



Interview with Annick Schmeddes to explore the role of human resource (HR) managers in driving the circular transition

Duco de Mol van Otterloo from the Circular Jobs Initiative team at Circular Economy spoke to **Annick Schmeddes, the founder of Sustainable Talent**, to explore the role of Human Resource (HR) managers in driving the circular transition.

Annick has been working in the coaching, training and recruitment of sustainable professionals for over 15 years and has built up an enormous network within the sustainable world. In 2011, she founded Sustainable Talent for talented leaders with sustainable ambitions. Sustainable Talent works with both large businesses and Small and Medium Enterprises (SMEs) to help place the right talent in the right place and thereby accelerate the transition to sustainability. They do this by teaching professionals how to better position and profile themselves within the sustainable labour market through training and coaching. In recent years Annick has coached and matched hundreds of professionals, including Ahold, Bugaboo, MVO Nederland, BDR Thermea, Burg Group, Climate Neutral Group, etc.

Annick is co-author of the book “Impactvol Ondernemen in de Praktijk” i.e. Impactful Entrepreneurship in Practice, which outlines 10 actionable recommendations for HR managers to support the circular transition.

During the interview with Annick, the key aim was to discuss some of these recommendations in more depth and explore the untapped potential of HR in driving the circular transition.

Duco: Should HR play a role in fostering collaborations for the circular transition? If so, what role? Can you share your experience?

Annick: Absolutely! I think HR can and should play a very big role. They are responsible for building leadership at the organisational level, which is key to sustainable development.

People and processes must be resilient, and the employees must be able to find each other. Nowadays it has really become a strong business case: we know that investors are increasingly looking at the leadership part and also include non-financial values. It is more about the 'software' of the organization. In fact, financial results are only a 35% factor for investors today. More and more important is the human capital: leadership and workforce. Performance, structure, processes and the purpose of the organization: are these future-proof?

There is still a lot of untapped potential for HR here. Often there is 'only' an internal focus, except when managing the talent pipeline. This is a shame because HR has the perfect opportunity to keep an eye on external social developments. They can also offer this as a service for external stakeholders. Why not give strategic advice to their suppliers? A good example is Philips, which - also in the social field - is making giant strides in sustainability. For example, as a result of Black Lives Matter, they had set a diversity quota in their American factories. A nice step, and yet there was criticism, as this quota did not apply to their suppliers. It was even called an investor risk! You notice that there is increasing social pressure to do good. There are many possibilities here.

Duco: You mention Philips as an example. How does the size of the company influence HR's role in the circular transition?

Annick: Company size is very important. Big corporates often have HR processes in place including HR business partners. This is generally less common in smaller companies. However, you do see, for example, that start-ups are often also social entrepreneurs and people are important actors from the start when drawing up the mission and strategy. HR is then well equipped from day one. We call these growers. This is not the case with many SMEs - changers - and they really have to change. HR will then be on top of all the current work, and everything still has to be thought out. Furthermore, HR often has different hats on and with that 1001 responsibilities, it is such a diverse profession. Strategic, tactical, implementation, analytics... It is rarely one person who can do it all. This makes it difficult for smaller companies. And yet - I am very optimistic about this because you can see that SMEs are really innovating, and are doing so very quickly.



Duco: In your book, you underlined the importance of a transition team. Yet such teams seem to be rarely set up in organisations.

Annick: Despite they are not named or recognised as “transition teams”, they are more prevalent than one would think. Similarly, you can think of ambassador networks increasingly becoming more popular. These are then set up internally with employees with essential key roles from different departments.

That said, a transition team goes further than this, whereby HR’s role becomes clearer. This concerns new organisational forms and other and/or temporary teams. Yet, now it often happens organically and therefore too late. Many companies have defined circular goals and strategies and are now moving on to implementation. It often starts with the purchasing department, which goes to R&D Department, then the engineers follow and eventually sales gets involved and puts the project on hold: “nothing will happen here if it doesn’t get sold!”. With this reality in mind, they must work together from the beginning and have the many different departments involved, thereby creating a transition team. HR can play an excellent connecting role in this!

