

Moving Towards a Sustainable and Responsible Business; the Strategic

Role of Leadership and HRM

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Abstract

Leading companies are today striving to become economically, environmentally and socially balanced organizations. Challenges that are common to most of the organizations in the process of becoming a sustainability oriented organization are-employees difficulty in coping up with change, short-termism, inadequate integration with business strategy, lack of communication, etc. An adequate support from leadership is thus needed to succeed in implementing sustainable business practices. Sustainability should be firmly anchored in the business strategy and in the leadership structure of the organizations. This paper has discussed the importance of leadership and HR department in removing the obstacles that organizations face in the process of becoming a sustainability oriented organization.

Key words: Sustainability; Leadership; Strategy; Change; Human Resource Management

Introduction

Imagine a world in which business are not only concerned with the economic goals but are equally mindful of the social and environmental goals as well; where the leaders acknowledge that profit is just one aspect of their responsibility and the executives sincerely believe that long term success is plausible only when communities and ecosystems are stable, healthy and equitable. In 1987, the Brundtland Commission defined sustainable development as 'development that meets the needs of the present without compromising the ability of future generations to meet their own needs.' This topic has gained widespread recognition and attention since then. Sustainability is the responsibility of all the sectors of the society and for making the world sustainable corporate sustainability is must (Hahn & Figge, 2011). A more recent business oriented definition of sustainability comes from the Dow Jones Sustainability Index which defines corporate sustainability as 'Corporate sustainability is a business approach that creates long-term shareholder value by embracing opportunities and managing risks deriving from economic, environmental and social developments.

As the saying goes 'change is the only constant' (Heraclitus of Ephesus) and so is the case with business organizations. But most of the time the change efforts made by the organizations goes in vain is because of the mismatch between the leadership capacity that is needed to embrace upon the journey of change and the leadership capacity that is actually available for the change process to become a successful endeavour (Taylor, 2009 & Kotter 1998). The growing presence of sustainability programs in organizations has created new staff positions for individuals who can manage, coordinate, communicate and measure sustainability-related initiatives (Ruedig & Metzger, 2013). Sustainability is omnipresent. This concept is significant across all organizations- public or private. Professional degrees in this discipline are also adding up to the importance of sustainability. A 2011 study by the Weinreb Group found that the field of sustainability still has much room to grow. They found that many companies in US have established Chief sustainability officers. How these sustainability practitioner influences the sustainability performance of the organization is an emerging field of study (Ruedig & Metzger, 2013).

It is both an exciting and daunting challenge to change entrenched, often unconscious patterns of human behaviour that tend to ignore the impact of our wasteful habits (Ferdig, 2010). This change is possible only after top leadership in the organization agreed to initiate, intensify or consolidate sustainability efforts (Ruedig & Metzger, 2013). The HR function needs to be cognizant of the impact of the changes brought in by the sustainability activities and foresee the need for structural modifications to keep the role and responsibilities aligned to the sustainability agenda (E & Y Sustainability Report, 2013).

The objectives of this research are to study the importance of leadership in creating seriousness around the sustainability strategy of the organization i.e. to find out how leaders can inspire every employee of the organization to buy in the idea of sustainability and to understand how HR can play an important role in the absence of top management sustainability leadership.

Research Questions and Objectives

As the number of studies on sustainability has steadily increased since the 1980s (Turker, 2009), the literature on sustainability has not paid much attention so far to how leaders enact sustainability strategy among its organizational members (Morsing & Oswald, 2009). This paper will help companies integrate their sustainability efforts with the organization's strategy and will enhance their understanding of the importance of leadership in creating sustainability oriented organizations. Qualitative method of study has been used in this research and data from secondary sources such as research papers published in reputed journals, articles and books have been collected, reviewed and interpreted. Based on the review of research work linking sustainability and leadership, the following research questions have been formulated.

RQ1. How can leadership play an important role in driving sustainability initiatives of the company?

