



# Model for Circular Human Resource Management

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CIRCULAR **HRM**

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of the European Union





***The Circular HRM project aims at developing a Circular HRM model that will support the transition of European SMEs of the eco-industry sector from a traditional, linear HRM model, to a circular HRM model...***

**[www.circular-hrm.eu](http://www.circular-hrm.eu)**



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## INTRODUCTION

# Towards a Model for Circular Human Resource Management

Take, make, consume, throw away. This is the formula on which our current economy model is based. This approach has introduced unprecedented pressure on our natural resources and on our ecosystems. Conversely, circular economy aims to create positive value loops by increasing, at each stage of a product's lifecycle, the efficiency of the use of those resources. In this sense, circularity aims to reduce, as much as possible, the environmental impact of resource use and to improve the overall wellbeing of individual citizens.

When referring to circular economy, we often refer to a series of concepts and practices linked to the use of natural capital (our resources) and to the optimisation of physical and technical capital (the eco-design, industrial ecology, recycling, etc.). However, we rarely engage in discourse regarding what circular economy implies in terms of human resources, despite the centrality of this aspect of economy in terms of how companies function. It follows therefore, that in the transition to a circular economy, new thinking in terms of human resource management (HRM) is required.

It is the overarching objective of Erasmus+ funded project “*Circular HRM – Enhancing circular skills and jobs through human resource management training*”, to design and develop a model of circular HRM practice, for others to adapt and/or adopt. Led by the think & do tank **Pour la Solidarité**, it brings together the skills and expertise of seven other partners from different

countries: **Aris Formazione e Ricerca** (Italy), the **Center for Knowledge Management** (Republic of Macedonia), **Fundacion Equipo Humano** (Spain), the **HR Square Network** (Belgium), **Kaunas Science and Technology Park** (Lithuania), the **National University of Ireland-Galway** (Ireland) and **SGS Tecnos** (Spain).

More specifically, this partnership aims to:

- Explore the applicability of circular economy principles to HRM,
- Define what a circular HRM model could be,
- Identify organisations implementing HR practices illustrating this model,
- Develop training modules designed for HR managers and team managers,
- Propose a learning and guiding platform for companies,
- Make proposals to public authorities to support this transition to a circular economy.

This report presents the circular HRM model which has been developed through the collaborative efforts of the project partnership. In addition, the methodology followed is presented, as are the principles of circular HRM which have emerged and their illustration by a certain number of business cases studied in the seven European countries (Belgium, Spain, France, Ireland, Italy, Lithuania, North Macedonia). A brief description of these companies can be found at the end of the publication.

# New Horizons for HRM

*Experts' views on circular economy and the applicability of its principles to human resources management.*

## Why circular economy?

“On a planet with fixed resources, our current economic model is showing its limits”, observes Emmanuel Raufflet, Professor of Management at HEC Montréal (Montreal Business School), responsible for the Diploma, D.E.S.S., in Management and Sustainable Development. Our way of producing and consuming is not sustainable. Climate change, the waste of resources or even the loss of biodiversity, constitute increasingly worrying issues. The question is, how to deal with it. “We start from the premise that it’s not only necessary, but also possible to adopt a new production-consumption model through the circular economy.”

One of the difficulties in deploying the circular economy is due to the wide variety of definitions. “We have identified 114 different ones” says Emmanuel Mossay, expert in circular economy and visiting Professor in regenerative economy at several universities. “This variety is both a problem – with so many variants, there are bound to be initiatives that prove to be more-or-less regenerative – and a good thing – it allows as many actors as possible to be included. The French Agency for ecological transition, ADEME, offers an interesting definition of circular economy, as an economic system of exchange and production, which, at all stages of the life cycle of products (goods and services), aims to increase the efficiency of the use of resources and to reduce the impact on the environment, by developing individuals’ ‘wellbeing’.”

Since May 2019, a technical committee of the International Organisation for Standardisation (ISO) has been working on the development of internationally recognised standards to define common terminology and principles in the circular economy. “One of the ambitions of this standardisation exercise is to define a truly global vision of what the circular economy is and a model that can be followed or adopted by any organisation” explains Catherine Chevauché,

President of the ISO technical committee 323 on the circular economy. “While many of the organisations are doing their part in terms of recycling or local sourcing, we are still a long way from a world where the economy is truly circular. Among the underlying issues is that, for example, of not being limited only to waste management, but of looking to the entire value chain. There is also the possibility of considering all the resources and not excluding some, such as energy for example. It is essential to be able to have a completely holistic view, and not to stop at the question of material and material flow.”

## Human resources: stakeholder in the circular economy?

“The principle of humanity should keep us away from the prospect of considering the human as a simple resource in the same way as everyone else”, notes Catherine Chevauché. “But the principle of realism forces us not to exclude it: in many countries, and even for some organisations, the human is often seen as such, as a ‘disposable resource’. As a HR Manager, if you decide to lay off workers deemed overwhelmed by a certain technological evolution, to hire others who directly have the required skills, without considering re-qualifying the former or to develop their employability, aren’t you wasting resources? Are you not depleting resources when the workload and pressure becomes so great that they lead to burnout? Alongside this point of view, there must be that of considering humans rather as a lever for moving towards a circular economy. Ultimately, it is we who decide how we produce and consume.”

The logic according to which human being is replaceable, even disposable, remains very present in companies, supports Emmanuel Mossay. “We enter in a company for a given use, for a given time. And if we no longer fit, because the business model has changed, because we are no longer on top of the requirements or because we are considered too expensive, we get rid of you. It may sound caricatural, but this mess is a reality. Companies will try to help their workers to adapt, sometimes by giving them the means – training or outplacement, for example -, to be re-employed. But this is far from the norm. Very few companies are planning ahead in this regard.”



