EXPLORING THE IMPACT OF CORPORATE SUSTAINABILITY ON HR ROLE AND PRACTICES

Research Report – January 2015

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1. Executive summary: main findings

1.1 Objectives of the present study

Sustainability has become one of the most fundamental challenges for business and society in the coming years, considered the key for survival and longevity of organizations and planet.

The topic is really urgent and relevant; indeed sustainability, intended as the balance among economic, social and environmental performance of the firm, is becoming a key factor for the success of organizations, and for this reason an essential part of corporate business activities.

Among others, the HR Department plays a crucial role in orienting a company towards the sustainability managerial paradigm, and this is largely recognized as a growing topic on which HR managers and professionals will be extensively called to deal with.

For this reasons, the department of Social and Political Sciences of University of Milan in collaboration with AIDP and EAPM, has performed a research with the aim to explore the impact of sustainability orientation of the company on HR role and practices.

HR professionals and managers were invited to fill an online survey sponsored by some European HR professionals associations.

The data collection phase started on 20 November 2013 and was closed on April 2014.

Results of the research were presented during the 43° AIDP Congress "Persone risorsa della terra" held in Bergamo on May 2014. During the congress, the main themes discussed were sustainable work and economy with a special focus on the role of people in organizations.

Given the importance of the topic, the research is also comparable with previous survey conducted by leading associations of HR professionals, in particular: American SHRM ("Advancing sustainability: HR's role", 2011) and CIPD ("The role of HR in corporate responsibility", 2013).

1.2 Constructs explored

In order to understand whether and to what extent sustainable company's orientation impacts on the role of HR professionals, have been taken into consideration the following psychological constructs:

Meaningful work: it can be defined as the degree to which the employee experiences the job as one which is generally meaningful, valuable and worthwhile. It is considered a predictor of engagement and could influence job satisfaction, organizational commitment and turnover intention.

Organizational affective commitment: it can be defined generally as a psychological link between the employee and his organization that makes less likely that the employee will voluntarily leave the organization.

Job satisfaction: it is defined as a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences. It could be considered an important dimension for organizations because could predict turnover intentions and could have an important effect on organizational performance.

Organizational citizenship behavior: it is a universal set of behaviors exhibited by employees that are supportive, discretionary, and go beyond normal job requirements. Researchers have stressed the importance of OCB for organizational functioning because it promotes behaviors which strengthen and maintain the social system of organization.

Intention to leave: it is defined as an employee's plan for intention to quit the present job, look forward to find another job in the near future. Stimulating and meaningful work and supervisory support could help to reduce intention to leave.

Burn out : it is defined as a syndrome of emotional exhaustion and cynicism that occurs frequently among individuals who do people-work of some kind; workers feel unhappy about themselves and dissatisfied with their accomplishments on the job. It is considered a work-related indicator of psychological health.

1.3 Actors involved in the research process

For this research, a questionnaire (see the appendix – annex 1) was sent to HR professionals of different European associations so that the group of respondents was as follows: Italy (48%), France (16%), Croatia (12%), Macedonia (9%), Slovenia (6%), Finland (5%), Ukraine (4%).
There were 254 respondents; the 57% of them were women with a 9 years-average experience in the same organization.
The respondents were HR professionals with a significant experience in the role; in fact most of them were Senior HR managers (41%).
Their firms had in average 400 employees, produced services (58%) and considered their actual performance (return on investment, earnings, sales and market share) better in comparison with competitor performance (Table 1).

Table 1

	WORSE	SIMILAR	BETTER
Return on investment	14%	34%	52%
Earnings	15%	41%	44%
Sales	14%	42%	44%
Market share	10%	38%	52%
	13%	**39%**	**48%**

Table 2 presents the demographic characteristics of the respondents.

Table 2

Characteristic	Percent
Gender	
Male	43%
Female	57%
Age	
20-29	7%
30-39	28%
40-49	38%
Over 50	27%
Country	
Croatia	12%
Finland	5%
France	16%
Italy	48%
Macedonia	9%
Slovenia	6%
Ukraine	4%
HR Position	
Senior HR Manager	41%
HR Manager	30%
Senior HR Specialist	7%
HR Specialist	12%
Junior HR Generalist	2%
Other	7%

In Table 3 are presented the characteristics of their organizations: most of them produce services and have in average 400 employees.

Table 1

Industry	
Services	58%
Manufacturing	42%
Number of employees in organizations	400

In the appendix (Annex 2), it is possible to see information in details for each Countries.

1.4 Structure of the questionnaire

HR professionals and managers were invited to fill an online survey.
The questionnaire was divided into four sections:

Section One: this section asked for background details concerning HR professional and the company they work for (gender, age, country, tenure in their current organization, years of career, industry and number of employees).

Section Two: this section wanted to explore the sustainability orientation of their organization.

Section Three: this section was about contribution of the HR system to the development of corporate sustainability.

Section Four: this section asked some questions about their workforce and personal working experience in their company.

For further information about questions and items, see the appendix – Annex 1.

1.5 Key findings

Results show that in European organizations sustainability has received growing attention during the last years and it is believed will continue to grow during next years (see table 7).
The same organizations that affirm to have given growing attention to sustainability, believe that they have better performances compared to the competitors (see table 8), proving that sustainability also impacts on economic performances of the firms.
Enterprises consider and promote sustainability that is permanently on their agenda but it isn't already considered from a strategic point of view (see table 6); firms are too focused on products and customers while tend to neglect social issues that are an important aspect of sustainability (see table 4).
As the survey shows, enterprises decide to invest in sustainability at first in order to improve their image and their role in the community (with the risk of falling in greenwashing episodes) and to save money on operational costs (see table 5).
Organizations strongly believe that take a sustainable approach can improve their image, make their business processes more efficient and improve trust among their customers thanks to a stronger brand.
On the other hand, organizations do not seem to take into account the outcomes that sustainability could have on employees, especially HR professionals that play a key role in promoting sustainability.
In order to promote sustainability, the policies implemented by enterprises are mainly related to environmental issues: firms believe that showing themselves respectful of environment could improve their image among external stakeholders, especially customers.
Focusing on HR department and role, sustainability is not yet integrated in terms of HR practices such as incentives or rewards that recognize responsible and sustainable behavior, organization-wide training to develop responsible and sustainable behavior, employee performance assessment or appraisals include CR objectives (see table 10).
In most organizations of the sample, sustainability seems to be implemented only on a regulatory level using procedures that ensure health and safety of workers and code of conduct.

