

**Strategic HRM: Transforming its Responsibilities towards Ecological Sustainability
(the greatest global challenge facing organizations).**

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ABSTRACT

If we are to move to a more sustainable world, all actors including governments, organizations, communities and individuals, need to play their part in committing to a shift in the way we live our lives. This conceptual paper explores the challenges that face the HRM profession in moving to a strategic position that supports the requirements of the biophysical environment. We argue that this is becoming an imperative for the future survival and success of organizations large and small, and thus is likely to be a key 'modus operandi' for HRM professionals into the future who are looking to embed ecological sustainability into their organizations. This paper offers new insights into developing business strategies for ecological sustainability, highlighting the implications for strategic HRM activity through organizational effectiveness, leadership, values and ultimately HRM processes and systems.

Keywords: Strategic HRM, ecological sustainability, transformational strategy, organizational effectiveness, leadership, values, change.

Introduction

In HRM research and practice, the concept of sustainability has been predominantly used to refer to organizational performance and more specifically how high performing individuals and high performance working translates into performance that is sustainable over the long term (Chartered Institute of Personnel and Development, CIPD, 2010). However, the wider debate about sustainability centres on one of the most challenging issues facing all human beings and that is our lack of ecological sustainability (Borland, 2009a; Lovelock, 2000). According to the Living Planet Report (2010), humanity now consumes at a rate 50% higher than the Earth can regenerate sustainably. It takes 1.5 years for the Earth to produce the resources we use in a single year and we will need the capacity of two Earths by 2030 to keep up with natural resource consumption and absorb CO₂ waste, and almost three planets by 2050. This raises many questions about existing business models and practices, and also for the implications for business strategy and leadership, including both the opportunities and threats. Yet whilst the business and academic community are beginning to embrace these challenges (Long, 2008), the contribution of human resource management has been very limited. However, if we are to try to move to a more sustainable world, all actors need to be involved. In the organizational context, HRM with its role in employee engagement and organizational development is uniquely placed to provide leadership in transforming businesses towards an ecologically sustainable future (Jackson et al., 2011).

Ecological sustainability is defined by Porritt (2007, p. 34) as the capacity for continuance into the long-term future, living within the constraints and limits of the biophysical world. He further distinguishes between ecological sustainability, sustainable development and environmental management. The latter two focusing on human needs and development and the former focusing on the needs and development of all species of which

human-beings are just one, with the assumption that human beings need other species for their survival and long-term success.

Our current global un-sustainability is manifest in a number of environmental ‘symptoms’ such as climate change, extreme weather conditions, ozone depletion, food and water security issues and so forth which, in turn, are caused by the core drivers of our global un-sustainability identified as: population growth and over-population, energy consumption and over-consumption, habitat destruction, human institutions, human psychology and our lack of a sustainability vision (for more detail see Borland 2009b). This leads us to question whether our current business models and practices are sustainable and to consider the strategies that are driving organizations and society in a direction that is destructive to the environment, other species and ultimately destructive to future human society (Clifton & Amran, 2011; Porritt, 2007; Purser et al., 1995). It is what Starkey (2008) refers to as our “fascination with a particular form of finance and economics” and the dominance of markets and the market metaphor that pervade assumptions and language in business strategy.

Concerns regarding social and ecological sustainability are thus normally considered as “externalities” which create a disconnect between business, social and environmental issues. This has created a danger that decisions in business are now dominated by market considerations, and the societies they are there to provide the goods and services for (and the Planet on which we live) are seen as subservient (Isdell, 2010). Yet without the Planet and its unique ecology, economic sustainability will be very limited (Unruh, 2008). As Davis (2005, p.69) argues, shareholder value is constantly put at stake because of fundamental ecological and social issues that ultimately feed into the drivers of corporate performance.

So how can HRM influence a move to more ecologically sustainable organizations? It has been argued that HR professionals, in taking a more unitarist view of their role in

supporting the business case, have lost sight of their roots and importantly, the essential role of adding value through human and societal responsibilities (Kochan, 2007). The desire to see effectiveness in terms of the 'bottom line' also affects HR managers' views of the 'green agenda' (Jackson & Seo, 2010). According to a survey conducted by the Chartered Institute of Personnel and Development (CIPD), many HR managers criticize Green HRM as 'wishy-washy', 'not proved', and a form of 'extremism' and some believe that HR managers should avoid 'jumping on political bandwagons [such as environmental management] that do not support the profitability of our organizations' at a time when the field of HRM is 'striving to be taken seriously by business' (CIPD, 2007, p. 3-4). Yet the integration of strategic HRM and ecological sustainability is probably the most important development in the field in recent times, it also offers an opportunity to break away from the narrow economic interpretation of what 'strategic HRM' means (Jackson & Seo, 2010).

