

Change Management

Harnessing the HR and Sustainability Partnership



Introduction

Today's Chief Sustainability Officers (CSOs) face mounting pressure to deliver results against limited resources, regulatory challenges and complex human dynamics. Where some are feeling isolated, others are finding an unexpected ally in the C-Suite: The Chief Human Resources Officer (CHRO).

CHROs and other HR professionals have amassed years of experience navigating the intricacies of the corporate world to drive impact. Equipped with expertise in change management, CHROs possess the know-how to implement people-centric transformations that resonate with employees and align with organisational values. As organisations look to embed sustainability within their operations, this behaviour will be essential.

Now, more than ever, the importance of a strong partnership between the sustainability and HR function is unmistakable for organisations of all sizes. Think: innovative solutions, improved morale and reinforced corporate identities that stand resilient against the ever-changing social and environmental landscape.

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As a talent professional with a background in human and organisational development, I believe that organisational change management is an often overlooked and undervalued skill set in the sustainability field. The CSO is, at their core, a change maker, and the complexities of sustainability demand sophisticated change strategies. The better a CSO understands how to apply change management frameworks to their practice, the more effective they will be in their role.”

Why is change management so important when it comes to embedding sustainability in an organisation?

Is there a single skill set that would allow sustainability professionals to deliver more impact on their initiatives?

Change management skills are applicable at various levels within an organisation, from micro to macro, and can encompass structural as well as behavioural shifts.

Sustainability is essential for organisational success today, promoting environmental responsibility, social awareness, and economic viability. Yet, organisations often resist this transition.

Organisational culture and resistance to change often impede efforts to embed sustainability, as it requires a shift in mindset and practices at all levels.

As leaders in human resources, CHROs typically operate within the change management space. Their perspectives prove invaluable for the entire organisation, especially in scenarios where there's resistance to change. It's crucial that CSOs are also provided with comparable resources and support, as behavioural change is just as integral to their role as it is to the CHRO's.



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Nicholas Mazzei
Vice President Sustainability
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Sustainability is often viewed as a solitary topic, or at best gets partnered up with finance. But all functions in a company are key to partnership when it comes to sustainability outcomes, and HR is one of the most important. It is through our people we will be most successful, and the impacts and changes to our business and society from climate change, and our response to it, will be felt greatly by our people.”



Why is a collaborative partnership essential?

As the responsibilities of the CSO expand, so too does the scope of the CHRO. Historically focused on internal people operations, the CHRO now experiences a widening remit, encompassing areas such as diversity, equity and inclusion, investor relations, digital transition, and sustainability initiatives.

Given that sustainability often represents a significant cultural shift within an organisation, fostering greater collaboration between CSOs and CHROs enables the CHRO to effectively lead these changes and maximise their impact. Moreover, critical retention components such as employee pension schemes can be made more sustainable through this collaborative effort.

Sustainability is often seen as a major cultural change within an organisation, and increasing the level of collaboration between CSOs and CHROs helps the CHRO effect these changes to make the best possible impact.

Another facet of the CHRO's broadening remit includes increased direct access to investors. With investors increasingly seeking insights from CHROs on various aspects including corporate culture, employee engagement, and pension portfolios, the integration of sustainability criteria into investments has become paramount. Investors often require CHRO feedback on Environmental, Social, and Governance (ESG) factors falling within the HR domain.

By collaborating, CSOs and CHROs can assess if the organisation is adequately positioned to meet the expectations of the board and investors regarding the pace of change. They can evaluate whether different teams are driving sustainability initiatives, if the organisation is recruiting leaders who prioritise purpose, and if there is sufficient talent to execute change effectively.



Karen McKeever
Chief People Officer
Drax

Increasingly, the CHRO is having to be both the conscience of the organisation and the change maker. Predicting the future demands on the organisation, both internally and externally, and proactively finding solutions to address these demands. For CHROs to be successful, they have to be able to look ahead, understand the future landscape the organisation will be operating in and win the hearts and minds of increasing numbers of stakeholder groups to come on that journey. Those stakeholders are increasingly demanding that sustainability be factored in to everything the organisation does. This requires focus and attention, not only on the “what” and the “how”, but also on the psychological position of the organisation and stakeholder groups.”



What's needed to drive meaningful change in an organisation?

In conversations with both HR and sustainability professionals regarding driving organisational change, several key themes surfaced. These themes highlight opportunities for collaboration between CHROs and CSOs to amplify the impact of sustainability initiatives.



Leadership & Direction: Providing clear guidance, leadership, and a vision for change.



Learning Culture: Promoting continuous learning, celebrating both successes and failures, and prioritising personal and organisational growth.



Communication: Emphasising the importance of open, transparent, and regular communication.



Accountability & Responsibility: Holding individuals and teams accountable, setting targets, and addressing obstacles.



Engagement & Collaboration: Involving stakeholders, encouraging contributions, and fostering collaboration across organisational silos.



Empowerment & Ownership: Assigning roles, empowering champions, and enabling stakeholders to take ownership of initiatives.



Adaptability & Flexibility: Being open-minded, willing to disrupt traditional methods, and embracing change.



Transparency & Trust: Ensuring transparency in processes, building trust among stakeholders, and managing resistance effectively.



Recognition & Reward: Celebrating successes, acknowledging efforts, and providing incentives.



Alignment with Purpose & Values: Aligning actions and initiatives with organisational values and goals and ensuring that everyone understands their role in the larger vision.

The amalgamation of these key themes underscores the principles essential for effecting meaningful change, both within HR and sustainability domains. Whether that's focused on steering organisations towards the desired objective through effective leadership, or promoting a learning culture that cultivates continuous improvement, these themes collectively highlight the interconnectedness of organisational change efforts across HR and sustainability, emphasising the importance of collaboration and mutual support in driving impactful and sustainable change.

What can leaders take away from these insights?

It's evident that possessing a strong change management skill set is crucial for success in both CSO and HR roles, but what changes can leaders make today that would ensure success for the whole organisation?

- 1** Emphasise change management as an essential skill in job descriptions
- 2** Foster closer collaboration and facilitate dialogue between the CSO and CHRO through workshops, focus groups, and cross-departmental teams
- 3** Create time and space for change management to be carried out effectively

By prioritising collaboration and mutual support across both domains, organisations can harness the collective expertise of CSOs and CHROs to drive impactful and sustainable change within their organisation.



Contributors

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About Acre

Acre is the global market leader for sustainability executive search and recruitment services, exclusively focused on integrating sustainability and catalysing positive change across business, finance and energy. Operating from offices in London, New York, Amsterdam and Singapore, Acre became a certified B-Corp in 2022. This recognition was achieved through a high level of social and environmental performance, transparency and accountability.

With 20 years of extensive experience, Acre's purpose is to create systemic change for our planet and society by activating people's potential. Its focus on sustainability gives Acre's team of specialists an in-depth understanding of the sectors they operate in, enabling them to consult, challenge and advise their clients to create a more sustainable future and drive impact where it is needed most. This led to the team placing more than 650 leaders in over 30 countries in 2023 alone.

We encourage organisations interested in exploring these opportunities to reach out to us at mail@acre.com.