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Practices and Measuring of Sustainable Human Resource Management

HRM in the World's Most Sustainable Corporations

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ABSTRACT:

The demands for companies on sustainability have increased during the past decade. Sustainable human resource management is desirable due to various benefits, such as competitive advantage and benefits experienced by employees. Additionally, the companies aim to respond to the demands the companies' stakeholders, such as employees and customers, have set for them on sustainability. Sustainable human resource management is both a mean and an end when companies aim for sustainability. External stakeholders, such as investors, are kept informed by sustainability reporting, which has increased remarkably during the past years.

Despite the growth of demands and aims on sustainable human resource management and human resource management related to sustainability reporting and measurement, the field is not widely studied. This research aims to examine what kind of human resource management practices the most sustainable companies of the world report having and how they are being measured. This research is qualitative, and the research material consists of the sustainability reports of the companies studied. The material is analyzed by thematic analysis. The theoretical framework of the research consists of two parts. In the first part, sustainable business will be discussed based on the theory of Corporate Social Responsibility. The framework of sustainable human resource management will be built on it based on previous research. The second part of the theoretical framework consists of stakeholder theory, sustainability reporting and measuring of human resource management.

This research indicates that the practices the companies report having can be categorized into four main themes: Health & Wellbeing, Employee Development, Employee Engagement, and Diversity & Inclusion. All the main categories include multiple different practices and metrics, which aim for sustainable human resource management.

There are three key findings presented based on this research. Firstly, the similarity of the main themes, with varying details, was identified in this research. Although there is no unified way to report human resource management, a similarity in the topics was noticed. Secondly, the absence of shortcomings was observed in the research. This and various ways to measure the different practices indicate that companies report about the successes to ensure the stakeholders on the sustainability, rather than to increase transparency. Finally, it was noticed that the sustainable human resource practices identified in this research reflect the previous literature and research. However, there is an aim to open a discussion about whether sustainable human resource practices are sustainable enough.

KEY WORDS: Sustainability, human resource management, reporting, measurement

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TIIVISTELMÄ:

Vaatimukset yritysten vastuullisuudelle ovat kasvaneet viimeisen vuosikymmenen aikana. Vastuullinen henkilöstöjohtaminen on tavoiteltavaa moninaisten hyötyjen, kuten kilpailuedun sekä henkilöstön kokemien hyötyjen vuoksi. Vähiten tärkeää ei myöskään ole pyrkimys vastata vaatimuksiin, joita sidosryhmät, kuten työntekijät ja asiakkaat, yrityksille asettavat. Vastuullinen henkilöstöjohtaminen on sekä keino, että lopputulos yritysten pyrkiessä vastuullisuuteen. Erityisesti ulkoisia sidosryhmiä, kuten sijoittajia, pyritään tiedottamaan vastuullisuusraportoinnin keinoin, joka on lisääntynyt merkittävästi viimeisten vuosien aikana.

Siitä huolimatta, että vaatimukset ja pyrkimykset yritysten vastuullisuudessa ovat kasvaneet, erityisesti vastuullista henkilöstöjohtamista, sen raportointia sekä mittaamista on tutkittu verrattain vähän. Tässä tutkimuksessa pyritään tarkastelemaan, millaisia henkilöstöjohtamisen käytäntöjä maailman vastuullisimmat yritykset raportoivat, ja miten näitä käytäntöjä mitataan. Tutkimus on laadullinen tutkimus, ja sen aineistona ovat toimineet tutkittujen yritysten vastuullisuusraportit. Tutkimus on analysoitu temaattisen analyysin keinoin. Tutkimuksen teoreettinen viitekehys muodostuu kahdesta osasta. Ensimmäisessä osassa tarkastellaan vastuullista liiketoimintaa Corporate Social Responsibility -teorian avulla, sekä tarkastellaan tämän myötä vastuullista henkilöstöjohtamista aiempaan tutkimukseen nojaten. Toisessa osassa tarkastellaan sidosryhmäteoriaa, vastuullisuusraportointia sekä henkilöstöjohtamisen mittausmenetelmiä.

Tämän tutkimuksen tulokset osoittavat, että henkilöstöjohtamisen käytännöt, joita yritykset raportoivat, kategorisoituvat neljään pääteemaan: terveys ja hyvinvointi (Health & Wellbeing), henkilöstön kehittäminen (Employee Development), henkiöstön sitoutuminen (Employee Engagement) sekä moninaisuus ja yhdenvertaisuus (Diversity & Inclusion). Kaikki pääkategoriat sisältävät useita eri käytäntöjä ja mittausmenetelmiä, joiden avulla pyritään vastuulliseen henkilöstöjohtamiseen.

Tutkimuksen lopputuloksena esitetään kolme havaintoa. Ensimmäisenä huomiona esitetään vastuullisuusraportoinnin samankaltaisuus. Tämän tutkimuksen tulosten myötä huomattiin, että vaikka vakiintuneet raportointikäytänteet vastuullisuudelle puuttuvat, tulosten pääkategoriat osoittivat samankaltaisuutta eri yrityksissä. Toiseksi yritysten taipumus olla raportoimatta puutteista havaittiin. Tämä, sekä erilaisten mittareiden moninaisuus antavat viitteitä siitä, että yritykset raportoivat vastuullisuudestaan vakuuttaakseen sidosryhmät vastuullisuudesta, eivätkä välttämättä lisätäkseen läpinäkyvyyttä. Kolmanneksi havaittiin, että tutkimuksessa identifioidut henkilöstöjohtamisen käytänteet noudattavat aiempaa tutkimusta, mutta pyritään herättämään näkökulmia siitä, onko vastuullisuuden taso riittävä.

AVAINSANAT: Vastuullisuus, henkilöstöjohtaminen, raportointi, mittaaminen

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Abbreviations

CSR   Corporate Social Responsibility

D&I   Diversity & Inclusion

ESG   Environmental, Social and Governance

GRI   Global Reporting Initiative

HR   Human Resources

HRM   Human Resources Management

KPI   Key Performance Indicator

1 Introduction

«Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.
»

(United Nations, 1987)

Sustainability is one of the big questions of the 21st century, which affects not only societies but also companies. Sustainable development is impossible without sustainable development done in companies (Schaltegger, Lüdeke-Freund & Hansen, 2012). Sustainability has taken a significant role in business during the past years. According to a report by Ernst & Young (2020), 98 % of the surveyed investors assess companies by their non-financial factors, such as emissions. The assessment of the environmental, social, and governance (ESG) factors has increased from 2013 to 2020 considerably according to the report, and the leap has been remarkable even from 2018. Some of the world's largest institutional investors practice sustainable investing and trust that ESG factors positively affect companies' performance and market value (McKinsey & Company, 2017). Mishra, Sarkar, and Singh (2013) state that sustainable business has a better chance of being successful in the future – even for decades onwards. According to Friede, Busch, and Bassen (2015), there is a strong business case for ESG investing. Their study – a meta-study based on over 2000 empirical studies – presents a significant positive relation between ESG criteria and upbeat performance.

The role of HR as a function is to increase the return of sustainability initiatives and ensure the establishment of sustainability culture (Mishra, et al., 2013). When discussing the role and benefits of sustainable human resource management (HRM), some research focuses on the positive relationship between sustainable HRM practices and positive financial outcomes (see, e.g., de Bussy & Suprawan, 2012; Bučiūnienė & Kazlauskaitė, 2012). On the other hand, some research goes beyond the financial performance and emphasizes the social outcomes of sustainable HRM, such as employee engagement and

wellbeing (Stankevičiūtė & Savanevičienė, 2019) or the motivation of employees and improved quality of life (Davies & Crane, 2010; Newman et al., 2016; Shen & Benson, 2016). Hence, the outcomes of sustainable HRM are remarkable from the perspective of sustainability culture, financial performance and the benefits for the employees. Helsingin Sanomat, the biggest newspaper in Finland (measured by distribution), discussed diversity, which is part of sustainable human resource management, of companies in their article on March 13th, 2021. According to the article, sustainability and sustainable HRM practices are about organizations wanting to make morally and ethically correct choices and responding to pressure from the public. Therefore, by sustainability, companies aim to create a competitive advantage, do morally correct choices, but it is also done to respond to the demands of different stakeholders.

As stated earlier, investors are increasingly interested in the non-financial factors of companies. On the other hand, the public, which include, e.g., the customers of the company, demand information from organizations on their ESG actions. Therefore, as the role of sustainability increases, so does the need to report about sustainability actions. The requirements for companies to report about their sustainability have increased during the past years. Sustainability reporting can be seen as a dialogue between the company and its stakeholders, such as customers, personnel, owners, media, management, HR professionals, and trade unions (Järlström & Saru, 2019). The need for such dialogue in an era of growing demands on sustainability is remarkable.

Therefore, as the demands for sustainability in business and the demands on reporting and sharing information to the stakeholders are increasing, it is justifiable to say that there is a need to examine the information that is being shared. This research aims to examine the human resource management and the reporting of it in the world's most sustainable corporations. The examination is conducted through the public sustainability reporting done by the 20 most sustainable corporations in the world according to Global 100 index. The purpose and the research questions, and the structure of the research will be further presented next.

1.1   Research questions

The purpose of this research is to examine what kind of human resource management practices the world's most responsible companies report having. Sustainability in business and sustainable HRM as a concept are emerging research topics, and the research within the fields of sustainability and sustainable HRM are increasing. However, the HR practices and measuring them within sustainable HRM are not yet being widely researched and the reporting or measuring practices are not well established, although the pressure from the public and investors is increasing. Therefore, this research aims to fill the gap in the field of sustainable HRM research.

This research has two primary research questions, which are as follows:

1. What kind of human resource management practices the world's most sustainable companies report having?
2. How do the world's most sustainable companies report the measurement of the sustainable human resource management practices in their sustainability reports?

This research focuses on publicly listed companies. This research does not aim to explain how the practices described in the research are executed in actions or what kind of strategies or policies drive the practices. Instead, the idea is to explain how the world's most sustainable corporations acknowledge sustainable HRM by means of sustainability reporting. Next, the structure of the research will be presented.

1.2   Structure of the research

This research is conducted by getting acquainted with the research made in sustainable HRM, especially from the perspective of sustainable HRM practices and the reporting of sustainable HRM and the more comprehensive framework. Additionally, the research consists of the section of empirical research. The main content of each chapter is presented next.

In chapter 2, the role of sustainability in business will be briefly presented. Sustainability in business will be presented through corporate social responsibility (CSR). Sustainable HRM will be built upon sustainability and CSR presented in chapter 2. Sustainable HRM will be presented based on sustainable HRM models and sustainable HRM practices. This chapter aims to create an overview of the concept of sustainable HRM. This chapter has a significant role in creating a framework for this research overall and from the perspective of the first research question.

Chapter 3 focuses on the stakeholder theory, sustainability reporting and the measurement of HRM. The objective of this chapter is to create an understanding of sustainability reporting. Additionally, the aim is to create a framework for the measurement of HRM practices linked to the second research question set for this research, which is about the measurement of sustainable HRM. This chapter is also significant for the research design chosen for this research due to the vital role of sustainability reports.

In chapter 4, the research design and the execution of the research will be presented. The chapter includes an explanation of the research setting, the research material, analysis of the research, and review of the ethics of the research setting. This chapter aims to create a justifiable understanding of the decisions made regarding the design of the research.

Chapter 5 presents the results of the research. This chapter aims to respond to the research questions presented in the previous chapter. Hence, the chapter presents the HRM practices and their measurement identified via the analysis.

Finally, in chapter 6, conclusions and contributions of this research will be presented. This chapter aims to present the contribution this research has on the research field and the key findings of the research. Additionally, the ethics of the results will be presented

here. Finally, the subjects for future research based on this examination will be presented. The structure of the research is summarized in Figure 1. below.

Chapter 2
- Sustainable Human Resource Management
  - Discussing previous research on the context and the content of sustainable HRM by building on the theory of CSR

Chapter 3
- Reporting of Sustainable HRM
  - Presenting HRM-related research and literature of sustainability reporting and measurement

Chapter 4
- Research Desing
  - Presenting the methodology and material of the research, and the ethics of the research setting

Chapter 5
- Results
  - Presenting the results of the research and answering the research questions

Chapter 6
- Conclusions
  - Presenting the key findings of the research, discussing the ethics of the research and presenting the subjects for future research
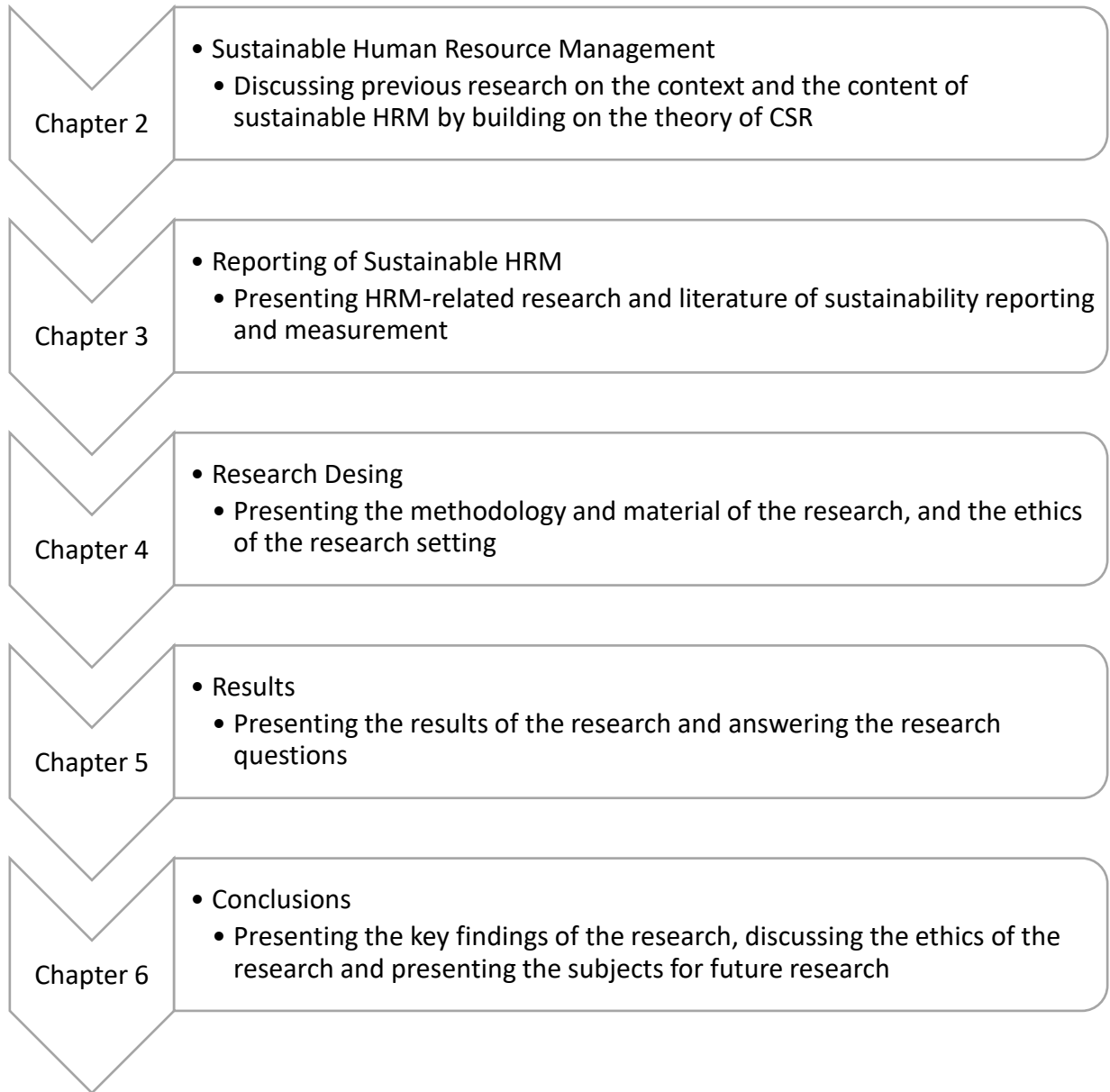
Figure 1. Structure of the research

2 Sustainable Human Resource Management

This chapter aims to create the theoretical framework for the research, and it is also directly linked to the first research question: "What kind of human resource management practices the world's most sustainable companies report having?". Additionally, this chapter has a significant role in understanding the research tasks and the results of the research.