If HRM is to provide a 'sustainable' competitive advantage, it will need to consider how it can transform itself in the face of global ecological shifts. Strong leadership, and a different kind of leadership, will be needed, to direct the change towards sustainability (Pirson & Lawrence, 2010; Stead & Stead, 2004). But, also, it is the 'employee champion' (Ulrich, 1997) that can use its professional expertise and influence to guide the key instruments of organizational change and promote innovation in this area (Nidumolu, 2009). Other articles in this special edition address important related issues including the examination of the relationship between psychological contract fulfilment and organizational performance and, training and development roles and structures which call on work from strategic choice theory, institutional theory and co-evolutionary processes theory (Di Maggio & Powell, 2001; Farndale & Paauwe, 2007). HRM in research and practice is concerned with all aspects of employee engagement, organizational values, culture, and changing attitudes and behaviour. It is also responsible for the processes, policies and practices that are critical

to implement such changes. Thus it can be argued that of all the business professions, HRM is the best placed to provide leadership, drive and innovation to influence individuals, groups and all organizational actors towards embracing more sustainable attitudes and behaviours.

The aim of this paper is to examine some of the key constructs that will be necessary for future strategic HRM activity to make a transformational change towards ecological sustainability possible, and also to consider what transformational organizational strategies might look like when ecological sustainability is taken into account.

We begin this paper by identifying some theoretical contributions in the areas of organizational effectiveness, leadership, values and change. Next we turn to two differing philosophical orientations that can identify an individual's core cultural values and beliefs and thus influence individual behaviour and how we treat the world around us. These two orientations lead us to identify two business strategy types: transitional and transformational strategies. From these strategies we are able to consider thoughts and implications for strategic HRM research and practice that are concerned with organizational transformational change towards ecological sustainability and a vision for a sustainable organizational future.

Theoretical considerations

Organizational development

We have previously identified HR as having an important role in organizational development (OD). OD has its roots in the human relations movement and the evolution of training and development (Garrow, 2009) and tends to be associated primarily with change interventions. Rooted in behavioural sciences, OD has set out to enhance individual development and organizational performance through changing behaviour (Porras & Robertson, 1992) (a vital component in the shift towards ecological sustainability).

Traditionally, OD approaches have been perceived as problem solving and self-

reflexive and more often apply in response to takeovers, mergers, changes in organizational structures or for new ventures. Conventional OD can be seen as indoctrinative and unitarist in its approach, partly because the original studies did not take account of the cultural context but also because, it is argued, the mechanistic nature of its implementation, can be counter-productive (Francis et al., 2012).

Marshak and Grant (2008) argue that 'new' OD practices need to be based on fundamentally different philosophical assumptions. They distinguish OD from general change management by its underpinning humanistic values: respect for human dignity; integrity; freedom; justice and responsibility. They suggest that for OD to be successful, multifaceted approaches are needed, approaches that are more about enabling organizational learning (that seek to allow the organization to better adapt and cope with its own challenges as it defines them through empowerment, openness and collaboration). In line with this, Ruona and Gibson (2004) argue for the emergence of 21st century HRM as a 'meta-profession' that will accommodate multiple fields under its umbrella; and suggest that the current focus on people, systems, strategic alignment and capacity for change require a far more integrated approach for all HRM, HRD and OD professionals.

These calls go some way to responding to the criticisms and shortcomings of conventional OD but it can be argued that to address the complexity of contemporary organizations and the challenges they face there is a need for a more transformational approach. Francis et al., (2012) are developing new thinking which they refer to as a new organizational effectiveness (OE). Our current paper seeks to explore this new thinking in relation to HRM's strategic role in embracing ecological sustainability within the organization.

