

LEVEL 7 ASSESSMENT SPECIFICATION

Student name:	LEUNG MAN YAN	Student ID number:	2124405
Programme:	DBA		
Module:	Approaches to Research and Academic Communication		
Module code:	HKBM7000	Contribution to Overall Module Assessment (%):	40%
Lecturer:	Dr. Chammy Lau	Internal Verifier:	Prof Peter Fong
Assignment Title:	In-class Presentation	Word count (or equivalent):	15 minutes
Submission deadline:	21 August 2022	Return date of provisional marks & written feedback:	26 September 2022
Submission method:	All written assessments, where practical and possible, must be submitted via Turnitin unless otherwise instructed by the Lecturer. (Please DO NOT put this assessment specification into Turnitin or it will match many similarities with other students' submissions.) Alternative submission method (if applicable): Late submission of the assessment will result in a late penalty mark. Penalties for late submission: Up to one week late, maximum mark of 50%. Over one week late, 0%. Only the Extenuating Circumstances Panel may approve a change to submission dates.		
Academic honesty / referencing:	Academic honesty is required. In the main body of your submission you must give credit to authors on whose research and ideas your work is based. Append to your submission a reference list that indicates the books, articles, etc. that you have used, cited or quoted in order to complete this assessment.		

ESG Strategies: The role of human resources management

HKBM7000_IVY LEUNG

21 AUGUST 2022



1. BACKGROUND

- The Stock Exchange of Hong Kong Limited fosters an effective governance structure of environmental, social and governance (ESG) related matters; and therefore new requirements has become effective to ensure that the board of the listed companies shall identify and evaluate ESG risks and opportunities (Lu, 2016). Therefore, business firms are not immune to such changes. They face immense pressure for example, from the investors to pay attention to carbon neutrality and need to manage the opportunities and risks attributable to ESG factors. In fact, the environmental awareness of many companies have been increasing as a result of different environmental problems, environmental laws and increasing pressure from the market and the stakeholders. Stakeholders play an important role in ensuring companies to manage their ESG activities appropriately (McElroy and van Engelen, 2012). It reflects the importance of investigating how an organization can develop working-relationship with its relevant stakeholders such as employees, customers, suppliers and regulators etc. when implementing ESG strategy.
- According to Buysse and Verbeke (2003), among different stakeholders, an organization will actively work with its internal and external stakeholders with the aim to achieve a common goal. The scholars further indicated that a company's employees can be considered as its internal stakeholder whereas customers, investors, suppliers, regulators, communities and other business partners etc. are external stakeholders. Employee as one of the key stakeholders, the perspective from the employee is important to the success of ESG implementation.
- Human Resources (HR) as a key functions to serve the employee, there must be a role for the HR in implementing ESG strategies.
- There are Green Human Resources (Ahmad, 2015) which proven that the role of Human Resources (HR) is important to the implementation of environmental protection related strategies.

2. PROBLEMS AND POTENTIAL ISSUES

○ **Definition of Problems**

- Senior management thinks that it is necessary to implement ESG, and one of the key stakeholders of implementing ESG is employee. Therefore the perception and the involvement of employees are very important to the success of ESG implementation. As HR is the key function to serve the internal customers i.e. employees, therefore the HR management to a certain extent shall affect or assist the successful implementation of ESG strategies. There are many research related to “Green HR Management”, but there is little research about “ESG HR Management”.

○ **Potential issues**

- lack of buy in of staff may lead to difficulties in implementing ESG
- Lack of clarity of the role of HR in ESG strategies
- There is lack of study in the perception of employee in ESG and do not have theoretical framework for strategic decisions to engage employee.

3. RESEARCH QUESTIONS

This research is trying to answer the following three research question:

1. What is the strategic planning process and implementation of ESG in a company?
2. What is the main role of HR management in planning and implementing ESG?
3. How does HR management affect the success of the ESG implementation?

3. RESEARCH OBJECTIVES

1. To describe the main ESG strategy and its activities of a company
2. To understand the role of Human Resources Manager in ESG planning and implementation process
3. To investigate how HR management contribute to the development and deployment of ESG strategies and practices
4. To make recommendation to an effective ESG HRM

4. LITERATURE REVIEW

- **Theory related to strategies**

- 3H model

- The 3H model was introduced by Yu (2021) to help understand the management of different issues about people and organization holistically. In Yu's 3H model, There are three main domains in the 3H model namely (1) Heart, (2) Head and (3) Hand. Yu (2019) argued that by integrating all these three H domains together synergy can be created to better manage the planning process of a company strategy in order to achieve the established strategic goals. In the Heart domain, motivating people to work together to achieve an organizational goals is a key part of the domain.

4. LITERATURE REVIEW

○ Information related to ESG

○ ESG Activities: Table 1 Common ESG Activities (Xie et al., 2019)

Table 1 Common ESG Activities

Environmental activities	Social activities	Governance activities
• Verification type	• Equal opportunity policy	• UN global compact signatory
• Green building policy	• Human rights policy	• Global reporting initiatives criteria compliance
• Sustainable package	• Training policy	• Global reporting initiatives checked
• Environmental quality management policy	• Employee corporate social responsibility training	• Percentage of independent directors
• Environmental supply chain management	• Health and safety policy	• CEO duality
• Climate change policy	• Fair remuneration policy	• Audit committee meetings
• Climate change opportunities discussed		• Percentage of women on board
• Risks of climate change discussed		• Executive compensation linked to ESG
• Emission reduction initiatives		
• New products – climate change		
• Energy efficiency policy		

Source: Xie et al. (2019)

5. RESEARCH DESIGN

- **Research Method**

- Qualitative

- **Proposed Data Collection and Processing**

- Contact hotel management to get their consent for collecting data
 - **Transcription**
 - In-depth interviews will take around three months
 - Averaging one to two interview per day or every two days
 - An analysis of the selected hotel's documents including ESG strategies, environmental policy statement, HR policy, sustainability report or other internal report etc. will be conducted.

- **Sampling**

- Invite employees from a hotel:
 - Department heads: 5 staff
 - Human Resources colleagues: 6 staff
 - Middle management: 10 staff
 - General staff: 20 staff

Reference

1. Ahmad, S. (2015). Green human resource management: Policies and practices. *Cogent business & management*, 2(1), 1030817.
2. Cheung, H.Y. and Yu, E. (2020), "A review of the strategic planning process in the Hong Kong Police Force", *Public Administration and Policy*, Vol. 23 No. 3, pp. 245-258.
3. Henisz, W., Koller, T., & Nuttall, R. (2019). Five ways that ESG creates value.
4. Lu, H. (2016), "The 'legalisation' of corporate social responsibility: Hong Kong experience on ESG reporting", *Asia Pacific Law Review*, Vol. 24 No. 2, pp. 123-148.
5. McElroy, M.W. and van Engelen, J.M. (2012), *Corporate Sustainability Management: The Art and Science of Managing Non-financial Performance*, Routledge.
6. Xie, J., Nozawa, W., Yagi, M., Flujii, H. and Managi, S. (2019), "Do ESG activities improve corporate financial performance?" *Business Strategy and the Environment*, Vol. 28, pp. 286-300.
7. Yu, E. (2021), "An analysis of China's strategy in combating the coronavirus pandemic with the 3H framework", *Public Administration and Policy*, Vol.24 No. 1, pp.76-91.
8. Yu, E.P.Y., Guo, C.Q. and Luu, B.V. (2018), "ESG transparency and firm value", *Business Strategy and the Environment*, Vol. 27, pp. 987-1004.