressures will shift as well. The dynamic state of the institutional forces creates an ideal situation for research that examines how MNCs respond.

Despite wide variation in the institutional environments that influence HRM systems (e.g., Florkowski, 2006; see also Lo, Egri, and Ralston, 2008; Waddock, 2008), recent studies indicate that HRM systems around the world are becoming more similar—that is, they are converging (Brewster, Mayrhofer, and Morley, 2004). The process through which convergence occurs is not yet understood. New insights might be gained by studies that focus on environmentally sustainable HRM systems and attempt to answer questions such as:

- Does convergence in environmental regulations stimulate greater convergence in HRM systems, or are societal attitudes more powerful explanations of convergence?



- Does convergence of HRM systems progress more quickly within MNCs that treat environmental sustainability as one element of the “triple bottom line,” or in those that pursue environmental goals independently of other aspects of corporate social responsibility?
- What is the role of supply chain partnerships in stimulating convergence to a uniform HRM system that supports environmental sustainability?
- Does convergence of environmentally-friendly HRM systems facilitate the flow of talent and the development of strong trading relationships between and among subsidiaries in different countries?

### **HRM capabilities for environmental sustainability**

As a firm’s competitive landscape challenges it to respond to external forces, it puts pressure on the firm’s ability to adapt and change. To implement its strategy successfully requires a firm to build appropriate strategic capabilities (systems and processes) for transforming its resources and creating value. Of the many strategic capabilities a firm might use to implement its competitive strategy successfully, the development of systems and processes that enable the firm to align its human resources--e.g., the available skills and expertise, desired attitudes and behavior, learning capacity--is a priority.

The assumption that organizations can develop strategic HRM capabilities is one that is embedded in the logic of the strategic HRM literature, but this phenomenon is not well-understood. As more and more companies incorporate environmental sustainability into their strategic objectives, they are setting the stage for research on the development of HRM capabilities.

A topic that has received very little empirical attention to date is the process through which alignment of strategy and the HRM system occurs (Jabbour and Santos, 2008a, b). In a study of 94 Brazilian firms with ISO 14001 certification, Jabbour et al. (2010) observed that firms varied greatly in the degree to which HRM activities were aligned with environmental management, even in firms that had publicly declared their commitment to environmental sustainability. In some firms, human resource management practices such as job analysis, selection, performance evaluation, training, and compensation appeared to be unaffected by environmental management efforts. In other firms, the influence of environmental imperatives could be seen across all aspects of the HRM system. Furthermore, based on intensive qualitative data from 4 firms, Jabbour et al. concluded that some elements of the HRM system (specifically, performance evaluation, rewards, and public recognition) were perceived as particularly relevant for achieving environmental sustainability.

The need for a more complete understanding of the processes through which firms develop environmental management capabilities suggests several new directions for strategic HRM scholarship. Among the questions that such work might address are these:

- What explains the degree of alignment observed among the various organizational systems that are implicated in environmental management?
- What factors contribute to the speed at which the HRM system comes into alignment with other relevant systems?
- Are some evolutionary paths to alignment more effective than others? For example, are firms more likely to succeed in achieving alignment between their

HRM system and their environmental strategy by focusing initially on performance evaluation and rewards, or are the effectiveness of these dependent on first preparing the workforce through extensive socialization and training?

- How can firms assess the extent to which alignment exists? What are some of the early warning signs that indicate the HRM system is not well aligned?

### **Using the HRM system to promote change**

HRM scholars might also conduct research aimed at improving change management capabilities. Organization learning and creating internal alignment are two aspects of change management capabilities that are not well understood.

**Organizational learning.** As organizations embark on the journey to environmental sustainability, their change efforts reflect their current change management capabilities. As they progress in this new journey, some organizations will develop greater capacity for change. Strategic HRM scholarship that sheds light on how organizations develop and maintain their change management capabilities might provide useful knowledge that can be applied to help organizations evolve toward environmental sustainability more quickly, for long-lasting results.

Despite the lack of documentary studies, it seems likely that organizations that have had (successful or unsuccessful) experiences creating change in the past are better prepared for change efforts in this new arena, compared to organizations that have not recently attempted any major change. For example, prior success at creating large-scale change around business initiatives such as total quality management or customer service may have prepared an organization for future change by instilling a

greater appreciation for the value of conducting a rigorous needs analysis to gain an understanding of the specific attitudes and behaviors (including those of leaders) that are relevant to implementing environmental initiatives. Experienced organizations may also have learned the importance of strong and visible executive commitment to change efforts, the value of conducting small-scale pilot programs and evaluation studies to ensure that planned interventions are likely to achieve their objectives, and effective means for communicating with employees.