This new OE blends elements from different, and sometimes competing, contemporary forms of OD and HR. It can be viewed as a transformational framework which

accommodates sensitivity to four themes: the power of language; authentic mutuality; managing ambiguity and paradox, and building leadership capability. Together, these themes challenge current orthodoxies about power and politics that are rarely mentioned within the mainstream management literature (Francis et al., 2012). In the conceptualization of the new OE, language, knowledge and power are treated as being irrevocably connected, a more sophisticated notion of the human being as ‘agent’ is presented, and the role of context in shaping their capability to ‘take a hand in shaping their lives’ is considered (Bandura, 2000, p. 75; (see also Fleetwood & Hesketh, 2010).

OE thinking suggests that practitioners in the OD/HRM disciplines need to be more sensitively aware of these themes and infuse them, in a contextually appropriate fashion, into their policies and practice (Francis et al., 2012). OE explores a range of contemporary issues, framed within broader debates about changing socio-political and economic climates and their effects upon how we view ‘sustainability’ both for the organization and the wider society.

Leadership

One of the key themes of organizational effectiveness; building leadership capability is also central to the debate for developing business strategies for ecological sustainability. Effective leadership is key to organizations embracing a positive approach to sustainability. Leadership is also not confined to specific roles within organizations and manifests itself across and throughout organizations. HRM’s position as the key interface with management and employees of the organization lends itself to taking a leadership role in relation to issues that require innovative interventions. It also provides HRM with the opportunity to demonstrate their ‘strategic’ contribution to wider organizational values rather than constantly competing to prove their financial credentials.

In reviewing approaches to leadership studies there are a range of theories to consider from trait theories, that examine the qualities or characteristics of leaders; behavioural theories that explore the actions of leaders and in particular the way in which they behave towards their 'followers'; contingency theories that look to the situations leaders operate in and finally transformational theories that distinguish between transactional (based on mutually beneficial forms of exchange) and transformational strategies (looking beyond immediate personal concerns to longer term and collective achievements (Yukl, 2006). Whilst there is merit in the variety of approaches, recent research has concentrated on transformational leadership because the increasing complexity of organizations and the high levels of uncertainty experienced by leaders, their staff (and the whole organization) require more sophisticated approaches (Nahavandi, 2009). Most of the research in this area looks at issues relating to team leadership, acting as a catalyst for change or as a strategic visionary. Within transformational approaches researchers have also proposed charismatic, servant and spiritual leadership styles (Bass & Avolio, 1993).

One development that chimes with growing global concerns in relation to ecological sustainability has been the emergence of studies in authentic leadership (Avolio & Gardner, 2005). According to George (2003) we need authentic leaders, people of the highest integrity, committed to building enduring organizations; leaders who have a deep sense of purpose and are true to their core values; leaders who have the courage to build their companies to meet the needs of all their stakeholders and who recognize the importance of their service to the Planet and to society. In practice this means they demonstrate a passion for their purpose, practice their values consistently, and lead with their hearts as well as their heads. They also establish long-term, meaningful relationships and have the self-discipline to get results. In essence, they know who they are (Gardner et al., 2005).

An interesting development to authentic leadership draws on hermeneutic philosophy

and suggests that authenticity is best achieved through a narrative process in which others play a constitutive role in establishing the core values (Sparrowe, 2005). This calls for a more consensual approach to leadership, one that requires consent from the workforce rather than just control. This idea fits with the ‘employee champion’ position of HRM and the new OE approaches that call for an emphasis on employee engagement. Powley (2004) suggests that the use of command and control inevitably fails within complex systems and alienates people by treating them instrumentally. Complex adaptive systems naturally demonstrate self-organization and emergence rather than respond to top-down planning and call for more sensitive OD interventions. One of the key responses to the needs of complex systems has been the growing use of organizational development interventions (Chapman, 2002). The new OE attempts to respond to this by taking a multi-faceted approach to complex systems, including changes such as those required to shift to a more ecologically sustainable organization.

Values

Value statements have become a popular tool in organizational communication, used as ‘shorthand’ for how the organization does business and importantly how it believes it is perceived by its stakeholders (Fisher & Lovell, 2006). Within the organization, it is HRM that often plays a key role in the establishment of values and this provides the opportunity to influence its orientation. Critical to the success of organizational values, especially in relation to ecological sustainability, is the extent to which they are integrated throughout the organization (Howard-Grenville, 2006). This means living them through all systems and processes, and especially those that influence employee behaviour, and are thus primarily those for which HRM is responsible. In developing core values for leadership ones core belief structures are also exposed for examination. In creating business strategies and leadership for ecological sustainability core belief structures and core values both need to be

transformed and, in particular, an ecocentric orientation is desirable (Purser et al., 1995) as we explain in the next section.

