

‘Sustainability champions’: Pragmatic agency and social skill in sustainability practice implementation

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Abstract

This paper explores the strategies of executives leading sustainability initiatives across multinational companies in multiple geographies and sectors. It draws on qualitative multi-wave interviews with senior leaders and applies a network lens to the diffusion of sustainability initiatives within multinational enterprises. The findings show that change agents often draw on external networks to build resilient work identities and require social skills in managing stakeholders of sustainability initiatives. The paper thereby draws attention to the organizational paradoxes of sustainability leadership, where leaders need to have personal conviction but require pragmatic approaches in dealing with outside stakeholders.

Keywords

Sustainable HRM, stakeholder theory, organizational behavior, social skill, organizational networks

Introduction

Ever since the first commissioned report of the UNGC on good corporate behavior and organizational performance (UNGC, 2004) and the ensuing growth in signatories of the UN Principles of Responsible Investment, CEOs and corporate minds started to focus on their sustainability practices (Ehnert et al., 2016; UNGC & Accenture, 2021), including the human resource management (HRM) profession's involvement (CIPD, 2020). However, our empirical and theoretical understanding of these developments in the field of international HRM have not grown commensurately with other social science disciplines. This research study sets out to understand how the rapidly evolving landscape of corporate sustainability affects the field of HRM, across various geographical contexts and how better corporate sustainability outcomes are achieved across multinational corporations in Europe and Asia.

By conducting qualitative field work and interviews, the aim is to identify key HR strategies which navigate corporate sustainability within the specific regulatory and political regimes in select geographies (UK, Singapore, Indonesia, Taiwan), considering both managerial and wider organizational dimensions. Sustainable HRM is an evolving area of management studies (Aust et al., 2020a; Sitko, 2023) and this qualitative multi-case study seeks to offer rich insights into diverse strategies of multinational companies in implementing sustainable work practices. As an evolving and dynamic area of tackling grand challenges in management, corporate sustainability and strategic 'meta-problems' require executives to increasingly draw on external networks to keep ahead of trends (Seidl & Werle, 2018), and gauge how their business can adjust, adapt and pivot. This paper analyzes the kinds of behaviors which enable successful sustainability initiatives and seeks to ask the following question: What managerial competencies, social skills and expertise are required to 'translate'

and diffuse international sustainability norms? What is the role of ‘structural holes’ in the diffusion process?

Method

This study utilizes a multi-case study approach (Eisenhardt & Graebner, 2007; Yin, 2018). The first phase lasted around 12 months and focused on immersion in the field with the lead author completing an Environmental Social Governance (ESG) training course with industry practitioners, attending sustainability conference hosted by various Asian exchanges and document research, thereby gaining what some coin a ‘social role’ in the field of practitioners by participating (Anteby, 2012; Dumont, 2023).

The second phase of data collection took place from December 2022 until April 2024 and involved a two-wave series of semi-structured qualitative interviews with 20 sustainability leaders in multinational companies. In order to trace sustainable HRM practice implementation across multinational companies and how ESG metrics diffuse in the embedded organizational networks, interviews and meetings were conducted with senior managers in the UK, Singapore, Indonesia and Taiwan. Based on Eisenhardt (2021), a multi-case study requires four to ten different cases, while covering 20 corporates across three sectors in 4 countries offers what some refer to as geographic diversity in the conduct of elite interviews (Natow, 2020). In the first interview, a specific case was selected and followed in the second interview.

Adding this empirical context, the study thereby explores less researched geographies from an IHRM perspective (Brewster et al., 2018), despite improvements in sustainable HRM practices from a corporate/practitioner perspective in these geographies. Besides the UK, Taiwan and Singapore, to a large extent, depend on foreign capital inflows and could be termed as ‘market’ economies, whereas Indonesia has a long-standing history of dealing with

non-governmental organizations to deal with their fossil fuel consumption. Senior leaders in the sample of 20 multinational corporates across these fields are in comparable sectors to mimic theoretical replication in multi-case studies and to subsequently obtain contrasting results (Yin, 2018, pp. 55–59). Comparable corporates were selected in the financial, environmental technology and manufacturing sectors. The comparative aspects of this multi-case study leads us to illuminate and theorize the social and political context of these cases in more detail. As a result, theorizing the case context will bring about answers to our specific research questions.

Theoretical Sampling

We selected respondents based on their function role as sustainability leaders in multinational companies. The first sample included senior managers of sustainability initiatives within large, mostly publicly listed, multinational corporations. The second sample included CEOs of yet-to-list multinational sustainability start-ups.

We attempted to achieve geographical diversity in order to compare findings from subjects working in the same or very similar role in different social contexts. We drew on a large contact base developed during phase one of the research study and field work in industry. As access is often a hindrance in elite interviewing (Solarino & Aguinis, 2021), our sample was designed to achieve contrast, rather than to achieve saturation. The variance of the context addresses the key research questions.

