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Linking people management professionals around the globe

## Winds of Change in Mexico

By Jorge Jauregui

Dec. 1, 2012, was a historic day in Mexico as long-awaited labor law reforms took effect and a new president of Mexico was inaugurated. Amendments to Mexico's Federal Labor Law, approved by the Congress, were published in the Official Journal of the Federation, promoting their entry into force. More than 100 labor regulations were modified for the first time in more than 40 years. The primary purpose of this set of reforms is to promote job creation and to attempt to regulate labor relationships that arise informally.

The issues addressed by the labor reforms include:

- Defining the elements of any employment relationship, incorporating the notion of “decent work” promoted by the International Labor Organization.
- Regulating child labor, such as making it a crime to hire minors.
- Establishing the obligation to suspend work in the event of health emergencies and adopting measures to prevent and combat them.

The reforms also clarify the grounds for termination of employment and the duties of, and restrictions on, employers; prescribe working conditions for farmworkers; and clarify the rules related to the working conditions of domestic workers. There is also a new chapter regulating labor in the mines.



The new law does not include some key measures concerning union accountability and transparency, a limit on unions' ability to call for strikes, and the use of arbitration to resolve disputes to end strikes.

Nevertheless, these labor law amendments represent the first reform to Mexico's Federal Labor Law since it was enacted in May 1970. The fact that the Mexican Congress discussed and approved this labor reform sends a strong signal that significant changes can be made in the regulation of labor matters—something that has been previously thought of as “untouchable.”

### HR Impact

The labor law reforms cover many issues. The following outlines the most relevant aspects of this reform for HR professionals:

- **Decent or respectable job.** The concept of a decent or respectable job is defined in the new law as a job that respects the worker's human dignity. This concept is widened to include nondiscrimination due to race, gender, age, disability, health condition, sexual preference, marital status, opinions, etc.
- **Nondiscrimination and social interest.** The principle of diversity and nondiscrimination is included. The promotion of environmental sustainability is declared of social interest.
- **Harassment and sexual harassment.** Harassment and sexual harassment in the workplace are defined for the first time in the Federal Labor Law.
- **Outsourcing regime.** This change arguably requires the highest level of attention from employers. The law establishes a legal

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framework for the outsourcing regime. For a job to be considered “outsourced,” it must meet the following conditions:

1. It may not cover all the activities that are being developed in the workplace, and such activities may not be equal or similar to all of the activities.
2. It must be justified for its nature as a specialized job.
3. It may not include tasks equal or similar to those being carried out by the rest of the employees at the service of the contracting party.

In the event that all of these conditions are not met, the contracting party will be deemed the employer for all the applicable legal effects. Moreover, it is established that the outsourcing regime will not be allowed if the contracting party’s employees are transferred to the contractor deliberately to reduce labor rights.

- **Profit sharing.** A company’s branch employees are part of such company for profit sharing purposes.
  - **Seasonal work.** Seasonal and non-continuous hiring are now permitted. Seasonal workers have the same rights and obligations as regular workers, in proportion to the time worked. When a season ends, the labor relationship is suspended until the beginning of the following season.
  - **Joint Committee of Productivity, Training and Education.** This bipartisan committee of employers and employees is vested with duties relating to productivity, and it is entitled to give opinions and act concerning the termination of the trial period and the initial training.
  - **Back wages.** Employees have two months from the date of discharge to challenge their termination. If an employee wins the challenge, he may seek reinstatement with back wages or, alternatively, indemnification equal to three months’ salary, back wages, and any accrued salary and bonuses. Prior to the reforms, back wages could be applied for an indefinite period of time. Now, the limit is one year (plus interest after 15 months), significantly reducing an employer’s liability for a wrongful termination.
  - **Women’s work.** Working mothers may move up to four of the six weeks of leave from before the birth of a child to after the same period. Rights are established for a mother who adopts an infant.
  - **Registration of unions.** The principles of legality, transparency, certainty, immediacy, impartiality, and respect for freedom, autonomy, equality and union democracy shall be observed. Furthermore, access to information is regulated regarding the registration of unions, specifying that union bylaws will be available to anyone at the Ministry of Labor website.
- Overall, this reform provides a more updated regulation, but it



still does not fully provide what is needed to boost job creation and productivity in the country. Nevertheless, the fact that amendments were made for the first time in four decades is a major step in the right direction. We hope that some necessary adjustments will happen in the near future, now that people see that change can be beneficial.

AMEDIRH, Mexico’s national HR association, is hosting informational meetings for its members to discuss the new law’s implications for HR professionals in Mexico.

## Presidential Election

Also on Dec. 1, Enrique Pena Nieto of the PRI party became the president of Mexico, replacing the PAN party’s Felipe Calderon, who had been president since 2006 and could not seek re-election.