RQ2. What leadership style is most appropriate in successfully implementing sustainability strategies across organizations?

RQ3. What basic leadership qualities and skills are needed to lead sustainability efforts of companies?

RQ4. How can HR assume a leadership position in formulating and implementing the sustainability strategy?

Thinking Sustainably

Sustainability is the only business success strategy for future (Danciu, 2013). Companies ignoring sustainability are missing an opportunity to broaden their scope of influence and are also causing damage to their brand equity. Even companies that are talking sustainability are facing one major obstacle i.e. lack of awareness about 'what, why and how' of creating a sustainable enterprise amongst both the internal and external stakeholders. HR professionals and managers at all levels can take a lead in this change process to ensure success (SHRM, BSR & Aurosoorya, 2011). It is generally acknowledged that 'sustainability will not be business as usual' (Bebbington & Gray, 2001). While many researchers suggest that 'a revamp of existing models and theories of organizations' is a way to build a momentum for sustainability (Hart, 1995; Jennings and Zandbergen, 1995; Starik & Rands, 1995) others have noted that sustainability requires a more radical change (Gladwin, et al; Purser, et al, 1995). For sustainability to be a part of business in totality, it has to become a part of business model. The sustainability strategy can only be implemented if there are supportive management practices across the organization (Some organizations have a sustainability liaison committee that ensures that sustainability is made a part of all divisions and functions which will then help to comprehend the major challenges for the entire company moving forward in the path of sustainability (WBCSD, BEP & CPI Report, 2005). The highest ranking companies now realizes that they are operating in a highly complex and deeply interconnected global system, and that their responsibilities extend beyond achieving short-term returns in shareholder value. In fact 'leading companies are more likely than other companies to find value in being inclusive, socially responsible, and globally aware in their outlook' (Hooper, L. 2011).

Corporate Sustainability leaders achieve long-term shareholder value by gearing their strategies and management to harness the market's potential for sustainability products and services while at the same time successfully reducing and avoiding sustainability cost and risk. Leading sustainability companies display high levels of competence in addressing global and industry challenges in a variety of areas: Strategy (Integrating long-term economic, environmental and social aspects in their business strategies), Financial (meeting shareholders' demands for sound financial returns, long-term economic growth, etc.), Customer and Product (innovative product by using financial, natural and social resource judiciously) (Dow Jones Sustainability Index, 2002). These leading companies are using education as a key tool to embed sustainability within their companies and to develop a new generation of leaders (Hooper, 2011). In a survey of more than 1,500 corporate executives it was found that majority of respondents felt that sustainability has become imperative for their business strategy (Berns et al, 2009). However this growing awareness on sustainability often ends up translating into a jumble of uncoordinated sustainability-centered activities that are not at par with company's strategy and 'neither make any meaningful social impact or strengthen the firm's long term competitiveness' (Porter & Kramer, 2006). Effective leadership can play an important role here in ensuring that sustainability is linked with the overall strategy of the company.

Companies around the world are taking various steps to make sustainability a part of their strategy and to get employees on board in their sustainability journey. Nestle has developed its sustainability strategy and is now working on operationalizing this strategy. The companies send their executives to external leadership seminars to enhance their frame of reference, to gain insight from other sectors, to build their commitment to systems thinking instead of siloed thinking which is an important requirement for sustainability thinking. As part of Shell's leadership development programme, the company hand selects delegates to attend external sustainability leadership seminars to gain clear understand of the external context and the perspectives of key external stakeholders, investors, regulators and NGOs (Hooper, 2011)

Leaders as Drivers for Sustainability Practices

'Producing change is about 80% leadership and 20% management. In most change efforts, those percentages are reversed. We continue to produce great managers; we need to develop great leaders' (Kotter, 2006). Till date most of the research work has emphasised the organizational role in ensuring sustainability performance with little or no attention paid to the role of individual in promoting ethical or social action (Post, et al, 2002). One has to acknowledge the fact that it is impossible to have a 'socially responsible corporation' without 'socially responsible managers' who have the inner urge to occasionally sacrifice the corporate objectives of the firms in favour of socially responsible actions (Hunt, et al 1990). It is the leadership, which is responsible for creating the sustainability strategy and defining the sustainability agenda. Leaders act as role models to employees and so they play a key role in setting a right example for the employees and giving them a sense of direction (Ernst & Young Sustainability Report, 2011).