We followed the respondents in their sustainability journey through corporate documentary analysis, in-person and virtual interviews and follow-up interactions. In one case we applied e-mail interviewing (Dahlin, 2021). By conducting anonymous interviews, acquiring knowledge of the field and focusing in great detail on actual practices, we were able to circumvent prepared answers which are usually shared on public stages and are part of

the identity work of sustainability leaders. We prepared a template of prepared questions, but left enough flexibility to allow for directions taken by the interviewee. A reflexive stance enabled co-theorizing as interviewees reflected on practices and specific sustainability events. That way we were involved in ‘dialogical sensemaking’ (Cunliffe & Scaratti, 2017) as we explored what strategies of managing stakeholders in the implementation of sustainability initiatives. By drawing on insights from both geographic and sector comparisons, we contextualized our conversation within the network of these actors.

Interviews were arranged by one researcher and conducted by themselves or two researchers. In some cases, knowledgeable informants were introduced by one researcher and the interview conducted by them. Hence, these data collection processes resulted in a rich data set of text, interview transcripts, observations, and industry reports.

Researchers regularly wrote memos before and after interviews, discussed potential questions and main takeaways. The actual interview transcripts were then coded. This resulted in 35 codes which were grouped into 6 second order constructs. These second order constructs then served as guide to integrate interview data into the body of literature. Literature was consulted recursively during the 12 months of data collection to adapt to new findings and phenomenon.

Preliminary Discussion

Sustainable HRM strategies take into account environmental, social and business goals of corporations (Aust et al., 2020b; Ehnert et al., 2016). It is often difficult to marry seemingly paradox positions, i.e. sacrificing short term profit for improvement in environmental performance or improvements in the very long-term gains (Ehnert, 2009). We have found inductively that active stakeholder management (Freeman et al., 2018) is a particularly useful tool for entrepreneurial sustainability leaders across different geographies.

Executives interact with external networks of sustainability experts to build a robust work identity as well as to influence different stakeholders. As such they act as ‘structural holes’, agents which broker between divergent networks (Burt, 1992). Through social skill, these actors are able to shape the social structure of these networks, like in different contexts of HRM studies (Tregaskis & Almond, 2019).

For one, organizational stakeholders require an iron clad case for sustainability solutions, while at the same time delivering direct material economic savings. In instances where the business case is a direct solution to net zero strategies of corporations and have government backing, there were cases where the initiative was required to actually deliver a net gain, that is, an alternative energy provider initiated solutions across Asia, increasing bio diversity by installing biotopes below the solar screens. As a result, the hurdle rate for adopting sustainable business solutions are significantly higher than un-sustainable solutions, despite strategic corporate alignment and support from the governmental regime.

Various literatures in international HRM have highlighted the importance of employee voluntarism (Caligiuri et al., 2013) and so-called ‘champions’ (Almond et al., 2021), leading corporate sustainability projects outside their regular work mandate. The success of an HR implementation and norm diffusion is enhanced by appointing employees in networks across the multination company. A Swiss multinational company operating out of Singapore relied on this model of appointing local champions to ascertain sustainability data and help implement strategies across Asia. Sustainability initiatives are increasingly reliant on volunteerism in multinationals and aligning KPI and compensation with such initiatives is not as widespread as one would think, thereby increasing pressures and causing role overload.

Another aspect of sustainability initiatives which arose throughout interviews is an ‘all in’ attitude. Not only do many leaders work extra hours on sustainability, but what fuels this is usually a deep-rooted value alignment. This has particular theoretical implications. It challenges the notion that politically skilled individuals are able to effectively manage such process. On the contrary, sustainability leadership is emotionally taxing on the individual, creates career risks and requires significant energy. The need for authenticity and vulnerability in a management environment across diverse sectors can be difficult and costly on career outcomes.

Having to be ‘all in’ equates to being a strong insider in both worlds, internal and external to the organization. We found that this can be taxing for leaders who are either female or of a minority ethnic background. This was particularly the case for the start-up world where leaders found themselves isolated in meetings with venture capitalist firms and industry conference, which were less diverse. While prior research has found that structural holes with high self-monitoring personalities are a good fit to broker between friendship networks (Tasselli & Kilduff, 2018), that is not necessarily the case in the knowledge and practice diffusion. Skillful network behaviors such as perspective taking, joint-sensemaking, issue selling and stakeholder management were key components for successfully translating and diffusing new sustainability initiatives.

Practical implications

The findings are relevant to our understanding of sustainable HR practices. Relying solely on volunteerism will yield weaker outcomes and KPIs need to clearly align with ESG initiatives to improve accountability and reduce role overload. Future hiring strategies also need to take into account softer skills and experience in dealing with diverse stakeholders. This could be signaled by activities in external networks particularly which demonstrate skill in interacting

with external stakeholders. HR professionals would do well incorporating external activities in the performance appraisal as credible work identities enhance the success of sustainability initiatives but are often unaccounted for.

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