Education and training programs are among the first HRM initiatives that organizations turn to when embarking on a new strategic initiative (Strassner and Wood, 2009). Often, the goal is to change the organizational culture. Despite increasing investments directed at employee learning, however, it remains a significant challenge to ensure that education and training create learning that transfers to the job setting (Holton and Baldwin, 2003).

Organizational change efforts often employ education and training programs to communicate organizational values, inform employees about the changes being introduced by the organization (e.g., changes in performance evaluation criteria), and improve employee competencies that are believed to be relevant to the upcoming changes (Strassner and Wood, 2009). How effective are such efforts in creating cultural change? Two widely-used training approaches aimed at achieving behavioral changes are awareness training and skills training. Awareness training programs strive to change attitudes. The assumption of such training is that awareness is a necessary first step toward changing behaviors. Yet research on training programs that focus on changing attitudes has found that such programs seldom succeed in creating organizational

change (see Kulik and Roberson, 2008, who studied diversity training programs). Others have concluded that it is more effective to hold managers accountable for meeting measurable goals (Kalev, Dobbins, and Kelly, 2006).

Effective change management systems will surely include some traditional HRM practices, such as training and performance management, but more novel, experiential practices should also be considered. For example, at some organizations (including Google and Intel), employee gardens have been established on company grounds. Although they were introduced as an employee perk rather than for educational purposes, with a little imagination, employee gardening activities could be developed into educational experiences that teach principles of environmental sustainability. Perhaps voluntary participation in such experiences will prove to be more effective than formal training for educating and motivating employees to improve environmental performance (e.g., see Todd, 2010).

Strategic HRM scholars could begin to develop new knowledge about designing learning opportunities that extend over long periods of time, generate intrinsic interest, and lead to desired behavioral change. Practical knowledge is needed concerning questions such as:

- What types of activities are most effective in stimulating employees' desire to learn and in creating active employee engagement in environmental issues at work?
- Is repeated and regularized involvement in such activities for short periods of time more effective than intense immersion for one or two days?

- What percentage of the workforce needs to participate in order for their experiences to disseminate and influence nonparticipants? Does the answer depend on who participates (e.g., does participation of higher level executives speed up or slow down the diffusion process?)
- What types of activities stimulate the formation of social networks that serve as conduits for peer-to-peer learning and influence?

***Creating alignment within the HRM system.*** The increasing demand for interventions that address environmental sustainability also offer new opportunities to investigate processes for achieving alignment among elements of an HRM system as the change process unfolds. Studies of training readiness have shown that exposure to learning opportunities is more effective for employees who are motivated and psychologically ready to learn (Goldstein and Ford, 2001). It follows that the effectiveness of training and education opportunities might be enhanced when organizations include assessments of environmental learning readiness during recruitment and selection. In order to implement this principle, research is needed to determine how to identify degrees of individual readiness for learning related to environmental sustainability, and how to enhance learning readiness for employees who seem to be least receptive. Such knowledge is needed by employers who wish to develop an integrated approach to recruitment, selection and training.

One useful approach to creating alignment may be to involve employees in the design and implementation of environmentally sustainable practices. Employee participation in task forces and so-called “rapid results” change efforts (Schaffer and Ashkenas, 2005) may improve employees’ understanding of environmental goals as

well as help to ensure that training programs, measurement practices and compensation plans communicate the intended messages and provide the appropriate incentives.

Studies that demonstrate effective approaches for involving employees in the design of incentives and rewards for achieving environmental goals would be especially useful. Among the many practices that comprise an HRM system, incentives and rewards often are assumed to be the most powerful tool for establishing a “personal line of sight” that connects organizational and self interests. Scholars may not yet agree on their effectiveness, but managers generally assume that incentives and rewards can direct employees’ attention to the most important aspects of their work and motivate them to exert maximal effort. Poorly designed pay practices can lead to employee behaviors that maximize the performance being measured, while being detrimental to the interests of the employer, customers and/or the broader society. Too often, incentives encourage executives to use accounting and other tricks to achieve short-term results and enrich themselves. Increased use of executive stock options has been related to increased fraudulent activity (Benz and Frey, 2007; Denis, Hanouna, and Sarin, 2006). Rewards tied to performance against environmental objectives will not be immune to such abuse. Projects that shed light on the role of intrinsic and extrinsic motivators in achieving environmental sustainability is needed to answer questions such as:

- What approaches can organizations use to engage employees at all levels in the pursuit of environmental sustainability?