Stead and Stead (2004) identified eight instrumental corporate values to guide companies who have a core value of sustainability. These eight instrumental values are: wholeness, posterity, community, appropriate scale, diversity, quality, dialogue and spiritual fulfilment. To this list we add: holism, homeostasis, synthesis, transformation, complexity, quality of life, co-operation and competition. As anticipated, there is a noticeable cross-over between the two lists.

Rokeach (1973) defines values as a small number of core ideas or cognitions present in every group or society designed to achieve desirable end states. They are also the vocabulary of socially approved goals used to motivate action, and to express and justify the solutions chosen. They are the drivers of behaviour, including workplace behaviour (Schwartz, 1999). Values are a fundamental characteristic that both employees and organizations share, operate at multiple levels (societal, organizational and personal) and play an important role in shaping the organization's culture with regard to a shift towards greater sustainability.

Schwartz (1994) provides four useful perspectives on the origin and usefulness of values and how they are aligned with behaviour. First, values are cognitive structures which support the interests of some elements of the social environment. Second, values motivate behaviour by providing direction and emotional intensity to action. Third values are standards to judge and justify action. Finally, values are acquired both through socialization activities and an individual's unique experiences. This can include religious and/or faith-based influences which is interesting because most of the world's main religions have basic tenets about protecting the environment and not harming other species (Zohar & Marshall, 2000).

This recognizes that individuals already have values and given the opportunity would like to act on them (Gentile, 2010).

Culture, change and communication

The themes of culture and communication are often cited as key areas for HR involvement and Legge's (1995) work highlights the management of culture as a central activity, indeed a distinguishing feature, in normative HR models. Such models convey the organization's core values through an integrated and internally consistent set of HR policies (p. 75), thereby enacting a 'strong' culture. One of the enduring problems with the traditional literature on culture has been to assume that organizations are homogeneous. Simply taking a positivist, structural-functional view of culture as a core variable that the organization has and can manipulate to its own ends suggests courses of action which may serve to provide support for workplace behaviour, but overlooks the more phenomenological perspective of culture as systems of shared cognitions and meanings.

The challenge here is that the change required to enable a shift towards sustainability may not be one of macro structural change but a more subtle change of values. Burnes (2009) framework is one which is responsive to a turbulent environment but is likely to result in a relatively slow transformation as it focuses on behaviours and attitudes rather than structures and systems. This is not to say that structure and systems are irrelevant, more that they support and enhance the values change rather than drive it. In such a context the dominant approaches to change are by necessity participative and experiential. They rely on education and modelling of appropriate behaviours in order to bring about learning and acceptance rather than simply writing a new set of procedures or introducing a new list of regulations.

Such change, however, can be more difficult to bring about than might at first appear. In that it is related predominantly to the 'hearts and minds' of employees, rather than financial or technical structures and systems, and thus it appears to be vested solidly in the

HR role. It also requires HR professionals to see part of their responsibility to sensitively engage with all areas of the organization to facilitate the development of a culture that is consistent with its values. However, values should not only be espoused but also enacted. Many organizations include references to ‘sustainability’ in their literature and on their websites but this can be driven by perceiving it as a ‘competitive advantage’ that has more to do with public relations than genuine engagement. A move to more sustainable organizations requires a commitment beyond ‘recycling’. This can be an issue of education but it also involves developing an understanding of how to enact good intentions. This can also include exploring areas of good practice as well as perceived and actual barriers. In short, what makes it possible for individuals and organizations to make the connection between the information they have, what they need to do in practice and their behaviour.

In the following section we highlight two different philosophical orientations of ecological sustainability, which, respectively, influence the core of an individual’s value system and beliefs and hence their behaviour and approach to sustainability within a business context.