The HR department is still seen as a support of sustainable initiatives and not responsible for the definition and implementation of corporate sustainability (table 11).

The most interesting findings of the research are related to the impacts that corporate sustainability seems to have on employees, in particular on HR professionals that operate in an organization.

It was found that corporate sustainability increases the sense of belonging to the organization (organizational citizenship behavior), job satisfaction and meaningful work, leading to a reduction of intention to leave and reducing the probability to experience burnout syndrome.

This means that HR professionals who operate in an organization that is sustainable from an economic, social and environmental point of view, are more satisfied by their job and more attached to their organization and have better performances on work.

For these reasons sustainability could be a useful tool in order to improve the inner workings of the organizations and, consequently, to increase organizational performance and create competitive advantages. This could also represent an important driver for organizations to invest and promote sustainability during next years.

2. Analytical findings

2.1 Comparative analysis

In this section results are presented in a way which enable a comparison between the different Countries involved.

The number of respondents varies from table to table because some respondents did not answer all of the questions.

At first we asked about the perception of the importance that enterprises of the respondents place on some organizational aspects, on a scale from 1 to 7 (1=not important; 7= very important); results are presented in Table 4.

Table 2

Answer options	TOT	Italy	France	Croatia	Macedonia	Slovenia	Finland	Ukraine
Quality of products or services	6,0	6,0	6,0	6,0	6,0	6,5	6,1	6,0
Customer service	5,9	5,9	5,9	5,9	5,8	6,3	6,2	5,7
Professionalism/expertise of staff	5,6	5,6	5,7	5,6	5,6	6,0	6,0	5,6
Price of products and services	5,6	5,6	5,8	5,5	5,6	5,9	6,0	5,4
Economic value of products	5,4	5,4	5,5	5,4	5,4	6,0	5,8	5,0
Education and training of organizational members	5,3	5,3	5,1	5,2	5,2	5,7	5,7	5,4
Social relationships with other members	4,9	4,8	4,8	4,8	4,7	5,3	4,4	4,4
Community involvement	4,6	4,6	4,5	4,6	4,6	5,0	4,3	4,8
Quality of work is more important than profit	4,4	4,3	4,2	4,3	4,3	4,9	4,3	4,1
Democratic decision making	4,1	4,0	3,9	4,1	4,0	4,3	4,2	4,1

At first the most important thing for enterprises is to ensure the quality of products or services in order to match customers' expectations. As table 4 shows, the focus is on business and products, while "soft" aspects as work environment, social relationships, quality of work and democratic decision are considered less important.

From a comparative point of view, there are not significant differences between the countries involved.

Question 10 of the survey (see the appendix – Annex 1) explored what was for organizations the key driver for investing in sustainability (the respondents could choose only one option).

Table 3

Answer Options	TOT	Italy	France	Croatia	Macedonia	Slovenia	Finland	Ukraine	USA
Contribution to society (e.g., good corporate citizenship)	21%	2%	10%	20%	3%	18%	40%	30%	4%
Saving money on operational costs	19%	6%	38%	20%	50%	24%	10%	10%	7%
Health and safety considerations	15%	11%	3%	16%	11%	12%	10%	0%	14%
Competitive financial advantage	13%	20%	17%	20%	11%	12%	10%	20%	10%
Employer Branding	9%	25%	7%	16%	16%	12%	10%	0%	39%
Local/federal regulations	8%	11%	10%	4%	0%	6%	0%	20%	7%
Environmental considerations	7%	4%	3%	4%	0%	12%	10%	0%	5%
Public/media relations strategy	4%	8%	7%	0%	5%	0%	10%	0%	4%
Employee activism	4%	12%	3%	0%	5%	6%	0%	20%	10%

As presented in Table 5, enterprises decide to invest in sustainability at first in order to give a significant contribution to society (21%), showing that they are aware of the important role that play in communities.
There are also economic reasons behind the decision to invest in sustainability; this means that they strongly believe that sustainability integrated in management and strategies could be a way to save money on operational costs (19%).
From a comparative point of view, there are significant differences between each countries and general results.
While Croatia, Finland and Ukraine believe that a sustainable organization could positive impact on the community, Italy seems to focus on a specific stakeholder, employees: employer branding (25%) is considered the key driver for investing in sustainability.
France, Macedonia and Slovenia's results underline economic reasons behind their decision to invest in sustainability: "Saving money on operational costs" was the most chosen answer.
As this question was comparable with a previous research developed by SHRM ("Advancing sustainability: HR's role", SHRM, 2011), we can see how USA consider employer branding the main reason for investing in sustainability; this dominant orientation could lead to "greenwashing" episodes.

We also explored to what extent sustainability is/was/will be part of corporate business activities of organizations (Table 6).

Focusing on the present (Table 6a), results show that sustainability is "On the agenda permanently but not core" (38%) meaning that it is not yet considered a strategic asset.

From a comparative point of view, countries are aligned except for Croatia and Macedonia that seem to take in consideration sustainability from a strategic point of view.