- Is it possible to identify, hire, and promote employees who are likely to embrace environmental policies because they believe it is important? Or, is it more effective to demand that employees follow environmental policies that are developed, monitored and enforced by management?
- How can organizations apply scholarship on the broad phenomenon of ethics to create an organizational climate that encourages employees to embrace “green” principles?
- What are the appropriate uses of formal discipline, punishment, and social pressure as means to encourage compliance with environmental codes?

### **From bureaucracy to engagement**

We exercise our free will when deciding to accept employment in a particular organization, calibrating how much effort to invest in our work, volunteering to join informal communities of practice, and so on. Clearly, employers need to understand how employees make decisions about whether to participate in organizational roles and activities. A substantial literature on organizational citizenship and new investigations of employee engagement provide some useful insights. Strategic HRM scholarship might also contribute to our understanding of how employers can inspire the passion and commitment needed to achieve the organizational changes sought by advocates for environmental sustainability.

An effective HRM system creates a setting in which employees’ behaviors are directed toward achieving strategic targets such as energy efficiency, waste reduction, zero emissions, and other sustainability goals. Internal alignment among the elements of an HRM system supports “*the shared perceptions of employees concerning the*



*practices, procedures, and kinds of behaviors that get rewarded and supported in a particular setting*" (Schneider, White, and Paul, 1998, p. 151). But is tinkering with elements of the HRM system sufficient to ignite the full potential of an organization's workforce? Will the current, rather bureaucratic, top-down approach to strategic HRM be adequate?

Employees attend to numerous cues, which together influence their daily behavior. Job descriptions, work goals, rewards and recognition are among the most explicit cues that guide behavior. Employees also learn behavioral norms by attending to the actions of others and the consequences associated with those actions. And employees are self-directed, too.

Employers who seek to develop more engaging workplaces recognize that employees' feelings about the organizations they work influence a wide range of discretionary behaviors. According to a recent survey of Canadian firms, employee engagement is associated with more positive views of a company's reputation for corporate social responsibility. One interpretation of the study's findings is that employers who invest in socially responsible management practices (e.g., including recycling, reduced business travel, community involvement) reap a return that is paid back in the form of more responsible environmental behaviors (Hall, 2010). Thus, perhaps the most significant question to address is:

- How can the free will and idiosyncratic interests of employees be addressed and leveraged by employers as they strive to engage the hearts and minds of employees for the purpose of achieving environmental sustainability?

## **Barriers to Greening Strategic HRM**

We began this article by noting that scholarship on strategic HRM and environmental sustainability has been slow to sprout. Next we described some opportunities for scholarship that could advance the practice of environmental sustainability while at the same time advancing strategic HRM scholarship and practice. We are optimistic about the future of such work, but progress will require overcoming several barriers. We briefly acknowledge these in hopes of strengthening readers' resolve to overcome such obstacles.

### **Apathy**

Apathy is perhaps the single most significant barrier to the development of an improved understanding of the role of HRM in achieving environmental sustainability.

Environmental scientists have amassed substantial evidence that seems to indicate irrefutably that planet earth is changing in ways that pose a variety of threats to life as we know it. Much of this evidence has been synthesized and interpreted by the Intergovernmental Panel on Climate Change, which received a 2007 Nobel Peace Prize Award for its extensive work. Yet, the general public does not rank environmental issues as among the most important challenges of today.

What reasons do people give for their own lack of engagement? According to a survey of members of the public in the United Kingdom, there is a long list of barriers to public engagement around the issue of climate change, including lack of knowledge, uncertainty and skepticism, distrust of information sources, externalizing of responsibility, threats are viewed as being far off in the distance, other things are more important, reluctance to change personal lifestyles, fatalism, a feeling that one's own

individual actions are a drop in the bucket, and the view that government and business should be leading the change efforts (Lorenzoni, Nicholson-Cole, and Whitmarsh, 2007).