Duco: Should employees be active contributors in the circular transition?

Annick: For sure! The employee must always have an active role. I encourage everyone to speak out within their own sphere of influence. If you see something that needs to be changed and could be improved - say it out loud.

The transition to the circular economy requires a lot of decisiveness and realisation, and the entire organization has to participate in this. Purchasing, design, sales... even the consumer has to be involved! Insight into this is key. What are you already doing? There is often a lot going on that has no name yet. This must be mapped out with the entire organization.

Duco: Speaking of the employee: up- and reskilling as well as hiring are key. How can HR strike the right balance between hiring versus training for key roles?

Annick: This is a very important point! It's not an exact science and I wouldn't be able to name a concrete turning point if an HR manager were to ask me about it now. What I do see and experience myself, however, is that we are in a labour market transition with an enormous shortage of people. Employees can therefore demand more and more in terms of employment conditions...and because of that, they change jobs more often. As a result, we are only busy hiring people...

As far as I am concerned, therefore, the number one priority should be to keep the back door closed. That should be made more important! Everyone seems focused on the front door, but we need to look more at the current people: who can be further developed? And how? I would almost say: stop recruiting!

Duco: What should companies pay attention to in up- and reskilling?

Annick: You see that it still comes down to a lot of inspiring and informing about new skills, with little focus on implementation. Truly ensuring the utilisation of these skills is essential, it is then when it will pay off. For many, the circular economy is still too abstract and something for the future. It hardly appeals to the imagination. What can I do differently at work tomorrow? That's what it should be about! Otherwise, it really is a waste. Unfortunately, training is often still very high-profile and theoretical, and is it worth it then? We need to change that.

Duco: What do you think is the main challenge now to get HR in the driver's seat?

Annick: We see that HR can play a major role in sustainable development, but it is not yet a shared ambition with HR. Their focus is not here yet, which is logical given all their existing responsibilities and should be supported and prioritised by the CEO. It is also recognized from academics that HR is going to play an elementary role, so I would say: go for it guys! And yes, this will not be an easy road and you will have to get a lot of people within the organisation on board, but I am really optimistic. I really see that a lot has changed, we are moving forward and the transition is happening in front of our eyes. I sometimes compare sustainability with digitization. When the website came up it was first only for the digital geeks in the basement of the company...something with the world wide web. Then we saw the neighbours start doing something with it and before we knew it everyone had their

own computer and cell phone...and look where we are now! It is in the core of every employee! That has changed really fast.

Duco: In addition to the ten recommendations from your book, what can an HR manager do tomorrow to get started with sustainable development within the organization?

Annick: The most important thing is to

1. **Build a community with other HR colleagues!** That is key, it is energising. You don't have to figure it out and do it by yourself. There are many overlapping shared interests and wishes, find each other and learn. Go develop things together! Many things are not yet competitive at all.
2. **Make time for it!**
3. **Organise that this becomes your assignment** from the management. It's not a fun hobby project, it should be your priority!

The ten recommendations from Annick's book: 'Impactful entrepreneurship in practice':

1. **Start from your current issues.** What's already on your plate? Are wellbeing and inclusiveness a priority now? Start with these.
2. Identify themes where you can **create value** that is important for your organization and the social interests in your sector.
3. **Prioritise these themes** through tools suggested in the book.
4. From these priorities, build your **Human Resources Scorecard into a Sustainable Human Resource Scorecard.**
5. Develop and **immerse yourself in sustainability issues** and best practices around your organization so that you are a good discussion partner for management.
6. Find **internal and external partners** to help you achieve your goals.
7. **Keep up with your knowledge through an HR learning community.**
8. **Develop your own leadership.** You are also challenged by the pace of change: how do you deal with it yourself?
9. Visualise the new value creation with the **right HR analytics.**
10. Be an **ambassador** for impactful entrepreneurship in practice.