Table 4a

What do you believe is the status of sustainability in your companies' agenda today?	Never considered for the agenda	Excluded from the agenda, because viewed as a passing fad	Temporarily on the agenda but not core	On the agenda permanently but not core	Already a permanent fixture and core strategic consideration
TOT	1%	6%	23%	38%	28%
Italy	5%	6%	24%	42%	25%
France	14%	3%	41%	24%	17%
Croatia	4%	0%	12%	32%	52%
Macedonia	11%	5%	5%	37%	42%
Slovenia	0%	18%	24%	35%	24%
Finland	10%	10%	0%	60%	20%
Ukraine	0%	10%	30%	40%	20%

Considering Table 6b, in past years organizations have invested in sustainability giving increasing attention towards this theme.
Only Macedonia affirms that there have been no changes (37%) while Croatia has significantly increased its focus on corporate sustainability.

Table 6b

How do you believe has the organization's commitment towards sustainability – in terms of management attention and investment – changed in the past years?	Significantly decreased	Somewhat decreased	No changes	Somewhat increased	Significantly increased
TOT	5%	5%	23%	43%	24%
Italy	6%	4%	21%	47%	23%
France	3%	7%	38%	38%	14%
Croatia	0%	0%	16%	36%	48%
Macedonia	6%	0%	37%	26%	21%
Slovenia	0%	12%	12%	47%	29%
Finland	10%	0%	30%	50%	10%
Ukraine	0%	20%	10%	60%	10%

From a long term point of view (Table 6c), countries involved in the survey agree that, over the next three years, attention to sustainability will "Somewhat increase" (54%).

Table 6c

How do you expect your organization's commitment towards sustainability – in terms of management attention and investment – to change over the next three years?	Significantly decreased	Somewhat decreased	No changes	Somewhat increased	Significantly increased
TOT	3%	4%	21%	54%	18%
Italy	2%	5%	17%	61%	15%
France	7%	3%	38%	34%	17%
Croatia	0%	0%	16%	44%	40%
Macedonia	11%	5%	16%	63%	5%
Slovenia	0%	6%	18%	59%	18%
Finland	10%	0%	40%	50%	0%
Ukraine	0%	10%	30%	40%	20%

In question 12 of the survey (see the appendix – Annex 1), the positive outcomes of sustainability initiatives have been explored (Table 7); the respondents could choose one or more options.

Table 7

Answer Options	TOT	Italy	France	Croatia	Macedonia	Slovenia	Finland	Ukraine	USA
Stronger public image	45%	46%	41%	68%	16%	47%	50%	30%	17%
More efficient business processes	41%	33%	55%	60%	53%	41%	30%	30%	27%
Increased consumer/customer confidence	41%	32%	38%	52%	58%	59%	50%	50%	55%
Increased brand recognition	38%	43%	17%	44%	32%	35%	40%	30%	38%
Improved employee morale	37%	43%	24%	28%	32%	29%	40%	40%	13%
Increased employee loyalty	26%	24%	24%	20%	42%	35%	40%	10%	33%
Increased workforce productivity	25%	25%	17%	12%	47%	35%	10%	40%	34%
Position as an employer of choice	23%	18%	28%	40%	11%	35%	30%	0%	25%
Positive financial bottom line	21%	16%	21%	40%	37%	18%	10%	20%	21%
Increased employee retention	20%	25%	21%	8%	16%	6%	20%	30%	34%
Increased recruitment of top employees	15%	8%	21%	16%	37%	24%	10%	20%	43%
Improved product portfolio	14%	10%	3%	28%	21%	12%	20%	30%	43%

At first, HR professionals strongly believe that sustainability can strengthen public image of organizations (45%). This better image could also be related to an increased confidence given by customers (41%).
On the other hand sustainability is not only considered a matter of image but also an important factor that could lead to "More efficient processes" (41%).
Organizations don't believe that sustainability could "Increased recruitment of top employees" (15%) and "Improved product portfolio" (14%).

These results underline how organizations are more focused on customers and public aspects rather than internal stakeholders.

From a comparative point of view, France, Croatia and Slovenia are aligned with general results.

Italy and Ukraine, despite other countries, shift the focus on employees, considering "Improved employee morale" (43% and 40%) an important sustainability outcomes.

Also Macedonia underlines the internal impact of sustainability, especially on workforce productivity (47%).

As the question was comparable with a previous research developed by SHRM ("Advancing sustainability: HR's role", SHRM, 2011), we can see how USA strongly believes that sustainability could "Increase consumer/customer confidence" towards organization (55%).

In question 13 (see the appendix – Annex 1) we asked respondents to rate the actual performance of their company in comparison within competitor performance, on a scale from 1 to 5 where 1 is "Much Worse" and 5 is "Much better"; results were clustered in three classes: Better, Similar, Worse.

As presented in Table 8, organizations affirm that they have better results than competitors on Return on investment (52%), Earnings (44%), Sales (44%) and Market Share (52%).

Italy seems to be less optimistic about results on earnings and sales that are considered similar to other competitors.

On the other hand Ukraine organizations (50%) consider their market share comparable with the performance of their competitors.

In general, except for the countries mentioned above, the respondents agree on the better performance of their organizations if compared with others.

Table 8

		TOT	Italy	France	Croatia	Macedonia	Slovenia	Finland	Ukraine
Return on investment	Better	52%	48%	45%	72%	53%	65%	40%	50%
	Similar	34%	38%	38%	24%	32%	24%	50%	20%
	Worse	14%	14%	17%	4%	16%	12%	10%	30%
Earnings	Better	44%	39%	45%	56%	37%	47%	40%	40%
	Similar	41%	43%	41%	36%	37%	41%	40%	50%
	Worse	15%	18%	14%	8%	26%	12%	20%	10%
Sales	Better	44%	38%	31%	64%	32%	41%	50%	70%
	Similar	42%	49%	52%	20%	53%	41%	30%	20%
	Worse	14%	13%	14%	16%	16%	18%	20%	10%
Market share	Better	52%	50%	48%	76%	32%	59%	40%	40%
	Similar	38%	42%	38%	16%	58%	35%	30%	50%
	Worse	10%	8%	14%	8%	11%	6%	30%	10%

In question 14 (see the appendix – Annex 1) we asked about formal and informal polices used in organizations for developing corporate sustainability; respondents could choose one or more options among the sentences reported below (Table 9).