Sustainability and the requirements for sustainability have been shaping businesses, especially during the past decade. There are multiple reasons behind the increased concern and demands for sustainability, including, among other things, climate change, overpopulation, environmental problems, poverty, social inequities, and unequal access to resources based on location (Ehnert, Harry & Zink, 2014). Sustainable HRM is part of the overall strategic sustainability of companies (Cohen, Taylor & Muller-Camen, 2010). HRM is integrated to business strategy in the large companies, and the strategy is executed through employees (Järlström & Saru, 2018). Hence, this chapter aims to create a basis to understand sustainability in business and, therefore, enable the building of sustainable HRM on sustainability and CSR.

Companies are adapting and implementing environmental-friendly business activities, as they face increasing internal and external demands, thereby identifying practices that enhance the companies' competitive advantage and environmental and economic performance (El-Kassar & Singh, 2017). Based on Ehnert et al. (2014) and Wagner (2013), Ehnert, Parsa, Roper, Wagner, and Muller-Camen (2016) state that the operations of organizations are sustainable, if they perform well financially, socially, and environmentally. Järlström and Saru (2018) state that employees and HRM can be seen as a source of competitive advantage. Therefore, both sustainability and the role of employees and HRM are source of competitive advantage, and therefore and integral part of the business. Alhaddi (2015) studied in his review the usage of sustainability in literature. He noticed that sustainability as a concept is not used consistently. Secondly, it is used in the lines of environmental, social, economic aspects or through the concept of corporate

social responsibility (CSR). In this research, the concept of sustainability will be discussed through the concept of CSR. Next, CSR as a concept will be presented. After that, sustainable HRM will be discussed building on CSR.

2.1 Corporate Social Responsibility

According to the Commission of the European Communities (2001, 6), corporate social responsibility (CSR) is

> *« -- a concept whereby companies integrate social and environmental concerns in their business operations and their interaction with their stakeholders on a voluntary basis. »*

Hence, the concept of CSR includes the dimensions of social, environmental, as well as economic by building the integration of social and environmental aspects to business operations. Additionally, the interaction with stakeholders is emphasized as one element. Sustainability and CSR are slightly different concepts yet linked to each other. According to Mishra et al. (2013), sustainability focuses on doing good now for the future. In contrast, CSR attempts to bring back to societies by mitigating risks and getting a social license for the organization to operate. Both sustainability and CSR are linked to the company's strategy, which is why it is essential to understand the practices of both (Mishra et al., 2013).

Cantele and Sardini (2018) studied nearly 350 small and medium-sized enterprises and found out the social, economic, and formal sustainability practices have a positive connection to competitive advantage. The mediators between sustainability and competitive advantage found in the research were organizational commitment, corporate reputation, and customer satisfaction. Competitive advantage, on the other hand, was found to be contributing to financial performance. For their part, Gupta and Benson (2011) studied the companies in Global 100 ranking, i.e., the world's most sustainable companies, from 2005 to 2009. According to their research, sustainable companies are highly competitive in their industries and do not significantly underperform the stock market.

According to Porter and Kramer (2006), the investments made in CSR activities are more beneficial for the competitive advantage of the company and society if they are targeted and chosen based on the company's strategy. Therefore, having a fragmented and all-encompassing approach to CSR is neither as beneficial for businesses nor societies as having a strategically focused approach, for example, on the operating context of the company. Therefore, the competitive advantage achieved by CSR activities is also beneficial for society.

Corporate social responsibility (CSR) and its use to capture value for companies were first indicated as strategic CSR by Baron in 2001 (McWilliams & Siegel, 2011). Baron (2001) stated that the motivation behind the action indicates the responsibility of the action. If the motivation is to benefit the society at the expense of profits, the act is socially responsible (McWilliams & Siegel, 2011). On the other hand, the act is privately responsible if the motivation is to serve the bottom line, i.e., the rise in turnover. Regardless of the motivation, McWilliams and Siegel (2011) define strategic CSR as any responsible action that enables a company to achieve social, competitive advantage. According to Porter and Kramer (2006), the tighter the connection between social issue and company's business, the greater opportunities there are to leverage the company's resources to benefit society. Therefore, despite the motivation of responsible actions, strategic CSR has better chance of creating shared value (Porter & Kramer, 2006).

Sustainability strategies are deployed to strengthen productivity and competitive advantage (Bateh, Heaton, Arbogast & Broadbent, 2013). According to Porter and Kramer (2006), the shift to corporate social responsibility actions has not been solely voluntary. Many companies have faced public reactions and responses to matters formerly not considered part of the business responsibilities. Therefore, partially, including CSR issues into business activities has been an outcome of the force of the public, hence, e.g., media, customers, employees, or other stakeholders. Therefore, there is a growing demand for corporations to report their contributions to sustainable development to respond to public awareness (Ehnert et al., 2016). According to Järlström and Saru (2019), the power

of media can harm mental images, such as employer brands. Further discussion about the reporting of sustainable HRM practices in chapter 3.

Porter (1985) has presented a map to identify social impacts of actions done in companies. As one of the *support actions,* causing negative or positive social impacts, Porter (1985) presents HRM. Next, sustainable HRM and its role in business will be presented.

2.2   Defining Sustainable HRM

The focus of the chapter is to present the nature of sustainable HRM and define the meaning. According to Ehnert et al. (2016), sustainable HRM connects intentions of corporate sustainability to HRM, embracing both the practitioners and academic literature. In their research about the perceptions of top management on sustainable HRM, Järlström and Saru (2019) explain sustainable HRM broadly defined as achieving the organization's sustainability by developing HR strategies, policies, and practices, which take into account economic, social and environmental factors. Mariappanadar (2003, 910) describes HRM that is sustainably oriented, as follows:

> *«-- the management of human resources to meet the optimal needs of the company and community of the present without compromising the ability to meet the needs of the future. »*

Kramar (2014), on the other hand, describes sustainable HRM as HRM that extends beyond strategic HRM and takes into account the wellbeing of stakeholders simultaneously, as it achieves financial outcomes for the organization. All of the definitions described above emphasize different aspects: whether it is the broad definition including economic, social, and environmental factors, or the high-level objective of sustainable HRM to sustain the possibilities of the future generations, or simple and concrete, like considering the wellbeing. Nevertheless, the integrative factor for all of the definitions above is to broaden the scope from contributing to organizational performance. However, according to Mishra et al. (2013), HR has a significant role in the sustainability of business and creating competitive advantage.

Sustainable HRM has developed as a field to help achieve corporate sustainability goals (Mariappanadar, 2019a). Dyllick and Hockerts (2002), on the other hand, state that companies should go beyond the business case to achieve full sustainability. According to Mariappanadar (2019a, 19), the business case for sustainable HRM can be explained as follows:

> *« The role of HR system or a bundle of HRM practices with pro-environmental and human characteristics to facilitate eco-efficiency and socio-efficiency to based on the relationship between financial performance of an organization and its natural environmental and human (social) performance.»*

Therefore, the explanation of the business case for sustainable HRM considers both the eco-efficiency, socio-efficiency, and financial performance. Also, Aust, Matthews, and Muller-Camen (2020) state that the role of sustainable HRM system is two-part: it can be seen as means to achieve the goals of corporate sustainability, but also as an end, to shape HRM practices of organizations to support the environmental, social, and human contexts (see, e.g., Ehnert et al., 2014; Taylor, Osland & Egri, 2012; Renwick, Jabbour, Muller-Camen, Redman & Wilkinson, 2016; Rothenberg, Hull & Tang, 2017). Therefore, sustainable HRM can be seen as an achievement itself and as a way to achieve sustainable goals in a broader context. Thus, Aust et al. (2020) argue that the purpose of sustainable HRM should be understood in shaping and implementing HRM systems and contributing to resolving today's major societal challenges. Also, Ehnert et al. (2014) see the role of sustainability in HRM as a two-part. Firstly, they see that the function of sustainable HRM is to implement and develop sustainable work and HRM. Secondly, the role is also extended to provide support in implementing corporate sustainability strategies. According to Järlström, Saru and Vanhala (2018), sustainable HRM aims to develop sustainable business organizations and to create sustainable HRM systems in the respective organizations.

Sustainable HRM as a research field includes multiple different streams. Järlström et al. (2018) explain this, at least partially, by the short history of the research field. Therefore, there is not yet fully consistent and established construct and framework for studying sustainable HRM. Järlström et al. (2018) have presented the different topics related to sustainable HRM. The topics include such as green HRM, socially responsible HRM, sustainable HRM and strategic environmental HRM. Each of these concepts view sustainable HRM from slightly different perspectives.

The concept of green HRM focuses on environmental issues and how they are taken into account in HRM (see e.g., Guerci, 2016; Dumont, Shen & Deng, 2016). On the other hand, socially responsible HRM focuses on integrating CSR and HRM, and on the environment in which employees can perform ethically (see e.g., Shen & Zhu, 2011; Zhao, Zhou, He & Jiang, 2019; Diaz-Carrion, López-Fernández & Romero-Fernandez, 2018). Strategic environmental HRM, for its part, focuses on the inclusion of environmental objectives and HRM practices (Egri & Hornal, 2002). Ehnert et al. (2016, 90; Ehnert, 2009a) has presented the concept of sustainable HRM as follows:

> *« --the adoption of HRM strategies and practices that enable the achievement of financial, social and ecological goals, with an impact inside and outside of the organisation and over a long-term time horizon while controlling for unintended side effects and negative feedback. »*

Therefore, when examining the dimensions of the above presented topics, it can be seen that sustainable HRM, as per defined by Ehnert (2016), takes into account the different dimensions (financial, social and ecological). According to Ehnert and Harry (2012), sustainable HRM is an umbrella term, under which different dimensions are taken into account.

Based on Ehnert (2009a, 2009b), Ehnert et al. (2014) state that companies tend to communicate the rationale behind sustainable HRM with aims to reach one or more of the following:

- attracting and retaining talent

- preserving health and safety of employees

- developing competencies and learning long-term by investing in skills

- supporting work-life balance

- age management

- creating trust, trustworthiness, and sustained employee-employer relationships

- fostering responsibility towards the workforce and surrounding communities

- preserving high life quality for employees and communities.

Ehnert et al. (2014) highlight that not all of these goals are traditional for HRM, but rather, these are seen as fundamental goals when discussing sustainable HRM. According to Järlström et al. (2018), the strategic HRM is under an ongoing discussion on whether HRM should be hard or soft (see e.g., Paauwe & Farndale, 2017). It has been presented that sustainable HRM fills the shortcomings of soft HRM as it takes into account different stakeholders, and therefore, also the financial aspects (Ehner & Harry, 2012; Kramar, 2014). The stakeholders of sustainable HRM will be further discussed in chapter 3. In the next chapter, the context and models of sustainable HRM will be further discussed.

2.3   Context of Sustainable HRM

Advanced HRM practices are significant parts of CSR activities, amongst others (McWilliams, Siegel & Wright, 2006). Diaz-Carrion, López-Fernández, and Romero-Fernandez (2017) described the connection between sustainable HRM and CSR in their research about implementing HRM systems based on the CSR approach. The description of the connection is presented in Figure 2. on the next page.
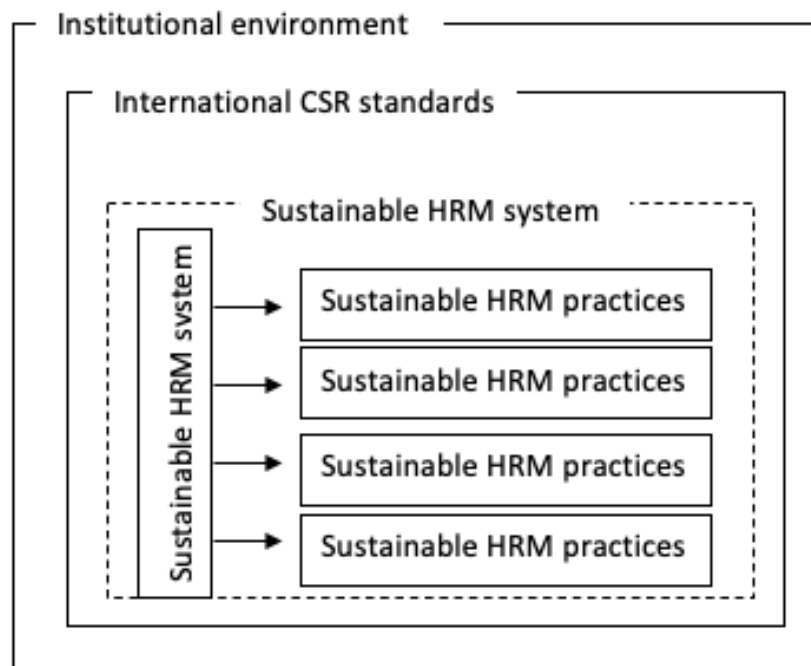
Figure 2. CSR and sustainable HRM system (Diaz-Carrion et al., 2017)

According to Diaz-Carrion et al. (2017), the sustainable HRM systems and the practices derived from it, belong to the broader framework of the sustainable HRM system, which is part of international CSR standards. According to Stahl, Brewster, Collins, and Hajro (2019), sustainable HRM can contribute to CSR by doing good or avoiding harm in the social, economic and environmental dimensions. The 'doing good' activities can include, for example providing engaging work (social) stock-ownership programs that are linked to long-term value (economic) and linking green behavior to promotional opportunities (environmental). On the other hand, the 'avoiding harm' activities can include eliminating child labor (social), implementing long-term, triple bottom line-based incentives (economic), and reducing emissions in the workplace (environmental). Therefore, sustainable HRM and the actions done in its name are an integral part of CSR activities. Next, the theoretical models of sustainable HRM will be discussed.