Leaders have been found to have an influence on the wide range of organizational outcomes like safety and environmental performance, employees commitment and attitude, etc. (Barling et al., 2010). In a

sustainable organization, leadership demonstrate its commitment to sustainability through establishing sustainability vision, strategy and commitment to action plans that deliver sustainable growth (Cohen, et al, 2012). The leaders pursuing sustainability agenda must pay close attention to how the concept of sustainability is framed and introduced in the organization to ensure wider adaptability. Such leaders must 'build capacity' in their systems (through training, communication, rewards, performance assessment and appraisal, etc. and also ensure that all the stakeholders interest is taken into consideration for gaining wide support (Quinn & Dalton, 2009; Smith & Sharicz, 2011).

A survey was conducted in organizations that do not engage in sustainability oriented business practices to find out the obstacles that prevented them to do so. Amongst the top five obstacles 34% of the respondents said that it was due to lack of support from the organization's leaders. The other major obstacles being cost of launching, difficulty in measuring return on investment, cost of maintaining and lack of internal capacity or knowledge (SHRM, BSR & Aurosoorya, 2011). Another survey of HR managers was conducted by Ashridge for the World Business Council for Sustainable Development wherein it was suggested that executive development remains a major route for building a workforce which is more adaptive to the company's environment. One of the HR managers had said that 'leaders receive a lot of training and development in this company. We continue to develop values and emotional intelligence in leaders, intellectual scanning, the ability to spot dilemmas in the community and in the Obusiness, and cultural awareness' (WBCSD, BEP and CPI report, 2005).

Supportive behaviour from supervisors towards employees in environmental management (EM) is seen to encourage employees to produce plausible solutions to environmental problems. Lack of managerial support for environmental actions is a key impediment to generation of employee eco-initiatives (Ramus, 2001). Although leaders should mainly use soft skills like positive rewards in terms of verbal feedback from supervisors, informal written feedback etc. to motivate employees towards environmental improvements (Govindarajulu & Daily, 2004), getting employees involved in sustainability strategies might also require negative reinforcements (like suspension, criticism and warnings) to get employees onboard in the process of making environmental improvements. But such reinforcements should be used with utmost care as it may result in employees failing to disclose environmental problems at source (Renwick, et al., 2008). Thus it can be stated that leaders are the main drivers of sustainability in organizations. It is through leadership that organizations are prompted towards incorporating sustainability agenda into their vision and mission and make sustainability a part of their business strategy.

Traditional Leadership Theory and Contemporary Sustainability Practices

A contemporary definition of leadership given by Rost (1993) and Kotter (1998) defines leadership as 'a process of influence that occurs within the context of relationships between leaders and their collaborators, and involves:

- Establishing direction (i.e. A shared vision)
- Aligning resources
- Generating motivation and providing inspiration to achieve mutual interest'

'A critical basis for change toward sustainability is a leader's introduction and discussion of sustainability principles in order to create a remarkably different concept of business, one that can restore and protect while still allowing for innovation, profitability, and meaningful work' (Rao, 2009). Leadership styles can be broadly categorized as transactional and transformational leadership. The focus of transactional leadership is on setting goals, clarifying the link between performance and rewards, and providing constructive feedback to keep followers on track towards attainment of organizational goals (Bass, 1985).