**I**t is too soon to predict what effect the labor reform legislation and Mexico’s new president will have on the country’s economic growth and job creation.

Calderon worked closely with the Pena Nieto team during the five-month presidential transition. The inauguration of Nieto also returned the PRI party to the office of the presidency for the first time since 2000 when PAN’s Vicente Fox was elected. Before Fox and Calderon, the PRI party had ruled Mexico for 71 years.

It is too soon to predict what effect the labor reform legislation and Mexico’s new president will have on the country’s economic growth and job creation. Although there are some indications that economic activity is on the path to recovery, Mexico has not been able to fully break the adverse loop between low economic growth, unsustainable fiscal positions and the fragility of financial institutions. In particular, the government has agreed to enhance monitoring and accountability to ensure that its previous policy commitments can be achieved, including those on fiscal, financial and exchange rate policies. In the context of the framework for strong, sustainable and balanced growth, Mexico will continue to ensure that developments in the global economy and associated risks are properly assessed, and that corrective policy actions are identified and undertaken. Mexico has established the strengthening of the financial system as one of its priorities in order to secure a balanced and sustainable growth to restore credit flows. In fact, Mexico’s financial regulatory agenda cannot be fully understood without considering the dual objective of achieving financial stability and securing growth. The Mexican government’s priorities in the financial arena are:

- Implementing reforms in a timely and consistent way.
- Increasing the resilience of financial institutions.
- Strengthening continuous markets.
- Improving the institutional footing of the Financial Stability Board.
- Assessing the implications of post-crisis reforms on emerging markets and developing economies.

The forecast of the Mexican GDP growth rate in 2012 remains unchanged; it is anticipated to grow at a rate between 3.0 percent and 4.0 percent, in line with the slowdown in U.S. industrial activity expected in 2012. The unemployment rate dropped from 5.2 percent in 2011 to 4.8 percent in 2012 and is forecast to remain at 2012 levels next year, according to the International Monetary Fund. [WU](#)

Jorge Jauregui is secretary general/treasurer of the World Federation of People Management Associations, the president of the North American Human Resources Management Associations and a board member of AMEDIRH, Mexico’s national HR association.



# NAHRMA's Influence on Global HR

In October, Jorge Jauregui of Mexico began his two-year term as secretary general/treasurer of the World Federation of People Management Associations (WFPMA) and as president of the North American Human Resource Management Associations (NAHRMA), which represents Canada, the United States and Mexico in the WFPMA. *WorldLink* interviewed Jauregui on his goals over the next two years in these roles.

**WorldLink:** What is the current state of HR in the North American region?

**Jorge Jauregui:** The North American region is currently passing through a very difficult economic situation, resulting in a more complicated and uncertain framework for HR professionals. But this represents a great opportunity for all of us to put into practice more innovation and creativity in formulating and implementing HR programs and processes, to help our respective organizations better deal with these turbulent times. Generally speaking, the North American region is facing, simultaneously, a slow pace of economic growth and high unemployment. Coincidentally, in two of the three North American nations—the United States and Mexico—national presidential elections took place this year, creating more uncertainty about future government policies affecting the workplace. North American HR professionals now have a more visible role within their organization's top management, as well as with the employees and other stakeholders that look to HR to receive coaching, counseling and reasoned responses on how to deal effectively with these challenging matters.

**WL:** What are the HR challenges unique to the member countries of NAHRMA?

**Jauregui:** The HR communities in the North American region face challenges that are similar, unlike their colleagues from other regions around the world. Nevertheless, the NAHRMA confederation is unique within the WFPMA in that its membership is made up of two of the world's most developed economies—the United States and Canada—with the United States sharing a 2,000-mile border with the one developing country in the region, Mexico. This dichotomy of economic development generates additional challenges for the HR professionals and leadership, such as migration problems, diversity, and laws that overlap and conflict. The three NAHRMA members are united under the 1994 North American Free Trade Agreement (NAFTA). NAFTA did not create a common market, as is the case in Europe where countries initiated the European Union. Therefore, there is no common currency, governing body or free labor mobility among Canada, the United States and Mexico. Yet we are connected in common business and political issues.

Founded in 1997, NAHRMA is the WFPMA's largest continental federation, integrating more than 320,000 HR professionals.

**WL:** How will your experience and viewpoint from Mexico influence your two-year role as president of NAHRMA?

**Jauregui:** In addition to working in HR in my country of origin, Mexico, I also have worked as an HR executive expatriate in the United States and Argentina. Therefore, having lived abroad working with large multinational companies, I am in a position to provide not only a local perspective but also an international or global perspective on HR matters and strategies.

