IDENTIFYING BEST PRACTICES IN HUMAN RESOURCE MANAGEMENT

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ABSTRACT

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This paper examines the alignment of Human Resource management with a company’s overall mission through their practices of talent recruitment, rewards, training, and quality of working life. This paper will explore and compare companies with a sustainability-focused mission statement against companies that are not sustainability-focused to identify best practices among various industries in regards to how they attract, develop, reward and retain their work force. The prediction is that companies with a sustainability-focused mission statement will take as much care in their employees as they do their responsibility to the environment, more so than the organizations that are strictly for-profit and do not have a sustainability-focused mission statement.
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INTRODUCTION

Although many organizations are now incorporating a sustainability emphasis into their mission statement, there is a growing disconnect between the socially responsible future that top executives see for their organization and what their Human Resource (HR) departments are doing to make this goal a reality. Jay Liebowitz, expressed the business case for sustainability when he said:

“When companies are able to reduce their costs and increase their sales via their sustainability initiatives, the surrounding communities benefit. Not only are there decreases in water and air pollution, but when the companies are financially healthier, there is less of a need for layoffs and unemployment compensation, the local tax base is greater, people have more spending money, and that supports increases in regional commercial development” (Liebowitz, 2010).

Employees are an important, and often overlooked, stakeholder group that can play a large role in the success or failure of creating a business culture of sustainability. This allows the HR profession the opportunity to own an aspect of the social side of the sustainability equation (Graft et al, 2014). Wright et. al. argues that HR management practices such as selection, training, rewards, and participation were closely correlated to past, current, and future firm performance (2005). Because of this, it is up to the HR department to design a recruitment, reward system, and training program that is aligned with the company’s overall mission.

According to the “State of Sustainable Business Survey 2010” HR is among the least engaged corporate functions when it comes to sustainability (Graf et al, 2014). This is surprising, considering the HR staff is likely to be the only department in most
organizations that is professionally trained to influence the attitudes and behaviors of everyone from the top executives down to the employees. The HR department is “the keeper of the culture” in that they possess the knowledge and skills to take the organizations sustainability-focused mission and reinforce any desired organizational culture through their HR systems (Liebowitz, 2010).

Companies are shifting their focus from short-term success of traditional corporate activities to sustainability so deeply integrated into the business strategy that it will allow for long-term success not just economically, but socially and environmentally as well. The key to a sustainability strategy’s success is how well HR has its employees unlearn unsustainable behavior and adopt new practices. This involves changing the thinking paradigms of employees, and this type of employee engagement is what makes organizational change so difficult. This research is important because it will explain how to close the disconnect gap between a company whose corporate policy just says that they are sustainable, and those organizations that actually execute sustainable practices in their daily business.

The remainder of this paper is organized as follows: the research question outlining the purpose of this paper, a literature review of the current HR research, a brief description on the methodology used for firm selection, followed by the findings and analysis, a conclusion of what we have learned in regards to best practices, and finally caveats and recommendations for further research.
Research Question

What are HR departments in organizations with a sustainability-focused mission statement doing today to attract, develop, reward and retain the right talent and labor pool to support their organizations mission?
REVIEW OF LITERATURE

The human capital management of a firm focused on the triple bottom line should have a different focus than that of a solely profit-driven organization. In fact, O’Toole and Lawler (2008) assert that companies are shortchanging their shareholders by not differentiating themselves from their competitors by creating an employee-oriented, high involvement work environment (Liebowitz, 2010). Organizations with a sustainability-focused mission statement must maintain conscientious practices in the areas of talent recruitment, employee training, the reward system and their employee’s overall quality of working life. It is not likely to be sufficient if only one or two of these areas are changed.

Many HR systems need to be changed in order to create a sustainability-oriented organizational culture. Exploring the best practices in these four functions of the HR profession will identify those firms that, through their management of human capital, effectively support their company’s socially responsible mission statement, by comparing them to the HR decisions of those companies that seem to have a disconnect between their goals and daily practice.

The Importance of a Mission Statement

A mission statement is a formal written document that answers vital questions like the company’s purpose for existence, its values or beliefs, and what it is trying to accomplish. Mission statements are essential tools for communicating to all stakeholders the purpose and future direction of an organization. Conversely, companies with no
public mission statement are less likely to be held accountable by both internal and
external stakeholders (Blair-Loy et al, 2011). Today mission statements can go by many
different names, such as ‘credo’, ‘core values’, ‘company philosophy’, or ‘vision
statement’. Regardless of what a company calls this declaration, explicitly articulating its
mission helps create normative pressure on organizational leaders, who have publicly
committed themselves to particular goals and ideals and signaled to others the foundation
upon which an organization is establishing its reputation (Blair-Loy et al, 2011).

Mission statement research takes two streams. There has been extensive analysis
on the relationship between a company’s mission statement and its financial performance,
as well as research on the degree to which a company’s actual practices reflect the
content of its mission statement. The latter research pertains directly to this study, as we
look more in detail into how a mission statement with social responsibility elements is
reflected in the practices of the organization’s HR department.

Talent Recruitment

Targeted recruitment can be an effective strategic HR tool. Firms want to attract
certain types of applicants who support their strategy (Huselid et. al., 2011), because
matching a firm’s human capital to its strategy is positively correlated related to firm
performance (Wright et. al., 1995). There are various elements that should be considered
by HR while recruiting such as employer brand image or applicant’s soft skills and hard
skills.
Employer Brand Image seems like a minor detail in the recruitment process, but it is actually a key part of non-verbal communication between employers and potential recruits in the job market. Having a strong employer brand image informs the public of your values as an employer, and this is something that applicants must know before applying with the company. According to Price Waterhouse Coopers, 90 percent of U.S. graduates actively seek out employers whose corporate responsibility behavior reflects their own (Graft, et. al., 2014). Because of this, a crucial element that both firms and applicants consider in the recruitment process is surface-level and deep-level attributes. Surface level attributes are things like race and education, while deep level attributes are things like attitudes and values. Who people are on the inside (i.e. attitudes and values) tells us more about their reactions to employers’ HR policies than who they are on the outside (i.e. demographics).

Employer brand image is also important because of something called signaling theory. Signaling theory suggests that when there is no information about a firm’s values, applicants draw on inferences from observable characteristics of the organization, such as the company’s HR policies. Applicants use this inferred information and compare it to their personal attitudes and beliefs. This speaks to the importance of explicitly communicating a company’s mission to the public and HR’s role in integrating that same mission into their recruitment process. There is growing indication that the younger generations of employees (Generation X and Generation Y) increasingly prefer to work for companies that serve a higher other than profit and include a focus on the environment among its core values (SHRM, 2008). This is why it is so important that
recruiters practice signaling theory to attract the right talent. As younger generations continue to enter the workforce, their job satisfaction requirements will continue to shift, and the employer’s need for practicing signaling theory will only increase.