Ehnert (2009a) has combined the structure of sustainable HRM and its effects, i.e., the outcomes of the sustainable HRM, on an organizational, social and individual level. The model also illustrates the relationship of sustainable HRM to organizational and socio-

economic context. Ehnert's (2009a) sustainable HRM model is presented in Figure 3. on

the next page.

Socio-economic context

Sustainability interpretations

| Normative | Efficiency | Substance |

Organization

Strategy

Source of HR

Human capital

HRM Strategy

Policies

HR Practices

Organizational effects

| Responsibility, ethics, care, good employment relationship, work-place quality | Sustained competitive advantage, innovativeness, productivity | Durable supply with HR, long-term viability, problem-solving ability, healthy workforce |

Social effects

| Social legitimacy, accountability, trust(-worthiness), quality of life, good relations | Human capital | Viability of sources of HR (families, schools, universities, etc.), employer of choice |

Individual effects

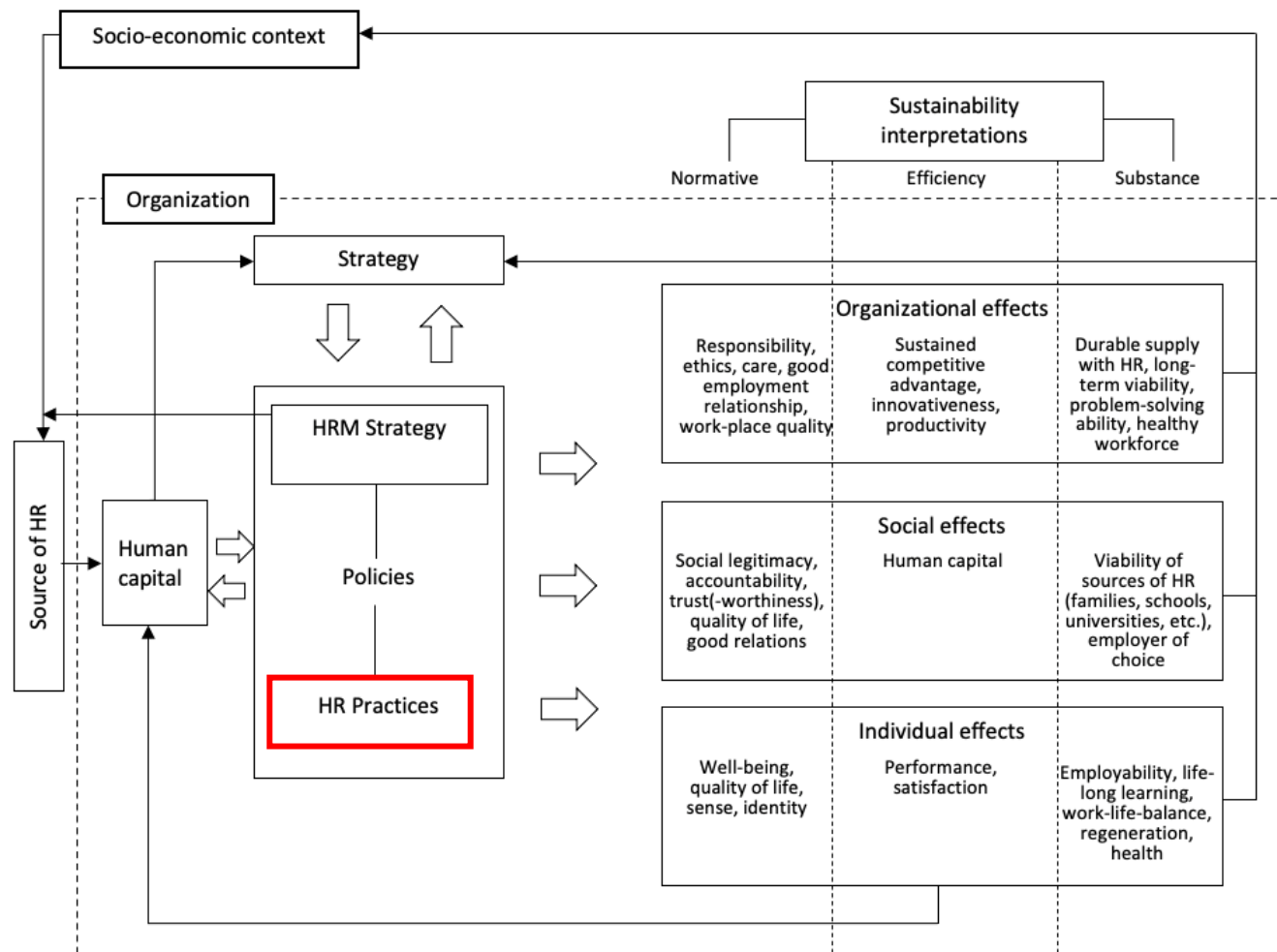| Well-being, quality of life, sense, identity | Performance, satisfaction | Employability, life-long learning, work-life-balance, regeneration, health |

Figure 3. Sustainable HRM model (Ehnert, 2009a)

The organizational context considers many of the same factors as, e.g., Järlström and Saru (2019) in their definition of sustainable HRM. According to their definition, companies aim to achieve sustainability through HR strategies, policies, and practices that take social, economic, and environmental factors into account via sustainable HRM. Järlström and Saru (2019) also emphasize that sustainable HRM is built on the organization's values. Organizations' values are an integral part of the strategies of the organizations. Therefore, the values in the description of Järlström and Saru (2019) and the strategy in Ehnert's model are linked to each other. According to Järlström and Saru (2019), values are an essential dimension of the company's culture, especially in listed companies, where the values are thoroughly considered and taken into daily activities. Ehnert's model describes how comprehensive the HRM practices' (highlighted in red in the box) framework is.

According to Järlström et al. (2018), sustainable HRM is built on four divisions: just and equality, transparent HRM practices, profitability, and wellbeing. When comparing the divisions to Ehnert's model, many of the same elements can be seen in the sustainability interpretations and individual, social and organization effects. The empirical part of this research focuses on the conceptualization of Järlström and Saru (2019) and Ehnert (2009a) – on the transparent HRM practices and the HR practices that contribute to different individual, social and organizational effects.

Therefore, it can be seen, based on previous literature and research, that the sustainable HRM models are based on the broader context of CSR. The components of sustainable HRM models can be viewed from different perspectives and with different exactitudes. The social and economic dimensions are an integral part of different models of sustainable HRM. However, the environmental dimension is not as essential as per the sustainable HRM models. Järlström et al. (2018) noticed in their research that ecological responsibility tends to be ignored in sustainable HRM. Next, the previous research and literature on sustainable practices of HRM will be discussed.

2.4   Content of Sustainable HRM

One of the research questions of this research is examining what kind of sustainable HRM practices the world's most sustainable corporations report. In this chapter, the content of sustainable HRM will be examined based on previous research and literature.

Ulrich, Younger, Brockbank and Ulrich (2012) have defined the key competencies of HR professionals. The competencies are defined the competencies regarding the facet the competency affects. The three dimensions that are affected by the competencies in the model are context, organization and individual. According to Ulrich et al. (2012), the context related competency of a HR professional is called strategic positioner, and it means the ability to translate external business trends into internal actions. The competency that affects individual, is called credible activist, and it refers to HR professionals being able to build trust and meet commitments on HR and business point of view. Finally, the competencies that relate to the organization, are called capability builder (defining and building organizational capabilities), change champion (facilitating integrated and sustained change processes), HR innovator and integrator (creating solutions and solving business problems), and technology proponent (communicating, executing administrative work, and connecting employees to customers). (Ulrich et al., 2012.) Also, the Human Resource Planning Society has identified five key knowledge areas for HR practitioners. The knowledge areas are HR strategy and planning, leadership development, talent management, organizational effectiveness, and the building of strategic HR function. (Vosburgh, 2006.) According to Mishra et al. (2013), effective functions of HR are essentials when sustainable organizations are established. According to Mathis, Jackson, Valentine, and Meglich (2017), effective HRM consists of many functional areas, e.g., employee performance appraisal and compensation, recruitment and selection of employees, and training and development. Stankevičiūtė and Savaneviienė (2018) list the content of sustainable HRM. The content includes:
-   long-term orientation (HR resources and managing future expectations)
-   caring about employees (health and safety, work-life balance)

- caring about the environment (talent management and rewarding related to environmental criteria)

- profitability (e.g., employee stock options)

- employee engagement and social dialogue (different ways)

- development of employees (job rotation, training, exchanging experiences, focusing on future skills and employment)

- external partnerships (collaboration with the educational system, collaboration with external stakeholders)

- flexibility (regarding worktime, remote working, job rotation)

- exceeding legal requirements (employee representation, financial and non-financial support)

- collaboration (teamwork, dialogue between executive leadership and employees)

- just and equality (diversity, fair rewarding, careers)

Järlström and Saru (2019) remark that the three dimensions of sustainability are emphasized in the listing above. Thus, economic, social, and environmental dimensions of HRM. Additionally, Schaltegger et al. (2012) argue that a business case for sustainability is a matter of management, and attractiveness as an employer is one of the core key drivers for the business case of sustainability. When reflecting the dimensions and the capabilities required from the HR professionals of Ulrich's et al. (2012) model presented earlier to the content of sustainable HRM, it can be seen extending to each of the dimensions: context, organization and individual. Context, as being the dimension in question, and HR professionals' role as strategic positioner, is linked, for instance, to exceeding legal requirements and caring about environment. On the other hand, when focusing on individual dimension and HR professionals' role as credible activist, the link can be identified, for example, collaboration and flexibility. The organizational dimension, for its part as a context for HR professionals, can be seen for example on developing employees and on profitability. Hence, when reflecting the competencies of HR professionals and the dimensions they have an effect on, and sustainable HRM it seems dimensions effected are

largely similar. Hence, the importance of the business context, organization and individual are visible also when discussing sustainable HRM. Therefore, the dimensions of sustainable HRM are economic, social and environmental, but also the context of the organization, the organization itself, and the individuals in the organization.

According to Martell and Carroll (1995), HRM practices can be characterized by being those practices that reduce and shape employees' attitudes towards work and organizations. Therefore, according to Mariappanadar (2019c), sustainable HRM practices can shape HRM practices to achieve integrated corporate sustainability outcomes. Hence, sustainable HRM practices can be characterized with two dimensions:

1. shaping the attitudes of employees towards work and organizations
2. contributing to CSR.

According to Mariappanadar (2019c), the characteristics of sustainable HRM practices are the perceived organizational motives of an employee that facilitate the behavior and attitudes while improving organization performance and interventions to reduce negative impacts on stakeholders, such as employees and their families. Hence, three simultaneous benefits of sustainable HRM practices can be identified from the description:

1. shaping the attitudes of employees towards work and organizations
2. improving organizational performance
3. reducing negative impacts.

Mariappanadar (2019c) states that the benefits of sustainable HRM practices are on organizations aiming to improve financial performance, have corporate social responsibilities to reduce negative impacts, and facilitate future HR generation. This enables HRM to develop to achieve economic, social, and environmental outcomes in the future.
The empirical part of this research focuses on the HRM practices the most sustainable companies of the world report having. Therefore, the theoretical framework provided in chapters 2 and 3 aims to create a context in which the importance and value of the sustainable business and sustainable HRM are assimilated. Additionally, this chapter aims

to explain the concept of HRM practice, as it is essential when responding to the first research question set for this research. Next, the second part of the theoretical background of this research will be presented.

3 Reporting Human Resource Management

This chapter forms the second part of the theoretical background of the research based on previous literature and research. The focus of this chapter is to examine and discuss the stakeholder theory and how sustainability reporting from the perspective of HRM is conducted and what kind of measures can be used. This chapter is linked to the second research question, which is: "how do the world's most sustainable companies report the measurement of the sustainable human resource management practices in their sustainability reports?". This chapter is a crucial component of the theoretical framework due to the research material being sustainability reports of the researched companies. The research material will be presented in detail in chapter 4.

3.1 Stakeholder Theory

Stakeholder theory is one of the most used theories when studying sustainability and sustainability management. According to Hörisch, Freeman, and Schaltegger (2014), one of the most common explanation of the concept of stakeholder is provided by Freeman (1984). He describes stakeholders being the individuals or groups who can affect or be affected by the organization. On the other hand, Freeman (2016) describes the stakeholders as those who can benefit or harm or whose rights are respected or violated by corporate actions. Therefore, stakeholders are the ones, who by some means, are in the sphere of influence of the organization in question.

Freeman (2016) has presented the typical large corporations' stakeholders. It is described on the next page in Figure 4, and the stakeholders include management, local community, customers, employees, suppliers, and owners. However, Freeman (2016) notes that the description is not comprehensive, and it lacks, for example, competitors and government.
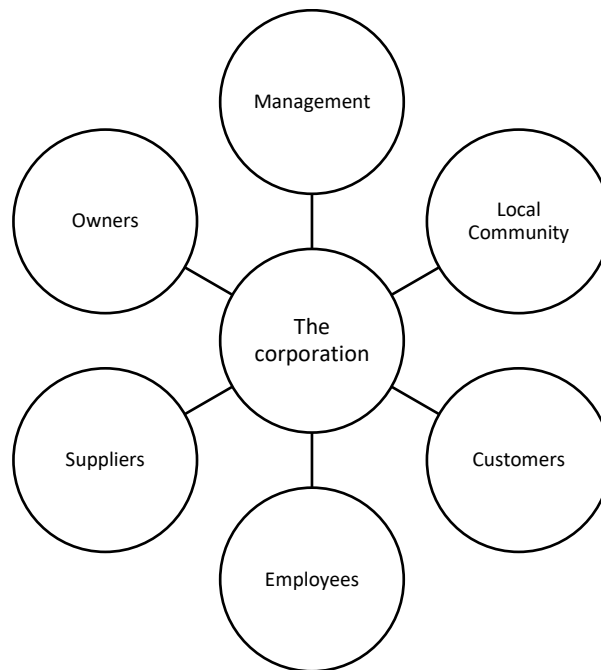
Figure 4. A stakeholder model of corporation (Freeman, 2016)

Each of the stakeholders has their interests. Some study proposes that stakeholder theory is pro-shareholder, i.e., aims to put the value creation of shareholder first (see, e.g., Sundham & Inkpen, 2004). However, Freeman, Wicks, and Parmar (2014) argue that the interest of shareholders and other stakeholders are joint: when the value is being created for shareholders, it also creates value for customers (things they want to purchase), employees (to have jobs), suppliers (creating relationships), and ultimately, community (being good citizens). In this research, the particular focus is on employees (via HRM) and shareholders (via sustainability reporting). However, ultimately, sustainability can be seen as a joint interest of all stakeholders in the corporate world in the 21st century.