Transformational leadership involves developing a closer relationship between leaders and followers which is based more on commitment and trust than on contractual agreements (Jung & Avolio, 1999). Leadership is most effective when there is a match between perceptions and values held by the leaders and followers. This match in perception and values aids transformational leaders in establishing a collective vision and such leaders tend to have a strong influence on the followers level of identification, motivation and goal achievement (Klien et al, 1995). This helps the followers to learn and adapt to the new business models and transform their way of thinking to make it more aligned towards the sustainability of their business (Rao, 2009). The transformational leadership style goes well for organizations which are trying to embed sustainability in its strategy. This is because the literature suggests that transformational leadership style is mostly used by the environmentally conscious leaders. This leadership style is likely to be effective in organizations which is facing rapid change and ambiguity, the task system are dominated by 'boundary spanning units' (e.g. policy and strategic planning units with a focus that is external to the organisation) and the organizational culture has an adaptive orientation (Bass 1990; Burns, 1978; Egri & Hermann, 2000).

Corporate sustainability is characterised by a change in the structure as well as culture of the organization. There is a large number of literature which suggests that to build a sustainable organization one has to embed sustainability in the culture of the organization (Liebowitz, 2010; Danciu, 2013; Cotter, 2014; Mishra, et al, 2014; Rizvi Y. & Garg, 2017). Transformational leadership theory has been the most dominant theory in the leadership literature due to its suitability in organizations which is going through a deep-seated cultural change and hence the organizations striving to become sustainability oriented should use transformational leadership style.

Avolio in 1999 has discussed about the 'full-range leadership'. He said that the organizations can achieve highest level of effectiveness when leaders engage in a two stage process in which transactional leadership sets base for subsequent development of transformational leaders. Transactional leadership clarifies roles that employees are required to play in order to get suitable rewards. It thus creates a sense of direction. This role clarification then provides a basis for more mature relation between leaders and followers. Therefore the author had concluded that in order to get an engaged employee 'the leaders must augment their transactional behaviours with the transformational behaviour. This full range model is an important tool for building the relationship between organization and its staff and is imperative in the process of adoption of sustainability practices throughout the organization (Rok, 2009; Galpin & Whittington, 2012).

The old leadership style where in only few people at the top were allowed to dictate is become obsolete given the pervasive influence of democracy and market capitalism coupled with improved means of communication and wider access to knowledge (Gordon and Berry, 2005). Given the complex

environmental problems, an adaptive, place- based approach and finely grained local leadership is required if the management wants leadership to payoff (Holling and Gunderson, 1995)

Sustainability Leadership

Today a growing number of organisations are establishing sustainability strategies to address complex issues such as declining ecosystem, population growth, etc. (Knight, 2015). This evolving role of business has led to the emergence of a new professional within the workforce: the Sustainability Leader. Sustainability Leadership proposes that 'anyone who takes responsibility for understanding and acting on sustainability challenges qualifies as a 'sustainability leader,' whether or not they hold formal leadership positions' (Ferdig, 2007). For building a sustainability oriented corporation, leadership is a requisite factor not just in the executive level but at all the levels in the organization. As Gordon and Berry (2006) have highlighted, '... complex problems and rapidly changing solutions require more leadership from everyone in an organization. Leadership skills that were appropriate to the few-i.e. executives- are now necessities for the many.' Gone are those days when men in suits could issue solutions from segregated locations. Today the meaning of leadership has changed to a great extent. Any person with skills and characteristics that applies to the portion of the problem being addressed at a given time should lead at that time if they have a capacity to do so (Gordon & Berry, 2005). Corporate sustainability researchers stress the need for 'top-down' (usually formal) and 'bottom-up' (usually emergent) leadership to drive change. Sustainability leaders recognize that the experience of change itself, and the dissonance it creates, fuels new thinking, discoveries, and innovations that can revitalize the health of organizations, communities, and the earth (Ferdig, 2007) and therefore they are ready to stand as ambassadors of change.