Table 9

Answer Options	TOT	Italy	France	Croatia	Slovenia	Macedonia	Finland	Ukraine	UK
Policies to reduce energy/water consumption	56%	56%	54%	68%	60%	40%	50%	50%	11%
Corporate governance/increased transparency	56%	56%	43%	40%	60%	47%	30%	25%	10%
Recycling/waste management policies	55%	52%	57%	28%	67%	33%	40%	13%	14%
Tight controls to avoid bribery/corruption	42%	41%	50%	60%	20%	33%	30%	0%	10%
Policies to increase diversity and equality	39%	30%	46%	20%	33%	27%	40%	38%	10%
Philanthropy/charitable giving	31%	33%	29%	40%	33%	27%	10%	38%	8%
Ethical purchasing of materials	29%	25%	43%	52%	13%	20%	50%	25%	6%
Requirements on suppliers relating to sustainable issues	25%	16%	29%	8%	20%	33%	20%	38%	6%
Ethical investments	17%	15%	14%	28%	13%	20%	20%	13%	3%
Customer charter/pledge relating to sustainable issues	16%	11%	11%	44%	27%	20%	40%	13%	7%
Policies/framework to address global issues	15%	13%	11%	12%	20%	20%	10%	13%	5%
Avoidance of countries/markets with poor human rights	11%	8%	18%	16%	7%	7%	10%	0%	5%

Results show that the policies most widely used for developing sustainability are related to environmental aspects: reduce energy/water consumption (56%) and recycling management policies (56%) are the most chosen items.

Also a better transparency in corporate governance is considered an important aspect for a sustainable organization (55%).

From a comparative point of view, there aren't significant differences: all the countries involved in the survey seem to pay attention especially to the environmental aspects of sustainability.

As this question is comparable with a previous research developed by CIPD ("The role of HR in corporate responsibility", CIPD, 2013) we can see how UK is align with the results of other countries: the most common policies relating to corporate responsibility adopted by organizations are on aspects of recycling and waste management (14%), energy consumption (11%) and people management.

Community work is less common but nonetheless a significant part of corporate responsibility.

In general, while community activities are important, most common policies relating to corporate responsibility are on core areas of the business.

Where there is most room for improvement is in how organizations work with others to create value chains. For example, policies on ethical investments and purchasing, avoiding countries or markets with poor human rights, or requirements of suppliers are not sufficiently widespread.

After asking about general polices, we wanted to explore what was the role of HR department in developing sustainability.

Respondents were asked to indicate what were the HR practices used to embed sustainability in their organizations, choosing one more options (Table 10).

Table 10

Answer Options	TOT	Italy	France	Croatia	Slovenia	Macedonia	Finland	Ukraine	UK
Health and safety	59%	63%	52%	48%	71%	56%	89%	25%	16%
Code of conduct/ethical behaviour of all employees	55%	54%	52%	64%	50%	50%	78%	38%	13%
Recruitment and selection criteria that look for responsible values or behaviour	39%	34%	41%	48%	57%	31%	56%	38%	8%
Labour practices/employee rights	38%	34%	22%	44%	50%	50%	78%	25%	13%
Policies to promote flexible working/work–life balance	36%	41%	22%	44%	14%	13%	67%	38%	11%
Induction programmes that emphasise responsible and sustainable values	31%	27%	30%	44%	43%	50%	11%	13%	11%
Policies to improve employee well-being	31%	25%	22%	44%	57%	13%	78%	25%	12%
Leadership or management training on CR issues	28%	22%	33%	40%	50%	31%	22%	13%	7%
Job descriptions with CR objectives	25%	18%	30%	28%	36%	31%	22%	50%	5%

Internal publicity campaigns to raise awareness of CR issues	23%	24%	15%	36%	21%	13%	44%	0%	12%
Organisation-wide training to develop responsible and sustainable behaviour	23%	13%	30%	40%	29%	38%	44%	13%	7%
Actively championed by senior management	22%	19%	7%	44%	14%	19%	44%	38%	12%
Employee performance assessment or appraisals include CR objectives	22%	14%	22%	32%	43%	44%	11%	25%	6%
Volunteering/community relations	21%	20%	19%	28%	21%	19%	22%	25%	8%
Incentives or rewards that recognise responsible and sustainable behaviour	13%	14%	11%	8%	21%	6%	0%	25%	3%
Employee champions of CR	11%	5%	4%	24%	14%	25%	22%	25%	10%

Attention to health and safety of employees results the most widely policy (59%) used by HR department in order to develop sustainability.

Organizations also try to promote ethical behavior between employees through codes of conduct (55%).

Countries also agree on the importance that recruiting and selection have in order to select candidates with sustainable values and behavior (39%).

Relatively little emphasis is placed on people management practices and training leadership and employees on CR issues; that explains why a lack of knowledge and higher priorities are among the main barriers for embedding corporate sustainability.

Organizations seem also not to be aware of the importance to empower sustainable culture and values starting from leadership.

From a comparative point of view, Italy tries to create a sustainable workplace promoting flexible working and work life balance polices (41%) while employee champions of CR (5%) is not yet considered.

In question 16 (see the appendix – Annex 1), we explored in deep HR's role to play corporate responsibility asking about the HR's contribution for the development of sustainability.

Also this question is comparable with CIPD research ("The role of HR in corporate responsibility", CIPD, 2013).