According to Greenwood (2007), the more companies interact with their stakeholder, the more responsible they become. Järlström et al. (2018) identified the stakeholders of sustainable HRM in their study on top management's perceptions of sustainable HRM. The stakeholders identified in the research are owners, managers, employees, customers, labor unions and employee representatives. Hence, the stakeholders of sustainable HRM are various. Järström et al. (2018) identified employees as a key stakeholder in their research, especially when discussing topics such as employee wellbeing and profitability.

On the other hand, when discussing profitability, and the performance of the organization, also the shareholders were identified as a stakeholder group related to sustainable HRM (Järlström et al., 2018).

Hörisch et al. (2014) studied the challenges in managing stakeholders in the context of sustainability. The challenges include the following:

- strengthening the specific sustainability interest of stakeholders
- creating sustainability interests based on the specific interest
- empowering stakeholders to act upon sustainable development.

Hörisch et al. (2014) suggest in their research that the challenges can be addressed by education, regulation, and value creation, which is based on sustainability. In that sense, for example, sustainability reports can be seen to address the challenges with stakeholders on sustainability. By sustainability reports, the stakeholders can be educated on the particular sustainability topics and emphasize the value that can be created through the actions. According to Järlström and Saru (2019), sustainability reports present a dialogue between the company and its stakeholders, as sustainability reports are a way to present the goals companies have regarding their sustainability. Next, sustainability reporting will be discussed.

3.2 Sustainability Reporting and HRM

In this chapter, sustainable HRM will be examined from external reporting and communication with stakeholders. Companies aim to increase transparency for their stakeholders and report their responsibility more (Järlström & Saru, 2019). Companies have responsibilities for their stakeholders regarding the use of resources. Therefore, sustainability reporting is also a way to fulfill the accountability for stakeholders. (Aust et al., 2020.)

An increasing number of organizations are willing to report their economic, social and ecological sustainability performance. According to a sustainability survey provided by KPMG (2020), 80 % of companies worldwide report sustainability. The reporting rate has

increased by five percentage points in the past three years (from 2017 to 2020). The numbers are based on 5 200 companies, consisting of the top 100 companies by revenue in 52 countries. On the other hand, since 2011, 90 % or more of 250 of the world's largest companies (by revenue, defined in Fortune 500 ranking 2019) have reported their sustainability. According to KPMG, large global companies are customarily leaders in sustainability reporting, and the reporting adopted by them tends to predict trends.

Sustainability reporting can be done as a response to growing demands of the stakeholders and the growth of the reporting can be explained on some companies executing it on a voluntary basis (see e.g., Buhr, Gray & Milne, 2014). However, also legal requirements have increased and, for example, in European Union large, publicly listed companies and the reporting of their social responsibility is regulated (Directive 2014/95/EU). The directive obligates to report on topics such as social responsibility, environmental protection, the diversity of the boards, human rights and prevention of corruption.

The increasing tendency to report sustainability is also reflected by the growth of reporting standards like the global reporting initiative (GRI) and the United Nations (UN) UN Global Compact Initiative. GRI provides the first set of guidelines that allow global comparison of reporting practices by companies and challenges to report harmful practices through clear guidelines. GRI guidelines are frequently used by researchers in the field of sustainability reporting. (Ehnert et al., 2016.)

There is not much prior research available of sustainability reporting from the perspective of HRM. According to a recent study by Aust et al. (2020), the world's largest companies focus on environmental topics (green matters) as well as on labor and decent work conditions (people matters). Therefore, according to the research, companies do not prefer green matters over people matters. However, Aust et al. (2020) discovered that companies tend to report more about the internal aspects of sustainable HRM (labor and decent work) than about the external aspects (human rights). This research focuses on the reporting of internal aspects of sustainable HRM. Järlström and Saru (2019)

noticed in their study about the sustainability reporting and HRM that companies tend to report about safety and wellbeing of their employees, human rights and equality topics, and differences can be seen on the emphasis the different topics have on the reports. One of the aims of this research is to broaden the research in the reporting of sustainable HRM, as the field is not yet very much studied due to it been relatively new.

3.3   Measuring HRM

Finally, the last part of the literature review of the research HRM measurement will be discussed. According to Phillips (2020), the efficiency, effectiveness, and impact of HR practices that are in place are measured with HR metrics. Hence, HR metrics are quantifiable measures that measure the effectiveness of particular practice (Hene-man, Judge & Kammeyer-Mueller, 2019). Based on Anger, Tessema, Craft & Tsegai (2021), HR metrics help organizations to:

- determine the progress of HR practices (Society for Human Resource Management, 2010)
- evaluate efficiency and effectiveness of HR activities (Sullivan, 2003)
- know the performance of HR practices (Sullivan, 2003)
- compare data (CIPD, 2017)
- know the functioning of HR operations and identify improvement areas (Kavanagh & Johnson, 2018)
- deliver HR services effectively (Society for Human Resource Management, 2016)
- evaluate HR practices and results over time (Johnson, Lukaszeweski & Stone, 2016)
- benchmark HR practices with competitors (Feffer, 2017)
- measure monetary and timely investment in HR practices (Dulebohn & Johnson, 2013)
- unveil unsuccessful investment of resources (Lee, 2016)
- track and evaluate the performance of HR practices (Adler, 2016)
- identify ineffective processes (CIPD, 2017)
- make data-driven decisions (Fleck, 2016)

Decisions made by the HR functions of organizations are based on metrics measuring HR programs by their effectiveness, quality, quantity, and cost. The metrics can measure items such as cost of recruitments, employee turnover, absenteeism rate, percentage of trained employees, and the effectiveness of compensation programs in increasing employee performance. (Hussain & Murthy, 2013.) Thus, HRM metrics tell organizations *what is going on*.

According to Schiemann (2007), HR metrics are often tactical, and there are too many incompatible measures. Schiemann (2007) also notes that the HR metrics used should be aligned with the company's strategy, and there should be only a few selected measures, rather than many different metrics. Anger et al. (2021) notes that an essential factor for effective HR measurement and HR metric is the proper identification of a problem or an opportunity. Therefore, organizations should align the HR metrics with their strategies rather than measure all the different HRM dimensions.

According to Dulebohn and Johnson (2013), in order for organizations to make decisions based on metrics and data strategically, various internal and external data are needed. This research examines the external data and metrics organizations provide to measure their HR practices in their external reporting.

The theoretical background regarding sustainability reporting and HR metrics is linked to the empirical part of the research from two perspectives. Firstly, the second research question examines how sustainable HRM practices are measured in the sustainability reports of the world's most sustainable corporations. Secondly, the research material used in this research is the sustainability (or annual) reports of the corporations examined. Next, the research design, including the research material, of the research will be presented.

4   Research Design

As explained in the introduction, the purpose of this research is to examine what kind of human resource management practices the world's most responsible companies report having and how they are being measured according to their sustainability or annual reports. This research aims to fill the gap of examining the sustainable HRM practices and their measurement in sustainable HRM research. Although sustainable HRM is an emerging research field, the HRM practices and their reporting to the broader audience, such as investors and the public, have not yet been widely researched. In this chapter, the design of the research will be presented. The research methodology will be explained first by presenting the qualitative nature of the research. Then, the research material and analysis will be described. Finally, the reliability of the research will be discussed.

4.1   Qualitative Research

Qualitative research was chosen as the methodology of this research. It was chosen as it aims to explore and understand the social or human problems (Creswell, 2014). This research aims to explore sustainable HRM and its practices and measures and understand sustainable HRM in the context of the world's most sustainable companies. Therefore, qualitative research suits the purpose of this research. The research material of qualitative research can be, for example, interviews, surveys, observations, or other material, for example, existing online material (Eriksson & Kovalainen, 2008). The research material of this research already exists, and is so-called secondary data (Eriksson & Kovalainen, 2008), and it will be further presented in chapter 4.2. The research material of this research fits the context of qualitative research, as it is secondary (naturally occurring) electronic data, which can solve the research problem of this research. According to Eriksson and Kovalainen (2008), the primary determinant of the research material is for it to answer the research question set for the research. This has been the main driver also for the selection of the research material for this research.

The purpose of qualitative research analysis is to make sense of the research material (Creswell, 2014). This research is analyzed by thematic analysis, a typical qualitative method for qualitative analysis (Saunders, Thornhill & Lewis, 2016). The analysis will be further presented in chapter 4.3. The thematic analysis is chosen for this research, as it aims to comprehend a large amount of data, identify key themes and draw conclusions (Saunders et al., 2016). Therefore, it fits the purpose of this qualitative research, where there is a large amount of data, and identifying the key themes from it is essential. Next, the research material, analysis of the research, and the research ethics will be further presented.

4.1.1 Research Material

In this chapter, the material of the research will be presented. Responsibility matters can be interpreted differently in different ownership contexts (Järlström & Saru, 2019). This research is focused on listed companies. In listed companies, the value of the responsibility matters is often thoroughly considered and taken into action (Järlström & Saru, 2019). In this research, the focus is on the world's 20 most sustainable publicly listed companies, according to the 2021 Global 100 Index. The global 100 is ranking has been provided since 2005 by the Corporate Knights. Corporate Knights Inc. includes a research division, which executes ratings and rankings based on corporate sustainability performance (Corporate Knights, 2021a). The Global 100 Index is an annually recurring ranking of corporate sustainability performance released in January (Corporate Knights, 2021b).

The Global 100 Index approach is based on publicly disclosed information, and no submissions or payment from companies are required. However, the companies can verify the data before the ranking is public. (Corporate Knights, 2021b.) Therefore, the Global 100 Index is an independent and external assessment. The Corporate Knights considerer all industries and geographies before screening out corporations from particular industries or if egregious practices are identified (Corporate Knights, 2021b). However, the ranking does not consider all the companies of the world. Eligible companies for the ranking and publicly listed companies have a minimum gross revenue of $1B (Corporate

Knights, 2021b). Being publicly listed and having the minimum requirements of the gross revenue are a starting point for the ranking process. In the next phase, the companies are screened for their financial health and product categories and misconducts. Companies that have more than 25% Clean Revenue or have been included in the Global 100 companies prior two years have the chance to be included in the Global 100 Universe, in which the final ranking will be made. The companies included in the Global 100 Universe are scored on 24 Key Performance Indicators (KPIs). (Corporate Knights, 2021b.) The KPIs are listed as per the Global 100 Methodology (Corporate Knights, 2021b) in Table 1. on the next page.

Table 1. 2021 Global 100 KPIs

Environmental Metrics	Energy Productivity
	GHG Productivity
	Water Productivity
	Waste Productivity
	VOC Productivity
	NOx Productivity
	SOx Productivity
	Particulate Matter Productivity
	Clean Revenue
	Clean Investment
Social Metrics	Injuries
	Fatalities
	Employee Turnover
	Paid Sick Leave
	CEO-Average Employee Pay
Governance Metrics	Sustainability Pay Link
	Non-males in Executive Management
	Non-males on Boards
	Racial Diversity Among Executives
	Racial Diversity on Board of Directors
	Supplier Sustainability Score
Economic Metrics	Percentage Tax Paid
	Pension Fund Quality
	Sanction Deductions

By the 2021 Global 100 Index, 20 of the world's most sustainable companies were chosen to be examined in this research. The companies are listed below in Table 2. as per the ranking of 2021 Global 100.

Table 2. 2021 Global 100 Ranking

Rank 2021	Company	Overall score
1	Schneider Electric SE	83,7 %
2	Orsted A/S	82,7 %
3	Banco do Brasil SA	81,7 %
4	Neste Oyj	80,7 %
5	Stantec Inc	80,5 %
6	McCormick & Company Inc	79,3 %
7	Kering SA	78,4 %
8	Metso Outotec	78,4 %
9	American Water Works Company Inc	77,1 %
10	Canadian National Railway	77,1 %
11	Rexel SA	76,6 %
12	Atlantica Sustainable Infrastructure PLC	76,5 %
13	Cisco Systems Inc	75,8 %
14	Storebrand ASA	75,2 %
15	Owens Corning	74,6 %
16	Eisai Co Ltd	74,3 %
17	Cascades Inc	73,4 %
18	Brambles Ltd	72,9 %
19	Iberdrola SA	72,8 %
20	Taiwan Semiconductor Manufacturing Co Ltd	72,8 %

As the purpose of this research is to examine the practices regarding human resource management of the world's most sustainable companies, the research material is the sustainability or annual reports of the companies listed above. The research material consists primarily of the sustainability reports of the companies, from which the people

or employee section has been examined. The number of pages in the sections in the reports vary from 1 page to 40. Sustainability reports are chosen as the material for the research, as companies use them as essential tools for communicating the commitments made to CSR (Diaz-Carrion et al., 2017). In case no separate sustainability report was available, annual reports have been used as the source of information to review the HRM practices-related reporting. The analysis will be further presented in the next chapter. The data in this research is so-called secondary data or naturally occurring data since it already exists without the contribution made by this research (Eriksson & Kovalainen, 2008). The gathering of the research material has been made on January 4th, 2021, and the sustainability or annual reports that were the most recent by that time were chosen. The research materials' format (sustainability or annual report) and the year the report covers are presented at the end of this research in Appendix 1.

The number 8 of the ranking, Metso Outotec, could not be included in the analysis made on this research due to the lack of sustainability or annual report of the company as a merged company. Metso Minerals and Outotec merged on July 1st, 2020, and as such, it had not yet published reports during the time this research was conducted.

4.1.2   Analysis

As stated earlier, this research is analyzed by thematic analysis. The thematic analysis aims to search for themes or patterns across the research material (Saunders et al., 2016). In this research, the ability to find occurring themes is essential, as due to a large amount of data, the creation of the themes set the precondition for the research to answer the research questions. According to Saunders et al. (2016), in thematic analysis, the researcher identifies the themes and patterns for further analysis. In this research, after getting acquainted with the research material, the first step was to find and code the data that was relevant to be able to answer the research questions. Saunders et al. (2016) state that the amount of coding needed depends on the research question. Hence, as the coding was being done, continuous evaluation was made on whether the data is relevant to answer the research questions. The codes created in this phase are the HRM

practices presented as results in chapter 5 These include, for example, training, performance review, listening to employees, and recruitment.

According to Saunders et al. (2016), the coding can be either data-driven or theory-driven, based on the purpose of the research. As the purpose of the research was to identify the HRM practices the world's most sustainable companies report having, the coding was data-driven. Therefore, the codes, i.e., the HRM practices, were solely based on what was found in the reports, and the theoretical framework of the research did not guide it.

In the second phase, the codes, i.e., the HRM practices, were reviewed to create the main themes. The categories that were created in the second phase are:

1. Health & Wellbeing
2. Employee Development
3. Employee Engagement
4. Diversity & Inclusion

The results in chapter 5 will be presented through these central themes. Although the main themes do not directly answer the research questions set for this research, they provide a clear format for the results and increase the accessibility of the results for the readers. Additionally, the main themes reflect the patterns and outcomes in which the different HRM practices are identified. Therefore, when, for example, presenting recruitment as an HRM practice, it is essential to understand that it is presented as a practice that aims for Diversity & Inclusion. Without the main theme, it would be difficult to see the role of recruitment in sustainable HRM.