Fortunately, governments and business leaders are beginning to express interest in environmental sustainability issues (Carbon Disclosure Project, 2009). But American HRM managers in particular appear to feel little sense of urgency or responsibility for achieving environmental goals. How soon these attitudes will change is difficult to predict. In reporting the results of its recent corporate survey, McKinsey and Co. (2010) stated that 39% of respondents indicated that “attracting and retaining talent” was a “very important reason” to attend to sustainability issues. Such data seems to provide some basis for optimism, but it must be noted that in this survey, sustainability was used to describe a broad set of issues related to the environment, social concerns, and corporate governance.

The lack of concern about environmental issues among members of the workforce and within the HRM profession presents a significant barrier for HRM scholars, who have relied on the cooperation of HRM professionals to conduct their research. Perhaps new research partners should be sought out by scholars working at the intersection of strategic HRM and environmental sustainability. Rather than focus on partnering with HRM professionals, HRM scholars may find it more fruitful to partner with those who are leading the way in their organizations. According to one recent study, the organizational units that are likely actively leading environmental sustainability initiatives include those with titles such as Corporate Social Responsibility, Environmental Safety and Health, and Marketing and Sales; less active in leading the

way to environmental sustainability are units with titles such as Human Relations (National Environmental Education Foundation, 2009).

### **Complexity**

Complexity is another barrier that must be faced by strategic HRM scholars interested in conducting useful research on environmental sustainability. Business activities can influence the environment—positively or negatively—in myriad ways; they can threaten or enhance water supplies, air quality, plant life, and/or animal habitat. Designing and evaluating effective interventions requires an understanding of the environmental consequences associated with an organization’s operations, supply chain, distribution processes, customer behaviors, product life cycles, and so on.

Furthermore, the means by which an HRM system can create value in the quest for environmental sustainability will likely differ across industries. For example, a survey of 500 executives in the largest corporations in the world revealed that those in four industry sectors—oil and gas, electric utilities, beverage/tobacco/food, and insurance—were most concerned and engaged in taking adaptive action (Carbon Disclosure Project, 2007).

It seems apparent that HRM scholars working in their narrow silo of expertise and attempting to develop generic models of strategic HRM will find it difficult to accurately specify the components of HRM systems that contribute to achieving specific environmental goals in specific organizations. Nor is it likely that significant results will flow from one-shot, short-term or highly focused interventions—i.e., the types of interventions that lend themselves to publication in management journals. Collaborative efforts that cut across functional, disciplinary and organizational boundaries and extend

over substantial periods of time will be required to effect change and document the outcomes (e.g., see Harris and Crane, 2002; Harmon, Fairfield, and Behson, 2009).

Multi-level complexity adds additional complications. As is true for most strategic issues, developing a strategic HRM system to support environmental sustainability requires addressing issues at multiple levels of analysis, including individuals, organizations, political-economic systems, social-cultural spheres, and ecological systems (Starik and Rands, 1995). At the individual level of analysis, there is the need to conceptualize and develop measures of the relevant attitudes and behaviors of individual employees, line managers, CEOs, HR professionals, and so on. These individuals are embedded in business organizations, which have been the traditional focus of strategic HRM scholarship. Other organizations that may also attract greater attention include several players in the human resource supply chain as well as groups whose activities are likely to shape employees' attitudes toward environmental issues (e.g., schools, professional associations, talent agencies). In the U.S. and Europe, the political-economic level of analysis is increasingly relevant as government agencies and NGOs as they have become increasingly engaged in promulgating new laws, regulations and guidelines.

Such complexity presents obstacles, but it also creates opportunities. Tackling a multidiscipline, multilevel problem like environmental sustainability will lead HRM scholars to develop enriched theoretical models and new approaches to data collection and analysis. In the best case, even the methods we use to disseminate and share what we learn will become more effective.

### **Confusing terminology**

Although less significant than apathy and complexity, the lack of clear terminology regarding the use of the term “sustainability” is another obstacle. We have focused on the issue of environmental sustainability in this article, yet we recognize that a substantial body of work imbues the concept of sustainability with other meanings. For example, “sustainability” and “sustainable development” are often used in research growing out of the literature on corporate social responsibility, where environmental issues are treated as close partners with social and economic issues (e.g., Ehnert, 2009; Jabbour and Santos, 2008; Harmon, Fairfield, and Behson, 2009; Mirchandani and Ikerd, 2008; Savitz and Weber, 2006). Adding to the proliferation of terms, Pfeffer (2010) used the term “sustainable HRM” to draw attention to internal workforce issues, such as safety, health and well-being. Implicit in his treatment is the assumption that environmental and workforce issues are in competition with each other for management attention. Alternatively, “socially responsible HRM” has been suggested as an appropriate term to use when the focus is human rights and collective bargaining (Müller-Camen, Parsa, and Roper, 2010).