**WL:** What is your overall vision for the next two years as NAHRMA president?

**Jauregui:** NAHRMA has now the opportunity to provide more updated and relevant information on insightful topics to its HR members in the three countries. I am ready to suggest and discuss with my NAHRMA board of directors colleagues some new initiatives that will make sure that this will be a continuous trend for the next two years during my term—and hopefully way beyond my term.

**WL:** What opportunities do you see for NAHRMA's influence on North American businesses?


**Jauregui:** I foresee various opportunities for NAHRMA to continue and consolidate its influence on North American businesses, as well as on government programs and legislative initiatives. For example, NAHRMA actively participated in the national discussions in Mexico to create a significant reform of its Federal Labor Law, which had been untouched since 1970. The NAHRMA board appealed to Mexico's minister of labor last year to participate in closed-door meetings in Mexico City with government officials and other stakeholders. As representatives of the HR community, NAHRMA had direct input in significant new legislation that will affect businesses and workers in Mexico for years to come.

The Society for Human Resource Management (SHRM), which is the U.S. member of NAHRMA, consistently lobbies for relevant matters affecting the productivity of U.S. businesses and employees. Our

Canadian colleagues are also doing their part with their main stakeholders. All three HR associations that make up NAHRMA are the premier HR representative of their respective countries. As the complexity of the world and of this region increases, so will the opportunities for a wider and deeper influence from NAHRMA.

**WL:** How does your background prepare you for these leadership roles?

**Jauregui:** My background of 37 years as an HR professional, manager and executive, both locally and internationally, has given me the skills, experience and perspective to confidently assume the challenges of this important position. I have directly participated in the International Labor Organization that is part of the United Nations in Geneva, Switzerland, for three years. As a co-founder of NAHRMA in 1997, along with Mike Losey representing the United States and Gary Agnew representing Canada, and as a member of previous and current WFPMA and NAHRMA boards of directors, I am up to the task from a professional standpoint.

Personally speaking, my own family is a mini-global community. My wife, Heidi, was born in Germany, and my children are U.S. citizens. My father was born in South America, in Lima, Peru. Nevertheless, the most important asset I have to deal with this challenging responsibility is the extraordinary quality of all the members of my board. They are my best source of confidence to perform effectively as president of NAHRMA. 



Jorge Jauregui

# Preparing for **Canada 2025**

By William “Bill” Greenhalgh and Jeff Moir

*CanadaWorks 2025* studies the future of the Canadian economy and society. In the report, the Human Resources Professionals Association (HRPA) and Deloitte examined four fundamental drivers of change that will influence Canada throughout the next 20 years: demographic shifts, economic prosperity, technological adoption and sustainability. Of the three scenarios we developed for Canada, the most desirable—and the only one that is truly sustainable—is what we call “the northern tiger.”

## **Invent the Future**

Buoyed by high commodity prices, low unemployment and relative stability in a turbulent global economy, Canada is at an inflection point. Whether by design or by accident of history, Canadians today are for the most part prosperous and confident in their futures. Ipsos’ latest Global Economic Pulse survey found that 68 percent of Canadians view their economic situation in a positive light—the highest among G8 countries. The challenge is how to take full advantage of our current economic and political capital. What should decision-makers do today to best position Canadian workplaces for success in 2025?

Deloitte and the HRPA partnered to address this question by developing detailed scenarios depicting what Canadian society might look like in 2025. The goal of this exercise was not to lay out the definitive future of the Canadian workplace. Rather, we recognize that despite our relatively enviable position, we must identify strategies that address the very real problems that continue to exist—the sustainability of our industries, the competitiveness of our firms, the quality of our employment, the inclusivity of our workplaces and our level of innovation.

An important component of the study was a series of conversations with more than 50 notable CEOs and chairs of Canadian organizations, former government ministers, current assistant deputy ministers, leading academics, and economists. We asked these interviewees to react to three scenarios, namely “lost decade,” “unsustainable prosperity” and “the northern tiger.”

While the first and second scenarios represent darker alternatives, they are also realistic if we continue with the status quo. The adoption of a series of recommended strategies would more likely propel Canada into the third scenario, which would foster the achievement of a brighter, more sustainable future we have labeled “the northern tiger.” The strategies are necessary to improve our labor market efficiency, productivity, employment contract and the very structure of work itself.

This difficult task of developing the three scenarios was deliberately posed to focus the discussion and elicit trade-offs, as most would agree that creating prosperous and effective workplaces requires a portfolio of strategies. Predictably, we received a multitude of answers—some in direct conflict with others—from targeted enhancements to education and immigration, to improved labor relations and adoption of productivity-enhancing technologies. Throughout the interviews, however, there was a sense of cautious optimism.

We also asked the interviewees to select a single policy change that they believed would enable a positive future for Canadian workplaces by 2025. By implementing some of the strategic recommendations outlined below, we can put into place a sustainable foundation for prosperity. By the year 2025, Canada will have earned its global reputation for excellence—not just in providing resources but also in adding value to our exports, our people, our society and the world.