Employers looking to create a culture of sustainability should also think about where they are choosing to recruit. They will find more success if the HR department focuses more on attracting like minds rather than appealing to the whole job market. They should choose to seek out people who already care about sustainable business and the environment. For example, they could recruit at universities that offer an MBA concentration in sustainability. At job fairs they could focus more on talking about their environmental programs and policies to appeal to the kind of employee they are looking for.

It has been stated that HR practices influence applicant decisions to apply. This means that firms should consider job postings containing details about their current appealing HR practices. As firms become aware of the benefits of diversity, many are targeting recruitment of minorities and women (Avery et. al., 2006; Cox et. al., 1991). Self-interest theory suggests that publicizing diversity policies should help recruit women and minorities because they are typically the intended beneficiaries of such policies (Williams et al., 1994). This was the case with Intel Corporation. Their sustainability report showed that the tech company attributes their forty nine percent diversity rate to the self-promotion of their diversity policies, including their employee affinity groups.

According to Sohel Ahmad and Roger Schroeder, the traditional recruitment and selection process focuses solely on an employee’s “hard” skills (2002). However, if an
organization wants a recruitment process that supports their sustainable mission statement, they will also have to look at a potential employees “soft” skills and behavioral traits during the selection process. Employees can be trained for the desired tools and techniques, but it takes a long time to develop a person’s soft skills. Soft skills are necessary if an organization wants a diverse workforce. It will come into play when trying to maximize the communication and productivity of any employees working in cross-functional teams. HR recruiters can screen applicants more carefully for these needed teamwork and collaboration characteristics through behavioral interview questions that expose the applicant’s values and people skills.

Once the right applicants are hired, employee orientation and the onboarding process is the next step. Clif Bar, for example, incorporates an explanation of the company’s many environmental projects in their orientation program (Fox, 2008). Taking new hires on a company-wide tour and informing them about the company’s current environmental projects is a great way to establish a positive first impression and it will help the employee foster a sense of pride and ownership in their new workplace (Liebowitz, 2010).

**Training and Development**

The health of an organization is dependent on its people. A study by Birdi et. al. (2008) shows that the effect of employee empowerment and training accounted for a nine-percent increase in value added revenue per employee during a period of one to six-
years after introduction of these activities in their manufacturing industry study (Tunwall et. al., 2011). According to Freeman (1993), a long-range HR plan is the first step for achieving health and vitality, and this process should include the training component. The training component should address immediate and long-range goals, behaviors, and skills (Freeman, 1993). Freeman then goes on to describe a multi-step process comprised of organizational meeting, position review, personnel review, and training/development assessment. Freeman states that the formulation of a more thorough employee development plan will take coordination between supervision and staff as goals for both the individual and organization are assessed.

Online training over the Internet has created a way of employee self-service for most organizations that have employees working in various locations and regions. There are numerous benefits to online training including the possibility of consulting at any given place or time, ease of updating the system, reduction in publication costs, and the reduction of group training nuances such as repetitive questions. Creating online forums allow, for example, an employee who is assigned to a project in a specific sector to connect with one forum and seek advice from the firm’s experts (Gasco et. al., 2004)

One innovative training example is from the online shoe company, Zappos.com. The online shoe company created a system where employees were given a small pay raise for each of the 20 Zappos.com’s “skills sets” they mastered, allowing employees to have some control over their pay. It was up to them if they didn’t want to develop any of these skills or as many as they liked (Aaeker, 2012). This shows that Zappos.com is giving their employees autonomy over their career development, which, along with mastery and
purpose, is one of the key attributes needed for authentic motivation (Pink, 2011).

Lauren Turner, from the Network for Business Sustainability, says that there are three P’s of employee goal-setting. When managers are helping their employees in any department set sustainability goals, they must make sure that the goals are personal to the employee themselves, because this means they are more likely to be successful and to continue engaging in their firms’ environmental and social goals. The second characteristic of a successful employee goal is that it must be plain and simple. The third and final characteristic of a successful goal is that employees received positive feedback from their managers along the way. Feedback may include a simple overall evaluation or more specific information about the level of performance or the nature of the behavior.

Employees want workshops and conferences on not just work-related topics, but useful skills that they could also incorporate into other areas of their life. It is good practice to give employees access to trainings on environmental stewardship and ecologically friendly topics like recycling, energy conservation, and waste reduction. It would also be beneficial to offer training on sustainability relevant and timely topics such as Life Cycle Analysis, Cradle to Cradle, Systems Thinking or The Natural Step. These concepts don’t just apply to one sector of work, they offer new ways of critical thinking and problem solving that will break down current employee’s paradigms to allow for innovation in any line of work. BMW, General Electric and Hewlett-Packard all use Life Cycle Assessment as a sustainability tool in their organizations. Introducing employees to resources available from the Global Reporting Initiative and The World Business Council for Sustainable Development would allow them to learn about what other companies both
inside and outside of their industry are doing to achieve a sustainable business model.

One key suggestion, a practice that is taken from the SAP HR department, is integrated reporting. Companies should not only be transparent with their employees in annual reports, but they should ensure that nonfinancial HR key performance indicators are connected with financial key performance indicators to demonstrate its contribution to the sustainable strategy’s progress (Graf et. al., 2014).

**Reward Systems**

According to the book ‘Management Reset’ performance appraisals today are for the most part ineffective and dreaded by both the manager and employee. The annual performance review is unpractical for two reasons: first, because it is annual. An employee would need supervisor feedback much more frequently if they are to fully master their position. Second, corporate America’s annual performance review is very much a highly stylized ritual that usually feels more awkward and uncomfortable for the employee, rather than beneficial (Pink, 2009).

Jack Dolmat-Connell, the Vice President and Managing Director for The Wilson Group, defines a firm’s intellectual capital as a combination of employee’s capabilities and their commitment (1999). It is difficult to attract and retain employees who offer both these qualities, which may explain the importance of rewarding these employees properly.

Dolmat-Connell discussed the interesting reasons as to why human capital is so poorly managed, considering that it is also critical to the organizations success (1999).
Most firms view their employees as a cost rather than as a way of creating value. Firms also do not incorporate their human capital as a source of competitive advantage; instead they rely on materials or aspects of their product to create a competitive advantage.

In his book entitled Drive, Pink reports that higher wages could actually reduce a company’s costs because it will allow the firm to attract better talent, reduce turnover, and boost productivity and morale. This theory was first formed in the 1980’s, when George Akeroff and Janet Yellen, both noble prize winning economists, discovered that this pay-more-than-average approach by-passes “if-then” rewards, which constantly leaves employees asking for more. Paying higher than the industry norm also takes the money issue off the table allowing employees to focus solely on their work.