“In our economy, the unit of analysis is the transaction, and the management unit is often the company: it is on this basis that everything is measured”, explains Emmanuel Raufflet. “But if we re-focus on raw materials and their re-use as well as on collaboration within ecosystems of actors linked by the optimisation and intensification of the uses of material, we adopt a whole different perspective. It is thrilling to open such a dialogue with people from different backgrounds and disciplines such as operations, logistics, marketing, researchers, unions, and even consumers. It should be noted however that the centre of gravity of circular economy is not close to the HR. But it has value in being considered as an umbrella concept, with the advantage of being able to connect other relevant expertise for a socio-economic transition. The circular economy can be seen as a heuristic path towards a socio-economic transition more than as a destination. This path requires humility, mobilisation, consultation, and inclusion. It requires breaking down the silos, and as such of course, HR would benefit from being involved. Including them can open up new spaces of improbable exchanges!”

## Principles of circular economy: applicable to HRM?

“The first principle of circular economy – namely: the best resource is the one we don’t use, prompting us to question whether we really need it – could suggest a negative answer”, explains Emmanuel Raufflet. “But as soon as we use a resource, the philosophy of the circular economy is to seek to reduce the quantity of products that reach the end of their life – here we could work to reduce the number of cases of exhaustion at work, for example -, to reuse the resource as it is or to offer it forms of reuse – to promote professional mobility within or outside the company – and, finally, to recycle its components – here the analogy becomes more hazardous ... It may also seem arguable to compare human resources to material resources. But as I said, to explore this field – as the Circular HRM project is doing – can be a vector of creativity, opening up the topic to other stakeholders and generate discussions that would not have taken place otherwise.”

If we do not include humans and their intangible contribution as resources for the company, where do we place them, asks Emmanuel Mossay? “We are talking about management of

human resources, which may be criticised – some prefer to talk about human capital, human asset, human potential or even human wealth -, but should we not also consider the positive aspect of the reflection? Avoiding talking about it does not seem to improve the experience of humans in the workplace, if we look at current burnout rates. A resource, including non-material, is looked after (preserved), saved, developed, valorised (enhanced). The notion of human capital has the merit of presenting the human as an intangible asset and not as a cost factor. But it also puts the human in a financialised perspective. This being said, the most crucial assets today for companies' competitiveness are intangible: they are knowledge, skills, imagination, motivation... more than the mere physical human work force. Considering humans as a resource puts them back in the economic equation of profitability – currently the dominant economic model is that of capitalism – and invites them to optimise their management. Is that wrong? One does not optimise the use of a resource by exhausting it, by exploiting it, but in managing it in a responsible manner. More than criticising the use of the qualifier of “resource”, it seems to be more important to question the tendency to reduce the human to the status of disposable resource, what we call “Kleenex employees”. It is notably at that level that a reasoned application of the principles of circular economy could advantageously influence HRM. The idea is to have a progressive approach.”

## Experts



**Emmanuel Mossay**, is Project Manager at EcoRes where he contributes to the development of the circular economy department. Guest Professor with various institutions (UCLouvain, HEC Liège, Henallux, ICHEC, UNamur, ECAM,...), he participated to the drafting of the parliamentary report on the *State and Perspectives of Circular Economy in Wallonia* and the 55 proposals submitted. The resolution was voted at unanimity by the Walloon Parliament and integrated as a strategy to implement in the Regional Political Declaration 2019-2024. Emmanuel Mossay is also co-author of *Shifting Economy* that presents around 20 tools and methodologies to make the transition within the companies.



**Catherine Chevauché** is presiding the technical committee 323 of the International Standardisation Organisation (ISO) which mission is to elaborate international norms on circular economy. Bringing together 75 experts, this committee began its work in May 2019, with the ambition to complete a publication of the initial norms at the beginning of 2023.

**Emmanuel Raufflet** is Professor of management at HEC Montréal, in charge of the D.E.S.S. – Diploma in Sustainable Management and Development. He is also Academic Director of the Institute of Environment, Sustainable Development and Circular Economy (EDDEC) in Quebec (Institut de l'Environnement, du Développement Durable et de l'Économie Circulaire). He notably published, with Manon Boiteux, a report drawing on the lessons of the first five years of the ecosystem created around the EDDEC Institute: *Mapping researcher-practitioner practices for circular economy* (October 2019)



See full interviews on [our website](https://www.circular-hrm.eu).

## METHODOLOGY

# A Participatory Approach to Defining a Conceptual Model of the Circular Economy Methodology

In this section, we will provide an overview of the process involved in arriving at expert consensus on a model of circularity in HRM practice using a participatory research method, leading to a model with 7 principles (eco-concepts). An EU Erasmus+ funded project, Circular HRM, facilitated a consensus driven process, known as The Delphi Method (Williamson et al., 2017). This methodology began with face-to-face consultation and iterative further rounds via online survey. An Inspiration Board was established by a project lead, HR Square. The total number of panellists were forty (participants were drawn from industry (CEO & Management), academia and independent experts), and following invite, 16 attended and consented to a face-to-face meeting. Of those that attended the expert panel were: 31% female: 69% male, zero representatives of the worker population being managed, 2 of 5 countries involved in the project.

The first round of the modified Delphi method was hosted at the aforementioned two-hour face-to-face meeting of the HR Square Inspiration Board on 11th October 2019. To frame the heightened value of participant input, the board were informed that their contribution would influence outcomes reported at European level as exemplars of best practice, and thereby have an impact on the standards of future companies who endorse this practice. In consenting to engage in this data collection process, participants were informed that expectations included

partaking in both (i) the face-to-face meeting, and (ii) up to three follow-up surveys. The justification given for survey completion was to garner insight in defining the ideal in terms of circular economy practice, and also to determine practical applications that aid the development of a training package for companies across Europe.

Following a number of brief presentations on a broad framework of circular practice, participants were invited to consider 7 proposed statements (concept title with clarification statement) of circular practice and respond to aligned trigger items in terms of accepting/rejecting/revising the descriptor. Further space was also included for participants to include any other relevant practices they considered. The results from the inspiration board revealed consensus in terms of agreement with the trigger items for each eco-concept. Using the results of Round 1, consensus was defined as 70% of the participants agreeing that a Concept Statement and the related trigger statements, as defined characteristics were “Relevant”. It was agreed by the project team that the Concept Statements and associated definitions, terms, words and phrasing were identified as being relevant to the development of a Circular HRM model to complement extant models of economic circularity.