Table 11

Answer Options	TOT	Italy	France	Croatia	Slovenia	Macedonia	Finland	Ukraine	UK
HR makes a valuable contribution to driving or promoting CR	42%	47%	25%	56%	20%	50%	63%	13%	36%
HR has a responsibility for internal communication about CR	24%	27%	32%	12%	20%	13%	13%	38%	26%
HR has a responsibility for implementing the CR strategy	20%	14%	29%	16%	47%	19%	0%	38%	25%
HR has a responsibility for setting the CR strategy	14%	12%	14%	16%	13%	19%	25%	13%	13%

As presented in Table 11, respondents affirm that "HR makes a valuable contribution to driving and promoting CR" (42%) while is not considered responsible for setting the CR strategy (14%).

All the countries are aligned except for France that consider HR responsible for internal communication (32%), and Slovenia that assign to HR the task to implement CR strategy (47%).

In general, HR doesn't seem to have a crucial role in shaping the corporate responsibility agenda and bringing it to life; its role is only to promote and encourage sustainable values without translate them into strategies.

In answer 17 (see the appendix – Annex 1) HR professionals were asked to indicate to what extent they agree with the following sentences about importance that sustainability has on employer branding, employee retention and organization's leaders.

Table 12

		TOT	Italy	France	Croatia	Slovenia	Macedonia	Finland	Ukraine	USA
Importance of sustainability to create a positive employer brand that attract top talent	very important	58%	46%	53%	89%	48%	79%	56%	72%	49%
	important	33%	40%	43%	8%	44%	13%	22%	25%	40%
	unimportant	5%	7%	4%	3%	6%	2%	11%	2%	9%
	very unimportant	4%	7%	1%	1%	2%	6%	11%	1%	1%
Importance of sustainability to improve employee retention	very important	49%	44%	44%	66%	44%	64%	33%	60%	40%
	important	39%	42%	33%	28%	49%	33%	44%	25%	45%
	unimportant	7%	8%	15%	4%	6%	2%	2%	13%	14%
	very unimportant	5%	6%	7%	2%	1%	1%	20%	3%	1%
Importance of sustainability to develop the organization's leaders	very important	57%	46%	44%	81%	66%	84%	11%	71%	33%
	important	35%	42%	43%	12%	25%	13%	67%	25%	48%
	unimportant	5%	5%	11%	4%	6%	2%	3%	2%	17%
	very unimportant	4%	6%	2%	3%	3%	2%	19%	2%	2%

As Table 12 shows, 58% of firms reported their involvement in sustainability was very important in creating a positive employer brand that attracts top talent, 49% reported it was very important in improving employee retention, and 57% indicated the involvement in sustainability was very important in developing the organization's leaders.

From a comparative point of view, there are not significant differences between countries; they all recognize sustainability programs as very important vehicle for improving employee retention and engaging current and new talent.

Only Finland and USA show less agreement on the role that sustainability plays on leaders and employees, although is still considered important.

In section four of the survey (see the appendix – Annex 1), we analyzed the "state of health" of HR professionals, exploring some psychological constructs recognized by literature that can significantly affect work performance.

Respondents were asked to indicate to what extent they agree with the items reported, on a scale from 1 to 7 (1= I totally disagree; 7= I totally agree).

At first we explored how employees working in HR department were supportive, discretionary, and go beyond normal job requirements, measuring the so called "Organizational citizenship behavior" (Poropat&Jones, 2009).

As Table 13 shows, in general there is a common feeling of being part of a community that lead employees to cooperate with others and follow rules and procedures of their organization.

Table 13

	Answer Options	TOT	Italy	France	Croatia	Slovenia	Macedonia	Finland	Ukraine
Organizational citizenship behavior	I look for opportunities to learn new knowledge and skills from others at work and from new and challenging job assignments	5,85	5,81	5,85	5,72	6,35	5,82	6,38	5,75
	I consistently take the initiative to pitch in and do anything that might be necessary to help accomplish team or organizational objectives, even if such actions are not normally part of own duties	5,62	5,55	5,46	5,58	5,75	5,63	5,75	5,69
	I cooperate fully with others by willingly sacrificing own personal interest for the good of the team	5,45	5,44	5,28	5,39	5,65	5,46	5,50	5,50
	I go out of my way to congratulate others for their achievements	5,32	5,28	5,20	5,30	5,40	5,27	5,75	5,13
	I know and follow both the letter and the spirit of organizational rules and procedures, even	5,23	5,20	5,11	5,18	5,10	5,23	6,00	5,41

		TOT	Italy	France	Croatia	Slovenia	Macedonia	Finland	Ukraine
	when the rules seem personally inconvenient								
		5,49	5,46	5,38	5,43	5,65	5,48	5,88	5,49

From a comparative point of view, countries are aligned, showing similar results.

Another important construct explored was the so called "Organizational affective commitment" which shows employee's positive emotional attachment to the organization (Allen and Meyer, 1990).

Table 14

	Answer Options	TOT	Italy	France	Croatia	Slovenia	Macedonia	Finland	Ukraine
Organizational affective commitment	I do not feel strong sense of belonging to my organization	5,53	5,49	5,09	5,51	5,40	5,47	5,88	5,31
	I do not feel "emotionally attached to this organization	5,43	5,38	4,78	5,45	5,05	5,37	5,50	5,34
	I do not feel like "part of my family" at my organization	5,18	5,15	4,72	5,19	5,05	5,12	5,38	4,63
	This organization has great deal of personal meaning for me	4,98	4,92	4,87	4,99	4,60	4,96	5,75	4,84
	I really feel as if this organization's problems are my own	4,72	4,67	4,39	4,75	4,40	4,76	4,63	4,53
	I would be very happy to spend rest of my	4,56	4,49	4,35	4,58	4,35	4,50	4,75	4,41

		5,07	5,02	4,70	5,08	4,81	5,03	5,31	4,84
	career in this organization								

As presented in Table 14, respondents seem to be positively involved in their organizations: France reports the lowest values while finnish employees seem to be the most attached to their firms but, in general, there are no significant differences between countries.

After exploring constructs that have to do with organization and work environment, we focused our attention on respondents' job satisfaction (Table 15).