There are currently two popular models for reward systems. One is the compensation focus; this is a very traditional reward system that most organizations use today where monetary rewards are the primary motivator. There is also a total reward system, which is comprised of a base compensation, recognition management, and variable compensation. Essentially, using a total reward system is a way of linking short- and long-term business success, shareholder value, and desired behavior control.

Dolmat-Connell describes the four steps necessary for an organization to create an aligned reward system (1999). An organization must first identify its key success factors (what it needs to do to fulfill its mission). Then they must ask themselves what employee behaviors or actions are necessary to implement this competitive strategy. Third, the organization should determine how their various HR reward programs, such as base salary programs, bonuses, short and long-term incentives, recognition programs, etc., can
reinforce the employee behavior necessary for success. And lastly, how well do current reward programs match these requirements?

One Company who has been successful in properly incentivizing and rewarding their employees is Clif Bar, Inc. Clif Bar, Inc., recently created an employee incentive system to promote environmentally responsible behavior. Employees are awarded points each time they walk, bike, carpool or take public transportation. Points can be redeemed for on-site massages, company merchandise, or gift cards (Fox, 2008). This is a clear example of how employee reward systems and corporate sustainability policies can work together hand in hand.

**Diversity and Inclusion**

Diversity of the workforce is an important aspect of HR recruitment today. To have diversity in a firm’s human capital means that they are recruiting employees from various race, ethnicity, religion, culture, age, sexual orientation, educational backgrounds, income levels, and different ways of thinking and learning. A diverse workforce is important because it will reflect the complexity of both business and society today, and it will contribute to the organization a richer perspective on how to add value. Creating teams of employees who will all bring a unique approach to problem solving and strategizing will bring about innovation and creativity. This is known as a differentiation strategy because the employer would be trying to attract diverse applicants to foster creativity and to help the business respond to a diverse market. An interesting point stated
in one article was that minorities place more emphasis on race and diversity policies in recruitment brochures that any other segment (Casper et. al., 2013).

Diversity is so important because, if it is managed well, it can be a source of power while if left unmanaged, it can result in negative emotions, tension and even lawsuits. According to Giovanni, HR practices like recruitment and selection, performance appraisals, reward systems and the promotion process all need to be modified to support rather than impede the implementation of inclusive behaviors. There are three steps involved in creating change for diversity and inclusion and they can be explained through planning, implementation, and outcome evaluation. The first step is to create realistic and measurable goals that communicate by assessing the current situation via existing data, surveys and interviews to help establish why the company is making these changes. The next step is to establish accountability and ways to reward documented behavior change. The rewards systems must be consisted with the organizations practices. Next a Diversity and Inclusion coordinator must monitor the implementation process through established checkpoints and data sources. The final step is to apply the evaluations process to the documented results, usually through some kind of 360-feedback loop (Giovanni, 2004).

As discussed in a subsequent section, a diverse workplace also creates a more agile and resilient workforce. It can offer valuable perspectives on important issues and can better appeal to a consumer base with a high number of minorities (Sweeney, 2009). Natalie Holder-Winfield says that businesses where a clique of employees freeze out people perceived as out of the norm do so at their own peril because this will cause a lack
of new ideas and the organization will slowly die (Sweeney, 2009). An interesting practice by PG&E is that they promote diversity by purchasing goods from suppliers and vendors that are owned by women or minorities or organizations that embrace diversity and inclusion. Diversity can bring a great deal of strength in the way that workers look at things, solve problems, and innovate.

**Quality of Working Life**

Ramstad defines quality of working life (QWL) as the wellbeing of the work community and individual employees (2009). There is a growing body of evidence that suggests that if management wants the employees to make a significant discretionary effort to help protect the environment, then management should put their employees first and create a “people first” employer-of-choice culture (Liebowitz et. al., 2010). Because most Americans spend a majority of their life at work, it is important for organizations to treat their human capital as individuals by giving them the opportunity to customize their work arrangement. Businesses should care about investing in their employee’s happiness because it is one of the many factors that drive profits for firms, regardless of the industry. According to Aaeker et. al., Companies listed in Fortune’s “100 best companies to work for in America” had equity returns that were 3.5 percent higher than those of their peers. There are numerous reasons why organizations need to be held accountable for the quality of working life they create. Acknowledging the value of employee happiness is especially important for those companies that invest significantly in recruiting and training, where their workforce is their competitive advantage. Not only is
it in the organization’s best interest to decrease their employee turnover, a company’s ignorance of QWL will dump the externals costs of poor health, stress, morality, and family conflict onto society. In today’s knowledge economy, the most capable workers are less inclined to think of themselves as loyal soldiers and more inclined to view themselves as sought-after team members (Hamel, 1996). According to Hamel, employee commitment and productivity can be increased when organizations create an environment where workplace and lifestyle balance can be achieved.

Businesses today are starting to include quality of working life as a part of a broader concept for productivity, also known as ‘sustainable productivity’ or ‘sustainable work systems’ (Ramstad, 2009). Taylor suggested that the concept of QWL includes emphasis on extrinsic and intrinsic job factors and other aspects like individual power; employee's participation in the management process; fairness and equity, social support, use of one's present skills; self-development, a meaningful future at work; social relevance of the work or product and effect on extra work activities (Das & Ch, 2013).

Many factors contribute to QWL like fair remuneration, safe and healthy working conditions, security of employment, advancement opportunities, the nature of supervision, and finally respect. Many companies today say that their employees are their most important resource but few employees feel this to be true as they see themselves as their organizations most expendable resource. The ‘job for life’ guarantee is no longer existent as big companies today are expecting more from their employees, and employees want greater intrinsic job satisfaction in return. Employees are being asked to be flexible, to retrain, take responsibility for their own development and expand their job
responsibilities without receiving the compensation or entrepreneurial freedom than if they were to create a startup themselves (Hamel, 1996). Because of these changes in both employer and employee commitment over the past few years, loyalty is not what it used to be and turnover rates are increasing.

Most QWL factors can be divided into two main categories: organization driven factors and individual driven factors. Organization driven factors are those like grievance handling, monetary benefits, safety and security, etc. Individual driven factors are those like managerial style, delegation, communication/ interpersonal relations and other idiosyncrasies that employees may have. Honeycutt and Rosen (1997) found that people with family-salient identities saw flexible careers as more attractive, and those with career-salient identities found traditional careers more appealing.