Research increasingly suggests that a supportive senior management leads to greater employee engagement whereas if the senior management is unsupportive it leads to disengagement (Ketter, 2008). It is thus recommended that senior management should take a lead in showing their support for their employees so that the employees could be motivated to take voluntary steps in supporting the sustainability strategies for the companies; for example, supporting recycling of items and conservation of resources and encouraging innovative ideas for making environmental friendly products (Liebowitz, 2010). All aspects of culture are driven from the top. If people feel the presence of a strong leadership commitment and the manager's and leader's behaviour are aligned with this commitment, then there is more possibility of creation of a sustainability culture. There is large amount of research work which indicates that the best sustainability focussed organizations are ones wherein there is a strong leadership in this area.

Quinn & Dalton (2009) carried out a study to investigate what leaders who are looking to create sustainable approach in the business actually do. They drew a framework comprising three task that leaders need to accomplish in order to develop sustainability oriented organization. These three tasks are setting direction, creating alignment and maintaining commitment. While setting a direction towards sustainability practices leaders need to set the right tone by framing the delivery of message in a positive and compelling way and ensure that the message links the traditional business language to the language of sustainability practices. While creating alignment the leaders should focus on integrating sustainability practices in the business

model of the organization. The leaders have to ensure that the goals and measurement system is integrated with sustainability, all the structures are properly aligned and the sustainability message is frequently communicated. In order to maintain commitment, the leaders should build good relationship with all the stakeholders, care about reputation of business (which is now tied with sustainability) and create a collaborative culture wherein every employee is made to feel important (Avery & Bergsteiner, 2011). Jeff Immelt, Chairman and CEO of GE, attended a sustainability programme in London in the year 2010 wherein he said that 'One of our challenges in taking on sustainability is that the leadership model of the past has to be reformed. We have to have people who are broader, who have more vision, who are longer-term thinkers, who are more adaptable and more connected'.

Many companies are taking initiatives to train their employees to become sustainability leaders for a 'green tomorrow'. At Price Waterhouse Coopers, an initiative called the 'Ulysses Program' sends teams of 'high-potential leaders' to developing countries for eight weeks wherein they contribute their professional knowledge to address the environmental and social issue and in the process develop deep learning of the meaning of sustainability and the significant role of business in creating an influence on economic, social and environmental well-being of communities and markets.

Thus leadership is responsible for incorporating sustainability into the business strategy of organizations and to ensure that all the employees are led towards the fulfilment of the sustainability oriented vision and mission of the organization. Leadership is required from all the levels in the organization. For seeking positive benefits on sustainability from leadership, assigning such roles to right people is critical and HR can play a key role in this aspect.

Qualities and Traits of a Sustainability Oriented Leader

A leader cannot effectively operate outside of the holistic interconnections that exist among and between people and natural systems (Ferdig, 2010). The role of a sustainability oriented leader includes capabilities beyond those that are presently attributed to them. Table 1 has been drawn based on the review of papers on characteristics and traits of sustainability oriented leaders. These qualities and traits are what make a sustainability oriented leader.

Table 1. Characteristics of Sustainability Oriented Leaders

Wilson & Holton, 2003	<ul style="list-style-type: none"> • Being open to new ideas and challenging others to adopt new ways of working • Understand the role of each player in the society • Building internal and external partnership • Engaging in dialogue with stakeholders and balancing their competing demands • Respecting diversity • Taking a strategic view of business environment
Wilson et al., 2006	<ul style="list-style-type: none"> • Systematic thinking • Embracing diversity and managing risk • Balancing global and local perspectives • Meaningful dialogue and developing new language • Emotional awareness
Hind, et al., 2009	<ul style="list-style-type: none"> • Understanding the social and environmental risks and opportunities of the company and its industry sector • Understanding how the core business activities create opportunities for other actors in society and how the company can make a contribution to society • Honesty and integrity • Long term perspective • Open mindedness • The capacity to think outside the box, etc.
Knight, B., 2015	<ul style="list-style-type: none"> • Result Driven- Developing expertise, impressing people, articulating information, making decision • Change Agent- Generating ideas, challenging ideas, thinking positively, seizing opportunities • Visionary Thinker- exploring possibilities, developing strategies, pursuing goals, providing insights • Ethically Oriented- Interacting with people, conveying confidence, upholding standards, empowering individuals • Inclusive Operator- Establishing rapport, valuing individual, Understanding people, team working
Ferdig, 2010	<ul style="list-style-type: none"> • Ability to create opportunities for people to come together and generate their own answers • Gives adequate chance to employees to explore, learn and devise a realistic course of action to address sustainability challenges • Develop and implement actions in collaboration with others instead of giving directions • Is capable of modifying their actions as needed to adapt to unforeseen changes in the environment over time • Recognize that the experience of change itself, and the dissonance it creates

