



**Enhancing circular skills and jobs through
Human resources management training**

Advocacy Roadmap



CIRCULAR HRM

Co-funded by the
Erasmus+ Programme
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

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Context

Towards "Closing the loop"

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, a 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.

In December 2015, The European Commission adopted its first Circular Economy Action Plan¹, to accelerate Europe's transition towards a circular economy, boost global competition and promote sustainable economic growth and create new jobs, proposing 54 measures to "Close the Loop" of the product life cycle, from production and consumption to waste management and the raw materials market. In 2019, the European Commission declared that the "54 actions have been delivered, even if the work on some of them continues beyond 2019". The evaluation of this action plan revealed the creation of new jobs, particularly in the sectors of the circular economy (reuse and recycling) where 4 million workers were registered in 2016, an increase of 6% compared to 2012. The Commission estimates that the so-called "circular" activities, such as repair, reuse and recycling, generated around 147 billion euros in added value, whereas they represented 17.5 billion euros in investments.

Human Resources: A missing element in the transition to the principles of circularity

Clearly some essential elements of business action were not covered by the Action Plan and there was a matter that could be further explored to complement the EU's Circular Agenda. Among the areas that did not benefit from a transition to the principles of circularity is **the management of companies' human resources**, where much still needs to be done.

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.**

A study published by POUR LA SOLIDARITE, in December 2019 made the correlation between circular economy and human resource management:

"Human capital, which includes all the physical and intellectual capacities, know-how and interpersonal skills of an individual, is an essential element for the proper functioning of a company's activities. The linear economy has left many human resource challenges, whether in terms of skills mismatches, stress and well-being, unemployment or the skills of the aging workforce. **The**

¹ Closing the loop – An EU Action Plan for the Circular Economy: [EUR-Lex_52015DC0614_FN_EUR-Lex\(europa.eu\)](#)



transition to a circular economy will not be possible without the integration of a human capital management approach. The principles of circularity can provide answers and concrete measures to be introduced within companies, but for this purpose it is essential that the various actors in companies (human resources managers, employees and employers) are familiar with these new approaches and can receive training to introduce them to this new way of understanding human capital management.²

The study further notes that “the use of innovative workplace practices, often referred to as HRM (human resources management) policies, has been the subject of research since the early 1990s. These multidimensional policies are put in place to make companies more efficient, by introducing new recruitment procedures, training opportunities for workers, giving them more responsibility in the production process and finally the possibility to participate in the success of operations through financial incentives. **If companies are well managed, they can reduce turnover rates, increase employee satisfaction, motivating them to work better and harder and align their rewards with the company's success.** Product quality is generally improved and coincides with market expectations, thanks to the integration of new product development, design and innovation methods. This is a win-win situation for both workers and companies. **Innovative HRM practices improve the competitiveness of companies in their product markets and, by analogy, labour productivity for entire national economies**”³

On the other hand “all the risks associated with the deterioration of working conditions (work intensity, emotional demands, lack of autonomy, inadequate skills and qualifications, poor quality of social relations, job insecurity, etc.) cause psychological, physical and social damage that has a direct impact on workers' well-being and productivity”⁴

"A resource, including non-material, is looked after (preserved), saved, developed, valorised (enhanced) (...) 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.”⁵

Emmanuel Mossay, Expert in Circular Economy, Lecturer at Louvain School of Management

² Economie circulaire et Ressources humaines, Une étonnante corrélation : https://www.pourlasolidarite.eu/sites/default/files/publications/files/ed-2019-ecocirculaire-rh_0.pdf

³ Ibid

⁴ Ibid

⁵ Extract from interview published on <https://circular-hrm.eu/index.php/news/43-hrm-can-also-benefit-from-becoming-more-circular>

The Circular HRM Project

It was 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. Implemented between September 2019 and March 2022, the project was 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).

The partnership aimed 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 recommendations to policy makers and HR managers gathered over the course of the implementation of the project in the seven European countries (Belgium, Spain, France, Ireland, Italy, Lithuania, North Macedonia), through interactions with various stakeholders and experts in HR (from companies and the academic world) and the circular economy.

In the meantime timid EU advances...