Background Philosophical Orientations for Transformational Change towards Sustainability

As part of strategic HRM activity, its emphasis on OE, and the shift in values necessary to provide transformational change towards ecological sustainability, we need to, first, consider the philosophical orientations in the strategic ecological sustainability literature. There are currently two main orientations; anthropocentric and ecocentric (Purser et al., 1995). The anthropocentric orientation is the one we all recognise which is characterized by the notion of human exemptionalism. It views that humans, unlike other species, are exempt from the constraints of nature and that the whole of nature exists primarily for human use and has no

inherent value of its own. This perspective is reflected in a belief in abundance and progress, unlimited economic growth and prosperity, faith in science and technology, a commitment to a laissez-faire economy, limited government planning and intervention, and private property rights. It illustrates the modern Western worldview, that suggests that land not used for economic gain is wasted and that individuals have the right to develop land for economic profit and do with it as they see fit (Kilbourne, 1998; Purser et al., 1995).

The anthropocentric orientation is embedded in our modern Western society, yet, it is not the one that will establish ecological sustainability within organizations (Borland and Lindgreen, 2012; Purser et al., 1995). The alternative ecocentric orientation is the one that we are interested in to help us establish a greater sustainability ethos, set of values and culture within our organizations. The ecocentric orientation is characterized by the belief that ecosystems have inherent worth in maintaining planetary homeostasis and all life. It reflects the notion of holism, integration and synthesis, and that human cultural systems need to function within the safe operating limits dictated by ecosystems. In this orientation the integrity of ecosystems is seen as paramount and, consequently, animals and plants have as much right to exist as humans. There is also an underlying belief in the need for responsibility towards plants, animals, wilderness and the Planet (Dunlap et al., 2000; Purser et al., 1995).

Rolston (1994) identified that from the ecocentric perspective the main issue is one of conserving natural values that do not place the health of ecosystems at risk. Leopold (1970) envisaged that human beings would evolve as they moved from an anthropocentric to an ecocentric ethic. Whilst Zohar and Marshall (2000) reported higher levels of spiritual intelligence associated with ecocentric and sustainability values. This degree of radical change in beliefs, values and ethics can be, psychologically, challenging for some individuals (Borland and Lindgreen, 2012; Naess, 1995; Ketola, 2008). However, the more rooted one

becomes in understanding its principles, the more logical ecocentrism seems; to a point where anthropocentrism ceases to make sense (Borland and Lindgreen, 2012). The ecocentric orientation offers new insights into how managers and employees can make the necessary changes in values, attitudes and behaviours.

In order to adopt an ecocentric orientation a new type of leadership will also be needed with values that match this much broader, and more complex organizational brief. As discussed earlier, transformational leadership, and particularly, the spiritual style, with the inclusion of authentic leadership knowledge, understanding and engagement is the most appropriate style for the ecocentric orientation. It should also be mentioned here that adopting an ecocentric approach does not exclude the organization from making products and profits, as we explain in the next section.

Developing Transformational Business Strategies for Ecological Sustainability

Within the anthropocentric orientation there exists a fundamental business assumption that the economy can continue to grow forever in a closed business system cut off from nature, and that resources for products are infinite (Stead and Stead, 2010). Pictorially this can be illustrated as a solid circle within a dotted circle that represents the natural environment. This assumption, which is the basis of all existing business models and practices is, unfortunately, a fallacy. Instead the reality is that it is the natural system (the global ecosystem) that is the closed system, with only sunlight entering as an infinite source of energy. This means that all the resources we have on Earth are already here. It also means that any wastes we produce do not go anywhere, they stay with us on the Earth and accumulate over time. Keeping this major assumption in mind we soon realise that existing conventional business theories and models do not give us a true picture of the situation and that one day we will run out of resources and places to put our wastes, if we continue as we are. A number of authors have

explored alternatives (Hart, 1997, 2007, 2011; McDonough and Braungart, 2002; Stead and Stead, 2004, 2010). The basic assumption behind these alternative business models is that businesses need to be open to the natural world in order to benefit from what it has to offer ie. an open business system within a closed ecosystem. Strategies for ecological sustainability address this alternative scenario.