Table 15

	Answer Options	TOT	Italy	France	Croatia	Slovenia	Macedonia	Finland	Ukraine
Job satisfaction	In general, I don't like my job	6,27	6,24	5,98	6,26	6,50	6,20	6,00	6,19
	In general, I like working here	5,40	5,36	5,20	5,34	5,35	5,32	6,00	5,38
	All things considered, I feel pretty good about this job	5,36	5,29	5,28	5,36	5,00	5,33	5,63	5,34
		5,68	5,63	5,49	5,65	5,62	5,62	5,88	5,64

Also in this case HR professionals seem to be fulfilled and satisfied by their job with no significant differences between countries.

Using measures proposed by Wayne, Shore and Liden (1997), we explore to what extent respondents wanted to quit their job and organization.

Table 16 shows how, in general, items used to measure intention to leave have received a low degree of agreement (2,70).

Table 16

	Answer Options	TOT	Italy	France	Croatia	Slovenia	Macedonia	Finland	Ukraine
Intention to leave	As soon as I can find a better job, I'll leave the organization	3,10	3,15	3,30	3,13	3,10	3,17	2,63	3,06
	I am actively looking for a job outside the organization	2,57	2,59	2,83	2,59	2,90	2,61	1,88	2,50
	I am seriously thinking of quitting my job	2,42	2,47	2,80	2,34	3,45	2,42	1,88	2,28
		2,70	2,74	2,98	2,69	3,15	2,74	2,13	2,61

From a comparative point of view, there are no significant differences between countries, except for Slovenia that shows the highest values of intention to leave.

Another important construct that can significantly impact on quality of work, is burn out that could lead to exhaustion, cynicism and depersonalization (Maslach, 1982).

As Table 17 shows, HR professionals have low level of emotional exhaustion (3,10); Finland in particular has the lowest values, meaning that its workers are less likely to experiment burn out.

Table 17

	Answer Options	TOT	Italy	France	Croatia	Slovenia	Macedonia	Finland	Ukraine
Burn out	I feel emotionally drained from my work	3,68	3,73	3,63	3,65	4,40	3,56	2,00	3,59
	I feel used up at the end of the workday	3,30	3,27	3,74	3,39	3,15	3,34	2,13	3,38
	Working all day is really a strain for me	2,97	2,92	2,91	2,96	3,40	2,86	2,00	3,47
	I feel burned out from my work	2,94	2,86	3,07	2,93	3,05	2,90	1,75	2,78
	I feel fatigued when I get up in the morning and have to face another day on the job	2,63	2,63	3,13	2,70	2,45	2,66	2,00	2,59
		3,10	3,08	3,30	3,13	3,29	3,06	1,98	3,16

In the last part of the survey, we explored to what extent respondents find their work meaningful. This construct was measured using the "Work and Meaning Inventory" (WAMI) developed by Steger, Dik, and Duffy (2012).

Table 18

	Answer Options	TOT	Italy	France	Croatia	Slovenia	Macedonia	Finland	Ukraine
Meaninfgul work	I view my work as contributing to my personal growth.	5,78	5,72	5,59	5,79	5,55	5,76	6,25	5,75
	I have a good sense of what makes my job meaningful.	5,69	5,66	5,83	5,67	5,55	5,73	5,75	5,78
	I understand how my work contributes to my life's meaning.	5,49	5,44	5,48	5,45	5,40	5,47	5,88	5,38
	I have found a meaningful career.	5,25	5,16	5,22	5,21	5,15	5,23	5,88	5,28
	My work helps me better understand myself.	5,24	5,20	5,02	5,24	4,80	5,20	5,88	5,19
	I have discovered work that has a satisfying purpose	5,24	5,16	5,26	5,26	4,85	5,26	6,00	5,16
	The work I do serves a greater purpose.	5,23	5,20	5,20	5,26	5,00	5,31	5,38	5,34
	My work really makes no difference in the world	5,14	5,08	4,96	5,10	5,40	5,07	5,00	4,91
	My work helps me make sense of the world around me.	5,13	5,08	5,11	5,13	4,85	5,07	5,75	4,88
	I know my work makes a positive difference in the world.	4,91	4,85	4,72	4,90	4,95	4,95	5,13	5,09
		5,31	5,25	5,24	5,30	5,15	5,30	5,69	5,28

In general, as table 18 shows, HR professionals find their work satisfying and meaningful (5,31). Once again, Finnish employees seem to be the most satisfied by their work (5,69).

2.2 Integrative results

In this section impact of corporate sustainability on HR role will be analyzed.

We have assumed that sustainability of organization was an antecedent of some psychological constructs related to HR professionals and our aim was to discover how this orientation impacts on this role.

In order to analyze this effect, for each construct the sample of respondents was divided into four group based on their answers:

1. Percentage of respondents whose sustainability values were above the average value (3,81) but below the average value of the construct considered

2. Percentage of respondents whose sustainability values were above the average value (3,81) and above the average value of the construct considered

3. Percentage of respondents whose sustainability values were below the average value (3,81) and below the average value of the construct considered

4. Percentage of respondents whose sustainability values were below the average values (3,81) and above the average value of the construct considered

At first the relationship between corporate sustainability and meaningful work will be analyzed

Table 19

Corporate sustainability (average 3,81)	above	24%	**33%**
	below	**25%**	18%
		below	above
	Meaningful work (average 5,31)		

As Table 19 shows, the most of respondents is distributed in box 2 (33%) and 3 (25%).
This means that there is a direct relationship between sustainability and meaningful work: the more corporate sustainability is perceived, the more work is considered meaningful and significant for HR professional.
Another construct that is positively related to sustainability is organizational affective commitment (Table 20).