In March 2020, the European Commission adopted a New Circular Economy Action Plan⁶, one of the main building blocks of the European Green Deal⁷, Europe’s new agenda for sustainable growth, building on the 2015 Action Plan and proposing 35 new measures. While the new Action Plan confirms that the application of circular economy principles will lead to creating new jobs, it also timidly approaches the human character of the circular economy and introduces for the first time a chapter referring to “People” linking it to the EU Social Agenda⁸.

The two measures linked to this chapter include:

- Supporting the circular economy transition through the **Skills Agenda**, the forthcoming **Action Plan for Social Economy**, the **Pact for Skills** and the **European Social Fund Plus**
- Supporting the circular economy transition through **Cohesion policy funds**, the **Just Transition Mechanism** and **urban initiatives**

⁶ A new Circular Economy Action Plan, For a cleaner and more competitive Europe: https://eur-lex.europa.eu/resource.html?uri=cellar:9903b325-6388-11ea-b735-01aa75ed71a1.0017.02/DOC_1&format=PDF

⁷ The European Green Deal : https://eur-lex.europa.eu/resource.html?uri=cellar:b828d165-1c22-11ea-8c1f-01aa75ed71a1.0002.02/DOC_1&format=PDF

⁸ See chapter 5. MAKING CIRCULARITY WORK FOR PEOPLE, REGIONS AND CITIES, p. 15

Defining Circular HRM principles and a Learning Path

A Model for Circular HRM

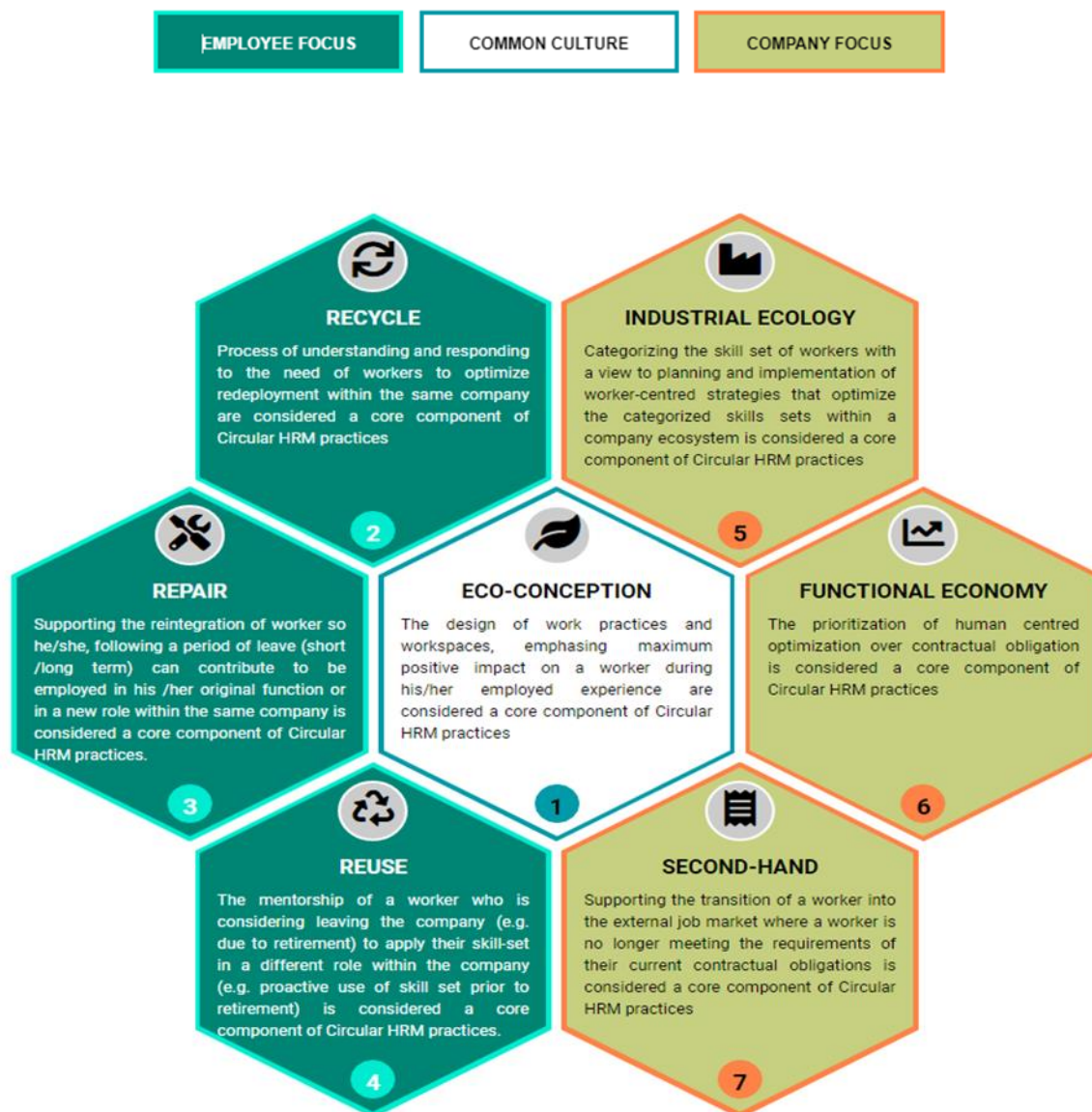
The Circular HRM model and its learning path provides a novel and practical approach to HR managers in understanding and learning how employees could be approached as a circular resource in organisations. Employees however, should also be aware of the process, their role and responsibilities in it, and the personal and societal benefits of this model. This is presented in the "[Model for Circular Human Resource Management](#)", published through the collaborative efforts of the project partnership. In addition to the experts' view point and the methodology defining the model, the Circular HRM principles are illustrated by real business case examples.