There was agreement amongst the assessment panel that human-centric language was certainly warranted, in order to adequately situate the model in practice. This initial feedback from Round 1 informed the development the Round 2 investigation. In Round 2 on online survey methodology was employed and participants were presented with modified Concept Statements to address common challenges relating to terminology phrasing or wording highlighted in the returned concept sheets from Round 1. These revisions were presented within the clarification statements relating to each concept statement.

In Round 3, the third and final round, the outcome of Round 2 was provided to the participants in the form of modified concept statements and participants were asked to rate the importance of the statements related to the successful implantation of Circular HRM practices, specific to the presented concept statements on a 5-point Likert scale (1=Strongly Disagree, 5=Strongly Agree). Participants could also suggest new concepts, additional statements or new directions for exploration. We asked participants to re-rate the importance of each research Concept

Statements and comments on its definition, taking into consideration the panel members' importance rating as a whole. Final Concept emergent from Round 1-3 are illustrated in Table 1 below.

Table1. Final Concept Statements

|   | Final Concept Titles            | Final Concept-statements  |
|---|---------------------------------|---|
| 1 | Eco-conception                  | <b>Concept 1:</b><br>The design of 'work practices' and 'work spaces', emphasising maximum positive impact on a worker during his/her employed experience <b>are considered a core component of Circular HRM practices.</b>   |
| 2 | Recycle / Restore               | <b>Concept 2:</b><br>Processes of understanding and responding to the needs of workers to optimise redeployment within the same company <b>are considered a core component of Circular HRM practices.</b>   |
| 3 | Repair                          | <b>Concept 3:</b><br>Supporting the reintegration of a worker so he/she, following a period of leave (short/long term) can continue to be employed in his/her original function or in a new role within the same company <b>is considered a core component of Circular HRM practices.</b>   |
| 4 | Reuse / Repurpose               | <b>Concept 4:</b><br>The mentorship of a worker who is considering leaving the company (e.g. due to retirement, or the completion of a project) to apply their skill-set in a different role within the company (e.g. proactive use of skill set prior to retirement, or re-orient skill set to a new project) <b>is considered a core component of Circular HRM practices.</b> |
| 5 | Industrial Ecology              | <b>Concept 5:</b><br>Categorising the skill set of workers with a view to planning and implementation of worker-centred strategies that optimise the categorised skills sets within a company ecosystem <b>is considered a core component of Circular HRM practices.</b>  |
| 6 | Functionality Economy           | <b>Concept 6:</b><br>The prioritisation of human centred optimisation over contractual obligation <b>is considered a core component of Circular HRM practices.</b>  |
| 7 | Second-Hand and Sharing Economy | <b>Concept 7:</b><br>Supporting the transition of a worker into the external job market where a worker is no longer meeting the requirements of their current contractual obligations <b>is considered a core component of Circular HRM practices.</b>  |

Results from the administered Round 3 questionnaire revealed a high consensus level regarding the definition of a Circular HRM model, resulting in a scholarly participatory designed descriptive model of Circular HRM practices. This descriptive model will be used to identify companies that exemplify Circular HRM practices for further research studies and initiate discussion on best practice across Europe.

**Reference:**

Williamson, P.R., Altman, D.G., Bagley, H., Barnes, K.L., Blazeby, J.M., Brookes, S.T., Clarke, M., Gargon, E., Gorst, S., Harman, N. and Kirkham, J.J., 2017. The COMET handbook: version 1.0. *Trials*, 18(3), p.280.

## 7 CONCEPTS OF CIRCULAR HRM

EMPLOYEE FOCUS

COMMON CULTURE

COMPANY FOCUS







## Principle n°1 – Eco-conception

### In the circular economy

Eco design is an approach which consists of taking into account, during its design, the environmental impacts of a product over its entire life cycle in order to minimise them.

### The principle applied in HRM

➔ The design of work spaces and work practices so that they have a maximum positive impact on the worker throughout their experience within the company and beyond. By analogy with the principles of circular economy: start by minimising, as much as possible, their potential negative impacts.

### Concretely...

Eco-design in Circular HRM can go through:

- The definition (ideally co-constructed with the staff) and the implementation of corporate values congruent with the concept of sustainability
- The design of work spaces with a view to quality of life at work
- The promotion of human management on a daily basis
- An ambitious strategy in favour of wellbeing at work with a view to (more) sustainable management of human resources.
- ...

## Examples of good practices observed

**L'Oréal Libramont** (Belgium) — Everyone, on this production site, from the engineer to the operator, can express themselves and feel that their word is taken into account, with the philosophy that it is by bringing together all ideas that one finds the best solutions. Therefore, on certain subjects, like for example waste reduction, a person was dedicated to collect ideas and to translate them into practical realisations. Another example: two young colleagues were given the task to pilot a project aiming to imagine a new concept of a company restaurant, with brainstorming and co-construction sessions with colleagues from the factory.

**Laboratorio Quinton** (Spain) — The « *Quinton: laboratory of wellbeing* » Programme acts on 3 axes: *#conciliation*, *#TotumSpirit* and *#QuintonWellness* with the objective that all employees can enjoy their personal, professional and family time. It consists of more than 90 measures such as: “floating” schedules; the possibility of taking time to take care of children or elderly persons (or even a pet animal), a day off offered on the occasion of the worker’s birthday, the extension of paid leave in the event of hospitalisation of a relative, the *Sleep to Dream* action aimed at a better quality of sleep, the access to an ergonomic room in the offices, the *Out of Smoke* action to help stop smoking, an application for measuring, in real time, the team’s happiness index, a suggestion box with bonuses, etc.

**Peikko Lietuva** (Lithuania) — Particular attention is paid to the good integration of newly recruited staff with, for example, the tradition of publishing an article in the company newsletter, about each new colleague. The latter participates in a breakfast with an HR manager with whom a follow-up interview will be organised after one month, then after three months, to see together how life is going at work.

**RTBF** (Belgium) — The HR teams have been at the initiative of creating « wellbeing » working groups in departments, involving representatives of people working in those departments and, that are, each time, supervised by a member of the HR department. Each group is free to discuss the topics that it wants to deal with, which are usually very concrete. HR tools are then developed to support the implementation of the actions agreed.