In the third and final phase of the analysis, the metrics and measurement of the HRM practices were reviewed. The measurements and metrics were not coded, but instead, they were identified based on the codes created in phase 2. Therefore, as the codes have already been created, the research material was reviewed once more to identify the

measurements that measure the HRM practices, i.e., the codes already created. The analysis is presented in its entirety in Figure 4. below.

Phase 1. Exploring the data
- Getting acquainted with the research material

Phase 2. Coding the material
- Coding the material into HRM practices

Phase 3. Creating the main themes
- Combining the HRM practices into main themes

Phase 4. Combining with the metrics
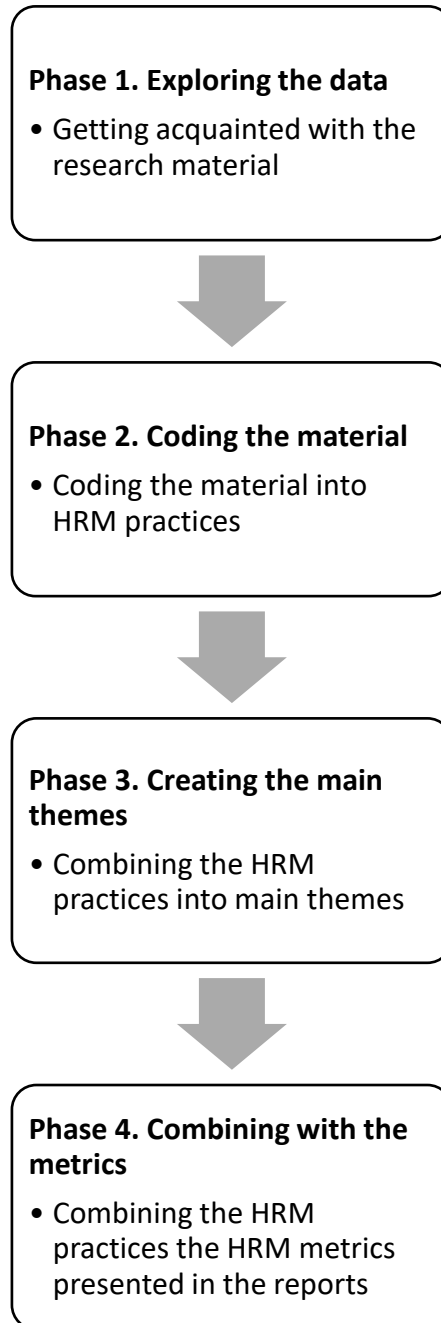- Combining the HRM practices the HRM metrics presented in the reports

Figure 5. Analysis process of the research

It is important to note that some companies discuss safety as a separate function and others as a part of HRM. In this research, safety is excluded from the analysis, and therefore from the results. Safety is excluded, as the local regulation of the companies largely impacts it. However, health and wellbeing are included in the analysis and in the results, as they are more often included as part of HRM, and they fit the theoretical framework for HRM research. Additionally, this research focuses on internal HRM. Therefore, the external HRM, i.e., human rights, has been excluded from the analysis and the results.

In the analysis, the aim was to identify recurring patterns in the sustainability reports. Therefore, some singular HRM practices might have been excluded, although they have been presented in the sustainability reports. In this research, some HRM practices have been evaluated to have a marginal role compared to the entirety of the research. Next, the research ethics of the research design will be evaluated.

4.1.3   Research Ethics

This chapter focuses on addressing the ethical issues conducting this research may cause. The ethics of the research will be evaluated here from three perspectives essential for this research: research material, analysis, and the role of the researcher. The ethics of the results will be presented in chapter 6 after the results, and the conclusions have been discussed.

The research material as stated above was collected from the companies' websites, and the companies were chosen based on their ranking on the Global 100 index, an external evaluation made by the Corporate Knights. As the research material is public and available for everyone on the internet, the possible ethical issues are relatively minor. The companies themselves have created all the data. However, where a possible ethical issue here is faced is with the voluntary nature of participation and right to withdrawal of the companies included in the research. Participation in research should be voluntary, and the participants should have a right to withdraw from the research (Saunders et al., 2016). In this case, the participants (i.e., the companies) have not been informed about

this research, and they have not had the possibility to withdrawn. However, in this research, an ethical evaluation has been made that as the data is public and the companies have issued the information, it is ethical to use.

Additionally, this research does not concern any individual of the companies. Therefore, no harm will be caused to anyone. Creswell (2014) notes that when doing research, harm should always be avoided. In this research, it is closely considered whether this research can cause harm to the companies studied. The conclusion is that due to public information and the purpose of this research, no harm will be caused. Additionally, when using secondary data, the data source should be acknowledged (Saunders et al., 2016). In this research, the source of the data is carefully reported in the description of the material and at the end of this research as an Appendix 1.

The analysis of this research has been conducted by thematic analysis. According to Saunders et al. (2016), analysis of the research should be done carefully, and corrections made to ensure the accuracy of the results. In this research, throughout the analyzing process, the aim has been to create accurate and relevant analysis regarding the questions set for this research. The accuracy has been ensured by careful working and critical evaluation of what is chosen throughout the analysis and the research process.

The role of the researcher should be critically evaluated when conducting research. According to Saunders et al. (2016), the quality of the research depends on the researcher's integrity and objectivity. The objectivity of the researcher in this research has been ensured by honesty, openness, and truthfulness when conducting the research. The objectivity is also ensured by promoting accuracy throughout the research. The objectives of the researcher have been pure throughout the research, and the aim is to find objective results to the questions set for this research.

Additionally, the Responsible conduct of research (Hyvä tieteellinen käytäntö) (Finnish Advisory Board on Research Integrity, 2012) have been obeyed throughout the research. The reliability of the results will be separately discussed in chapter 6.

5 Results

In this chapter, the results of the research will be presented. In this chapter it is aimed to answer the research questions set for this research. The research questions of this research focus on the HRM practices the most sustainable companies of the world report having and how those practices are measured in the companies' sustainability reports.

The main themes, or main categories, of the HRM practices created in the analysis (see more about the analysis in the previous chapter) are presented by the main themes. The main themes created for the HRM practices are Health & Wellbeing, Employee Development, Employee Engagement, and Diversity & Inclusion. The HRM practices will be presented under each theme, as well as the measuring of them. Finally, a summary of the results will be presented.

The main themes describe the desired outcomes of the practices that are presented under the main themes. The four main themes, Health and Wellbeing, Employee Development, Employee Engagement, and Diversity and Inclusion (D&I) are the outcomes that the organizations aim to achieve by utilizing the HRM practices presented next. The main themes have been created in the analysis and are not intentionally guided by the theoretical framework of the research or any other previous research.

5.1 Health & Wellbeing

As the main theme, Health and Wellbeing focus on practices and measures that aim for the health and wellbeing of the company's employees. Health and wellbeing as an entirety are seen in this research as a desired outcome of the HRM practices: health services and partnerships, health programs and training, and work arrangements, which aim to improve the health and wellbeing of employees. After presenting each of the practices, the measurements identified for them will be presented.

Some organizations report about safety together with health and wellbeing. In this research, safety has been excluded from the examinations, and therefore, from the results. Next, the HRM practices and the measuring of them will be presented.

5.1.1   Health Services and Partnerships

Health services as an HRM practice in this research describe the services that the employer provides for employees—some of the companies examined in this research included the health services they provide in their sustainability reporting. The health services presented in the research are focused on many aspects of health and wellbeing: physical, social, and psychological. Orsted A/S describes the health services they are offering as stated below:

> *« We implement a holistic approach to physical, social, and psychological health and mental wellbeing at work through our framework Ørsted Life. -- We offer our employees access to a range of services and activities that can be implemented during the working day. »*

Some of the companies studied describe the services they provide in detail. One of the examples of how health services can be provided is counseling offered to employees. For example, Owens Corning describes the counseling they offer:

> *« -- confidential counseling sessions to our employees free of charge for up to six visits. Counseling can be conducted face-to-face or through telephone sessions and covers a range of topics, including traditional counseling services for stress management, depression, grief, or addiction: work/life integration challenges, including a child and elder care, home repair, or adoption. »*

Regarding health services, some organizations reported about the partnerships they use to offer these services. Partnerships were contracted with health centers or, for example, with a university to collaborate on measuring the programs. Such example is described below by Owens Corning:

« Through a partnership with Harvard's T.H. Chan School of Public Health, we are working to measure the impact of our wellness programs. »

Health services were measured in the sustainability reports by reporting about the number of people using the services, the number of health centers providing the services, and one company used the percentage of employees experiencing stress to measure the company's health services. Hence, the measurement in the reports was done with the following metrics: number of people using the services and number and locations of health centers that provide the services. Additionally, regarding the third metric, Orsted A/S describes the percentage of employees experiencing stress from the course of three years, and the percentage has changed as follows; 2017: 9,4 %; 2018: 9,7 %; 2019: 9,4 %. Next, health programs and training as part of the main theme of Health & Wellbeing will be presented.

5.1.2   Health Programs and Training

The second HRM practice identified in the analysis in the theme of Health & Wellbeing is health programs and training provided for the employees of the organizations. The health programs and training noticed in the sustainability reports are aimed at helping employees take care of their health and wellbeing. The programs are often focused on one or more topics, and the aim is to increase awareness and providers tools for people to increase their health and wellbeing. Cisco Systems Inc describes its health program as follows:

« -- a program that encompasses the four elements of health: food, exercise, mindfulness, and connection to others. -- focuses on small, sustainable, healthy changes that can have a big impact and encourages participants to create an individual action plan specific to their challenges and goals. »

As per this research, as a health and wellbeing HRM practice, training aims to provide formal training for the organization's employees to improve their health and wellbeing either from various or from a few perspectives. Kering SA explains their training, which

aims to increase the work-life balance of its employees with the right to disconnect from work, as follows:

> *« Training on the right to disconnect has been added to the Kering Campus e-learning platform, which is open to all our Houses. »*

The programs and training can be provided via online platforms – as in Kering SA's description above – or by live events. The live events described in the research material appeared as training provided for the employees or by increasing awareness about topics, such as mental wellbeing. Cisco Systems Inc presents an explanation of a health-related event they are hosting:

> *« We regularly organize Health + Savings events at our largest U.S. campuses where employees can learn more about how to secure their physical, mental, and financial health. »*

Additionally, some organizations report on having networks as a part of their programs or training to increase awareness and offer peer support regarding health and wellbeing. For example, Cisco Systems Inc report about their networks as a part of their Pavelka program, as follows:

> *«Cisco Pavelka has provided support and inspiration to several internal groups, including the Cisco Disability Awareness Network, Cancer Awareness Network --. »*

There are various metrics presented in the research material regarding the measurement of the health programs and training offered for employees. The majority of the metrics are related to the amount or percentage of people participating in the programs and training. These metrics are the percentage of people who have access to the program, the percentage of employees who have participated in the programs and training, increased enrollment in the training, and the number of employees who have participated in the program and training. Also, the amount of the events were used as one of

the metrics. For example, Schneider Electric SE measures their wellbeing program as follows:

> *« 90% have access to a comprehensive Wellbeing at Work program. »*

5.1.3 Work Arrangements

Finally, as the last HRM practice to enhance employees' health and wellbeing, work arrangements will be discussed. Work arrangements as an HRM practice in this research refer to different work-related planning and flexibility offered by the employer to support employees' work-life balance. The work arrangements found in the reports of the companies examined in this research are flexible worktime and family leaves. Next, these will be shortly discussed based on this research.

Flexible worktime in this research refers to the shortened workday, part-time work, and flexible work hours. Shortened workday as a work arrangement refers to the possibility of having a shorter workday to merge, for example, work and family or other commitments. Iberdrola SA describes shortened workday in their sustainability report as follows:

> *« In 2008, Iberdrola España agreed with its workforce to make the shortened workday universal. The initiative, which was unprecedented at a large industrial company, was an inflection point in Spain, as it was the first in the country to attempt full work and family reconciliation. »*

Flexible worktime was also described as flexible working hours. Storebrand ASA reports on their flexible working hours as follows:

> *« We encourage a good work-life balance for all employees. We aim to accommodate our employees' needs for flexible working hours. »*

In addition to the worktime-related flexibility offered, family leaves were presented as one HRM practice in the main category of Health & Wellbeing and the sub-category of Work Arrangements. Before describing the HRM practice as reported in the sustainability

reports further, it must be noted that the local regulations in family leaves vary greatly globally. In this research, the local regulations are not taken into account. Therefore, family leaves are only viewed from the perspective of what is reported in the sustainability reports. Regarding the family leaves, some companies stated having paid maternity and/or paternity leaves in their reports. Cisco Systems Inc describe their child bonding leave as follows:

> *« Flexible child bonding leave. The time an employee receives to care for a newly born or adopted child is now based on the role they will play as a caregiver, rather than gender. Moms and dads who are primary caregivers in many countries receive 13 weeks of paid leave (in addition to disability leave for birth moms). Supporting caregivers receive four weeks off. In addition, employees can take three days off to welcome and celebrate a new grandchild. »*

Finally, the metrics reported regarding the work arrangements offered to enhance the health and wellbeing of employees will be presented. The metrics regarding flexible working time are two-kind. Firstly, the percentage of employees employed on a part-time basis is being used. Storebrand ASA uses this metric as follows:

> *« Of our 1742 employees, only 59 (3%) are employed on a part-time basis (of which 50 are female). This is due to employee preferences. »*

Secondly, the flexibility in worktime is measured not only by measuring the exact practice and its usage but by benchmarking to other companies. Iberdrola SA applies this measurement as described below:

> *« Iberdrola was the first large IBEX-35 [local stock exchange] company to establish the continuous (shortened) workday as a general schedule throughout the year, a measure that has been improved with even more scheduling flexibility in the latest collective bargaining agreements. »*

As for the family leaves as HRM practice, the measurement is about the percentage of employees covered by the family leave policies, i.e., the percentage of employees working in countries that have family leave policies in place. Therefore, it is important to note

that all of the HRM practices presented in the reports are not necessarily used in all of the locations. Therefore, when discussing family leave practices and policies, it is yet again important to notice the local differences in regulation.

The main category of Health and Wellbeing and the HRM practices and the metrics of them will be summarized in chapter 5.5. Next, the main theme of Employee Development will be presented.

5.2 Employee Development

Employee Development as the main category aims to present the HRM practices and the metrics used, the objectives of which are in the development of employees. Employee development in this research is addressed through three sub-categories: training, experimental learning, and performance review, which describe the HRM practices aiming for developing employees. Finally, the metrics detected via this survey will be presented.

Employee development, in this research, refers to practices that aim to develop professional growth and to improve the competencies of employees. Next, the HRM practices and how they are measured will be presented.