Until scholars, practicing managers, and consultants worldwide reach some consensus in their use of terminology, the confusion that often arises when similar terms are used to refer to different issues presents another barrier to progress. In this article, we avoided the use of an overarching descriptor to refer to work at the intersection of strategic HRM and environmental sustainability, but we realize that this is not the final solution for addressing the terminology barrier.

## **Careerism**

If HRM scholars hope to provide useful, actionable knowledge to organizations, we will have to give serious thought to the implications for our careers. Can useful research be conducted sufficiently quickly and rigorously to meet the expectations for professors who are expected to publish in top-ranked management journals? Is the topic of environmental sustainability considered marginal in the departments and schools that employ strategic HRM scholars? This field is still relatively young and small; so will citations by others be smaller than our deans hope to see, and choose to reward?

Hundreds of college presidents have pledged to increase their focus on sustainability issues. Many universities now devote significant space to sustainability initiatives in their strategic plans, and several have created administrative units focused solely on sustainability. New ranking entities have emerged to rate and rank universities on their commitment to environmental sustainability. Is a new day dawning? Or will it be business as usual in most universities for many more years to come?

### **Conclusion**

During the past decade, a few leading firms began to shift from exploiting the environment to seeking environmental sustainability (Schot and Fischer, 1993; Winn, 1995). Changes in corporate perspectives vis-à-vis the environment are evident in written policy statements, “environmental” job titles, attention devoted to managing relations with environmental groups, marketing strategies, decisions about capital investments, auditing practices, new product design and development, and production processes (e.g., see Ambec and Lanoie, 2008; Hoffman, 1997; Molina-Azorín et al, 2009; Sharfman and Fernando, 2008). Some corporate leaders realize that being

environmentally responsible is consistent with their desire to achieve competitive advantage.

Given that both the field of strategic HRM and corporate attention to environmental concerns are relatively recent phenomena, it is perhaps not surprising that we see so little research at their point of intersection. It is time to change this state of affairs. The costs of environmental degradation are rising, as are the benefits of environmental protection and renewal. The time has come for research that strives to provide useable answers to questions of practical significance in organizations. Like other management scholars, those who focus on strategic HRM must surely agree with the words of Tom Cummings, who stated in his 2006 Academy of Management presidential address:

“ the future vitality and success of our profession depends on making sure our research based knowledge is relevant and useful. This will require [us]. . . to be far more engaged with the real world than has traditionally been the case” (Cummings, 2007: 355).

Working at the intersection of strategic HRM and environmental sustainability provides an opportunity to address a pressing real-world problem while also developing a new knowledge that advances our scholarship. Such research can serve as a bridge between the field of HRM and other disciplines, while also creating new knowledge that better reflects the inherent multilevel complexities (Hitt, Beamish, Jackson, and Mathieu, 2007).

We are hopeful that a new generation of scholars interested in strategic HRM will conclude that the opportunity to engage in scholarship that contributes to the



development of environmentally sustainable organizations is too exciting to be deterred by the barriers they encounter along the way.

Readers who wish to pursue this topic are invited to begin their journey by visiting [www.greenhrm.org](http://www.greenhrm.org), which provides a variety of relevant resources for use in teaching, research and practice. Those who are members of the Academy of Management are invited to participate in the GreenHRM Group using that organization's AOM Connect platform. We look forward to meeting you there!

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### **About the Authors**

**Susan E. Jackson** is Distinguished Professor of Human Resource Management, School of Management and Labor Relations, Rutgers University. She earned a PhD in social and organizational psychology from the University of California—Berkeley. She currently serves as President of the Academy of Management. Her recent interest in

environmental sustainability is an extension of her prior research on strategic HRM, work team effectiveness, and knowledge management. She can be reached at [sjackson@smlr.rutgers.edu](mailto:sjackson@smlr.rutgers.edu).

**Janghoon Seo** holds a Masters in Human Resource Management from Rutgers University and is currently a doctoral student of Managerial Science at Georgia State University. He is a member of the OB, HR and ONE divisions of Academy of Management. His research interests include strategic HRM, organizational behavior, and environmental sustainability. Janghoon can be reached at [jseo7@student.gsu.edu](mailto:jseo7@student.gsu.edu).