## **Modernize Education**

- Improve access to technology and teaching tools in the classroom.
- Use financial literacy to help promote self-sufficiency and entrepreneurialism in students.
- Selectively influence post-secondary educational outcomes by



encouraging math, engineering and computer science as choices, and by matching post-secondary course offerings to employment market demand.

- Invest in teacher performance improvement through experiments such as linking performance management and pay for K-12 teachers, and having teaching-only faculty in post-secondary institutions.

## **Reform Immigration**

- Improve the speed and volume of accreditation for qualified immigrants.
- Foster the development of accreditation programs at foreign universities.
- Build online systems to allow registration requirements, credential recognition, education upgrades and language programs to be completed before immigrants leave their home country so that they are immediately employable upon arrival in Canada.
- Build systems that better match immigrant skill supply with regional employment market demand (e.g., introduce tax incentives and educational credits in areas of acute labor shortage).
- Once basic immigration systems are improved, increase the flow of high-skilled immigrants to bolster an aging population.
- Capitalize on the unique cultural diversity that Canada has to offer and the competitive advantages this brings to international organizations that locate here.

## **Improve Employment Flexibility**

- Build a new, more flexible employment contract by encouraging trade-offs between employees and employers and removing constraints from employment standards acts.
- Make adjustments for an aging workforce, such as flexible work-

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time arrangements, lateral and downward transfers, pension incentives, phased retirement, wellness programs, and self-paced work environments.

- Encourage labor-management partnerships that foster innovative solutions for working together.
- Allow flexibility for employers to ensure the ability to pay wage increases demanded in collective bargaining.

### Invest in Industry Excellence

- Build awareness campaigns for championed industries through public/private partnerships that provide intelligence and research to stakeholders to promote growth, and manage private-sector relationships to develop positions on issues and challenges.
- Improve industry productivity through promotion and support for existing business clusters, investment in monitoring and evaluation as well as information and communication technology, improved venture capital through vehicles such as angel tax credits, and simplified research and development tax supports.
- Invest selectively and strategically (e.g., through investments in centers of excellence, incubators, etc.) in areas of current strength and future promise, such as high-value manufacturing, the resource sector and already-profitable green industries (e.g., smart grid technologies, smart building technologies and “green” nanotechnologies).

### Improve Infrastructure for Access to Talent

- Replace crumbling infrastructure with a focus on high-speed trains and above or underground urban transport to reduce travel congestion and allow for broader regional access to diverse skills.
- Encourage cheaper transport infrastructure for air travel to encourage inter-provincial mobility.
- Build wired and wireless infrastructures to support future technologies and increased take-up of distributed work.



Vancouver

- Build suburban infrastructure, such as project facilities where employees can access office tools, to promote distributed work and further ease pressure on transportation infrastructure.

### Sparking a Dialogue

Some readers will agree with the scenarios and strategies contained in this paper; others will disagree vehemently. Our hope is that we will spark a debate on the complex dimensions of change that will impact work in this country. Through this dialogue, we can begin to invent the future of the successful Canadian workplace.

To access the full report and executive summaries in English and French, please visit [www.hrupa.ca/Pages/Canada-Works-2025.aspx](http://www.hrupa.ca/Pages/Canada-Works-2025.aspx). WL

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## HR Career Road Maps

The Human Resources Professionals Association (HRPA) in Toronto, Canada, built a “Career GPS” to help members pinpoint and track their individual professional development goals. Likewise, the Society for Human Resource Management (SHRM) in the U.S.’s Alexandria, Virginia, created the “Elements for HR Success” competency model. Both models come with online, interactive tools to help members plot their futures in the HR profession.

### HRPA

The Career GPS is built on HRPA’s Competency Model and allows each person to:

- Benchmark their current ability in 85 HR competencies found in eight human resource domains.
- Map the expected levels of HR competence of their current job and compare the results to their current ability.
- Map the expected levels of HR competence for their “dream job” and compare the results to their current ability.
- Access links online, to the professional development programs or upcoming programs for increasing their effectiveness in any competency they choose.

Download more information about HRPA’s Career GPS at [www.hrupa.ca](http://www.hrupa.ca).

### HRPA’s Career GPS For Human Resources Professionals

An online assessment tool to help pinpoint and track your professional development goals.

- Benchmark your current ability in 85 HR competencies found in eight human resource domains.
- Map the expected levels of HR competence of your current job and compare the results to your current ability.
- Map the expected levels of HR competence for your dream job and compare the results to your current ability.
- Access actions and interactions for increasing your effectiveness in any competency you choose.
- Learn about events and programs that will increase your ability to deliver on your competencies.