According to Aaeker et. al, there are four ways in which companies can promote employee happiness. The first suggestion is to create a higher purpose of employment. This allows employees to feel they are a part of something meaningful that is bigger than themselves. Employees will be happier when their short-term and long-term goals align with that of their employer, (i.e. the importance of a company mission statement as a way to communicate this to prospective employees). This being said, young professionals are increasingly selecting their employer based on “sustainability criteria”. Autonomy is the second suggestion for happiness mentioned by Aaeker et al. By this the author means that companies should allow their employees the opportunity to develop their own personal and career related interests. Google’s 20 percent program was mentioned as a success story where allowing their employees a creative outlet to work on independent projects.
for 20 percent of their time increased the employee productivity in the other 80 percent of their work time (Aaeker, 2012).

The third recommendation was that organizations must allow their employees to grow meaningful relationships amongst their coworkers. This is something that must be facilitated by the management team in order for employees to feel that they are having a shared experience.

Finally, for overall quality of working life, companies must enable employees to have a measurable impact within the organization, as employee engagement is a key tool to drive long-term success (Aaeker et. al. 2012). Employees today are urged to love the customers, have a passion for quality, and to work for the benefit of shareholders, but it is unlikely their commitment shown to the company will exceed the commitment shown to them by the company and its executives (Hamel, 1996).
FIRM SELECTION METHODOLOGY

The organizations in the experimental group were based off the book “Firms of Endearment” by Sisodia et. al. (2007). This book identifies the top companies in today’s society that use a multi-stakeholder approach to create value in emotional, experiential, social, and financial ways. Sisodia et. al identify companies that are succeeding by taking corporate social responsibility to a higher level. This book was the catalyst that lead to questioning HR’s role in helping these companies attract and retain talent. Based on the firms discussed in Firm’s of Endearment, this paper examines companies from several industries such as the courier industry, airlines, retail, banking and financial services, automotive, information technology, and the grocery and health food industry, although it is important to note that not all firms in the experimental group are taken from the Firms of Endearment literature. Others were added to increase industry diversity, but they all qualify under the experimental group attributes. Those companies were selected because of their accomplishments and accolades, such as being listed in Newsweek’s ‘Green Company rankings’ or in Fortune’s ‘100 best companies to work for’. A key attribute of this paper’s experimental group is that all of these organizations, although from various industries, contain a sustainability-focused mission statement that mentions the value of their human capital. Each of these organizations are selected and analyzed in comparison to a company in the control group that is from the same industry. The control group is comprised of organizations that do not have a sustainability-focused mission statement and are not known for an emphasis on human capital or sustainable workforce practices.
Table 1 Illustrating general characteristic of the sixteen firms

<table>
<thead>
<tr>
<th>Company</th>
<th>Industry</th>
<th>Ownership</th>
<th>HQ Location</th>
<th>Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>UPS (FOE)</td>
<td>Courier</td>
<td>Public</td>
<td>Atlanta, GA</td>
<td>322,081</td>
</tr>
<tr>
<td>FedEx</td>
<td>Courier</td>
<td>Public</td>
<td>Memphis, TN</td>
<td>300,000</td>
</tr>
<tr>
<td>Southwest (FOE)</td>
<td>Airline</td>
<td>Public</td>
<td>Dallas, TX</td>
<td>44,831</td>
</tr>
<tr>
<td>United</td>
<td>Airline</td>
<td>Public</td>
<td>Chicago, IL</td>
<td>88,216</td>
</tr>
<tr>
<td>Am Ex</td>
<td>Banking</td>
<td>Public</td>
<td>NYC, NY</td>
<td>62,800</td>
</tr>
<tr>
<td>B of A</td>
<td>Banking</td>
<td>Public</td>
<td>Charlotte, NC</td>
<td>242,000</td>
</tr>
<tr>
<td>Intel</td>
<td>IT Services</td>
<td>Public</td>
<td>Santa Clara, CA</td>
<td>95,200</td>
</tr>
<tr>
<td>HP</td>
<td>IT Services</td>
<td>Public</td>
<td>Palo Alto, CA</td>
<td>317,500</td>
</tr>
<tr>
<td>Wal-Mart</td>
<td>Retail</td>
<td>Public</td>
<td>Bentonville, AK</td>
<td>2,200,000</td>
</tr>
<tr>
<td>Target</td>
<td>Retail</td>
<td>Public</td>
<td>Minneapolis, MN</td>
<td>366,000</td>
</tr>
<tr>
<td>BMW (FOE)</td>
<td>Automobile</td>
<td>Public</td>
<td>Munich, DE</td>
<td>105,876</td>
</tr>
<tr>
<td>Volkswagen</td>
<td>Automobile</td>
<td>Public</td>
<td>Wolfsburg, DE</td>
<td>-</td>
</tr>
<tr>
<td>Whole Foods (FOE)</td>
<td>Grocery</td>
<td>Public</td>
<td>Austin, TX</td>
<td>58,300</td>
</tr>
<tr>
<td>Wegmans (FOE)</td>
<td>Grocery</td>
<td>Private</td>
<td>Gates, NY</td>
<td>44,000</td>
</tr>
<tr>
<td>Philips</td>
<td>Electronics</td>
<td>Public</td>
<td>Amsterdam, NL</td>
<td>121,284</td>
</tr>
<tr>
<td>GE</td>
<td>Electronics</td>
<td>Public</td>
<td>Fairfield, CT</td>
<td>307,000</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th></th>
<th>Min</th>
<th>Max</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees</td>
<td>44,000</td>
<td>2,200,000</td>
<td>326,677</td>
</tr>
</tbody>
</table>

Examples from other organizations will also be discussed because during research they were found to have outstanding employee practices that should be duly noted.

For each of these organizations, data was collected via GRI compliant sustainability reports, company financials as well as each company’s public website for miscellaneous information. Having a publically available mission statement and a current corporate sustainability report with the Global Reporting Initiative using the G3 reporting format are criteria for all organizations included in this research. The GRI organization provides a reporting system framework that enables all companies to measure, understand and communicate their practices in a standardized format, and it is used as an

1 FOE indicates that those firms are one of Sisodia et. al.’s “Firms of Endearment”.
2 G4 is now the current GRI reporting format. G3 was used because at the time research was conducted not all sixteen firms had G4 reports available.
analysis tool in this project. The G3 reporting guidelines, created in 2006, set a benchmark for report content, quality and boundary. The G3 reporting format contains a section on labor practices and decent work, which discloses information regarding workforce diversity, training, education, benefits, corruption, child labor, etc., and is pertinent to the data collected in this project. The average number of employees for the sixteen firms selected was 320,000. The average net income was 5.4 billion and the average market cap was 83.9 billion.