Transitional strategy

The first alternative strategy type is referred to as a transitional strategy because it is the first step in a move to an ecologically sustainable strategy (a Transformational Strategy). Transitional business strategies are, however, still anthropocentric in orientation and they operate in a closed, linear, cradle-to-grave way. Transitional strategies adopt an eco-efficient approach (McDonough and Braungart, 2002) and also embrace the 4Rs - reduce, reuse, recycle and regulate. In one positive respect this approach encourages the reduction in the use of precious commodities such as minerals, metals, petroleum, electricity and gas, and in a second it considers what should be done with waste materials by recycling them. However, these assumptions do not fundamentally embrace the sustainability agenda. Operating in such a way does not change how firms make products or how consumers dispose of them at end-of-life. Most recycled products eventually end up in land-fill sites or incineration plants because recycling often downgrades the fibres and materials used to the point where they become useless for making new product. Businesses that use transitional strategies, thus, still operate within a closed business system with very little interaction, inter-relationship or responsibility towards employees, society or natural ecosystems.

Transformational strategy

Transformational strategies are ecocentric in orientation. The assumption here is that business strategies should be concerned with eliminating waste and toxic chemicals from being created and/or deposited in the environment. Businesses seek to achieve eco-effectiveness

(McDonough and Braungart, 2002). Rather than closing the economic and business system off from society and nature, the aim is to open it, to integrate, emulate and mimic natural cycles, thus allowing materials to pass through ecosystems. Nature's cycles are cradle-to-cradle and closed-loop in which nothing is wasted. Waste from one activity becomes food for another activity. Expressed differently, the assumption for businesses which opt for a transformational strategy is that as resources on Earth are finite and limited it makes sense for them to begin to understand that resources need to be reused again and again without recycling them, downgrading them, discarding them, and without producing toxic compounds that cannot be disposed of.

Businesses achieve eco-effectiveness by, first, using only safe materials, referred to as bio-materials, in the ecological system and, second, by keeping anything that nature does not recognize and cannot break down out of the ecological system by circulating it continuously in the industrial system, these are referred to as techno-materials. In order to successfully implement a transformational strategy, an organization needs to adopt a 'sustainability vision' (Hart, 1997; Hart and Milstein, 2003). Leaders and managers need to have the mindset that tells them that, long term, the Planet's homeostatic balance is the most important consideration and they need to believe that nature and humans, together, form ecosystems and that their organizations have a role to play in sustaining and enhancing ecosystems. In order to do so, businesses need to engage creatively with physical and human ecosystems in order to create HRM/OE strategies that are consistent with ecological sustainability.

There are a number of HRM benefits that become apparent from a transformational strategy. A corporate values change is the first. It has been stated that values have become the shorthand for the way an organization perceives itself and hopes to be perceived by its stakeholders. HRM has the opportunity to place ecological sustainability at the core of its value system but, as discussed earlier, to be effective it must be evident throughout the

organization. One example of this is Nestle who, in response to widespread criticisms, radically revised its approach. ‘Creating shared value’ is the term it uses to describe its approach to sustainability and responsibility. This it sees as key to its success in the long term. Similarly, RICOH has won numerous awards over many years and has been consistently included in lists of ‘the world’s most ethical and sustainable companies’. “Everything we do at RICOH is measured against three values: harmonising with the environment, simplifying life and work, and supporting knowledge management. We are committed to our values in addressing not only the present but also the long term, in improving the environment for future generations”.

This also emphasises the second area, the development of a longer-term strategy (more than 25 years) with a focus on sustainability. Short-term strategies can be damaging to economic viability but are disastrous for ecological sustainability. In November 2006 Siemens nearly went out of business because they forgot the words of their founder, “I won’t sell the future for short-term profit” (Werner Siemens, 1848). Aligning societal and environmental purpose with values and strategy requires looking not just at profit for profit’s sake but profit with purpose. Nick Main, Global Sustainability Leader of Deloitte (2011, p. 2), argues that we should try to “imagine a world where business is celebrated for its contribution to society and the environment”, rather than the continual stream of corporate scandals, and suggests that business should be based on the broad foundation of the ethical good: The delivery of benefits (products and services) that improve human existence in the context of a resources-constrained world.

The third is an opportunity for transformational and authentic leadership. To be effective, leadership needs to be seen at all levels of the organization. Top-level role modelling is important but individuals throughout the organization need to be empowered to take ownership of sustainability initiatives. For example, RICOH’s zero waste policy has

been primarily achieved through staff suggestion initiatives. Finally, there is an opportunity for behaviour change towards sustainability throughout the organization which will benefit the organization both culturally and commercially. HR is uniquely placed to make a difference in moving to a more ecologically sustainable organization by using its role in shaping the culture, attitudes and actions within the organization. The companies referred to above, see ecological sustainability as crucial to their existence and continuance as organizations.