#### HRPA’s Competency Model



3 Levels of Competence in All 85 Competencies.

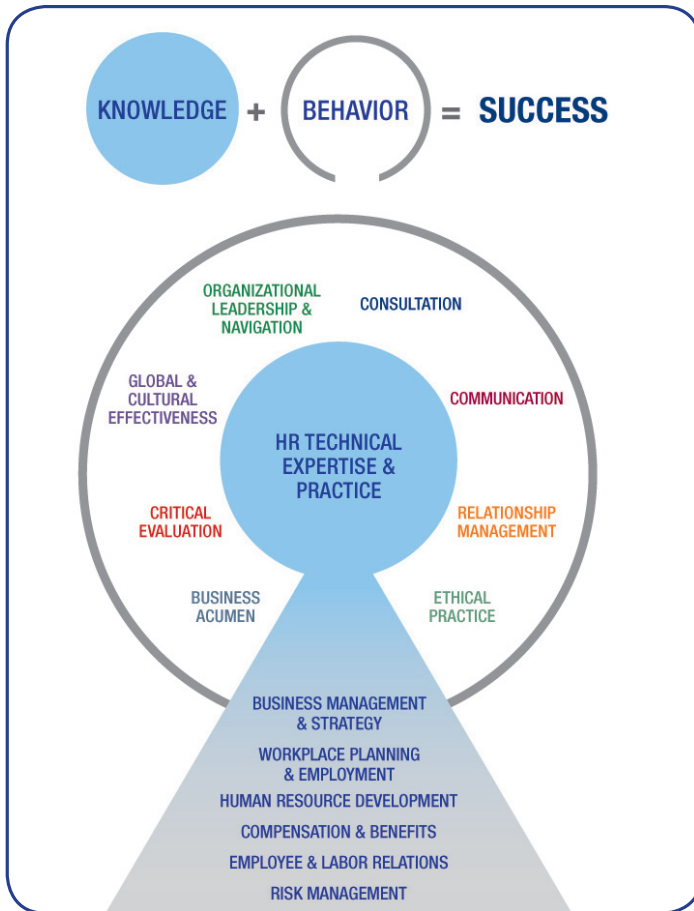
- Level 1: Foundational (early-career-level competence)
  - Level 2: Intermediate (mid-level competence)
  - Level 3: Advanced (senior-level competence)
- Descriptions for each level of competence is unique for every one of the 85 competencies.





## SHRM

In January 2013, SHRM will launch a development self-assessment tool that is based on the association's competency model, Elements




for HR Success. SHRM states that this tool will help its domestic and global members identify their strengths as well as their areas for development using avatar-based virtual role-play and situational judgment tests as well as behavioral self-report measures. All scenarios and measures were developed by human resource subject matter experts. The self-assessment also will provide HR professionals at four different levels—entry, mid, senior and executive—with a feedback report that includes recommendations for relevant developmental resources.

The self-assessment tool is based on SHRM's competency model, which consists of nine primary competency domains:

- HR Expertise and Practice.
- Relationship Management.
- Consultation.
- Organizational Leadership and Navigation.
- Communication.
- Global and Cultural Effectiveness.
- Ethical Practice.
- Business Acumen.
- Critical Evaluation.

This competency model is designed to serve as a resource for HR professionals interested in developing proficiency within each critical competency, from professionals just entering their HR career to those at the executive level. For each competency, SHRM provides an overall definition, sub-competencies associated with the primary competency, behaviors demonstrated by individuals highest in proficiency on that competency, and behavioral standards in which an HR professional at the relevant career stage should engage to be successful.

To create this model, SHRM followed the best practices identified by the Society for Industrial Organizational Psychology task force on competency modeling and job analysis, and gathered input from more than 1,200 HR professionals during 111 focus groups in 29 cities across the world. The model was then validated through a survey of more than 32,000 respondents.

For more information and to sign up for the interactive self-assessment, visit [www.shrm.org/competencies](http://www.shrm.org/competencies). 

# Managing Corporate Sustainability

By Elaine Cohen, Sully Taylor, Ph.D., and Michael Muller-Camen, Ph.D.

**Organizations are increasingly concerned with sustainability and corporate social responsibility. The HR function is uniquely positioned to assist in both developing and implementing sustainability strategy.**

The SHRM Foundation, the North American Human Resource Management Associations and the World Federation of People Management Associations partnered to produce a special report, *HR Management's Role in Corporate Social and Environment Sustainability*.

Sustainability has been defined as the ability “to meet the needs of the present without compromising the ability of future generations to meet their needs.” As regulatory pressures and societal demands for greater environmental and social responsibility have increased, sustainability has become a key focus for many organizations. A sustainable organization can be defined as an enterprise that simultaneously contributes economic, social and environmental benefits—known as the “triple bottom line”—to society while also ensuring its own long-term sustainability as an organization. Sustainability is seen by many as increasingly essential to creating shareholder value, as investors and employees look to organizations to be good corporate citizens.