**SPB Global Corporation** (Spain) — The objective of a transversal project is to make each worker an agent of its own health and wellbeing. Various trainings courses are organised in areas such as health, nutrition or sport. The practice of Mindfulness has been introduced. In terms of work life balance, each person can contribute with a new proposal. The “*Personas que Brillan*” (= persons who shine) project is implemented thanks to technological and collaborative resources. By adopting mechanics and technics specific to games (gamification), the worker manages to adopt healthy habits and good practices that improve the life of the worker and of the organisation.

**Prayon** (Belgium) — The group is working with the University of Liège (Laboratory of Studies on New Forms of Work) on *New Ways of Working* in the context of the upcoming construction of a new head office at the Liège site. The idea is to modify working practices, not only at the headquarters level, but also across all factories and commercial subsidiaries, by putting people at the heart of the company and by promoting quality of life at the workplace. Hundreds of projects are launched based on the collection of all requests from the field concerning changes in the work environment, on all sites. Two years earlier, Prayon had launched conferences on corporate values, and one of them focused on work life balance.

**AVRIL** (France) — From an approach where the group plays a central role in the development of workers, AVRIL evolved towards a principle where each worker is an actor of its own development. The company creates the conditions for individual development needs to express themselves. It is with that in mind, that the *Career and Development Conversation* was set-up, a meeting prepared by the employee who is called upon to question themselves thanks to a Questioning Guide which covers various aspects (path, achievements, satisfactions and dissatisfactions, points for improvements, aspirations, mobility, etc.). He is encouraged to get feedbacks from his peers and other managers, before having the conversation with his manager. The idea is that he expresses himself more (70% of the speaking time). The aim is to awaken the desire to develop and to project oneself in the organisation, so that, in the end, the logic of development is in phase with an expressed and thoughtful desire. A series of actions then formalise what has been changed and an execution plan is implemented.

**Edukacines sistemas** (Lithuania) — If it helps meet needs (such as a reconciliation with personal life requirements), teleworking is possible, but is not encouraged. The feeling is that team work and the spirit of collaboration could suffer from it. The company rather prefers occasional work in a co-working space with the advantage of communicating and exchanging ideas in a more intensive way, but also of avoiding routine.

**VO Event** (Belgium) — The agency has put in place trainings on collective intelligence to integrate it into the daily management of the company. The idea is to have processes that allow each person to participate and contribute to the elaboration of strategies and concepts, integrating more expertise and creative thinking. The approach has the advantage that each person can add value on all topics, including those that are not under the direct responsibility of the person.



## Principle n°2 – Recycling

### In the circular economy

Recycling refers to any recovery operation by which raw materials from waste are reprocessed into products, materials or substances for the purpose of their initial function or for other purposes. It allows waste to become new raw materials, referred to as recycled raw material, or secondary raw material, as opposed to virgin raw material.

The principle applied in HRM

➔ The process of understanding needs and responding to them to optimise the redeployment of workers within the same company.

### Concretely...

Recycling in circular HRM can go through:

- Reorientation/re-qualification for redeployment in the company
- Training to develop employability/mobility within the company
- Job-crafting or “modelling” of the job to the image of the worker
- ...

## Examples of good practices observed

**RTBF (Belgium)** — The audio-visual sector is encountering technological developments whereby its companies are brought to radically change. Some make the choice to separate themselves from one part of their staff and go on recruiting skills more in line with their level of needs. That is not the case for RTBF which has opted for transformation counting on staff redeployment and re-qualification. In the framework of moving to a new organisation, all senior level posts at the heart of the job (not taking into account support roles) were made open. More than three out of four senior staff out of a total of 200 in the whole company were brought to re-apply to a function, through selection by a jury.

**Boston Scientific (Ireland)** — Leaders hold career conversations with their teams, based on a quarterly coaching mechanism and self-assessment opportunities with 360° feedback. Employees are offered opportunities to undertake job rotation in areas where skills are transferable. Collaboration is set up between the manager, HR Business Partners and employees to respond to reassignment needs, accompanied with training.

**L'Oréal Libramont (Belgium)** — As part of a project to centralise accounting services, a reassignment was sought for the members of a team. This, according to the site's HRD, implies training and time: in the short term the cost is bigger than to separate from people, but in the long term, the return on investment is positive. What is the process? The person concerned has the opportunity to express themselves on the next steps they want to give to their career and the HR team looks for a solution. An orientation interview helps clarify wishes and expectations. Then, together with management, HR identifies options, including other internal mobilities. We can compare it to a game of musical chairs. Training plans are then put in place. The advantage of such an approach consists thus in always having a back-up for a function, if needed, as skills remain within the company and people increase their skills, bring other perspectives and open up new ways of doing.

**NFQ Technologies (Lithuania)** — Each employee has a “training basket” which consists in financial resources allocated to their learning. The implementation of skills

upgrading/readaptation is done according to one's career development plan. Learning is seen as a long term process and not as a specific event or an ad hoc programme. It consists of learning from colleagues, learning new stimulating tasks, function development, internal training, external training, the e-learning platforms, etc.

**NextSense** (North Macedonia) — In a rapidly evolving IT industry, the NextSense relies on continuous learning and self-development, through an online training system. A culture of knowledge sharing exists internally, through dedicated sessions open to any employees.

**Prayon** (Belgium) — The fourth industrial revolution, the digital revolution, requires fundamental transformation of workers' skills and a "non-circular" practice would consist (caricaturing) of laying off workers whose skills are no longer adapted to hire more 'digital' workers. At Prayon, on the contrary, they try to anticipate the digital divide with programmes analysing blue collar workers' knowledge, carried out with Digital Wallonie (the Walloon Digital Agency), Forem (Walloon employment service), the social partners and the training world. The reflection starts from a divide observed in the company between senior staff/employees and workers on digital knowledge by profession. In the wake of the Covid-19 pandemic, another divide risks of emerging, between people who work in the company and those who work from home, which generates new capacities for adaptation. The process involves foremost an analysis of each person's level of knowledge. Together with Forem, Prayon developed a questionnaire based on a benchmark of 21 skills. A second, more complex, questionnaire is planned. It strives to analyse the gap between the expected skills and the level of skill of each worker. The approach consists to raise awareness of staff of their level of skills, so that they perceive their difficulties and go to train themselves at Technifutur (competence center covering the industry, digital and mobility activities) to develop their skills. At the same time, Prayon produces aggregated data on digital skills, department by department and on different areas (security, procedural intelligence, etc.).