Table 2 Depicting each firms financial performance

<table>
<thead>
<tr>
<th>Company</th>
<th>Total Revenue</th>
<th>Net Income</th>
<th>Total Assets</th>
<th>Total Liabilities</th>
<th>Total Equity</th>
<th>Market Cap</th>
<th>D/E Ratio</th>
<th>Current Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>UPS</td>
<td>55,438</td>
<td>4,372</td>
<td>36,212</td>
<td>29,738</td>
<td>6,474</td>
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<td>17,398</td>
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<td>754</td>
<td>19,345</td>
<td>12,009</td>
<td>7,336</td>
<td>19,087</td>
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<td>33,828</td>
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<td>B of A</td>
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<td>232,685</td>
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<td>0.83</td>
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<td>76,255</td>
<td>247,903</td>
<td>0.74</td>
<td>0.88</td>
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<td>0.91</td>
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<td>1.07</td>
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<td>3,878</td>
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<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
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<td>130,566</td>
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<td>2.29</td>
<td>0.83</td>
</tr>
<tr>
<td>Min</td>
<td>11,698.83</td>
<td>465.57</td>
<td>2,102,27</td>
<td>1,660</td>
<td>2,984</td>
<td>15,004</td>
<td>-</td>
<td>1</td>
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<tr>
<td>Max</td>
<td>476,294</td>
<td>16,022</td>
<td>324,333</td>
<td>236,601</td>
<td>232,685</td>
<td>247,903</td>
<td>3</td>
<td>2</td>
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<tr>
<td>Mean</td>
<td>99,237.76</td>
<td>5,369.04</td>
<td>92,076</td>
<td>64,489</td>
<td>45,449.23</td>
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</tbody>
</table>
FINDINGS AND ANALYSIS

The next section of this paper will compare and contrast the HR practices of the sixteen firms in regards to recruitment, training, rewards, diversity and quality of working life and how these practices support or oppose their public mission statement.

The Mission Statement

All of the companies from Sisodia et. al.’s ‘Firms of Endearment’ list were found to have mission statements that mentioned their high employee value and demonstrated their multi-stakeholder approach to corporate management. They mentioned their promise to employees of personal development and success, equal opportunity, and stable work environments. These firms from the experimental group mentioned their wish for employees to take pride in working for their organization and being a part of their corporate team. An example of this would be the mission statement of the United parcel Service: “To Grow our global business by serving the logistics needs of customers, offering excellence and value in all that we do, and maintaining a financially strong company-with broad employee ownership-that provides a long-term competitive return to our shareowners”.

Companies from the control group were found to have vague, stereotypical mission statements that emphasize financial profit above all else. A prime example of this would be United Airlines mission statement: “To be recognized worldwide as the airline of choice”. This paper will go on to discuss how a company’s mission statement is
personified in the practices of the HR team, and how it can have positive and negative results on the quality of working life of the employees.

**Talent Recruitment**

There were a few organizations studied that exemplified the recruitment strategies discussed earlier in the literature review. Organizations like British Motor Works, Hewlett Packard and Bank of America all reported their focus on recruiting young talent. Unlike their European automaker counterpart, Volkswagen, BMW has included this recruitment strategy into their forecasting and scenario planning for the future. BMW anticipates the need for well-trained and skilled workers, so they have developed a plan to attract young talent early and offer them education and future training throughout their careers with the firm. Bank of America partners with local colleges and universities to attract young and energized talent. Hewlett Packard does this as well, considering thirteen percent of their yearly hires come from universities. HP also uses social media as a tool to connect with potential Information Technology recruits via Facebook, Twitter, LinkedIn, YouTube, etc. This platform allows them to communicate their company culture and values, and to show their commitment to global citizenship—both of which are growing into important criteria for many young jobseekers. The use social media is a prime example of HP displaying a strong employer brand image, which plays a key role in improving quality of working life in the long term.

Philips is an organization from the technology industry that stresses the importance they place on the organization’s values in the recruitment process. According
to Cristina Grace, the global head of leadership, talent, and learning, “the company looks for a diverse range of people who share the values of the organization and exhibit that would be expected of the potential employees in the workplace” (sustainability report, 2013). A willingness to take ownership, a readiness to collaborate and a desire to succeed are all key attributes of their corporate culture, and the values-based recruitment method allows Philips to better personify their employer brand image to the public.

Other organizations displayed valuable recruitment methods as well. For companies like Whole Foods Market, the tactic of promoting from within is not uncommon and was also seen with Federal Express. There was a stark contrast in the recruitment practices between our countries’ two largest courier services, United Parcel Service and Federal Express. Notably, UPS primarily uses recruitment and placement third-party services. Although they only do business with placement services, these third-party organizations must meet the standards in accordance with UPS’ Code of Business Conduct and Policy Book, other governance structures, as well as any laws and regulations. Federal Express approaches recruitment with a different school of thought in which they are more likely to look for internal talent before recruiting externally. They promote their employees rising through the ranks and provide the necessary training to support this principle. The practices of Federal Express are far superior to that of their competitor, as it shows the organization taking ownership of their recruitment process. This is a surprising because the practice of supporting employees through promoting from within is something that, according to the hypothesis, would be expected from UPS, which is the Firm of Endearment. Regardless, this recruitment method allows FedEx to
thoroughly assess both the soft and hard skills of their potential employees, rather than allowing a third-party recruiting firm to communicate the company’s values and select the talent.

Like the previous companies analyzed from the carrier industry, Southwest and United are extremely similar airline organizations, with the exception of some human capital management practices. One key difference is United’s commitment to veteran outreach and hiring. They have developed a robust veteran program by partnering with the U.S. Chamber of Commerce Foundation to help veterans, as well as military spouses, find employment (United sustainability report, 2012). The program, entitled ‘Hiring Our Hero’s’ has held job fairs in all 50 states to bring match highly skilled veterans with employers from the public, private, and non-profit sectors. Since its inception in 2011, Hiring Our Hero’s has assisted over 18,000 veterans and their spouses in finding employment. Bank of America also reported their similar program, and they currently employ nearly 6,000 veterans and reservists (Bank of American sustainability report, 2012). Wal-Mart has a program like this as well, called the Military Family Promise, which guarantees a job at a nearby store or club for all military personnel and military spouses employed at Wal-Mart or Sam’s Club who move because the U.S. military has transferred them or their spouse. A surprising finding is that both United Airlines, Bank of America, and Wal-Mart are not ‘Firms of Endearment’, although, their U.S. troop policy shows that more firms are slowly beginning to acknowledge the long-term benefit of implementing socially responsible recruitment practices. Wal-Mart is another example of firms recently changing their policies, as they have attempted to make their
recruitment practices more sustainable by adjusting their interview process. Previously, three to five finalists for each position would be flown into Bentonville, Arkansas to interview for the 2,600 annual hires made at corporate headquarters (Wal-Mart sustainability report, 2012). Now, many of those interviews are done virtually, with the top one or two finalists flown in later. This has allowed the corporation to realize cost and time savings, as well as reduce their carbon footprint.