There is an emerging business case that corporate performance, under the right conditions, can be enhanced in firms focused on sustainability. For example, a 2003 meta-analysis of research studies suggests that corporate virtue in the form of social and environmental responsibility is likely to pay off financially.

## Sustainability Strategy

In organizations adopting a sustainability strategy—whether for business, legal or values-based reasons—HR has an important role to play. The HR function should help formulate and achieve environmental and social goals while also balancing these objectives with traditional financial performance metrics. The HR function can serve as a partner in determining what is needed or what is possible in formulating corporate values and sustainability strategy. At the same time, HR should play a key role in ensuring that employees implement the strategy consistently across the organization. Sustainable human resource management can be defined as using the tools of HR to create a workforce that has the trust, values, skills and motivation to achieve a profitable triple bottom line.

Examples of sustainable HR practices include:

- Encouraging employees, through training and compensation, to find ways to reduce the use of environmentally damaging chemicals in their products.
- Assisting employees in identifying ways to recycle products that can be used for playgrounds for children who don't have access to healthy places to play.
- Designing a company's HR management system to reflect equity, development and well-being, thus contributing to the long-term

health and sustainability of both internal (employees) and external communities.

- Emphasizing long-term employment security to avoid disruption for employees, their families and communities.

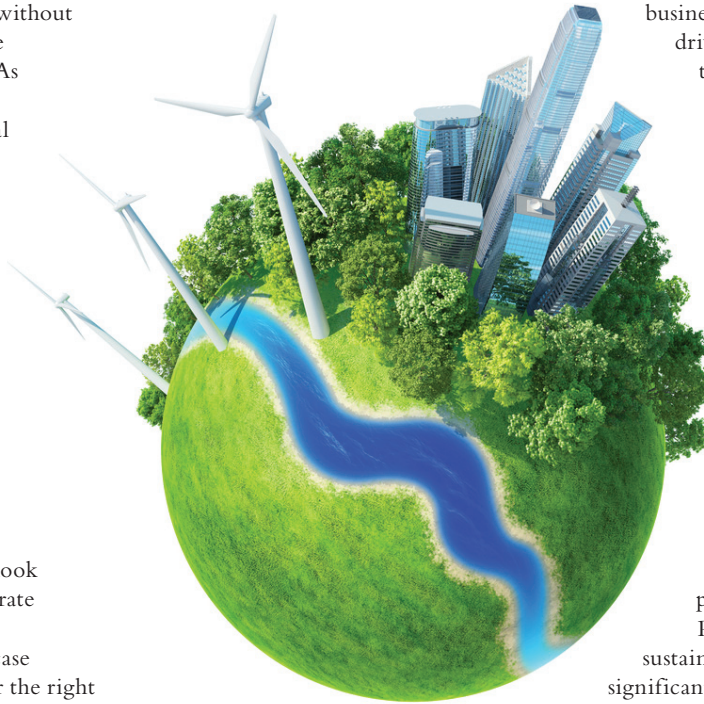
Sustainable HR management is also about the role and sustainability of the HR function in the business. As business strategy becomes more driven by sustainability considerations, the HR function must revise its own mandate and transform the way it performs core HR responsibilities.

It must ensure that HR managers become enablers of an organization aligned with sustainability, which means taking on new roles and perspectives that have not traditionally been part of the HR brief. For example, the HR function must expand its view of who the company's stakeholders are and ensure that the HR management system enables their sustainability. Only by waking up to the new demands of sustainable businesses can the HR function become an indispensable business partner and safeguard its own future. Research to date indicates that

sustainable HR management can contribute significantly to the simultaneous attainment

of economic, environmental and social goals. The majority of the research has focused on using HR functions such as selection, communication, training and rewards to achieve environmental sustainability. The term “green HR management” is emerging to describe this. It is clear that sustainable HR management can be critical to employees' engagement, motivation and creativity in finding new ways to reduce inputs, design eco-friendly products and increase quality.

Encouragement from upper management—particularly supervisory support—also has been identified as key to employee environmental actions. In addition, adopting sustainable HR management and communicating a pro-environmental image can have a positive reputational effect. This helps increase the pool of qualified candidates from which to staff the company, leading to lower recruitment and training costs and a better financial bottom line. In fact, in some cases, a pro-environmental stance may be more important to potential employees than pay or layoff potential. The role of sustainable HR policies in achieving social sustainability has been examined less, but it is clear that trust, job satisfaction and commitment are all higher in companies with sustainable HR policies. In addition, sustainable HR management can help develop a social sustainability mindset in the company's leadership. It can help a company address wider social problems that are affecting not only its external community but also the company's financial bottom line.