## Principle n°3 – Repair

### In the circular economy

Repair is the return to function of a product, allowing it to regain a second life without the user separating from it (or after they have parted with it).

### *The principle applied in HRM*

➔ The fact of supporting the reintegration of the worker so that after a more or less long-term leave, he or she can continue to be employed in his or her original function or in a new role in the same organisation.

### Concretely...

Repair in circular HRM can go through:

- A Positive management of absenteeism
- A reintegration process of the worker after a long leave (illness, accident, maternity,...)
- The prevention and the management of stress and professional exhaustion (burn-out)
- The prevention and the management of addictions in the workplace (alcohol, medication, drugs, energy drink, technology) in order to preserve the employment relationship
- ...



## Examples of good practices observed

In terms of absenteeism, companies gain by carrying out a business case of their situation when most underestimate the importance of the problem (data collection, evaluation of direct and indirect costs,...). This then makes it possible to quantify the benefits of a proactive management to justify the investments made in the solutions. Training HR teams and managers in a positive management of absenteeism is seen as a good practice.

More and more companies – such as **Laboratorio Quinton** or **SPB Global Corporation** in Spain – are putting in place procedures aimed at the successful reintegration of their workers having been absent for a more or less long period. In Belgium, the **RTBF**, in a context of strong corporate transformation, has set up several support platforms, including one on support for workers returning from sickness and having been absent for six months or more. Another of these platforms concerns the support of employee dealing with stress and professional exhaustion.

**NFQ Technologies** (Lithuania) – does not have a formal process of reintegration, but gives managers the responsibility of accompanying each worker returning from leave and supporting their return to work. They maintain contact with the worker during their leave and the latter is kept informed of developments in the company, for example through the company's quarterly magazine. This important role given to the manager in the reintegration of the person who has been absent is also observed at **Edukacinės Sistemės** (Lithuania), which also involves direct colleagues in the process. Particular attention is paid not to leave the employee alone and to help them find back the rhythm of work. The reintegration process is conducted here by the manager of the department to which the worker reports to with the HR expert, of course involving the person itself.

**KODING Gorska** (North Macedonia) – The employer communicates and collaborates with absent workers to pro-actively manage the reason for the absence, identify solutions and prepare the return at work schedule.

**VO Event** (Belgium) – Evolves in the event industry, particularly stressful due to the specific schedules and the intensity of the work required by the projects. A training was put in place for management in order to detect and to avoid deviant practices that could unintentionally lead to burn-out situations.

Addictions are often approached in companies under the prism of individualisation and of medicalisation. A seminar organised by **HR Square** in Belgium, showed that it was also important to anchor prevention in work practices in order to consider problematic behaviours also as a symptom of situations in which organisational aspects (work content, working conditions, relations at work) have the potential to induce the consumption of psycho-active substances. Thus, recognising risky behaviour can also be seen as a means to avoid or reduce other risks.



## Principle n°4 – Reuse

### In the circular economy

Reuse leads to the fact that substances, materials or products that are considered as waste can be repaired or dismantled and be made again.

### *The principle applied in HRM*

- ➔ Mentoring of a worker who may consider leaving the company (because they are close to retirement or at the end of a project) to apply their skills in a different role within the company (for example to pro-actively use their skills set prior to retirement or as part of a new project)

### Concretely...

Reuse in circular HRM can go through:

- Involving workers in a mentoring programme
- Offering coaching or training to perform another function
- Retention and/or training of workers about to retire to bring them to share their expertise or skills within the company
- An in-placement or employment placement programme or the promotion of internal mobility
- ...

## Examples of good practices observed

**Boston Scientific** (Ireland) — An *Informal Mentoring Toolkit* is freely accessible to all employees, providing an opportunity for employees to avail of a mentor if desired. An online coaching programme provides access to a selection of coaches around the world. Within the company there is a network of young professionals and, during an annual event, they are able to discuss their career pathway with experienced colleagues. Workers' approaching retirement are encouraged to pro-actively contribute to nurturing this network.

**Nextsense** (North Macedonia) — A three-month programme must be followed by all new hires, and the relationship with the mentor can carry on thereafter. Mentoring is also aimed at transferring skills, particularly upon the retirement of a worker with specific skills or for the preparation of successions. For each skill, a “champion” of the skill is appointed, the one who masters it best in the company. Whenever a colleague needs to progress in the field, he knows he can turn to the champion.

**Prayon** (Belgium) — A skills' transfer project involving people who are going to retire was launched in 2014, but it was deemed very – too – ambitious. This programme was refocused on critical functions, to operate the transfer of skills identified as critical to the operation of the company, which implies identifying and analysing them. Transfers can then be targeted. In certain very specific cases, Prayon extends the contract of the person who retires by six months to ensure this transfer.

**GEMAK Trade** (North Macedonia) — A mentoring programme is in place for the benefit of junior profiles, with a one to two month work plan on what needs to be transferred to them. A remuneration is allocated to the mentor for an amount equivalent to 20-30% of the salary of the young supported.

**L'Oréal Libramont** (Belgium) — For each new recruit, an integration path is predefined at the level of the group, involving a mentor. As the factory is very innovative, a six weeks' training course is required to learn how to operate production lines and to master information, quality, etc. This is accompanied by tutors who stay on track until the person becomes autonomous. A

training is organised for tutors, in order to support them and to help them in their role. When we talk about mentors, we spontaneously think of older workers who enjoy transferring their knowledge, but l'Oréal Libramont also has young people who appreciate to coach newcomers.

