

BUSINESS & SOCIETY

How business affects our lives



Millennials say climate change is one of their biggest concerns

IF THERE is anyone who has little or no loyalty to his employer, it is the millennial. Also known as the Generation Y (or simply Gen Y), he is, firstly, harder to recruit.

Even when he is already on board, the company faces a new challenge in trying to engage him or retain him in the team, according to a paper entitled *A New Understanding of Millennials: Generational Differences Re-Examined* published by Deloitte University Press.

The Pew Research Centre attributes the "different work patterns" of the millennials to the current economic conditions.

Whatever the reason, businesses can no longer afford to ignore them. This generation of people, born between 1980 and 1995, are now becoming part of the workforce, and along with them come their quirks and preferences.

Seeking a cause

According to a recent report by the British daily *The Guardian*, young job-seekers in the United Kingdom now demand that their potential employers enshrine "values and ethics" in their business model.

The report says a survey conducted by consultancy firm Global Tolerance shows millennials prefer to work for organisations that can have a positive impact on society.

Even their younger cohorts – the Gen Z or post-millennials – attach equal importance to issues that have an impact on humanity.

A global research by Abu Dhabi Future Energy Company, entitled *Masdar Gen Z Global Sustainability Survey*, highlights a higher level of concern (for environmental issues) among young people.

The survey covered 5,000 post-millennials in 20 countries in the Middle East and North Africa, Sub-Saharan Africa, the Americas, Europe and Asia. It shows that up to 40% of those surveyed see climate change as the biggest challenge in the next decade.

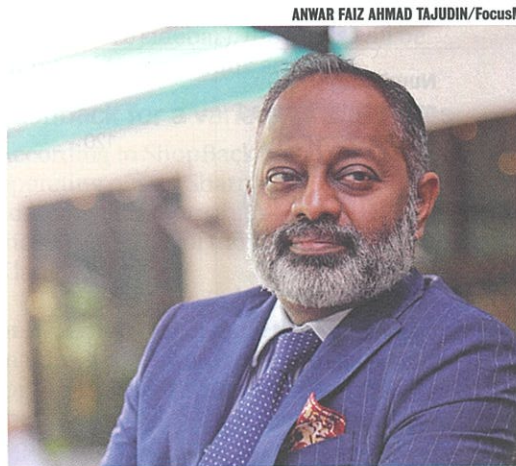
Other areas of concern among the respondents are economic issues, terrorism, poverty and inequality, and unemployment. Eight in 10 post-millennials say governments should listen more to the younger generation about sustainability and up to 80% are of the view that current leaders are not doing enough to protect the environment.

Way to woo millennials – have a cause

There was a time when people just worked hard for the money. But times have changed, and the new generation of job-seekers wants more than just material gain. Companies risk losing out if they fail to meet such expectations



By HAN KAR KAY



ANWAR FAIZ AHMAD TAJUDIN/FocusM

Ramesh says there has to be respect for human rights, women's rights and the environment for a sustainable model to work



Maketab says local businesses will go along only if they are forced to do so by the authorities

About 81% of the respondents think the government and the private sector should share the responsibility of developing clean technology. They also expect the government to invest more in renewable energy.

As a result, two in three post-millennials say they are interested in studying or working in sustainability-related areas.

Supporting companies with good ethics

While the millennials want to see greater equilibrium not just in the workforce but in other areas as well, the Gen Z's attitude towards sustainability comes out most strongly in their purchases. Up to 31% of them have rejected products from companies with unsustainable practices.

The Masdar survey found that close to half of post-millennials say they would spend more on items produced by companies with a sustainable model.

A 2015 survey by market research firm Nielsen found that Gen Z – those aged 15 to 20 – are prepared to pay more for products and services from companies that strive to create a positive social and environmental impact.

The respondents say they would support companies with environmentally-friendly practices, followed by those that are committed to social values, and those selling products made of natural and organic ingredients.

Nielsen senior vice-president for public development and sustainability Grace Farraj says sustainability is a worldwide concern that is gaining greater prominence. Young people are putting more emphasis on getting businesses to be socially responsible.

Sustainability goes beyond environment

While the focus on sustainability among the young is gaining momentum across the world, it has yet to gain a strong foothold in Malaysia. "(Sustainability) isn't as highly valued here yet," says Ramesh Kana, president of the Global Compact Network Malaysia, the local chapter of the United Nations Global Compact.

"Sustainability is not just about the environment or climate change," Ramesh says. "For instance, there also has to be respect for human rights for a sustainable model to work. If you have no genuine respect for human rights, then nothing is sustainable."

"It is also about women's rights and degradation of the land. It covers a lot of things, but essentially it is a way of life," Ramesh, who is also group CEO of Emery Oleochemicals, adds.

The UN report entitled *World Commission on Environment and Development: Our Common Future* defines sustainability as undertaking development in the present without jeopardising the well-being of future generations.

According to the report, sustainability covers three areas – environmental protection, social responsibility and economic practice.

While support for efforts to achieve sustainability is widespread in the developed countries, it continues to face roadblocks in the developing world.

For Third World countries such as Malaysia, it is still a complex issue and it is challenging to get people to focus on sustainability.

"For now, bread-and-butter issues continue to take precedence over sustainability in Malaysia," says Ramesh.

"We have yet to reach the stage where we are affluent enough, when we no longer have to worry about where to get the money to feed the family," he says. "We still have some way to go. You can't give priority to issues such as sustainability on an empty stomach."

Getting businesses to meet sustainability

The rise of corporate sustainability practices

MILLENNIALS and post-millennials are having more of an impact on businesses than otherwise thought.

Their support for environmental sustainability has led many companies to change their business models to meet their demands.