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Ultimately, sustainable HR strategy can contribute positively to firm profitability in a measurable and quantifiable way.

### Getting Started

For organizations aspiring to advance along the corporate responsibility path, the HR function is arguably a critical partner. To get started on the sustainability journey, HR leaders should understand and adopt the practices outlined by leading global frameworks.

A number of frameworks exist to support corporate sustainability strategy; however, only a few are truly global, comprehensive and applicable to the majority of organizations.

The main sustainability frameworks are the United Nations Global Compact, the Organisation for Economic Co-operation and Development Guidelines for Multinational Enterprises, International

Standard ISO26000, SA8000 and the Global Reporting Initiative (GRI). Of those, the GRI has become the leading set of guidelines for voluntary sustainability reporting, so it will be used as an example. Most companies that publish sustainability reports—close to 6,000 companies per year worldwide—use the GRI framework to guide their reporting. In doing so, they often find that the need to report creates an internal catalyst effect for the development of strategy and action plans in the organization. The GRI framework can therefore be seen as a guidance document for what should be done, not just what should be reported. The GRI framework covers a range of HR-related activities that support sustainability, such as responsible workplaces, human rights, safety practices, labor standards, performance development, diversity, employee compensation and more. HR can use the performance indicators contained in the GRI to create an initial road map and scorecard for its contributions to sustainability.

Figure 1: Sustainable HR Management Scorecard

| HR Role                  | HR Objective  | HR Metric   | Business Value  |
|--------------------------|---|---|---|
| <b>Values and Ethics</b> | Employees understand and behave in line with corporate values.                    | % of employees trained in values and ethics.                                  | Mitigation of risk due to unethical behavior by employees.                  |
|                          |   | % of employee responses in survey showing employee support of company values. | Improved corporate reputation and trust.                                    |
| <b>Recruitment</b>       | Recruitment is based on diversity principles.                                     | % of employees recruited by gender and by minority groups.                    | Improved business results, innovation and customer satisfaction.            |
| <b>Compensation</b>      | Compensation is driven by equal opportunity for men and women.                    | Ratio of base salary, men to women.   | Lower HR costs due to turnover, improved motivation and trust.              |
|                          | Compensation is linked to sustainability performance.                             | Number of employees with sustainability targets in annual work plans.         | Improved execution of sustainable business strategy.                        |
| <b>Well-being</b>        | Employees are fit to contribute to their maximum capability.                      | % of employees who engage in a corporate well-being program.                  | Reduced business health costs, lower absenteeism, improved productivity.    |
|                          |   | % improvements achieved in employee well-being (health, stress, diet, etc.).  |   |
| <b>Development</b>       | Diverse employees are given opportunities to advance.                             | % of women in management positions.   | Improved business results, innovation and customer satisfaction.            |
|                          |   | % of minorities in management positions.                                      |   |
| <b>Engagement</b>        | Employees understand and act in line with sustainability strategy and principles. | % of employees trained in sustainability.                                     | Improved execution of sustainable business strategy.                        |
|                          | Employees enhance corporate community relations.                                  | % of employee volunteers.   | Employee engagement, reputation benefits, enhanced community relationships. |
|                          | Employees contribute to improving environmental impacts.                          | % of employees participating in “green” activities.                           | Energy and materials costs reductions.                                      |




The GRI framework and many other standards have a similar core and use common reference points, such as the Universal Declaration of Human Rights and universally accepted International Labor Conventions. To provide the best support for sustainability, HR managers should select a framework that has been adopted on a corporate basis and align their HR policies and processes to the standard's key elements, as required. However, given the common denominator of all these standards, it is also possible to develop a basic, generic road map for sustainable HR management and include the key elements contained in all such codes and frameworks.

Whichever standard or framework is adopted, the HR manager should review all HR core functions relating to protection of employee rights, equal opportunity in employment, recruitment, training, development, workplace facilities, health, safety and well-being, compensation, organizational culture, and communications. The process will involve aligning all aspects of the organization's HR infrastructure to support new ways of working sustainably. Throughout implementation, the HR manager would be advised to use a metrics-based tool to support measurement of HR sustainability performance parameters and report these internally and, if the organization has a practice of sustainability reporting, externally as well.

HR's approach must always reflect the business approach to sustainability. Managers should follow a broad road map that moves through understanding and engaging the stakeholders of the HR function, identifying the most important issues that the HR function faces, and examining all the policies, processes, structures and cultural alignments required to deliver a sustainable HR strategy effectively. This will include identifying appropriate sustainable HR management metrics and correlating these with business outcomes. This process is shown in Figure 1.