Despite the fact that recruitment practices are a G3 reporting guideline, some firms neglected to disclose their recruitment practices. These firms include Intel, American Express and Wegmans. Target did have recruitment information reported but it was not found to be extraordinary compared to the industry norm.

Training and Development

Findings in the area of Training and Development can easily be broken down into the 3 components of Lauren Turner’s 3 P’s of employee goal setting discussed in the literature review. Companies studied exhibited a wide array of ‘personal, plain and positive’ examples of human capital development. American Express was found to be a model of personal employee planning with long-term goals. At American Express, every employee is expected to have a meaningful and specific development plan that outlines how he or she intends to build the skills and attain the experience needed for career advancement. Employees must design their own plan, with their direct supervisors acting as “development partners” available for discussing, fine-tuning and approving the plan (American Express sustainability report, 2011). Each employee’s professional
development can vary from formal classroom instruction to job rotation programs, assignment sharing and business-unit opportunities or career counseling opportunities. Wal-Mart has a similar program as well called the Personal Sustainability Project (PSP’s), which was created in 2007. PSPs can include recycling, developing healthier diets, using environmentally friendly products in their homes, or cleaning up parks and recreation areas in their communities. Over 1.3 million employees have found success with the PSP program as it empowers them to take control over their own sustainability goals, whether they be personal or professional.

The second ‘P’ of employee goal setting is that the training plan be plain and simple. Many organizations studied reported their use of an online training portal, available to all employees. To supplement their goal of hiring young and fresh workers, Hewlett Packard has also been trying to focus on developing their internal talent through live virtual training and self-directed online courses. In fact, ninety three percent of their training methods are delivered in virtual sessions, where they can reach more employees and allow flexible access for learning anywhere and anytime. They have reported a fifty six percent increase the number of courses offered from 2010 to 2011 (HP sustainability report, 2011). These virtual platforms allow for user participation where they can share experiences, gain access to tools, presentations, podcasts, etc. on a wide variety of topics. Both organizations in the technology industry, Philips and General Electric, also referenced their use of an internal web portal that they use for best practice.

Surprisingly, both companies are using their training portals to educate their employees on sustainability practices as well. In 2012 GE decided to focus on
sustainability in their Business Management Course and Executive Development Courses, which are designed for strategists in the organization. Philips already had a foundation of sustainability courses that they are building upon to explore a range of topics related to business performance and global wellbeing. Southwest’s sustainability report also went into great detail into their sustainability-related training on proper waste disposal, air permitting compliance, and aircraft drinking water compliance. For all operational groups, annual environmental training is required. Their direct competitor, United, did not mention any ‘green’ training requirements featured in their United Learning Network online portal. To add autonomy to the training process, at Wal-Mart, associates can choose their own sustainability goal to improve their health or wellness or health of the planet.

Bank of America also mentioned that they offer training to their employees on corporate, social and environmental policies and issues. Not only do employees today want information on the environment, but also how to improve their personal lives, and Whole Foods Market offers continuous learning opportunities about company values, food and nutrition and job skills transferal to other organizations. Comparison between the two automobile companies shows that BMW is spending fifteen percent more on education and further training then they were in 2011, with employees averaging 3.7 days of training per year. In the same year Volkswagen reported over 11,000 employees receiving training from their organization. In 2012, Intel invested approximately $299 million in employee training and development, including instructor-led and e-learning
courses and tuition reimbursement. That amount translates to an investment of approximately $3,130 and an average of 31.4 hours of training per employee.

UPS and FedEx have similar reporting transparency in that both firms calculated their yearly training by hours per employee, and their statistics were somewhat similar. Amongst non-management employees, FedEx employees received nine hours of training time per year while UPS non-management employees received thirteen hours per year. Management received more training hours in both organizations, with FedEx managers receiving fifteen hours and UPS managers receiving twenty-eight hours of training per year. This could be due to the UPS employee’s access to their ‘UPS University’, an online portal available to all employees that allows for flexible and customized training features.

Southwest was one of the few firms studied that valued employee training provided by third parties as well as in-house provided training requirements. They do this to encourage further specialization in their employee’s respective fields. Target was found to be a strong example of the third ‘P’ of employee goal setting, which was the presence of positive feedback. Target’s ‘My Development’ site & digital university, as well as their annual performance reviews were all integrated into talent management system providing 360-degree feedback in 2012. Their competitor, Wal-Mart also had a good training and development policy as their Lifelong learning program offers a 15 percent tuition grant, as well as a book grant for all required textbooks when employees return to junior colleges or universities for further education. They also offer college
credit at no cost for courses in which an associate can demonstrate that their on-the-job training and learning is equivalent.

**Reward Systems**

The literature review explains the importance of providing rewards that are specific to the individual employee. BMW knows this to be true, because in 2012 they introduced the BMW Family Care Time. If employees provide proof that they are caring for a close relative, they may reduce their working hours for the length of time that care needs to be provided. For up to a maximum of two years, this will not affect employees’ entitlement to the work’s pension scheme (BMW sustainability report, 2012). Another way of evaluating a reward system is determining whether it is compensation focused or whether it is a total reward system. UPS and FedEx were found to have similar benefits packages, both of which were compensation focused. They both noted their various packages including health, vision, dental, life insurance, 401(k), etc. In their sustainability report FedEx especially highlighted their one hundred percent company funded cash balance pension plan, which allowed employees to focus on saving for retirement throughout their career, whether employed for FedEx or elsewhere. Their rewards package was similar to what can be found at many American Corporations today.

What organizations should strive for is a total reward system, like the one provided by Wegmans. Wegmans provides higher wages and more benefits than most supermarkets. They have strong employee benefit programs, including an employee scholarship program, which provides nearly $4.5 million in tuition assistance to
employees each year. Whole Foods offers a gym membership, compressed workweeks, one hundred percent health care premiums, team member stock options, paid time off, gain sharing, etc.

Companies should also be looking at their human capital not as a cost or liability, but as a competitive advantage, and they should provide frequent employee recognition so all members feel valued. While United had no mention of their reward systems, Southwest Airlines noted eight different programs that they award annually and quarterly to those employees who exude excellent customer service. The "heart and soul award", Volunteers of LUV, Service Awards, Living the Southwest Way awards, Kick Trail, Winning Spirit Award, Heroes of the Hart Award, etc. are all example of how they acknowledge the hard work of their human capital.