The definition of the Circular HRM practices is the result of the work of an inspiration board gathering the target group – HR Managers -, academics and experts in circular economy guided through collective intelligence by adapting the "DELPHI" method. This led to a sector-wide consensus on a model of circularity in HRM practices. Specifically, this model brought together seven principles of the circular economy in a format suitable for dealing with HR in their specificity. These practices were verified, through a qualitative survey and interviews conducted in 23 eco-companies⁹ in Europe, already implementing some of the practices.

The Circular HRM model aims to support the transition of European SMEs of the eco-industry sector from a traditional, linear HRM model, to a circular HRM model that enhances the regeneration of skills and competences in the workplace and favours circular and sustainable businesses as well as organisational models.

⁹ These include: "VO Event"; "SPIE Belgium"; "SPB Global Corporation"; "RTBF"; "Prayon", "Peikko Lietuva"; "NFQ Technologies"; "Nextsense"; "L'Oréal Libramont"; "Laboratorio Quinton"; "Intesa San Paolo"; "Koding Gorska"; "GEMAK Trade"; "Experience@Work"; "Edukacinės Sistemos"; "Avril"; "Boston Scientific"
Full business cases can be accessed at the following link: <https://circular-hrm.eu/index.php/intellectual-outputs/circular-hrm-model>

The figure below provides a visual presentation of the seven principles of circularity applied to human resources. These principles are grouped into two categories: principles which ensure focus on the employees, their needs and requirements, and principles that focus on the company as an active provider of opportunities which link the employee with the larger labour market opportunities.



Creating awareness about Circular HRM Principles: a learning path

The project developed a learning path, in which the seven principles are presented in the form of seven downloadable and interactive modules and self-assessment form available on an [E-Learning Platform](#).¹⁰ During the project implementation, a total of **180 motivated trainers, HR managers and specialists, persons in charge of supervising staff**, have fully completed the Circular HRM Pilot Programme in Belgium, North Macedonia, Spain, Italy, Lithuania, and Ireland. The various events held around this as well as the pilot training allow us to say that **circular human resource management is a matter of strong interest for the trainers and practitioners**. All learning experiences had a valuable **positive impact towards general knowledge, skills, and experience growth** in circular human resource management topics. Possible future extent is foreseen in **establishing local “communities of practices”**, supporting continuous learning and practical organisations’ transition towards a circular human resources management.