## Conclusion

The emerging concept of sustainable HR management has important implications both for organizational performance and for the HR function. First, HR must support the development and implementation of corporate sustainability strategy because the unique HR contribution is critical to sustainable business success. Second, to be considered a strategic partner and value-added function, HR must recognize the new sustainability context of business and align its practices accordingly. To do this, HR management needs to provide HR solutions for a sustainable organization as well as manage the HR function in a sustainable way. In this context, the recommended approach includes the adoption of an iterative process for embedding sustainability values, understanding and engaging HR stakeholders, reviewing and developing HR policies and practices, and tracking and reporting performance and effects. Through this process, HR will demonstrate how its sustainability performance aligns with leading global frameworks and supports the overall business sustainability strategy. 

Elaine Cohen, Sully Taylor and Michael Mullen-Camen are co-authors of *HR Management's Role in Corporate Social and Environment Sustainability*. This executive briefing and the full report can be downloaded online at [www.shrmfoundation.org](http://www.shrmfoundation.org), [www.wfpma.com](http://www.wfpma.com) or [www.nahrma.org](http://www.nahrma.org).

# HR News Around North America



## Canada Temporary Foreign Worker Program; high court privacy ruling

The HR minister has acknowledged problems with Canada's Temporary Foreign Worker Program and said in a statement that the government currently is reviewing the program. Referring to the recent controversy over a British Columbia mining company's plans to hire Chinese workers, she noted that "we are not satisfied with what we have learned about the process that led to permission for hundreds of foreign workers to be hired" and that "sufficient efforts were made to recruit or train Canadians interested in these jobs." British Columbia labor groups have filed a court action to block permits for the Chinese workers.

Also, employees may have a reasonable expectation of privacy regarding personal data on their employer-provided computers, "at least where personal use is permitted or reasonably expected," the Supreme Court of Canada has found. The court noted that this was the case even when employers' policies and practices provided that all computer content was the property of the employer. Ownership can be a factor but is not determinative. While this was a criminal case dealing with unreasonable search and seizure, there will likely be ramifications for employers' rights to monitor employees' computers.



## Mexico Immigration law complaint

Alabama's strict immigration law, already under attack in U.S. courts, now faces international scrutiny for possible violation of the North American Free Trade Agreement (NAFTA). Mexico has asked the United States to consult over complaints that the Alabama state law contradicts NAFTA signatory countries' commitment to preserve bargaining, wage, nondiscrimination, job safety and other worker rights. The claims, brought by a U.S. union and Mexican lawyers, highlight how international agreements may set standards that affect workplace laws and regulations.



## United States 'Fiscal cliff'; health care reform rules proposed

A group of high-profile chief executive officers urged President Barack Obama and Republican congressional leaders to strike a deal to avert the "fiscal cliff" that could include raising tax rates on the wealthiest Americans. The 160 CEOs, who are part of the nonpartisan Business Roundtable, signed a letter suggesting government leaders raise revenue "whether by increasing rates, eliminating deductions or some combination thereof." The group had previously backed extending tax cuts for all Americans as a stopgap solution. The CEOs are renewing a push to persuade lawmakers and Obama to strike a deal to avert the fiscal cliff of \$600 billion in automatic tax increases and spending cuts that could cause a recession.

New guidance on the Patient Protection and Affordable Care Act (ACA) addresses nondiscriminatory wellness programs, essential health benefits, insurance market rules and accreditation entities for public health insurance exchange plans. Releases such as this signal the end of the pre-election pause in issuing new regulations. More guidance is expected on other topics essential for ACA implementation, including employer shared-responsibility regulations and reinsurance fee amounts.

Sources: Reuters, *The Globe and Mail*, AL.com and Forbes.com.

# World Federation of People Management Associations (WFPMA)

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## THE WORLDLINK HR CALENDAR

**January 23-25, 2013**

HRPA 2013 Annual  
Conference and Trade  
Show

**Toronto, Canada**

Tel: +1-905-405-8415

Website: [www.hrpa.ca/conf2013](http://www.hrpa.ca/conf2013)

**June 16-19, 2013**

SHRM 65th Annual  
Conference & Exposition  
**McCormick Place Convention**

**Center, Chicago, Illinois, USA**

Tel: 1-703-548-3440

Website: <http://annual.shrm.org/>

**September 11-12, 2013**

AMEDIRH 48th  
International HR  
Conference and Exhibition

**World Trade Center,**

**Mexico City, Mexico**

Tel : 52-55 5140-2219

Website: [www.amedirh.com.mx](http://www.amedirh.com.mx)

Editor's note: Please submit events for the calendar to  
Adrienne Fox at [afox@pointcs.com](mailto:afox@pointcs.com).

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### WORLDLINK

welcomes news stories, announcements of events and ideas for articles. These should be accompanied by a telephone number and e-mail address.

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### NEXT ISSUE

The next issue of WorldLink will feature the European Association for People Management and HR news in Europe.

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