Intel has six different types of rewards for their total reward system. The highest award, Intel Achievement Awards has only been attained by less than one percent of employees. Their industry competitor, HP, offers a stock purchase plan where employees can buy shares at a five percent discount. HP has also worked hard to bring their base pay back to the pre-reduction levels of 2009. In 2011, they learned from their employee survey that the company needed to improve upon their recognizing and rewarding employees. They also needed to be more transparent about bonuses and raises. The company is working on better articulating their compensation strategy the following year, 2012. Their CEO Meg Whitman, who took the position in 2011, has an annual fixed salary of $1 USD and works the same opened ended contract as all employees. Her non-salary compensation is tied to company performance and will be paid via shares of HP
stock, not cash. Intel also has a similar practice, although their CEO’s compensation is linked to sustainability goals. HP has also expanded their wellness and maternity care benefits by expanding paternal leave and backup childcare benefits for their employees. HP’s use of an employee survey to attain feedback on their reward system is an indicator that the company values their human capital, and the organizations quality of working life for their employees will be even stronger once they implement these changes. Although most of these firms noted their practices in this area to be effective, Philips had the best reward system that was aligned to their mission statement. Philips has sustainability Key Performance Indicators (KPI’s) built into all of their employee performance assessments and the sustainability goals are individually specific to the positions in the company (Philips sustainability report, 2013). This company has clearly demonstrated a best practice for motivating sustainable behavior in employees to support their company’s sustainability goals.

**Diversity and Inclusion**

Both of the firms from the courier industry had extensive diversity and inclusion reporting. FedEx’s U.S. workforce is comprised of fifty six percent white, twenty six percent African-American, twelve percent are Latino, four percent Asian, and the final three percent were comprised of other. We also began Diversity Leaders Development programs in the U.S. for African American, Asian American, Hispanic/Latino, LGBT, individuals with disabilities, and veteran employees. Looking at the airline industry,
United Airline’s ethnic minority percentage has been thirty seven percent for the past two years, while Southwest Airlines did not report their workplace diversity data.

In the banking industry, both American Express and Bank of America noted their Employee Networks, which are employee-formed groups that share common experiences and interests in the areas of disability, ethnicity, gender, gender identity, generations, nationality, race, religion and sexual orientation. In both firms, employees are empowered to develop and implement initiatives in line with their group’s mission and goals. American Express has fourteen groups ranging from a Muslim employee network to a disabilities awareness network. Bank of America had over two hundred network chapters worldwide, and a participation rate of twenty two percent. Many of the firms studied reported employee program such as these various inclusion groups and this happens to be common practice among American corporations as it allows for employees to express all aspects of their identity in the workplace. While American Express did give provide a percentage breakdown of workforce diversity, Bank of America had two men of color on their fifteen-member board of directors and they had an upward trend in workforce diversity with forty four percent in 2012.

HP provided an interesting graph on HP workforce that displayed how the percentage of white males increased as you go up the organizational hierarchy towards the officials and managers, but racial groups like black, Hispanic, and Asian displayed an increase in representation as you went down the chart towards the semi-skilled and laborer positions. Minorities counted for only twenty seven percent of their total workforce. This displays a skewed workforce population but the transparency in diversity
reporting is commendable. Intel also reflects a similar trend regarding the number of women throughout their ranks. As one moves up the corporate ladder there is a decreasing number of all ethnicities, which is dramatically reflected in their board of directors, which is comprised of eight Caucasian men, and two Caucasian women. UPS addressed an interesting social trend in regards to gender in their organization:

“While we strive for balance in our recruiting based on our commitment to diversity and respect for the many women at UPS who have performed successfully in these roles, many years of data show that men have responded to front-line job opportunities at UPS in greater proportions than women. Coupled with our focus on promoting from within, this has created a need for us to develop and retain women for supervisory and management positions”. -UPS sustainability report 2012

To combat this social trend, UPS’ Women’s Leadership Development Program encourages their existing women in management to remain with the company and develop their careers within UPS. Although the percentage of UPS’ female workforce showed an upward trend from 2011 to 2012, they were not the highest in their industry, as FedEx in 2012 was 27.18 percent women and UPS was 20.2 percent women in 2012. United Airlines reported a one percent change in women in their workforce from 2008 to 2009, but this was not consistently reflected in their top management, as two out of the top twenty management positions were women, accounting for eight percent of the top management. This is contrasted by Southwest, who shows more female representation in their top management with twenty percent of the board of director positions being held by women.

Bank of America has a similar trend with their female population as they did with their overall diversity. As one moves up their corporate hierarchy, there are fewer diverse
ethnicities as well as fewer women. Twenty two percent of Bank of Americas boards of directors are female, forty eight percent of the officers and managers were female, and sixty one percent of their workforce was female in total. Wal-Mart had extensive reporting on the progress of their female workforce. In the U.S., women are making significant strides in the Wal-Mart stores. Nearly fifty three percent of hourly associates promoted in their stores last year were women, and they now have nearly 200,000 female associates who have been with the company for ten years or longer (Wal-Mart sustainability report, 2012). Over the past five years, Wal-Mart’s female market managers have increased by ninety four percent; their female store managers have increased by thirty nine percent; and their female co-managers have increased by 119 percent (Wal-Mart sustainability report, 2012). This is compared to their retail rival, Target, which has a workforce comprised of fifty seven percent women, and a board of directors committee with thirty six percent women. There were some firms, such as Wegmans, Whole Foods, BMW, Volkswagen, Philips and General Electric, who chose to not disclose their diversity and inclusion data in the sustainability report. Below is a data table showing the information reported from each organization.
Table 3 Diversity data reported for each firm

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<th>Company</th>
<th>Total Employees</th>
<th>Ethnic Diversity (Non-Caucasian)</th>
<th>Gender Diversity (Female Pop.)</th>
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<td>39.5%</td>
<td>20.20%</td>
</tr>
<tr>
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<td>300,000</td>
<td>44%</td>
<td>27.18%</td>
</tr>
<tr>
<td>Southwest</td>
<td>44,831</td>
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<td>36.70%</td>
<td>43.70%</td>
</tr>
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<td>-</td>
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<tr>
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<td>55%</td>
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<tr>
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<td>26%</td>
</tr>
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<td>HP</td>
<td>317,500</td>
<td>27.23%</td>
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<td>Wal-Mart</td>
<td>2,200,000</td>
<td>36.11%</td>
<td>57.24%</td>
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<tr>
<td>Target</td>
<td>366,000</td>
<td>43%</td>
<td>57%</td>
</tr>
<tr>
<td>BMW</td>
<td>105,876</td>
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<td>17.30%</td>
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<td>Volkswagen</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Whole Foods</td>
<td>58,300</td>
<td>43%</td>
<td>44%</td>
</tr>
<tr>
<td>Wegmans</td>
<td>44,000</td>
<td>-</td>
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<td>Philips</td>
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<td>-</td>
<td>-</td>
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<tr>
<td>General Electric</td>
<td>307,000</td>
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Quality of Working Life

Although both courier organizations showed similar numbers in size, operation, and financials, United Parcel Services was recognized as a Firm of Endearment because they are generating value for all of their stakeholders, including their employees. Based on their 2013 sustainability report, United Parcel Service has maintained an employee retention rate of over ninety percent for the past five years and their Employer of Choice Index has steadily increased in the past three years.