5.2.1 Training

The first HRM practice presented as a part of the main category of Employee Development is training. Training, as HRM practices in this research, refers to training platforms and programs, scholarships for higher education, and university partnerships. The aim of the training as per this research is to result in the development of the competencies and capabilities of the employees and to a better performance of the employees and of the organization. Next, the different aspects of the training as an HRM practice will be presented.

The training platforms and programs reported in the sustainability reports vary largely. The training programs include training on different topics, such as leadership, onboarding, and CSR. An example of the combination of onboarding and CSR training is presented by Cisco Systems Inc below:

> *« Cisco employees receive many hours of education and awareness per year. One hour of New Employee Orientation (NEO) is dedicated to sharing information about Cisco's CSR program. »*

On the other hand, the training and training platforms can be presented in the reports from the perspective of the platform itself rather than the training content and topics. Rexel SA describes their training platform, the Rexel Academy, as follows:

> *« The Rexel Academy was created in response to the Group's desire to develop a culture of learning. -- The various countries create the curriculum and content, ensure access to the platform, and encourage its use. The learning solutions offered to employees, which use the blended learning approach, combining traditional classroom methods and e-learning techniques. Each employee can thus learn at their own pace and in their own way. »*

On the other hand, Brambles Ltd describes their academies that offer training, from the perspective on how the training is targeted and in which locations, as follows:

> *« The academies deliver blended learning to specific functions such as procurement and sales, with the Management Academy delivering training to managers across Europe, the US, Australia, and New Zealand and Latin America, in English and Spanish. »*

The training offered by the employer reported by the organizations can be both internal, i.e., arranged by the company, or external, i.e., offered by external vendors. One aspect of the external training offered to employees is scholarships offered by the employer. In such cases, if the employee decides to apply for external training, e.g., master studies, he/she can apply for a scholarship from the employer. Below, an example of the explanation of the scholarship by Owens Corning is presented:

« Employees who have worked at Owens Corning for at least one year are eligible to apply for the Owens Corning Employee Scholarship for a higher education degree. Recipients are selected based on manager recommendations, statement of career goals, demonstrated leadership, and past academic performance. »

Additionally, another training is partnerships organizations report on having with universities. The university partnerships can be seen as a two-way relationship with multiple benefits. In the partnerships, the universities get input from companies as they share their knowledge, and therefore, contribute to societies. On the other hand, the companies benefit in recruitments as they are known amongst students, who are starting their careers. Iberdrola SA describes their partnerships with universities as follows:

« Attending job forums and holding talks and conferences at various prestigious universities in the countries in which Iberdrola has a presence, reaching a total of 24,000 students with whom it has shared the value of our company, while at the same time encouraging them to participate in the company's selection processes. »

There is a variety of metrics in use for measuring training in organizations, as per this research. Due to a large number of metrics for training as HRM practice in this research, the metrics are next presented in three sub-groups of measurement. The sub-groups are:

1. Supply of training
2. Accomplishment of training
3. Outcomes of training

Supply of training as a sub-group of metrics refers to the ways of measurement, which aim to describe the training from the perspective of what is offered to employees by the employer. The metrics in this sub-group focus especially on what is available for the trainees. The metrics include the number of training modules available. An example of these metrics is presented by Rexel SA below:

> *« In 2018, more than 800 new modules were added to the Rexel Academy training platform: mastering new digital technologies, the impact of data in the organization (CRM, pricing, webshop, etc.), new sales techniques, and customer service. »*

On the other hand, the availability percentage of training for employees was identified as one way to measure the training. The metrics reflect the share of people that have access to the training offered by the employer. This example describing this factor below is also by Rexel SA:

> *« The Rexel Academy platform is available in 23 countries to 98,8 % of the group's total workforce. »*

As metrics for training, as per this research, the monetary value and the number of higher education scholarships were also identified. These metrics were used to measure the scholarship programs in which the employer provider grants for the employees to accomplish higher education studies, e.g., master's degree.

Accomplishments of training describe the metrics that measure the training that has actualized. The metrics used in this sub-group aim to measure the quantity of training from different perspectives. The measures that aimed to measure the amount or share of employees who have accomplished training included the number of employees in programs and the percentage of employees who have received training. Storebrand ASA measures the participation of their leadership program in the sustainability report as follows:

> *« Our digital program for middle management, Storebrand Leadership Weekly, started in 2018 and continued in 2019 with more than 20 middle managers from Sweden and Norway participating. «*

On the other hand, some measurements in use were put in place to measure the completed items or hours of training. Cisco Systems Inc has combined the number of employees participating and completed items, as presented below:

« Degreed: 34,696 participating employees; 471,169 completed items »

Atlantica Sustainable Infrastructure PLC, on the other hand, measures the training by the hours completed per employee. This is presented below:

« 49 Hours of training per employee/year.»

Additionally, a measurement for the mandatory hours as per the company policies was identified as a measure for training in the analysis. Mandatory training hours as a measure is showcased by the example of American Water Works Company Inc below:

« We require every employee, including our union-represented employees, to receive a minimum of 20 hours of training each year. »

As an indicator for training accomplishments, also reimbursement programs and university partnerships were included. As per the reimbursement programs, an identified measure was the monetary value of the program. On the other hand, as per the university partnerships, the number of university interns in the organization was used to indicate the partnership.

Outcomes of training as a sub-group describes the accomplishments the training has resulted in. This sub-group of measurement aims to provide metrics for the outcomes of the training identified in the analysis. One of the metrics used to identify the achievements is the employee learning and development index. An example of this is provided by Orsted A/S, which presents the development of its learning index (0-100) from a time span of three years as follows; 2018: 76, 2019: 77, 2020 (goal): 80. The company does not, however, describe the content or the measurements behind the index in any way.

As an indicator for outcomes of training, also the development of employees' performance was measured. Storebrand ASA measured the positive development of the managers after leadership development by 360-degree evaluations (method to evaluate managers). Storebrand ASA's metrics for the development is presented below:

> *« All participants in Storebrand Leadership Weekly participated in the research project "Technology-based Management Development." A 360-degree evaluation of managers before and after the program documented a positive development in twelve parameters for "management" and "management performance", relating to productivity, efficiency and satisfaction of employees. »*

On the other hand, the positive development after training was also indicated by the increase likely to be promoted after learning and development opportunities. Additionally, the training was also measured by actions taken after training in specific topics. All of the three sub-categories of training metrics constitute a wide entirety. Next, experimental learning as part of the main category of Employee Development will be presented.

5.2.2   Experimental Learning

Experimental learning, as a part of the main category of Employee Development, will be presented next. The sub-category of experimental learning consists of mentoring, coaching, and internal mobility, which aim to enhance employee development. In this research, mentoring aims to support professional and personal development. Owens Corning describes mentoring in their organization as follows:

> *« We strive to support employees' goals and align them with opportunities inside Owens Corning. This includes mentoring --. «*

On the other hand, description of the mentoring programme of Iberdrola SA below describes the mentoring program, which is intended for external parties by the company:

« Mentoring programmes for students from the Iberdrola scholarship program, with which they can not only develop skills and abilities relevant to the professional area but also work towards their career goals. »

Therefore, mentoring as an employee developmental HRM practice can be used to develop people externally and internally. Some organizations have also identified coaching as one HRM practice for employee development. Cisco Systems Inc describe coaching in their organizations as follows:

« Cisco's Career Advisory services allow employees to meet one-on-one with trained Career Advisors to receive personalized career development support. Working together, employees and Career Advisors assess an individual's strengths, skills, experience, and goals. They then create an Action Plan to help the employee meet their goals, which may include specific development opportunities. »

In this research, as a part of experimental learning, also internal mobility was identified as an HRM practice aiming for employee development. Internal mobility to refers to practices by which employees have the possibility to apply for new positions inside the same organization and learn new competencies or get more responsibility. For example, Schneider Electric SE reports about having an open channel to enhance internal mobility:

« Open talent market for internal mobility.»

Next, the measurements identified for experimental learning in this research will be presented. The measuring of these practices is not largely identified by this research. For example, Owens Corning states that the data concerning mentoring and coaching are not stored even internally, as follows:

« Most of the learning and development activities that take place in Owens Corning are considered to be informal learning, such as coaching, mentoring, --, and these are not captured in the LMS [Learning Management System]. «

However, by this research, some measures for mentoring were identified. Mentoring was measured by the hours of mentoring as well as by the number of mentors. Iberdrola SA's measure for mentoring is presented below:

« -- almost 3,500 hours of mentoring were provided --. «

As for measuring internal mobility, it was identified in this research that the utilization of internal mobility was used as a method. As presented below, Schneider Electric SE describes the utilization and the increase in it as a measurement for internal mobility:

« Internal mobility increased from 20% (2018) to 33% (2019). »

A performance review will be presented next as a final HRM practice of the main category of Employee Development.

5.2.3   Performance Review

Finally, the third HRM practice of employee development will be reviewed. The final HRM practice of this main category is the performance review. In this research, performance reviews aim for the development of employees and securing the talent in the organizations. A performance review will be next discussed based on this research through the process, succession planning, and feedback programs.

As per this research, the performance review processes consist of evaluating the performance of employees, communicating the results, and agreeing upon the development needed. Banco do Brasil describes the performance review of the organizations as follows:

« Employee performance is appraised twice-yearly using Professional Performance Management Review by Skills and Results (Gestão de Desempenho Profissional por Competências e Resultados – GDP), which measures the employee's contribution to the achievement of results in two dimensions: Skills and Targets. »

On the other hand, the description of Iberdrola SA's performance review is presented below.

« As stated in Iberdrola's Human Resources Framework Policy, employee performance evaluations and communication of the results thereof are considered to be fundamental aspects of their professional development. Some of the basic principles of conduct relating to this aspect described in said policy are:
- *Perform periodic evaluations of the performance of the employees of the group.*
- *Communicate the results thereof to the employees evaluated so as to favor their professional development.*

At the Iberdrola group, employees are included in formal performance review processes. »

Another aspect of the performance review, besides the process presented below, are succession planning in this research. Succession planning – in this research – is a part of the performance review and people development, at its aims in securing the talent of the organization and creating career paths via development for employees. For example, Stantec Inc has practices succession planning for executive positions and describes it as follows:

« Observed success in our executive Succession Planning program, enabling strong talent decision-making and enabled growth and development opportunities for our senior leadership. »

As per this research, the measurement of the performance review process and succession planning focuses on the percentage and number of employees included in the processes. The percentage of employees in the process as a measure is used, for example in Taiwan Semiconductor Manufacturing Co Ltd as presented below:

« In 2019, employee performance assessment registered a completion rate of 100%. »

A measure used for succession planning, as per this research, is the number of succession candidates for certain roles. Below, there is an example of such measure by Owens Corning:

« 2030 Target: Ensure two "ready now" internal succession candidates for key leadership roles.

2018 (base year): 2.2
2019: 2.2.»

Additionally, the percentage of internal fill of certain positions (internal fill rate) was identified as one measure for succession planning as per this research. The main category of Employee Development will be summarized in chapter 5.5 together with all main categories of the results. Next, the third main category – Employee Engagement – of the results will be presented.

5.3 Employee Engagement

In this chapter, Employee Engagement will be presented as the next main category of the results. The HRM practices included in this main category aim for the employees in the organizations to be engaged and satisfied with their employer and that they get their voice heard over the things that affect their working environment. The sub-categories of this main category, therefore, the HRM practices included in the main category, are listening to employees and charity work.

An important aspect of employee engagement is employee retention. However, as per this research, employee retention is not seen as an HRM practice but rather the outcome of the practices included in the main category of Employee Engagement. Therefore, retention is seen as an outcome of employee engagement. Hence, the measurement of retention will be presented at the end of this chapter as a measure of employee engagement. Next, the sub-categories and their metrics will be presented.

5.3.1 Listening to Employees

This sub-category focuses on practices by which the employees' voice is being heard in the organization. The majority of the companies in this research report doing this via feedback surveys in the organization. The feedback surveys enable employers to see how people are doing and what needs to be improved in order for the people to be more

engaged and committed to the organization and to their work. Orsted A/S describe their feedback survey as follows:

> *« We measure employee satisfaction and motivation through an annual employee engagement survey to ensure they can thrive in their working environment. We measure the perception of Ørsted as a workplace, including daily tasks, workload, and relationships with managers. The responses are used to identify actions at the manager, department, and company level. »*

As per this research, there are many ways to conduct employee surveys. In the example above, an annual survey is presented. However, some of the companies report having more frequent, pulse-type surveys. Stantec Inc describes the pulse survey as an addition to another survey as follows:

> *« To assess the progress on our 2018 engagement survey action items, in 2019 a pulse survey was completed --. »*

Additionally, some of the companies in this research report about their encouragement for managers and team leaders to enhance feedback culture at the team level. However, often the HRM practices to achieve this are not explained. Below an example of how Rexel SA describes its feedback culture:

> *« --, but also on the management of performance, part of which is the feedback culture. Its objective is to encourage interaction between managers and employees in a more regular way and outside of traditional occasions such as evaluation interviews or goal setting. »*

The metrics regarding the reporting of the sub-category of Listening to Employees, i.e., the employee surveys, varied a great deal. Hence, the metrics have been divided into two sub-groups:

1. Participation in the survey
2. Results of the survey

The first sub-group describes the metrics organizations use, as per this research, to report the attendance of employees in the surveys. On the other hand, the second sub-group describes the metrics that are in use to report the outcomes of the surveys.

Participation in the survey, as stated above, describes the metrics by which companies report about the participation of employees in the surveys. Companies, as per this research, tend to report about the response rates they have in the surveys, i.e., the percentage of employees responding to the survey. The response rate in Brambles Ltd is presented as follows:

« With an overall response rate of 83% --. »

On the other hand, some of the organizations are reporting about the increase in the response rate and use that as an additional metric alongside the response rate. For example, Banco do Brasil report the measurement of the increase of the response rate as follows:

« Coverage Survey (% total staff); 2017: 58.8, 2018: 67.7, 2019: 80.59 »

Results of the survey, as the second sub-group, describes the actual results of the survey, which are then used in order to see how people are doing and what needs to be improved. The first metrics to be discussed here are the employee engagement index and the increase in the development of the employee engagement index. Companies use these metrics as a foundation when reporting about the outcomes of the employee surveys, and it tends to describe the overall satisfaction people have towards the company and their work. The engagement rate can also be used in benchmarking against other organizations, as Neste Oyj describes below:

« According to the engagement survey conducted early 2019, the employee engagement score was 71, which was in line with global benchmark result. »

On the other hand, also other aspects than the engagement or satisfaction of the surveys are measured and reported, as per this research. Iberdrola SA reports the measurement of the commitment level and organizational support of its employees as follows:

> *« There has also been a 2% increase in the levels of commitment reached, to 76%, and in organizational support, to 71%. »*

Hence, both the participation in the surveys and the results of the surveys are measured and reported in the sustainability reports. The next HR practice discussed as part of the main category of Employee Engagement is the charity work.