The emphasis of transformational strategies, as we see above, is on operating in an open living system economy (Stead and Stead, 2010); sustaining and enhancing ecosystems in an ecocentric way where managerial mindset towards ecological sustainability and the quest for a sustainability vision is developed by creating transformational strategies that encourage organization effectiveness, leadership, values and change towards ecological sustainability.

Discussion and Implications for Research and Management

This paper has examined some of the key constructs perceived to be necessary for future strategic HRM and OE activity in the move to a sustainability transformational change, examining in the process key organizational strategies for ecological sustainability. The first implication for management practice and further research endeavour focuses on the ethical responsibilities of HRM activity towards the business strategies for ecological sustainability. As Sears (2010) points out HRM is expected to exercise ‘stewardship’, actively ensuring effective governance and ethical practice. In business and management research, issues of ecological sustainability have often been subsumed within ethics and corporate social responsibility (CSR). We argue that HRM’s roots as a profession in promoting ethical and socially responsible behaviour enables it to take a progressive role in the most challenging

issue for today's organizations, our lack of ecological sustainability.

There are organizations that see sustainability as vital to the way they do business because it is simply 'the right thing to do' (Cadbury, 2006). For others, raised public expectations, competitor pressures and increased levels of scrutiny, with the associated reputational risk, suggest that ignoring these issues is no longer optional. In addition, there is growing evidence that the career choices of graduates and thus recruitment for employers are also influenced by the sustainability agenda of employers (HEA, 2007).

We have identified the role of strategic HRM (in research and practice) as being concerned with leadership, vision, organizational values, employee engagement, culture and, changing attitudes and behaviour. It is also responsible for the processes, policies and practices that are critical to implement such changes. From an HRM point of view this includes; requirements in recruitment and talent management, the training it gives employees, the expectations placed upon them through performance management and reward systems as well as establishing codes of practice for what is considered appropriate behaviour. There are a range of examples of companies using monetary and non-monetary rewards to support sustainability activities. One example includes Neste Oil who link managers' bonuses to environmental performance rewards and encourage line managers to motivate the environmental behaviours of employees through reward allocations (Ramus, 2002).

Providing appropriate training, communication systems and reinforcement mechanisms are often seen as a starting point. However, to achieve fundamental change, the sophisticated interaction between many different organizational and contextual factors needs to be considered including; the challenge of engaging individuals and groups with a transformational business strategy (previously discussed) that embraces the needs of others and broader ethical and ecological principles. This includes making connections between behaviours at home and in the workplace. Who else, other than HR within organizations, has

a remit for strategic change and commitment from senior management and employee engagement and thus has the potential to make a difference? It is in this regard that OE approaches and processes can facilitate change. Many organizations have made inroads with recycling and carbon reduction schemes but these are often easier targets. To make a real difference and embrace the challenges of the future, strategic HRM needs to be at the forefront of rethinking organizational strategies that really do change the way we use the Earth's valuable resources.

We discussed the new OE (organizational effectiveness) (Francis et al., 2012) which blends contemporary forms of OD and HRM in a framework that draws on four key themes; the power of language; authentic mutuality; managing ambiguity and paradox, and building leadership capability. Language is acknowledged as a powerful medium in the hands of top managers in shaping how realities are construed within the organization. For instance, the metaphors they use in everyday conversations frame how people think about the world around them, their identity and the nature of the employment relationship. It is important therefore that leaders are 'conversationally responsible' (Ford, 1999) in that they are willing to take ownership of the way they speak and listen, and the practical and ethical consequences of this.

Francis et al. (2012) also refer to 'conversations for change' and in bringing about change towards more ethical, responsible and sustainable organizations. They also suggest there needs to be consistency between 'talking and acting'.

The emphasis on human agency frames employees as active 'producers', which has the potential to enhance innovation and employee well being. The move away from notions of employee passivity in the direction of greater employee agency and mutuality of outcomes challenges the dominant assumption underpinning models of HR and performance that 'what is good for the employer, is always good for the employee'. This implies paying more

attention to the fulfilment of employee expectations through psychological contract ‘promises’ (discussed elsewhere in this special issue). This can also be extended to consider societal and ecological expectations.