As a Firm of Endearment that uses a multi-stakeholder approach to decision making, Southwest emphasized in their sustainability report their HR practices affecting quality of working life by means of an employee survey, while United did not mention the practice of an employee survey. The survey, conducted by a third-party, provides a S.W.O.T. analysis in the area of QWL for Southwest employees. In 2012 the survey had
a participation rate of fifty-five percent and found that employees were seventy percent or more favorable on eleven of the fifteen dimensions surveyed.

While Bank of America had no reporting on their turnover rates, American Express employees stay for the long haul, as the firm’s turnover is a low seven percent for full-time employees and nine percent for part-time workers. Sixteen percent of American Express’ U.S. workforce has been there twenty years (CNNMoney). They attribute this to their town hall meetings, frequent staff meetings, group lunches with department leaders, as well as discussions and announcements on the company internet blog. American Express strives to help their employees better integrate work and life, and many of the work arrangements they offer were created by employees themselves. The various work arrangements and open communication have helped American Express to maintain their low turnover, allowing them to realize time and cost savings in the areas of recruitment and training. This is the type of sustainable work life balance needed for employees to enjoy quality of working life.

Intel was a prime example of the custom work arrangements discussed in the literature review. In 2012 Intel was named to Working Mothers magazine’s annual “100 best companies to work for” list for the tenth time. Their employees also value their flexible work options, which include adjusting work hours, location, or job structure enabling them to meet their unique personal needs while ensuring they meet their work deliverables. Intel has an “open door” policy, which enables employees to speak directly with all levels of management about their ideas, concerns, or problems, and to collaborate with their managers to address workplace issues. HP, Intel’s competitor, also uses a QWL
survey and their feedback has seen a three percent increase in employee happiness from 2009 to 2010. The company allows their employees to adjust starting and finishing times for an eight-hour workday, telecommuting and flex work options. HP’s additional resources available to employees include adoption resources and assistance, dependent care resources, education resources, family and medical leave, new parent leave, vacation and paid time off. Wal-Mart also reported the use of a confidential annual employee survey, compared to their retail competitor, Target, which had no QWL data in their sustainability report.

Both of the Grocery/Health food stores studied showed exemplary turnover rates, considering the grocery industry tends to have high turnover overall averaging at one hundred percent, and the retail industry with roughly fifty nine percent turnover (Martin, 2014). Wegmans gives employees a high level of autonomy regarding decision-making. In doing so, the company helps employees to feel more valued and makes the work more stimulating, allowing for an employee turnover rate of a mere seven percent. Twenty percent of employees at Wegmans employees have been with the company for ten years or more. Whole Foods had an employee turnover rate of fifteen percent, slightly closer to the industry norm. Whole Foods boasts their self-directed teams that meet regularly to discuss any issues, solve problems and appreciate each other's contributions. The company strives to empower their employees, giving them higher wages and more opportunities for rewards than most grocery stores.
CONCLUSION

This study was conducted to determine if there was a difference in the strategic HR practices of companies today. There was found to be no significant difference in the HR practices of firms that have a sustainability-focused mission statement and those that do not have a sustainability-focused mission statement, although some best practices were identified in each area.

In talent recruitment, it has been shown that firms with a stronger employer brand image will also be found to have employees with a higher quality of working life, and this correlation has lead to a lower attrition rate than other organizations. Most of the firms studied have recruitment and hiring practices that align with their company mission statement. Philips is a good example of this because they use a values-based recruitment strategy. Strategically using social media to attract and communicated with the younger workforce has seen success with HP, while UPS contracting with a third-party recruiting firm has created a ‘disconnect’ between company values and new recruited hired.

Training and development analysis showed that it was common practice to use an online training portal amongst all of these large corporations. Most of the organizations allow their employees the opportunity to develop new skills and pursue their career development, causing a correlated increase in quality of working life, as well as a lower attrition rate. The implementation of sustainability-related frameworks and classes into the training curriculum is a growing trend amongst a majority of firms today, regardless of the industry. One training highlight includes Southwest Airlines’ use of third-party
educators along with their own training portal, allowing for an unbiased learning experience for employees. Wal-Mart is also worth notable mention, as it was the only firm reporting a lifelong learning program that offers tuition grants.

Organizations that offer their employees various types of rewards like intrinsic, monetary, as well as recognition will be more productive than organizations that offer strictly monetary rewards. Intel and Southwest, along with a few other organizations, are seeing success with their recognition programs that reward the value created by their employees’ contributions. Firm of Endearment, BMW, has implemented a Family Care Time option that employees with family responsibilities really value. Wegmans, also listed as a Firm of Endearment, was found to be a prime example of the way an organization could integrate a total reward system that maintains a low turnover rate and the retention of lifelong employees.

Amongst all firms, from both the control group and the experimental group, a general trend was found showing somewhat of a glass ceiling pertaining to the promotion of diverse ethnicities and women alike. To challenge this widespread social norm, organizations studied created employee networks and groups allowing employees to congregate and network according to various attributes of their identity. This has allowed for inclusion in the workplace and an overall increase employee satisfaction.

All of the above criteria (recruitment, rewards, training, and diversity) have an important effect on a company’s workforce QWL. Considering they are part of the grocery industry, both Wegmans and Whole Foods market have extremely low turnover rates and highly satisfied employees due to their human capital management practices.
From reviewing the sixteen companies from various industries, it is clear that HR departments of sustainable companies are not currently differentiating themselves in regards to the practices of their profession. Most of the company pairings in this study were comprised of two very similar organizations. A potential reason for the lack of significant difference in practices could be due to the competitiveness in business and the tendency for companies to “mirror” their competitor. Fortunately, this same behavior could also help make the business case for sustainability. All of these companies, Firms of Endearment or not, have the opportunity to become industry leaders in regards to their human capital management, demanding that their competition also rise to the highest standard.

**CAVEATS AND FURTHER RESEARCH**

Potential caveats could be the primary use of only one sustainability report from each company as the data source for comparing all firms. Further research could possibly add other sustainability reports from other global reporting organizations or industry specific reports from the HR profession, if those possibly exist. Another further research possibility could be including phone interviews of HR directors from sustainably focused companies. Research built upon these findings could delve deeper into each HR function (recruitment, rewards, training, and diversity) to analyze how that function affects quality of working life independent of all other variables.
REFERENCES