For instance, a 2015 survey by market research firm Nielsen shows three out of four millennials are willing to pay more for sustainable products and services.

The millennials, sometimes also known as Generation Y or Gen Y, have also demonstrated a preference to pursue employment or education in sustainability-related areas.

Their interest in sustainable brands, practices or models have led to a rise in big brands adopting or switching their stand to improve their social and environmental impact.

'Show the courage to change'

IN January last year, the world's biggest furniture retailer, Ikea pledged to create a positive change by spending €1.5 bil (RM7.06 bil) on renewable energy besides helping poor countries to cope with climate change.

Subsequently, in September last year, Nike also announced plans to make a switch to 100% renewable energy under the tagline "sustainable innovation".

The shift indicates that companies are embracing sustainability because it makes business sense.

Unilever CEO Paul Polman says more businesses are seeing the potential of a more sustainable business model.

"This is the time for businesses to show the courage to adopt strategies to create long-term value for their companies and the societies they serve."

goals is equally challenging. "Sustainability contradicts with the economic model that we have. For instance, if we invest in sustainability efforts it reduces profits," he says. "And sometimes, spending so much on such an initiative may not necessarily yield a payback within, say, five years.

"Investors and shareholders alike want to see returns on their investments within their own lifetime. It's just human nature."

Veteran environmentalist Prof Maketab Mohamed believes local companies are still far from making any effort towards achieving sustainability. "Many multinational corporations such as Nestle have voluntarily adopted models or guidelines to achieve sustainability but these are developed in their home countries," he says.

"On the other hand, local businesses will go along only if they are forced to do so by the local authorities."

He says in most cases, businesses will make an effort to achieve sustainability only if it helps their bottom line. "For instance, some hotel chains make an effort to reduce laundry usage and claim it is part of an environmental conservation effort. But at the same time, it also means lower usage of electricity and



water, thereby saving money for them," he adds.

Maketab, who is also former president of the Malaysian Nature Society, says although there is increased environmental awareness among the Gen Y, Malaysia has yet to penetrate the critical masses to shift the sustainable culture for the next generation.

He adds more can be done by companies and organisations. "Locally-owned companies and multinational corporations should carry out long-term conservation projects or support projects in green technology, which in return, would be able to attract and retain the young workforce," he says.

It's a two-way effort

Ramesh argues that the pursuit of sustainability is as much the responsibility of the people as of businesses.

"Unfortunately, in Malaysia the young people are still more focused on material gain," he claims. "In Malaysia, there is still a lot of pressure to demonstrate one's ability to gain material wealth. This is how success is measured."

As a result of the focus on material gain among the young, it becomes tougher to attain sustainability, he says.

Top: Millennials expect governments to spend more on renewable energy

Above: Oil palm plantations are one of the biggest drivers of deforestation. However, more companies are switching to sustainable practices

It also boils down to the individual's attitude. "Some people talk about sustainability because it is fashionable. But do they really live it?" he asks.

But Ramesh does concede that for the younger generation, it helps if the organisation takes the lead. "Today's business leaders must be able to demonstrate respect for human rights, women's rights, and the environment, among other things," he says.

A company leader who demonstrates respect for such qualities will spur employees to pursue similar objectives, thereby benefiting both employer and employees. "If the employee's values are consistent and in sync with those of his employer, then you would have empowered the employee," Ramesh adds.

One way for a company to take the lead in the pursuit of sustainability is to support the Sustainable Development Goals. They are part of the *Transforming Our World: The 2013 Agenda for Sustainable Development* initiative that contains a total of 17 aspirations.

Among the goals listed are to ensure the sustainable management of water resources and the availability of proper sanitation.

Ramesh points out that a company would be more successful in achieving these goals if it has the right people to take on the task. A person who shares the company's objectives for sustainability would go a longer way in helping his employer achieve those goals.

"If the company manages to attract the right talent it will have the competitive edge over its rivals. We need people who are empowered and motivated to help build the company for the future," he adds.

Sharing the same aspirations

Ramesh points out that age does not matter when it comes to choosing an employee.

"It does not matter who you are so long as you share the company's aspirations for a sustainable future," he says.

"At the end of the day, the company looks for people who can get the job done based on the concept of CAR (capacity, achievement and relationship). Capacity is about coming up with a solution that is sustainable for the future, and achievement means the solution can, in practice, be executed," he says.

"Relationship is also important. You can only go so far if you cannot build good relationships with others even if you have a great intellect and the ability to execute," he adds.

For Ramesh, meeting sustainable goals is a two-way effort. Both employer and employee must share the same sentiments for sustainability.

While a job-seeker may prefer to work for a company with a good programme to achieve sustainability, a business can also be fastidious about getting the right people to help it meet its sustainability goals.

Sustainability is the future and businesses will be foolhardy to ignore it. At the same time, they need people who share the same aspirations to achieve those goals, never mind if they are Gen X, Y or Z. **FocusM**

Targeting younger workers with new technology

AT Emery Oleochemicals, a way has been found to recycle foam used in mattresses and car seats, a process previously thought impossible.

Its group CEO Ramesh Kana says the company had spent the last three years improving the technology and it is at the point of going commercial.

Theoretically, foam removed from old mattresses and car seats cannot

be recycled and the material usually ends up in landfills, making it an environmental hazard.

Ramesh hopes to use the new technology to attract the younger generation to work for Emery Oleochemicals.

"Knowing how bad foam is for the environment, we are very excited about this new technology," he adds.

He hopes the new technology

would generate enough hype to attract millennials to work for the company.

"We want those who prefer to work for companies that practise sustainability to come and work for us," he adds.

Emery Oleochemicals, a global manufacturer of specialty chemicals, has six platforms, including bio-lubricants, green polymer additives, agro green, and home and personal wellness.