The notion of paradox and ambiguity is at the heart of issues relating to sustainability, responsibility and ethics. This theme challenges the highly normative and consensus-orientated approach to HRM/OD which typically seeks to stifle paradox and ambiguity, the surfacing of which is seen to be too risky, or challenging to management control. It is about fostering a caring and pragmatic approach to management that allows for creation of ‘constructive tension’ (Evans et al., 2002) as a source of progressive management and organizational effectiveness. There is even a paradox within the sustainability camp which identifies whether sustainability is an ethical issue or a pragmatic issue. Certainly there is an issue of ethical responsibility to other human beings and also to other species on Earth. But should our ethics be directed towards other human beings or primarily to the Planet itself? Because in acting in a sustainable manner we are, in fact, also helping to save ourselves, and thus it becomes a pragmatic issue.

This requires an acknowledgement of different perspectives and an understanding of the social, political, environmental and economic context. There are also competing tensions in organizational effectiveness (Evans et al., 2002). For example, tensions can often surface when the focus is on short-term profits in the form of returns to shareholders and crisis management that affect employee policies. These factors are discussed through the influences of strategic choice and institutional and co-evolutionary processes by Garavan, Cross and Wilson in this special issue.

In considering the kind of leaders a transformational business strategy requires, we have considered the role of authentic leaders. One of the primary requirements to inspire confidence and induce others to listen is credibility. In their research on leadership, Kouzes

and Posner (2003) found that credibility is the number one reason people follow someone. To be an effective leader, an individual must be credible to their followers.

The key leadership task of executives and senior managers becomes the creation of communities united by a common purpose a task for which, it might be argued, conventional development approaches do not equip managers well. To build new forms of leadership capability HR itself must exercise leadership, proactively exposing managers at all levels to new ways of understanding the leadership task. This requires HR to work from a strong ethical base, working within OD's humanistic value set whilst also focusing on the challenges of managing in the resource constrained twenty first century, creating and communicating a strategic HR vision for the organization that embraces ecological sustainability.

Conclusions and Future Research

Management research needs to be robust enough to help businesses and society prepare for a very different future and HRM needs to take its role in this. Jackson et al. (2011) set out suggestions for research at the intersection of specific functional HRM areas including staffing, training, performance management and compensation; and the environment. Initiatives in these areas will establish HRM as a key player in ecological sustainability.

However, future research needs to form the link between where we need to go as a society, and where organizations are now. These should not be just incremental improvements, but completely new business models and practices. The approach will need to be holistic and integrative so that it taps into how nature works.

Porter and Kramer (2006) suggest that: "Companies should operate in the ways that secure long-term behavior that is not socially detrimental or environmentally wasteful." Constructive dialogue with regulators, local citizens, employees and other stakeholders is required. A stakeholder approach to managing organizations is consistent with the new OE

premise of the need for a rebalancing of interests to achieve greater mutuality, and is at the heart of definitions of sustainability.

As HRM's strategic role becomes increasingly transformational, the adoption of new OD perspectives to HRM work should lead to new forms of organizational effectiveness, characterised by more mutual employment relationships, longer-term perspectives, and what (Paauwe, 2009, p. 11) describes as "...an HR system not only based on added value, but also on moral (and sustainable) values."

Embracing such an approach will require a shift in the discourse, and therefore priorities and practice, of HRM practitioners. This will involve reconciling a range of dilemmas and paradoxes such as fulfilling short-term requirements and also meeting longer-term organizational needs. This strategic tension will require HRM practitioners to combine pragmatism and a can-do approach with a more strategic orientation; to provide both excellent short-term delivery and also drive a longer-term agenda informed by a perspective that will enable the organization and its employees to contribute to the ecological sustainability agenda in a meaningful way.

That is why it is crucial that HRM understands OE, and why collaboration is needed between OE, the change specialists and HRM, the expert function on the people aspects of organizations. In other words, as Caldwell (2005, p. 111) points out:

"Confronted with these dilemmas and their implications, the hybrid and eclectic interdisciplinary legacy of organizational change theories and change agency practices must affirm the possibility of a positive middle way between competing and increasingly fragmented discourses and paradigms for managing change. For without this belief in the mediation of knowledge to inform fragile ideals of 'rational' dialogue, practice and moral action in the face of organizational complexity, risk and uncertainty, all our human

aspirations for change may lose their vital centre of gravity: the hope that we can make a real difference.”

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