

How ESG is impacting talent search and acquisition

Environmental, social and governance (ESG) strategies factor into the consideration of many individuals when deciding to join or stay with an employer - but they're especially important to Gen-Z (46%) and millennial (55%) employees.



Image source: Khaosai Wongnatthakan – [123RF.com](https://www.123RF.com)

ManpowerGroup surveyed nearly 40,700 hiring decision-makers across 41 countries to learn about their strategic talent management plans to meet their ESG goals. Crucially, top performers are attracted to an organisation that shares their personal values – and with ESG such a highly-rated aspect of choosing and staying with a company amongst Gen-Z and millennials – it means that having, adhering to and speaking about ESG goals will attract like-minded individuals.

In-demand ESG talent

Roles that address health & well-being (39%) are as in-demand as corporate sustainability (39%), as companies respond to louder calls on prioritising employee well-being. Environmental (eg. Health & Safety; Corporate Sustainability; and Recycling & Waste Management), Social Impact (eg. Health & Well-being; Talent & Leadership Development; Diversity & Inclusion; Workforce Planning; and Talent Acquisition & Recruiting) and Governance Roles (eg. Ethics & Compliance; Cybersecurity; Data Privacy & Protection; Enterprise Risk Management; and Government & Public Affairs) are in high demand as the workforce clamours for more engaged employees and employers seek the right people to help guide organisations into a new future.

Indeed, the survey indicates that 76% of employers are hiring in one or more areas across E, S and G roles.

The Kantar BrandZ Top 30 Most Valuable South African Brands 2023 report also illustrates that sustainability has become a fundamental requirement for doing business and it is also an enormous opportunity for brands. Woolworths continues to lead sustainability initiatives in South Africa with their “good business journey” and are closely challenged by FNB. What all of the brands on a sustainability journey have in common, is that they are seen to behave in a socially responsible way and treat employees well.

The ESG trade-offs employees are willing to make

US workers told SHRM that the three most important ESG issues to them when it comes to employers were improving employee health and safety, improving working conditions and helping local communities. The research found that if ESG strategies line up with US workers' values and beliefs, workers would be willing to:

- Take a pay cut: 34% of Generation Z, 39% of millennials
- Relocate for a job: 53% of Generation Z, 55% of millennials
- Accept a job with fewer benefits, such as health and retirement coverage: 40% of Generation Z, 41% of millennials.
- Accept a job with less work/life balance: 45% of Generation Z, 43% of millennials.

"The next generation – whether customers or employees - expect businesses to have a point of view on societal and environmental issues and to be doing the right thing for people, communities and the planet," says Lyndy van den Barselaar, managing director, ManpowerGroup South Africa. "With more focus than ever on progress over pledges, organisations must move beyond target-setting to accelerate meaningful advances against ESG goals. Nearly 8 in 10 organisations have already developed their ESG strategy, yet 94% of companies lack the necessary talent to implement their goals."

Changing business, changing talent needs

On the other hand, less than half of businesses surveyed have long-term ESG goals, while 64% of workers want to work for organisations that positively contribute to society. Despite this demand, 22% of employers are unsure or don't intend to develop an ESG strategy.

For those with ESG plans, 52% are already planning on upskilling their existing workforce, and 39% will be adding ESG responsibilities to current roles as they re-tool to retain talent and attract new employees to whom ESG is important.

"The 'chicken and egg' scenario of implementing effective ESG strategies that have a genuine impact and meet the needs of Gen-Z and millennial workers, versus attracting and appointing the right people to fill roles in departments that execute against ESG goals is a challenge – but it's not insurmountable," says Van den Barselaar. "Indicating a willingness to pursue ESG goals and looking to people passionate about implementing them offers a tremendous opportunity to both sides – with an upside for the planet and its people."