**SPIE (Belgium)** — Recruiting is costly and seeing a worker leave, especially shortly after hiring, constitutes a waste of the investment in training and integration. SPIE Belgium noticed that workers leave it within the first 12 to 18 months after being hired. One of the explanations is that due to the shortage of qualified personnel in the market, it is not able to hire the first choice, but rather the available choice. Now, after 100 days, the HR team organises an interview with the worker to check if their integration is going well and/or if any aspects need to be corrected or developed. On the other hand, a second wave of departure is often observed among the 30-35 year olds with 5-6 years of experience: SPIE Belgium has put in place career interview for this target population in order to verify that their career aspirations are met and also to identify workers who wish to do something else, who have the ambition and the ability to do it and who, because they lack a career path in the company, would look for it somewhere else.

**GEMAK Trade (North Macedonia)** — A decline in activity was noted with the Telecom subsidiary, putting three workers in the hot seat. One of them decided to leave the company, but the other two wished to stay there. Interviews were then organised to define where they wanted to go, what their skills were and those that they needed to develop to join the targeted sector, this led to the activation of training, mentoring and to new positions.

**Intesa San Paolo (Italy)** — The bank's 2018-2021 plan identified important staff renewal objectives, with a particular focus of channelling excess capacity towards priority business objectives. To achieve these objectives, a specific initiative was launched (Proactive HR "In-Placement") aimed at re-affecting at least 5.000 people to activities with higher added value. The intra-group mobility structure and the proactive HR placement service have put in place processes and tools required to identify the needs, develop workers for new roles and support the change trajectory.

**L'Oréal Libramont** (Belgium) – Internal mobility and development also apply to production functions. Example: electromechanics profiles are very hard to find due to lack of students in these fields, and in particular in the province where the plant is located which is relatively sparsely populated. A solution put in place consisted in launching an internal call to see if operators could be interested in a conversion path. Two young people applied as candidates and will enter into this journey which is quite long. Ultimately, the plant will thus be able to count on two new electro-mechanics, but who can also, if necessary, exercise the role of operator.



## Principle n°5 – Industrial ecology

### In the circular economy

Industrial ecology can be described as the set of practices intended to optimise local resources, whether in terms of energies, water, materials, waste but also equipment and expertise, through a systemic approach inspired by the functioning of natural ecosystems.

### *The principle applied to HRM*

➔ Categorising the skill set of workers for planning and implementing worker-centred strategies to optimise these skills within a business ecosystem. It can also mean avoiding the waste of local resources that would not be taken into account by companies.

### Concretely...

Industrial ecology in circular HRM can go through:

- A territorial approach to skills management
- The promotion, support and development of diversity in recruitment, management and the management of human resources in the broad sense
- The detection of hidden talents within the company or an employment pool
- The development of evolution and promotion opportunities based on the expertise (and not only with a view of taking on a managerial role)
- ...

## Examples of good practices observed

**Prayon** (Belgium) — One of Wallonia's problems lies in under-qualification: many people on the job market lack qualifications. Rather than having an assessment after six months of a young recruit in the post only to find that it is ultimately not suitable, the Prayon group changed this selection to an earlier stage, and even before recruitment. With two companies in the temporary work sector, an analysis of the capacities of job seekers was carried out on some basic elements. They are then enrolled in a training programme prior to recruitment. The approach was applied at the Lyon site (France) with role-playing on a chemical operator position and training before recruitment.

The *Territoires zéro chômeur longue durée* (TZCLD) programme (The Territories Zero Long-term Unemployed initiative) is an experiment launched in France in 2017, with the aim of combating long-term unemployment at the territorial level. It aims at responding to the unsatisfied collective needs, identified by a local committee composed of the living forces of the territory. The challenge is to demonstrate that by mobilizing an entire territory, it is possible to propose sustainable employment to people having, for a long time, been deprived of a job and who wish to have one. In Belgium, the Brussels region and Wallonia are preparing pilot experiments.

**SPIE** (Belgium) — The company is looking for profiles in professions where there are very strong shortages. It therefore multiplies the channels to find quality people, even if these are potentials that must be translated into skills through trainings. SPIE works with the Brussels public employment service (Actiris) to put back at work people who are marginalized with a training path and internships. Contacts have been established with associations that train women in technical professions and SPIE opens its doors to schools to sensitise students to these professions. The Belgian subsidiary of this French group now employs several women electricians and welders. It works with associations and schools that train young people, from disadvantaged background, in IT. Through an association, it has hosted a disabled intern to work on digitizing process.



**Boston Scientific** (Ireland) — The company strives to detect the “hidden talents” of its employees as part of a Development Assignment Programme which offers the opportunity of an “Act Up”, namely taking a more senior position on a temporary basis, for example as part of a replacement for maternity or parental leave. Employees also have the opportunity to carry-out a self-assessment and a 360° on the ‘Boston Scientific’ skills, resulting in a report and access to a coach for debriefing and development.

**SPB Global Corporation** (Spain) — Specific promotion of technical trainings is carried out among women, in view of enabling them to perform a greater variety of tasks and to be able to experience mobility in different functions, such as for example in electromechanics.

**L’Oréal Libramont** (Belgium) — Careers tend to be longer and L’Oréal Libramont has launched, already ten years ago, a project aimed at motivating staff up to the age of 65. Part-times are accepted beyond the average. Large investments have been made in terms of ergonomics, in production but also in the offices. Work is being simplified to facilitate the concentration of operators on the lines. The biggest challenge is to teach people, both managers and employees, to keep themselves in good physical and mental health.

**GEMAK Trade** (North Macedonia) — The company values vertical promotion (towards a managerial position), but also horizontal, including at the salary level. Too often, companies promote very good employees to a managerial position, and lose very good employees who turn out to be bad managers. Management requires specific skills. Horizontal promotion allows the work relation to be optimised by improving skills, aptitudes, potentials and job satisfaction.

**Prayon** (Belgium) — In the framework of the development of digital skills, the Prayon Group has concerns for all workers and, more particularly, manual workers. The latter, most often, carry out their professional careers within the same geographical region. The company wants to mobilise the economic actors of the region to assess the desired digital skills levels for this type of worker and to train them in order to make them capable, if needed, to move from one company to another one, a little like how the TOEFL allows, that exists for languages. This way, when the person arrives at another company, the level they have reached is known and their

development can continue. This work is undertaken in the framework of Technifutur (competence centre covering fields of activities of industry, digital and mobility). Prayon is one of the pilot companies.