Table 20

Corporate sustainability (average 3,81)	above	16%	**39%**
	below	**28%**	16%
		below	above
		Organizational affective commitment (average 5,07)	

Also in this case there is a direct relationship between these two constructs: the most of the respondents is distributed in box 2 (39%) and box 3 (28%) for a total of 67% of the sample.

Based on these results, we can affirm that HR professionals that perceived corporate sustainability, are more attached to the organization they work for.

Sustainability has also a positive impact on job satisfaction (Table 21).

Table 21

Corporate sustainability (average 3,81)	above	16%	**41%**
	below	**27%**	16%
		below	above
		Job satisfaction (average 5,67)	

The most of the respondents is distribuited in box 2 (41%) and box 3 (27%) demonstrating that HR professionals who works in an organization that is sustainable, are also more satisfied with their job.

Unlike the constructs analyzed above, intention to leave is inversely proportional to sustainability (Table 22).

Table 22

Corporate sustainability (average 3,81)	above	**44%**	13%
	below	21%	**22%**
		below	above
		Intention to leave (average 2,70)	

The majority of respondents is distributed in box 1 (44%) and box 4 (22%).

This means that the more HR professionals perceive corporate sustainability, the less they want to leave the organization; this confirm the positive impact that sustainability has on workers and firm.

As intention to leave, also burn out is inversely proportional to sustainability: the 62% of the sample is distributed between box 1 (37%) and box 4 (25%).

Table 23

Corporate sustainability (average 3,81)	above	**37%**	19%
	below	19%	**25%**
		below	above
		Burn out (average 3,10)	

This means that if HR professionals perceive high sustainability orientation in their organization, they are less likely to experience burn out that causes emotional exhaustion, depersonalization, and diminished personal accomplishment.

Corporate sustainability could also be considered an antecedent of organizational citizenship behavior.

Table 24

Corporate sustainability (average 3,81)	above	20%	**37%**
	below	**23%**	20%
		below	above
		Organizational citizenship behavior (average 5,49)	

As table 24 shows, the 60% of the respondents is distributed between box 2 (37%) and box 3(23%): HR professionals who perceive that their firm is sustainable, are more likely to behave in a way that strengthen and maintain the social system of organization.

Last but not least, sustainability was shown to be strongly correlated to HR practices: in table 25 the 65% of the respondents is distributed between box 2 (29%) and box 3 (36%).

Table 25

Corporate sustainability (average 3,81)	above	27%	**29%**
	below	**36%**	8%
		below	above
		Number of practices (average 5)	

These results underline the important role that HR department plays on the development of sustainability: in organizations that are more sustainable, the number of HR practices used increase.

3. Appendix

3.1 Annex 1 – Questionnaire

SECTION ONE – BACKGROUND INFORMATION

Please for each statement select the response that describes your personal/professional situation.

1. Gender   1 Male   2 Female

2. Age (number of years)   … years

3. Country where you work in:

Croatia

Finland

France

Italy

Macedonia

Slovenia

Ukraine

Other

4. Tenure (Duration of employment in your current organization)   …. Years

5. How would you best describe your position in Human Resources?

Senior HR Manager

HR Manager

Senior HR Specialist

HR Specialist

Junior HR Generalist

Others

6. How many years of your career have you spent in HR-related roles?

7. Industry which your organization belongs:

Information Technology   Hospitality, leisure, catering

Engineering and construction   Aerospace, defense

Employment agencies   Banking and Finance

Public administration   Publishing

Health, healthcare   Energy, Utilities

Services   Entertainment, media

Transport and logistics   Real Estate

Retail   Manufacturing Industry

Other

8. Number of employees who work in your organization   …employees

SECTION TWO – YOUR ORGANIZATION AND SUSTAINABILITY

We would like to ask you some questions about your company and sustainability, intended as the balance among economic, social and environmental performances of the firm. Please answer the following in terms of how your company really is, not how you would prefer it to be.

9. Please indicate your perception of the importance that your enterprise places on each of the following aspects of the enterprise (1=not important; 7=very important):

	1	2	3	4	5	6	7
Economic value of products							
Quality of work is more important than profit							
Price of products and services							
Professionalism/expertise of staff							
Quality of products or services							
Customer service							
Community involvement							
Democratic decision making							
Social relationships with other members							
Education and training of organizational members							

10. For your company, what is the key driver for investing in sustainability? Please choose ONE option among the sentences reported below.

Contribution to society (e.g., good corporate citizenship)	
Environmental considerations	
Health and safety considerations	
Saving money on operational costs	
Local/federal regulations	
Public/media relations strategy	
Competitive financial advantage	
Employee activism	
Employer Branding	

11. Please indicate to what extent sustainability is/was/will be a part of corporate business activities of your organization.

	Never considered for the agenda	Excluded from the agenda, because viewed as a passing fad	Temporarily on the agenda but not core	On the agenda permanently but not core	Already a permanent fixture and core strategic consideration
What do you believe is the status of sustainability in your companies' agenda today?					

	Significantly decreased	Somewhat decreased	No changes	Somewhat increased	Significantly increased
How do you believe has the organization's commitment towards sustainability - in terms of management attention and investment - changed in the past years?					

	Will significantly decrease	Will decrease somewhat	No changes	Will increase somewhat	Will significantly increase
How do you expect your organization's commitment towards sustainability - in terms of management attention and investment - to change over the next three years					

12. What are the positive outcomes of sustainability initiatives? Please choose one or more options among the sentences reported below.

Improved employee morale	
Stronger public image	
More efficient business processes	
Increased employee loyalty	
Position as an employer of choice	
Positive financial bottom line	
Increased brand recognition	
Increased consumer/customer confidence	
Increased employee retention	
Increased workforce productivity	

Increased recruitment of top employees	
Improved product portfolio	

13. Considering the last three years, could you please rate the actual performance of your company in comparison with competitor performance? On a scale of 1 to 5 where 1 is 'Much Worse' and 5 is 'Much Better'

	1	2	3	4	5
Return on investment					
Earnings					
Sales					
Market share					

SECTION THREE – THE HR SYSTEM AND SUSTAINABILITY

We would like to ask you some questions about the contribution of the HR system and HR practice to corporate sustainability. Please answer the following in terms of how it really is, not how you would prefer it to be.