HR as a Sustainability Leader

‘Because sustainability must be woven into an organization’s fabric, it is very much an HR issue’ (Virginia, 2008). Sustainability is very much a ‘people issue’. It has an impact on the culture as well as behaviour of

all the stakeholders within and outside the organization. It affects the companies' recruitment messages, how companies train their employees and how they engage and retain their employees. Since all these functions is related to HR, therefore HR's deep involvement is needed in organizations sustainability activities. Many researchers see the absence of leadership around sustainability as creating a void and believe that it is the HR profession that should seize the opportunity to demonstrate leadership on this important strategic interest (SHRM, BSR & Aurosoorya, 2011). The HRM function has the potential to contribute important skills, to support the company in the transformation process towards sustainability. These skills in the cultural stewardship, organizational process and change management enable HRM to take a leading partnership role in both formulation and implementation of sustainability strategy (Cohen, et al, 2012). Despite the important role of HR as a strategic partner, HR take a passive approach to environmental sustainability within their organizations. This passive position has adverse effects in relation to the role of HR as a strategic partner and for the advancement of environmental sustainability within organizations (Harris & Tregidga, 2012).

HR is 'uniquely positioned' to play a key role in to embed corporate sustainability within the workforce. HR professionals have a very real role to play as a 'strategic partner' in an organization's environmental sustainability agenda. The role includes his active involvement in formulation as well as implementation of environmental strategies through its active involvement using specific HR functions such as recruitment, development, performance management, etc. (Harris & Tregidga, 2012). Over a period of time HR has become more and more important as a key member of senior management teams who are now held responsible for not only implementing the sustainability strategy but also for formulating these strategies. In fact most Indian organizations now have board-level position for HR which allows them to assume the leadership role in the sustainability oriented organizations (SHRM, BSR and Aurosoorya, 2011). Research has shown that when the HRM portrays its presence as a proactive partner of a sustainability oriented organization it gives them an opportunity to hold a respected seat at the executive leadership level (Cohen et al, 2012). Unfortunately this chance of assuming the role of a strategic partner is often undermined due to lack of HR knowledge among the chief sustainability officers (CSOs). The CSO function exists in organizations which has in place an effective sustainability leadership. This CSO function rarely sees HRM as an equal partner in achieving success in sustainability efforts of organizations (Weinreb Group, 2011).

In the absence of proper sustainability leadership, HRM should take the leadership position by adopting sustainability principles in the core HRM functions (Gond, et al, 2011). The actions taken by HRM will create a momentum for sustainability and will plausibly lead to more discussions and acceptance of sustainability at the executive level and throughout the organization (Cohen et al, 2012).

Hence the HR function can serve as a partner in determining that what is needed in formulating sustainability strategies. HR is now taking a lead role in both formulation and implementation of sustainability strategy. HR now holds an important position in the corporate meetings held on the sustainability agenda. Hence the role of HR as a leader in sustainability initiatives cannot be undermined to ensure success in the sustainability journey.