## Principle n°6 – Functionality Economy

### In the circular economy

The functional economy privileges the use over possession and tends to sell services linked to products rather than the products themselves. A classic example is the tire manufacturer who retains ownership of their products instead of selling them. He takes care of their re-treading and maintenance; the user is billed per kilometre.

### *The principle applied to HRM*

➔ The prioritisation on human centred optimisation over contractual obligation

### Concretely...

Functionality economy in circular HRM can go through:

- The composition and development of composite company workforces (open-ended contracts + fixed term contracts + temporary workers + self-employed + contractors + etc.) and the management of these composite workforce
- Human resources management within/between projects or between subsidiaries of a group
- ...

## Examples of good practices observed

**Boston Scientific** (Ireland) — Missions between sites/factories are organised, for example to facilitate the development of new projects or the subsequent transfer of productions.

**L'Oréal Libramont** (Belgium) — The internal mobility within L'Oréal group is very important. Each quarter, HRD of the plant holds a meeting with international HR to which the factory is attached and others on the continent. They share information on open positions and candidates who are ready to move. The Libramont plant recently “recruited” a production manager from L'Oréal Karlsruhe, in Germany. Another colleague arrived from the L'Oréal factory in Burgos, in Spain. These mobilities relate rather to managerial functions, but also to production profiles, even though if these are generally less mobile.

**Peikko Lietuva** (Lithuania) — When a project on which an employee is working on ends, the company has the following process: analyse whether they can integrate another project, offer the person the learning opportunities and then take on another role, and engage in a dialogue to discuss with the person concerned other future prospects for collaboration.

Diving into a large company today offers a picture that the workers who are part of its teams are themselves not necessarily conscious about. We meet there workers with classic open-ended contracts, full time or part-time, but also temporary workers, consultants, trainees, apprentices, employees working for a service provider or a sub-contractor... The latter are not recruited to “belong” to the company, but for the services they provide. The heterogeneity of employment status leads to what we call the blended workforce or “mixed workforce”, whereas external persons work in the same teams as employees. The HRM is part of Total Talent Management with different issues: how to manage the distribution between these different employee statuses, what remuneration policies to apply to them, what performance measurement in composite teams, what risk management, how to welcome these workers according to the statuses and how to separate them, what training for these different workers, what technology to manage the workforce with multiple statuses...

**Edukacinės Sistemės** (Lithuania) — The vast majority of workers are employed under a fix contract. When people are employed under a short-term contract for a specific project, a permanent position is generally offered to employees who demonstrate talent and passion.

An evolution in the world of work? – In the United States, a study shows that in 2014, companies employed 62% in the same proportion, self-employed and temporary persons, but also 19% in terms of volunteers, 6% of online workers via platforms and even 5% of robots or drones!



## Principle n°7 – Second hand and sharing economy

### In the circular economy

Re-use allows, through gift or second-hand sale, to extend the use of products that no longer meet the needs of the first consumer.

#### *The principle applied in HRM*

- ➔ Supporting the transition of a worker into the external job market where a worker is no longer meeting the requirement of their current contract obligations or when the company's needs change.

### Concretely...

Re-use in the circular HRM can go through:

- Different forms of support of the worker to the job market (outplacement, training or development of skills not directly of use to the employer, coaching, organisation of a job fair for other employers...)
- The termination of the employment contract “on good terms” (exit interview, external recommendation, maintenance of the link for other business relationships...)
- Sharing workers with other companies and/or professional environments
- ...

## Examples of good practices observed

**Experience@Work** (Belgium) — Several large companies employing an extensive number of workers aged 55 years and above have engaged in a process consisting in sharing some of their voluntary employees with smaller organisations, particularly active in the non-profit sector. Each of the parties finds its share. The original company offers its senior staff an alternative career path, optimises its salary costs and opens up windows of progression to the younger staff in the organisation. The worker can value their skills, share their experience, capitalise on their strengths and expertise in another environment, and regain motivation by taking up a new challenge. Finally, the “welcoming” organisation finds profiles that are difficult to attract and at an acceptable price. Being tripartite, the relationship takes the form of a service contract. The worker remains employed by their original company and retains their salary and acquired rights. The “welcoming” company defines a budget for the position to be filled that is billed by the original employer. Part of the salary cost remains sponsored by the latter. At the time of writing, there are 18 “lending companies” in the project. Around 100 people participate in this project, for long-term missions, ideally running until the person retires.

**Boston Scientific** (Ireland) — The off-boarding process – consisting of taking care of a worker until their last day of work and serenely organising their departure – is considered to be as qualitative an experience as the on-boarding – welcoming and integrating a new colleague. An exit interview is scheduled, as well as a moment of celebration with the team (outing or lunch), for example.

**NFQ Technologies** (Lithuania) — an exit interview is conducted when an employee leaves. A survey is also sent to assess if all the necessary support has been received from the manager during this period. If the worker leaves at the initiative of the employer, the latter supports the worker in their search for a new job (*outplacement*)

**Peikko Lietuva** (Lithuania) — If an employee is brought to leave the organisation, the latter helps them to improve their CV and, eventually, makes recommendations. The company also

sees this process as an opportunity of improvement, by asking the worker to share their thought on their situation, on what they consider positive or negative in the organisation.

**VO Event** (Belgium) — A coaching programme can be activated in the company under certain circumstances, for example in case of signs of advanced stress. One of the four coaches available specialises in career changes and can intervene to accompany an employee who would like to think about giving another direction to their career, including outside the company.

**Intesa San Paolo** (Italy) — Intesa San Paolo has created an innovative tool, the *Time Bank*, which is a reserve of time made available by the company and the employees so that they can provide support to people in a difficult situation, even for short periods, and give them more time. The initiative calls upon the generosity and the spirit of solidarity, as in addition to the hours made available by the employer, with an initial reserve of 50.000 hours, each worker has the opportunity to give a part of their leave or vacation to the bank, which the company will then distribute, up to a maximum of 50.000 overtime hours. In 2019, employees were able to give 12.860 hours, completed by the same number of hours by the company, for a total of 25.720 hours. In the framework of the same Time Bank initiative, a corporate volunteer project was promoted, allowing, in 2019, 300 persons to undertake a voluntary work during working days, for external associations and organisations selected by the group. Around 2.200 hours of leave were granted.