5.3.2   Charity Work

Next, the sub-category of charity work will be presented. Charity work is part of the examination of HRM and HRM practices due to its two-parted meaning. On the other hand, charity work benefits the society in which the organization operates as it aims to do good for external stakeholders in given areas. On the other hand, charity work can enhance the engagement of employees and create a sense of purpose and meaning. Hence, charity work is discussed here also as a part of the employee engagement and HRM practices regarding it. Charity work is included in the research from the parts that the organizations have included the charity work in the HRM-related sections of the sustainability reports.

In this research, charity work indicates voluntary work in which employees have the possibility to participate in their working time. Charity work can be any volunteering in the societies in which the organizations operate in. Cisco Systems Inc describe the charity work employees can participate in as follows:

> *« Goal:*
> *Achieve 80 percent community impact participation, as measured by employees' actions, including advocating for causes they care deeply about, volunteering, donating, and participating in programs that positively impact external communities by 2020. »*

Different ways to do charity work were identified in this research. Those included volunteering and donating – which were also described in the example above. Additionally, for example, mentoring was mentioned as an opportunity to do volunteer work in some organizations. It was often emphasized that employees have the possibility to participate in causes they themselves care about.

The measurement of the charity work, as per this research, can be done in multiple ways. The measurement and the metrics focus – on one way or another – on the input given or the impact of the work being done. The input given via the charity work is measured by the number of actions, percentage of employees participating, hours or times volunteered, or the monetary value of the work. Also, the monetary donations can be measured. Below, the metrics Owens Corner has used are presented:

> *« Owens Corning employees volunteered 8,401 times in 2019, up 17.8% from 7,132 in 2018. They devoted 31,152 hours of volunteer time, an increase of 14.1% from the 27,305 hours in 2018. The work is valued at $25.43 per hour, totaling $792,204. »*

On the other hand, also the impact of the work being done can be measured. The measure used for that is the amount of those impacted by the work. In the example below, Cisco Systems Inc report and measure the number of girls that participated and received mentoring:

> *« Every April and May, we host Girls Power Tech in alignment with the UN Girls in ICT Day, a global event organized by the UN International Telecommunication Union. This Cisco-run initiative connects girls and young women ages 13 to 18 with Cisco mentors for a day.*
> *Girls Power Tech 2019:*
> *6,000 students; 50 countries; 115 sites; 1,600 Cisco employees »*

Additional measurement for employee engagement, as presented at the beginning of this chapter, is employee retention. Employee retention refers to the extent to which the

organization is able to retain its employees. As per this research, retention can be measured either by the retention rate of employees or by the number of personnel leaving the company. Owens Corning, as presented below, measures the retention of their high-potential talent:

« 100% retention of high-potential talent between annual talent reviews. »

On the other hand, some companies reported about the number of people who have left the company and their demographics, such as age, position, or gender.

A conclusion of the results regarding the main category of Employee Engagement is presented together with other main categories in chapter 5.5. Next, the final main category of the results will be presented.

5.4   Diversity & Inclusion

Diversity and Inclusion (D&I), as the main category in this research, represents the HRM practices that aim for equality. The aims are to create a diverse and inclusive working culture, in which every employee can have a sense of belonging regardless of their gender, race, nationality, disabilities, or other factors, and to prevent discrimination at the workplace. D&I appears in this research through three HRM practices: recruitment, career development, and pay equity.

In this research, organizations seem to focus on diversity as a concept and as an all-encompassing entirety, or alternatively, the companies have chosen certain focus groups for their diversity and strategically aim for the aim of D&I of those groups. For example, Schneider Electric SE explains their focus groups as follows:

« At the Group level, Diversity & Inclusion focuses on five areas of diversity:
- Gender;
- Nationality;
- Generation;

- *LGBT+; and*
- *Disability. »*

On the other hand, in the example below, American Water Works Company Inc does not define the focus groups of its D&I work but presents its approach by which it aims to create an inclusive culture.

> *« -- We must continue to embrace and promote an inclusive and diverse culture to drive innovation and growth and attract and retain the best talent. We promote a company culture of being comfortable with one's self, allowing everyone to constructively challenge ideas and raise concerns. As a company that serves diverse communities, we respect those community differences and strive to reflect the communities we serve. »*

Next, the HRM practices included in the main category of D&I will be presented as well as the measurement of them.

5.4.1   Recruitment

Recruitment is one of the HRM practices by which companies aim for D&I. In the sustainability reports, recruitments are seen as a fundamental way to create a diverse workforce and to ensure equality. Recruitment at Orsted A/S aims for diversity by the requirement for diverse candidates:

> *« We also integrate diversity in the Ørsted recruitment process, including a requirement to select diverse candidates, and we engage with relevant industry organizations. »*

On the other hand, Cisco Systems Inc utilize positive discrimination in the recruitment of top-level positions, for example, by the requirement to interview at least one qualified woman and by having diverse interview panels:

> *« Diversity is an important part of our approach. In every candidate search, we interview a diverse selection of candidates and write job postings that neutralize bias. For example, for every open position at the Vice President level and above, we interview at least one qualified woman.*

We also assemble diverse interviewer panels, as research shows they are more effective for hiring candidates across the full spectrum of diversity. »

Hence, there can be multiple ways by which recruitments can be tailored to support the aim of creating a diverse workforce and enhancing the D&I of the organizations. In addition to diverse ways to tailor recruitment to support the D&I, also the metrics for the recruitments are various. The recruitments in the reporting area of D&I can measure the percentage of minorities, such as gender or ethnicity, in new hires, and percentual growth in hiring minorities. Cisco Systems Inc measures and presents the increases in recruitments as per different races:

« We also increased representation for African American/Black employees to 3.8 percent and Hispanic/Latino employees to 5.6 percent. Representation of African American/Black employees and Hispanic/ Latino employees has increased every year since 2016. »

On the other hand, also the percentual share of multinational teams – and the percentual growth of them – can be used as an indicator of diverse hiring. Neste Oyj indicates their D&I as presented below:

« With the reorganization, the number of teams with multinational membership increased by 20% compared to the previous year, and approximately 10% of our teams are now multinational. »

Hence, recruitments can be used as a tool to achieve D&I. Next, career development as an HRM practice will be discussed as a part of D&I.

5.4.2   Career Development

Career development overlaps somewhat with employee development presented in chapter 5.2. In this chapter, career development, however, refers to what is being done in career development for organizations to achieve D&I. In this research, career development that acknowledges the importance of D&I is visible through 2 different HRM practices:

1. Talent development
2. Training to identify bias

Next, these two practices will be presented as HRM practices with aims to D&I.

Talent development in the area of D&I aims to develop people in order to achieve and ensure equality. Hence, talent development is guided by two principles: to develop people and to ensure equality. Talent development with joint aims in diversity and equality, in this research, is visible in different ways. Orsted A/S want to ensure gender diversity in their high-potential talent programs, as described below:

> *« For our high-potential talent programs, we set a 30% target for female representation. »*

As in the example above, equal talent development can be done by ensuring the share of minorities in the talent development programs. On the other hand, in this research, talent development with aims on D&I can also be done by creating targeted possibilities for minority groups. Kering SA has launched a training, coaching, and mentoring program for women to promote equal opportunities:

> *« Implement a sponsorship program for training and coaching women managers and roll out mentoring programs in all countries. Promote the development of innovative career paths and ensure all genders are always considered for new opportunities. »*

Hence, there are many ways in which companies present that they have talent development practices in place and that they focus on equal opportunities – especially from the perspective of gender balance.

Training to identify bias in this research refers to training that is offered for employees to better identify unconscious bias and for employees to have the knowledge on things that can prevent from acting in an equal and inclusive manner. Stantec Inc shares the information of their unconscious bias training as follows:

« Continued to provide unconscious bias training, now with 50 certified facilitators across the company (North America, Latin America, Continental Europe, and the Middle East). »

The measurement of career development aiming for D&I will be presented next through the same groups as above when presenting the HRM practices.

Talent development is measured – as per this research – by the percentual shares of minorities or percentual increase of minorities in certain positions, programs, or by shares in transfers and promotions. For example, McCormick & Company Inc presents their percentual goal in having ethnically diverse talent in leadership positions, as follows:

« Goal 2025: 30% ethnically diverse talent (EDT) in senior leadership positions in the U.S. »

Storebrand ASA, on the other hand, measures the share of women in management positions, as follows:

« At a group level, women account for 39% of all management-level staff. This equates to 35% in Norway and 53% in Sweden. »

Additionally, below there is an example of how Owens Corning measures their goals of having a certain representation of minorities for successors in key roles:

« 2030 Target: Achieve 35% and 22% representation, of females and racially diverse minorities, respectively, as successors for our identified key roles. »

Hence, the talent development in the field of D&I is often measured by the shares of minorities in leadership positions, promotions, or talent development programs. Next, the metrics for the training to identify bias will be presented.

Training to identify bias as per this research can be measured by the amount of training or by the number of employees attending the training. For example, Owens Corning report about the measurement of the amount of the people in their Unconscious Bias training, as follows:

> *« -- more than 600 employees have already participated in Unconscious Bias training --. »*

Next, the final sub-group of D&I will be presented.

5.4.3   Pay Equity

Finally, pay equity will be reviewed as the final sub-group of D&I and as the final HRM practice in order to achieve equality in organizations. Pay equity, as a sub-group, refers to the aim or current state of an organization, in which the aim is in having no pay gaps or differences that cannot be explained with experience, job grade, or other factors that naturally have an effect on salary. Rather, it refers to not having pay gaps that are caused, for example, by gender or other non-relevant factors.

Cisco Systems Inc report on their aim in closing the pay gap based on gender or ethnicity in the United States by testing for pay parity as follows:

> *« To be our best and to achieve the goal of equity embodied in our Conscious Culture, it's essential that we pay everyone fairly. Across the globe, we regularly test for pay parity based on gender and inclusive of ethnicity in the United States. If we find gaps, we fix them for all. »*

Schneider Electric SE, on the other hand, reports on having a plan to reduce the pay gaps, as presented below:

> *« Schneider Electric develops a gender pay equity plan to reduce the pay gap and ensure a fair remuneration between genders. »*

The metrics regarding the pay equity, as per this research, cover both the wages it-self and the framework in which the disparities are reviewed. The Cisco Systems Inc measures and explain their pay gaps in their report by pointing out the share of employees in which they have noticed disparities as follows:

> *« In FY19, we found minor disparities in about 1 percent of our global employee population. We gave pay adjustments to make it right. »*

Schneider Electric SE, on the other hand, present the coverage of their pay equity framework in their report as stated below:

> *« The Group exceeded its ambition, which was to extend the Pay Equity Framework to 95% of its global workforce by the end of 2020: as of the end of 2019, the framework has been implemented in all countries, covering 99% of Schneider's total workforce. »*

Additionally, as per this research, the average wages by country, gender, and age are presented in some sustainability reports. In those reports, the relation in average wages between different genders can be presented. Next, a summary of the results of this research will be presented.

5.5 Summary of the Results

Finally, in this chapter, the results presented in the previous chapters will be summarized. This chapter aims to answer the two research questions set for this research. The research questions covered two aspects. Firstly, the HRM practices the most sustainable companies of the world report having, and secondly, how the HRM practices are being measured according to the reporting.

The first question is aimed to answer via main categories: Health and Wellbeing, Employee Development, Employee Engagement, and Diversity and Inclusion, which consists

of HR practices presented in the sustainability reports. Each of the main categories consists of the practices that aim to answer the first research question. Hence, present the HRM practices reported in the sustainability or annual reports.

Secondly, together with each of the sub-categories, the measurement of the HRM practices is presented. Therefore, the measures presented answered the second research question. In Table 3. all of the results are presented as a summary.

Table 3. Summary of the results

Main Theme	HRM Practices	Measures
Health & Wellbeing	Health services & partnerships	- Number of employees using the services - % of employees experiencing stress - Number and locations of health centres
	Health programs and training	- % of employees who have access - % of employees who have participated - % increase of enrolment - Number of employees participated - Number of events
	Work arrangements: flexible worktime, family-leave policies	- % of employees employed on a part-time basis - Being the first of local stock companies to establish shortened workday - % of employees working in countries with family leave policies
Employee Development	Training: training platforms and programs, scholarships for higher education, university partnerships	Supply of training: - Number of new training modules - Availability-% of training platform for employees - Number of scholarships for higher education granted - Number of partnership university interns Accomplishment of training:

		- Number of employees in programs - % of employees received training - Mandatory hours of training per employee - Hours of training accomplished per employee - Number of completed items - Monetary value of tuition reimbursement program - Number of completed items Outcomes of training: - Employee learning and development index - Increased likely to be promoted after taking up on learning and development opportunities - Number of actions taken after training - Positive development in 360-evaluation
	Experimental learning: mentoring, coaching, internal mobility	- Hours of mentoring - Number of mentors - % of internal mobility
	Performance review: process, succession planning	- % of employees included in the process - % of internal fill in recruitments - Number of succession candidates for key leadership roles

Employee Engage-ment	Listening to employees: employee surveys	Participation in the survey: - % of employees participating in employee surveys, - % increase in employees participating surveys Results of the survey: - Employee engagement index/score - % increase in employee engagement index - %-level of commitment - % of perceived organizational support - Motivation and satisfaction score of employees benchmarked against peer companies
	Charity work	- Number of employees' actions - Hours or times volunteered - Monetary donations - Amount of impacted by the work - Monetary value of voluntary work - % of employees participating
	Retention	- Retention-% of high-performing talent - Number of personnel leaving the company (by age, seniority, gender)
Diversity & Inclusion	Recruitment	- % of minorities (gender, ethnicity) in new hires

		- % growth in minority new hires - % of multinational teams
	Career Development: talent development, training to identify bias	Talent development - % of women in leadership positions - % increase of women in leadership positions - % of women in talent programmes - % of women in all levels of the organization - % of ethnically diverse talent - % of minorities (gender, veteran, disability) in transfers and promotions Training to identify bias - Number of people attending in training - Hours of training
	Pay Equity	- % of employees covered under pay equity framework - % of disparities of employee population - Average wages by country, gender, age

The results gathered via this survey present the various HRM practices and measures reported by the companies. It can, however, be seen from the results that the practices are primarily similar by their main elements in each category. However, even though similar to their primary elements, more variety in the metrics and ways of measurement can be seen. Differences can also be seen in the amount of reporting. The amount of reporting as per pages in the sustainability reports varies from 1 to 40. Safety is excluded from the number of pages here. Further deliberation of the results will be presented in the next chapter.

An additional aspect for the research results is a directive reference – noticed via the analysis – that very few companies report about failures or negative impacts of the HRM practices. Therefore, the companies tend to report mainly about the positive effects and successful practices and approaches. Also, this other result of the research will be further discussed in the next chapter.