14. What are the formal and informal polices used in your organization for developing corporate sustainability? Please choose one or more options among the sentences reported below.

Recycling/waste management policies	
Policies to reduce energy/water consumption	
Tight controls to avoid bribery/corruption	
Policies to increase diversity and equality	
Corporate governance/increased transparency	
Philanthropy/charitable giving	
Customer charter/pledge relating to sustainable issues	
Ethical purchasing of materials	
Requirements on suppliers relating to sustainable issues	
Policies/framework to address global issues	
Avoidance of countries/markets with poor human rights	
Ethical investments	

15. What are the HR practices you use to embed sustainability in your organization via HRM? Please choose one or more options among the sentences reported below.

Actively championed by senior management	
Internal publicity campaigns to raise awareness of CR issues	
Induction programmes that emphasise responsible and sustainable values	
Employee champions of CR	
Recruitment and selection criteria that look for responsible values or behaviour	
Leadership or management training on CR issues	
Organisation-wide training to develop responsible and sustainable behaviour	
Employee performance assessment or appraisals include CR objectives	
Job descriptions with CR objectives	
Incentives or rewards that recognise responsible and sustainable behaviour	
Health and safety	
Code of conduct/ethical behaviour of all employees	
Labour practices/employee rights	
Policies to improve employee well-being	
Policies to promote flexible working/work–life balance	
Volunteering/community relations	

16. What is, in your organization, the HR's contribution for the development of sustainability? Please choose ONE option among the sentences reported below.

HR makes a valuable contribution to driving or promoting CR	
HR has a responsibility for setting the CR strategy	
HR has a responsibility for implementing the CR strategy	
HR has a responsibility for internal communication about CR	

17. Please indicate to what extent you agree with the following sentences from a scale from 1 to 7 (1 = I totally disagree; 7= I totally agree).

	1	2	3	4	5	6	7
Importance of sustainability to create a positive employer brand that attract top talent							
Importance of sustainability to improve employee retention							
Importance of sustainability to develop the organization's leaders							

SECTION FOUR – YOUR PERSONAL WORK EXPERIENCE

We would like to ask you some questions about your workforce and your personal working experience. Please answer the following in terms of how you really feel, not how you would prefer to feel.

18. Regarding your own work experience, please indicate to what extent you personally agree with the following sentences, from a scale from 1 to 7 (1 = I totally disagree; 7 = I totally agree).

	1	2	3	4	5	6	7
I would be very happy to spend rest of my career in this organization							
I really feel as if this organization's problems are my own							
I do not feel like "part of my family" at my organization							
I do not feel "emotionally attached to this organization							
This organization has great deal of personal meaning for me							
I do not feel strong sense of belonging to my organization							
In general, I like working here							
In general, I don't like my job							
All things considered, I feel pretty good about this job							
As soon as I can find a better job, I'll leave the organization							
I am actively looking for a job outside the organization							
I am seriously thinking of quitting my job							
I feel emotionally drained from my work							
I feel used up at the end of the workday							

I feel fatigued when I get up in the morning and have to face another day on the job							
Working all day is really a strain for me							
I feel burned out from my work							

19. Regarding your own work behaviors and outcomes, please indicate to what extent you personally agree with the following sentences, from a scale from 1 to 7 (1 = I totally disagree; 7 = I totally agree).

	1	2	3	4	5	6	7
I cooperate fully with others by willingly sacrificing own personal interest for the good of the team							
I know and follow both the letter and the spirit of organizational rules and procedures, even when the rules seem personally inconvenient							
I consistently take the initiative to pitch in and do anything that might be necessary to help accomplish team or organizational objectives, even if such actions are not normally part of own duties							
I go out of my way to congratulate others for their achievements							
I look for opportunities to learn new knowledge and skills from others at work and from new and challenging job assignments							

20. Regarding your HR role in the organization, please indicate to what extent you personally agree with the following sentences from a scale from 1 to 7 (1 = I totally disagree; 7= I totally agree).

	1	2	3	4	5	6	7
I have found a meaningful career.							
I view my work as contributing to my personal growth.							
My work really makes no difference in the world							
I understand how my work contributes to my life's meaning.							
I have a good sense of what makes my job meaningful.							

I know my work makes a positive difference in the world.							
My work helps me better understand myself.							
I have discovered work that has a satisfying purpose							
My work helps me make sense of the world around me.							
The work I do serves a greater purpose.							

3.2 Annex 2 – Key features of the respondents

		TOT	Italy	France	Croatia	Macedonia	Slovenia	Finland	Ukraine
Gender	F	57%	36%	57%	91%	88%	83%	67%	67%
	M	43%	64%	43%	9%	12%	17%	33%	33%
Age (average)		43	47	42	37	38	43	49	32
Tenure in current organization (average)		9	10	6	6	9	13	8	3
Position	Senior HR Manager	41%	45%	57%	26%	16%	22%	60%	25%
	HR Manager	30%	33%	25%	29%	48%	22%	13%	25%
	Senior HR Specialist	7%	7%	2%	9%	8%	22%	7%	8%
	HR Specialist	12%	9%	5%	21%	20%	33%	0%	17%
	Junior HR Generalist	2%	2%	2%	6%	4%	0%	0%	0%
	Other	7%	4%	9%	9%	4%	0%	20%	25%
Years of career in HR role (average)		14	16	15	9	7	12	14	8
Industry	Services	58%	53%	60%	45%	43%	53%	63%	41%
	Manufacturing	42%	47%	40%	55%	57%	47%	37%	59%
Number of employees in current organization (average)		3490	1766	4831	2001	462	2089	2291	622