## INTERVIEWED COMPANIES

### Boston Scientific (Ireland)

Boston Scientific is an American company specialising in the medical devices, serving customers worldwide. The 5.700 employees of Boston Scientific in Ireland, based in Clonmel, Cork and Galway, are active in the production of therapies for debilitating illnesses such as chronic pain, Parkinson's disease, cancers of the digestive system, vascular diseases and heart failure diseases.

### Avril (France)

AVRIL is an agro-industrial group of French origin created in 1983 at the initiative of farmers and producers wishing to develop productions of plants rich in oil and in proteins. Present today at the international level, it functions as an organisation with subsidiaries, from grains to different elaborated products and in which each activity creates value for the full value chain. AVRIL's activity is deployed on 84 industrial sites distributed in 22 countries and 8.000 people working for the group.

### Edukacinės Sistemės (Lithuania)

Edukacinės Sistemės (tutoTOONS) is a studio dedicated to the development and publication of creative games for 3 to 12 years children, available on Google Play, App Store and Amazon. These have the vocation to encourage children's creativity, to stimulate their imagination and to help them discover the world. Launched in 2014 as a small start-up, the company underwent a rapid growth and operates in three countries. It employs approximately 70 people.

### Experience@Work (Belgium)

The Experience@Work programme, conceived by KBC, Proximus, AXA and the consulting firm HazelHeartwood, with the support of SD Worx, started in 2015. Today, no less than 18 large companies are part of its stakeholders – among which IBM, Solvay, the National Bank, Bekaert, bpost, CBC or Sabena Aerospace. The concept is simple: allowing experienced employees (55+) who do not have real career perspective in their companies to put themselves at the service of other organisations (preferably in the not-for-profit sector) that are looking for an experience or for specific skills.

### GEMAK Trade (North Macedonia)

Gemak is a leader in the import and distribution market for the past three decades. The company is a strategic partner of some of the most sold global brands of alcoholic and non-alcoholic beverages, tobacco, coffee, food and non-food products. It employs 107 employees, the vast majority of them in selling functions.

### Koding Gorska (North Macedonia)

Koding Gorska company was founded in 1987 and first worked as a company in the construction sector. The water bottling division of the company was launched in 2004 and is situated near the sources in the village of Konopishte, in North Macedonia. It is an average company working in the production of water, non-alcoholic and alcoholic drinks (wine and beer).

### Intesa San Paolo (Italy)

Intesa Sanpaolo is a leading bank in Italy; the Group it belongs to is also one of the leading banking groups in Europe. It supplies services to around 12 million customers via a network of around 3.800 branches across the country. It also benefits from a strong international presence in Central and Eastern Europe as well as in the Mediterranean area.

### Laboratorio Quinton (Spain)

Of French origin, today established in Spain, near Alicante, Laboratorio Quinton is a company with expertise in biotechnology which develops natural products from the sea for health care and well-being. It employs 47 persons.

### L'Oréal Libramont (Belgium)

L'Oréal is a French industrial group of cosmetic products. L'Oréal Belgilux was the very first subsidiary of the group, created in 1927. Established in the heart of Belgian Ardennes in 1975, the L'Oréal Libramont factory manufactures hair colorations and capillary products for all of Europe. It employs around 400 persons. In 2009, this factory became the first carbon neutral factory of the group by setting up a biomethane production. A new major stage was reached in 2019, when L'Oréal Libramont became a “dry factory” thanks to the re-use of its wasted waters.

### Nextsense (North Macedonia)

Nextsense is a company created in 2001, specialised in digital transformation and offers ICT solutions to a large variety of companies, from start-ups to well established organisations. Its principal area of activity is the development of software products. It employs 90 people.

### NFQ Technologies (Lithuania)

Founded in 2002, NFQ Technologies is a company active in numerical innovation. It implements projects in areas such as digital engineering and product development, company digitalisation, Business Intelligence and data science, and also provides IT services and consultancies for companies' active in different fields. It employs more than 600 persons and is active on three sites (Kaunas, Vilnius, Šiauliai).

### Peikko Lietuva (Lithuania)

Peikko Lietuva belongs to the international Peikko group, which provides a wide selection of concrete connections and composite beam for pre-cast and cast-in-place solutions in a wide variety of applications. Peikko Lietuva was founded in 2006 and now employs around 321 skilled workers.

### Prayon (Belgium)

With equal shares between the Société Régionale d'Investissement de Wallonie and the groupe OCP, the Prayon group is one of the world leaders in the field of phosphates. It has its main headquarter as well as its main production factory (800 persons) established in Engis, in Belgium. It also has a production site at Puurs (200 persons) in the North of the country, factories in France (150 persons) and in the United States (100 persons), subsidiaries and sales representatives in all parts of the world. The group employs 1.500 people in total.

### RTBF (Belgium)

RTBF is an autonomous public company active in television, radio, on the web and social networks in the Fédération Wallonie-Bruxelles (francophone part of Belgium). It employs about 1.920 people (of whom 32% are statutory) on 9 sites (of which the most important is the Reyers site in Brussels – 69% of the staff).

### SPB Global Corporation (Spain)

SPB Global Corporation offers domestic and industrial cleaning products. It provides for example stainless steel polishers, wiping boards, bleach, degreaser, hand, floor and bathroom cleaners, etc. It employs about 450 people, of whom around forty are active in the R&D center.

### SPIE Belgium (Belgium)

Active in multi-techniques services in the field of energy and communications, SPIE group accompanies its clients in the conception, realisation, exploitation and maintenance of energy efficient and environmental friendly facilities. With 16 plants in Belgium and another one in Luxemburg, SPIE Belgium employs around 1.850 workers.

### VO Event (Belgium)

VO Event is an event organisation agency, member of the VO group dedicated to communication. It is active in three areas: organisation of professional events; organisation of “incentive”, outdoor and leisure events; and the organisation of events for European institutions. The agency employs around 30 people.





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