Role of HR in building an Aligned Leadership Pipeline

The leadership pipeline shows how today companies can keep their leadership 'pipeline' filled and flowing to ensure a steady supply of skilled leaders throughout the organization. Today more than ever before there is shortage of internal leaders to fill in the higher positions in organizations. The overly aggressive and desperate attempts to hire leaders who are outsiders show that there is a serious issue with the leadership pipeline. This issue is primarily because of the lack of alignment of the leadership pipeline with the business strategy. If the organization does not have an aligned leadership pipeline to execute vision for years and for decades to come the organization will likely struggle to stay on track (Charan, et al., 2010). As per the study done by Brandon Hall Group, 2015, only 30% of companies learning strategies are adequately aligned to business goals (Wright, 2017). This leadership gap can be filled by the HR managers because they act as a powerful link between all the levels of the organization. For an aligned leadership pipeline, it is necessary that the leaders understand the strategy well, they are able to link the business strategies with their work and they are trained on the requisite skill sets that will ensure success (Wright, 2017).

An aligned leadership pipeline is even more relevant when the business strategy is 'sustainability'. HR can play an important role in aligning leadership to the sustainability agenda. HR can create appropriate mechanism for information flow to bring different leaders together in order to ensure that diverse views are taken into consideration on the sustainability agenda. The HR can align the performance management framework at the organizational level and the individual level by identifying relevant competencies, key result areas and key performance indicators related to sustainability. HR can align the rewards framework to drive sustainable thinking (EY Sustainability Report, 2013)

HR can play a key role building a suitable leadership pipeline by institutionalizing leadership development systems through the following steps-

- 1) By evaluating the present competency framework and incorporate the requisite leadership competencies needed for implementing sustainable business practices.
- 2) By creating appropriate 'role profiles' for sustainability related roles and detail out key competencies required for fulfilling these roles.
- 3) By developing leaders on the competencies identified in the previous step.
- 4) By identifying appropriate successors for the key leadership roles to drive the sustainability strategy of organizations (EY Sustainability Report, 2013)

The above mentioned process will ensure that the leadership pipeline is aligned with the sustainability strategy and at any given point of time there wouldn't be any gap in the leadership pipeline.

Academic and Managerial Implications of this Study

The present study is based on review of existing literature and a research gap has been noted in establishing empirically the relation between sustainability leadership, role of HR, leadership pipeline and sustainability performance. The following hypotheses have been generated for further research.

H1: Sustainability leadership has a positive impact on the sustainability performance of the organizations.

H2: There is a significant relationship between the leadership role of HR and sustainability performance of organizations

H3: An aligned leadership pipeline can create a positive impact on the sustainability performance of organizations.

The seriousness of top management on the sustainability agenda serves as an initial impetus in the sustainability journey of organizations. But it is not just for the senior management to take a lead in formulating and implementing sustainability strategies in the organization. Any individual who is currently in the position to take a lead as per the demand of the situation should go ahead to do so. Since HR is in the position to set a tone for sustainability in organizations by influencing the behaviour of the employees through its various strategies like training, reward and recognition, performance appraisal, employee engagement, etc., it should lead in the process of cultural change and create an organization that is sustainability oriented. Even if sustainability is not on the organization's agenda, HR must make the case to make sustainability a priority for the entire organization by displaying successful outcomes of such strategy.

Conclusion

Sustainability is omnipresent in the corporate world. But until now organizations have not done well in winning the hearts and minds of the employees to engage in the sustainability journey. It has been seen that HR does not take an active role when it comes to the formulation of sustainability strategy for organizations. There is thus great amount of potential for HR to be a strategic partner as sustainability becomes a more strategic area for organizations. To build sustainability oriented organization corporate shift from 'business as usual' position to a more environmentally responsible paradigm is needed and requires organization wide environmental sensibilities. This study concludes that sustainability leaders are the drivers of sustainability culture. When leaders in organizations value sustainability, the entire work force is aligned with the sustainability agenda. Also, leaders should use a judicious mix of both transactional and transformational leadership in implementing sustainability strategy depending on the demand of the situation and employee attitude. If there is an effective sustainability oriented leadership in place, organizations will be able to walk smoothly on the journey of become sustainability oriented organizations.

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