6 Conclusions

In this research, HRM practices and their measurement in the world's most sustainable companies have been studied. The HRM practices found in this research were discussed through four main categories: Health and Wellbeing, Employee Development, Employee Engagement, and Diversity and Inclusion. The results were achieved through the sustainability reports of the world's most sustainable companies by thematic analysis. The results show that there are a variety of different HR practices and they are measured in a various measure.

In this chapter, the conclusions made out of the research results will be presented. Firstly, the key findings of the research will be presented. After that, the ethics of the results will be discussed. The chapter aims to critically evaluate the ethics of the results achieved by the research setting chose for this research. Finally, subjects for future research based on this research will be discussed.

6.1 Key Findings

First, the key findings of this research will be presented. The key findings refer to the main conclusion and contributions that can be made based on this research. The key findings present the value that this research brings to sustainable HRM and sustainability reporting. There are three key findings, which will be presented next.

Similarity of the topics in the sustainability reports will be the first of the key findings discussed here. As the analysis was conducted, the main categories and the content of the results were formed rather quickly. Hence, sustainability reporting regarding HRM is relatively homogenous as for the main categories of this research. Therefore, the similarity of the reporting tendencies is one of the key conclusions of this research. According to Hahh and Kühnen (2013), determinants for sustainability reporting can be factors, such as:

- corporate size

- financial performance

- social and environmental performance

- ownership structure

- corporate visibility

- sector affiliation

- country of origin

- legal requirements.

When looking at the determinants for sustainability reporting, the companies examined in this research have similar determinants. The significant differences in the determinants of the companies examined here are in the sector, country of origin, and legal requirements. Hence, it can be assumed that, for example, the corporate size, ownership (publicly listed companies), financial performance (minimum gross revenue of $1B), and the social and environmental performance (ranked as the most sustainable companies of the world) have affected the similarity of the reporting tendencies here.

Dienes, Sassen and Fischer (2016) found in their study that company size size, media visibility and ownership structure are the most essential drivers of sustainability reports' disclosures. Similarly, they found that dimensions, such as profitability, capital structure, age of the company and board composition, do not show clear tendency as indicators of corporate governance. On the other hand, board size, professionalism and board designation had been noticed to have an impact on sustainability disclosure (Janggu, Darus, Zain & Sawani, 2014). Therefore, there are factors that have been noticed to have an impact on the sustainability reporting tendencies. On the other hand, there are also factors that have been noticed not that have been noticed not to have an impact on sustainability reporting. Aust et al. (2020) studied the country of headquarter as a determinant for the reporting of sustainable HRM in large companies and did not find international differences.

Although, there were similarities in the larger framework of the results, differences were noticed. As presented in the results, there was a significant variation in how much the

companies report about the sustainable HRM. When examined the number of pages, there was variation from 1 page to 40 pages. This means that as for the HRM practices and measures, some of the companies reported very much in detail and transparently, whereas some of the companies briefly mentioned the topic of HRM.

Hence, although the topics reported in the sustainability reports are similar, there were significant differences in the extent to which HRM as a topic was reported. Therefore, it can be seen that the details regarding the HRM and the HRM practices varied greatly. However, it should be noted that the intention of this research was not to compare the reports against each other, and therefore the similarity or the differences in the sustainability reporting have not been in the primary focus of the analysis. Therefore, it would require a research to study to comprehensively see the similarity.

The absence of shortcomings will be discussed as the subsequent key finding. As the HRM practices and the measures were examined, the lack of reporting the shortcomings was noticed. Many of the companies reported about the HRM practices in a positive light. From the perspective of accomplishments, achievements (e.g., external evaluations and recognitions) and increase in, for example, the representation of minorities in leadership positions or the number of training. However, very few reports reflected the shortcomings, failures, negative impacts, or negative feedback received from the HRM practices. Sustainability reporting is often rationalized with the need and aims to be more transparent. However, according to Aust et al. (2020), the increased reporting does not always mean that transparency would increase. Hence, as per this research, there is a slight hint that transparency is not in practice evident in the reporting.

Hence, as the shortcomings are not very transparently reported, it raises a question of the role of the measures used. There was more variety noticed in the measures than in the main categories and the HRM practices. Therefore, it can be suspected that companies utilize and report the metrics that show the practices and actions in a positive light. Many of the companies, for example, measure the increase in something (e.g., increase

in the number of people participating in surveys, an increase of minorities in the leadership positions), but not the decrease. Therefore, the role of reported measures can be questioned in contributing to transparency in the reporting. The issue can also be considered from the stakeholders' perspective. For example, it can be considered what the added value of measuring, e.g., of the number of employees using health services or the number of completed pieces of training for investors, employees, or customers is. According to Mariappanadar (2019b), measuring the sustainable and unsustainable effects of HRM objectively is essential to reduce unsustainable effects on employees and other stakeholders. Mariappanadar (2019b) presents the human potential index (HPI) and high-performance work practices (HPWP) as such objective measures, neither of which were indicated in this research. Therefore, based on this research, the metrics in use, although varied and describing multiple aspects of HRM, might not be very useful for stakeholders to evaluate the sustainability or unsustainability of the HRM practices.

The role of sustainability in HRM will be discussed as the third key finding. The third key finding is about the role of sustainability in the HRM practices presented as results of this survey. Therefore, when considering the HRM practices presented in this research, the practices aiming for health and wellbeing, employee development, employee engagement, and diversity and inclusion, the role of sustainability should be discussed. The role of sustainable HRM is discussed previously in chapter 2. The aims for sustainable HRM presented according to Ehnert et al. (2014) are, for example, retaining talent, preserving the health of employees, and supporting work-life balance. Ehnert et al. (2014) state that not all these are traditional goals for HRM but seen as vital when discussing sustainable HRM.

According to Mariappanadar (2019c), there are three attributes to sustainable HRM practices:
- improving organizational performance
- low simultaneous harm of work on employees
- reducing negative impacts on the ecological system.

If the HRM practices in this research are compared to these attributes, all of them can be seen in the results of this research. However, the final attribute, i.e., reducing negative impacts for the ecological system, was the least essential based on this research. The aim to reduce negative impacts for the ecological system was visible in two of the HRM practices:

1. training on CSR
2. charity work.

However, Guerci, Radaelli, Siletti, Cirella and Shani (2015) note that HRM practices are more effective when they are used to create an ethical context, in which employees can behave ethically, rather than directly aligning towards ethical behavior. Hence, also the sustainability of the HRM practices identified via this research can be reviewed from two perspectives: are they sustainable as HRM practices, or do they create a sustainable environment, in which employees can behave according to sustainable standards set by the organization. When discussing the effect sustainable HRM has on the sustainable behavior of employees, an interesting point of view is, whether the sustainability that is mandatory via HRM practices (e.g., training or recruitment policies) is more meaningful in the long-term than practices that create the atmosphere (such as possibility to participate on charity work). Whereas a mandatory HRM practice towards the increased sustainability of organizations can be the correct first step, the culture of the organizations, might in fact, be changed in the long-term with softer ways, such as showing example and creating possibilities, instead of demands.

Nevertheless, it can be stated that the HRM practices identified in this research (presented in chapter 5) do reflect the previous research and literature on sustainable HRM. However, it is significant to consider critically whether the current state of sustainability in HRM practices is enough or is it – in fact – merely fundamental HRM presented in sustainability reports.

The contribution of this research to sustainable HRM can, therefore, be summarized to three conclusions:

1. The similarity and saturation of the themes on what the most sustainable companies report about their HRM, yet with wildly varying details, was identified in this research. Therefore, this opens a discussion for what causes this, as when examining the determinants for this, no clear explanation was identified.

2. The absence of shortcomings and the variety of metrics on the same practices were identified. This opens a perspective for whether the measures that are in use aim for transparency and what is the role of sustainability reporting, if not, to point out what needs to be improved.

3. The HRM practices identified in this research reflect the previous literature and research.

However, the third conclusion of this research aims to open a discussion on whether the HRM practices reported as sustainable are sincerely sustainable because they are in sustainability reports or should there more demands for the world's most sustainable companies.

An additional, practical implication of this research is to offer benchmark data for companies on how the most sustainable companies report about sustainable HRM. Hence, this research can be used as a handbook of the reporting and measures of sustainable HRM. The similarity of the reporting tendencies indicate that companies might benchmark against each other when determining the information, they shared publicly, and therefore, the results of this research have also a practical implication for companies.

6.2   Ethics of the Results

In this chapter, the ethics of the results will be discussed. According to Saunders, et al. (2016), the researcher needs to maintain objectivity throughout different stages of the research. Therefore, also during the reporting of the results. As a researcher, I have aimed for objectivity by critically evaluating the reporting of the results. Additionally, I

have aimed for objectivity by acknowledging my subjectivity, and therefore, tried to diminish my subjective role as a researcher.

The results are derived from public data that is available for everyone on the internet. Therefore, although the reporting of the results is not anonymized, and the company names are reported along with the results, it is evaluated in this research that no ethical issue arises from this. The lack of anonymity in presenting the research is justified because the information is available for everyone. Secondly, there is no comparison made when presenting the results, and none of the companies are presented so that they would be worse than other companies. Therefore, the objective of not anonymizing the results, is done to increase the transparency of the results. Creswell (2014) notes that presenting only positive results should be avoided. In this research, it has been aimed to maintain critical approach to review the results. The role of the critical view on the results is considered especially when presenting the conclusions of the results

According to Saunders et al. (2016), the use of the internet may raise specific ethical issues, and its use should be addressed. In this research, as per the results, the ethics are thoroughly evaluated due to the source of information is the internet. Although the companies have created the data themselves and made it available for everyone, it must be acknowledged that using the – albeit public – data in this research without specific consent, the results may be biased. This is because the data has not been made for this purpose. Nevertheless, this is noticed as the results have been reported, and if any uncertainty regarding the results had arisen, the uncertainties would have been excluded from the reporting. However, it must be stated that uncertainties that would have required excluding from the report did not appear.

As the data for the research is internet-based, it can be evaluated whether it is sufficient for the research. However, when considering the results, it is likely that, albeit another source of data collection would have been utilized, e.g., interviews, the results might not be different. This is due to the companies under review being publicly listed. Due to the

nature and legislation around insider information, likely, the companies would not have been able to give information that is not on their public reports. Therefore, it can be assumed that the results by the used data collection offer the exact extent of information as other ways.

Saunders et al. (2016) state that harm should be avoided when analyzing data and reporting the results. In this research, while aiming for accurate conclusions and results, the avoidance of harm for any individual company has been present throughout the process. While aiming for critical review of the results, no individual company should face any harm due to the results or reporting of this research.

Hence, as a conclusion of the ethics review of the results, the aim has been to create truthful and correct results, and the ethics have been evaluated throughout the process. Should some unethical features regarding the results appear later, the results would be immediately corrected.

6.3   Limitations and Suggestions for Future Research

This research contributes to the field of sustainable HRM by creating a further understanding of the HRM practices, their measurement, as well as the findings that open a discussion on more underlying factors of sustainable HRM. However, there are several limitations in the research that need to be addressed here.

Finally, the subjects for future research based on this research will be presented. Firstly, the subjects that would deepen this research will be presented. This research could be further examined by researching the policies and strategies on which the HRM practices of this research are built. By that, the sustainability of the practices could be evaluated, as the purpose behind different HRM practices would be more apparent. Hence, for example, the CSR strategies and objectives of the companies could be evaluated in the future research in order to better understand the entirety of the sustainable context, which the HRM practices are an integral part of. Additionally, each of the main categories

of the results or the HRM practices could be evaluated in separate and dedicated research by deepening the focus to understand them better.

Additionally, based on the conclusions of this research, three future research subjects have arisen:

1. The lack of shortcomings in sustainability reports is one significant subject for future research. It would be essential to research this in order to improve the transparency between companies and their stakeholders.

2. The measures by which companies measure sustainable HRM practices should be further researched. The aims behind the chosen metrics and the value-add they bring to the company itself and for its stakeholders should be examined.

3. A subject for future research would be to research the stakeholders' expectations to find out whether they see sustainable HRM practices as sustainable enough. Regarding this, it would also be essential to study the perceptions of the different stakeholders. For example, what are the points of view different stakeholders, such as employees and shareholders, and how they perceive the current state of sustainability in HRM.

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    Environment? *Journal of Business Ethics, 169*, 371–385.

Appendix

Appendix 1. Research material

Company	Year	Report	Retrieved from
Schneider Electric SE	2018-2019	Annual report	https://www.se.com/ww/en/about-us/investor-relations/regulatory-information/annual-reports.jsp
Orsted A/S	2019	Sustainability report	https://orsted.com/en/sustainability/esg-ratings-and-reporting#our-sustainability-reports-2019
Banco do Brasil SA	2019	Annual report	https://ri.bb.com.br/en/corporate-governance-and-sustainability/sustainability/
Neste Oyj	2019	Sustainability report	https://www.neste.com/sustainability/performance#985177b8
Stantec Inc	2019	Sustainability report	https://www.stantec.com/en/about/company-overview/sustainability
McCormick & Company Inc	2019	Purpose-led Performance report (sustainability report)	https://www.mccormickcorporation.com/en/responsibility/purpose-led-performance
Kering SA	2017-2020	Sustainability report	https://progress-report.kering.com/Kering-Sustainability-Progress-Report-2017-2020.pdf
Metso Outotec *)	n/a	n/a	n/a
American Water Works Company Inc	2017-2018	ESG Report (Sustainability report)	https://ir.amwater.com/sustainability/esg/esg-home/default.aspx
Canadian National Railway	2018	Sustainability report	https://www.cn.ca/delivering-responsibly

Rexel SA	2018-2019	Sustainability report	https://www.rexel.com/en/medias/publica-tions/activity-and-sustainable-development-re-ports/
Atlantica Sustainable Infrastructure PLC	2019	ESG report (sustainability report)	https://www.atlantica.com/web/en/sustainabil-ity/esg-reports/
Cisco Systems Inc	2019	CSR report (sustainability report)	https://www.cisco.com/c/m/en_us/about/csr/esg-hub/report-archive.html
Storebrand ASA	2019	Annual report	https://www.storebrand.no/en/sustainability/sus-tainability-library
Owens Corning	2019	Sustainability report	https://www.owenscorning.com/en-us/corpo-rate/sustainability/our-approach/governance/re-porting
Eisai Co Ltd	2019	Annual report	https://www.eisai.com/ir/library/an-nual/past.html
Cascades Inc	2016-2020	Sustainable Development Plan report (sustainability report)	https://www.cascades.com/en/sustainable-devel-opment/documents-reports/our-publications
Brambles Ltd	2019	Sustainability report	https://www.brambles.com/sustainability-review
Iberdrola SA	2019	Sustainability report	https://www.iberdrola.com/shareholders-inves-tors/annual-reports/2019#1
Taiwan Semiconductor Manufacturing Co Ltd	2019	CSR report (sustainability report)	https://www.tsmc.com/eng-lish/aboutTSMC/dc_csr_report

*) No uniform report available for Metso Outotec as a merged company.