Participants have stated that they are interested and motivated in practical knowledge implementation. Challenges in real life action foreseen are:

- The lack of knowledge, **experience and working routines** together with the **direct costs** related to work in a more circular way (at least in the short term). It will take **time to transit** from the linear to circular way of human resource management.
- The real positive change depends on the **organisational internal policies, management board awareness, and willingness** to implement necessary changes.

Overall, the Circular HRM project programme has raised awareness, knowledge and skills among HR professionals about circular human resource management and environmental sustainability as an important matter for their future both at personal and professional level. The Circular HRM Pilot group participants are **motivated to learn more, share their knowledge with their teams and management board, establish local “communities of practices”, and to contribute to the sustainable development goals (SDGs) achievement**, which is one of the most valuable ambitions of the “Circular HRM” project team.

¹⁰ <https://chrmlms.circular-hrm.eu/>

Circular HRM Policy Recommendations

The Circular HRM Advocacy Paper aims to propose a set of recommendations to support the integration of Circular HRM principles and practices in the work environment whether it be in the private, public or the not for profit sectors.

The project implementation in the six countries clearly showed that there is not a one fits approach in the application of HRM principles and that different countries have their own rules and conducts in matter of work legislation under the specific principles.

From the onset of the project various recommendations and proposals were gathered from the different encounters and exchanges with stakeholders, be it by head of companies or HRM, experts or academic researchers, participants to national Multiplier Events, “students” of the pilot trainings and participants to the final conference¹¹. During this latter activity, taking place on the 2nd of March 2022, a panel and debate took place to discuss whether **the Covid 19 pandemic had accelerated the need for a Circular HRM** and which also concluded with some recommendations.

For Policy makers at regional/national and EU level should:

Particularly regarding the measure of the European Commission New Circular Economy Action Plan on the skill path, skills mismatch is one of the reason of employee dissatisfaction and one of the core element of the Circular HRM model and training path:

- **Support the creation of conditions at the organisational level (upskilling, reskilling).**

“The inadequacy of skills and qualifications is a major obstacle to the productivity and innovation of companies. It also directly affects the social well-being of employees by prolonging periods of unemployment and inactivity and compromising employment opportunities. Whether it is over- or under-qualification, the result is the same, affecting the productivity and innovation of companies. (...) Education and training can help to improve the mismatch between skills and qualifications, but it is in particular continuous on-the-job learning that is being promoted as a solution to these challenges.”¹²

- **Support the introduction of these practices in enterprises especially the SMEs, but also undertake a sectoral approach and support the sectors which face significant labour shortages, as in the public sector.**

As already pointed out in a 2020 article by McKinsey & Company¹³ about the advances of digital technologies and addressing the EU-28, “to close the skills gap and best equip the workforce to operate in an increasingly digitized and automated world, governments will need to focus on recruiting, and upskilling efforts. And in the context of COVID-19, moving quickly in these areas is more essential than ever.”

¹¹ Circular HRM Final Conference Summary: https://circular-hrm.eu/images/news/Circular_HRM_FINAL_CONFERENCE_Summary.pdf

¹² *Economie circulaire et Ressources humaines, Une étonnante corrélation* : https://www.pourlasolidarite.eu/sites/default/files/publications/files/ed-2019-ecocirculaire-rh_0.pdf

¹³ The Future is now : Closing the skills gap in Europe’s public sector, by David Chinn, Solveigh Hieronimus, Julian Kirchherr, Julia Klier, April 27 2020 : <https://www.mckinsey.com/industries/public-and-social-sector/our-insights/the-future-is-now-closing-the-skills-gap-in-europes-public-sector>



Particularly regarding the measure of the European Commission New Circular Economy Action Plan on supporting the circular economy transition

- **Support the sustainable development of specific networks at local levels to promote the implementation of circular HRM principles.**

local authorities should promote links at the local level between different types of companies, including recruiting companies and with VET centres, psycho social and prevention centres to allow to find local solutions for the local economic development of their area.

- **Harmonise Circular HRM key terms, principles and methodologies with the EU policies.**
- **Develop Circular HRM assessment analysis tool and implement national circular analysis (for each sector).**
- **Promote the dissemination of Circular HRM business: disseminating good practices, granting awards and certificates.**
- **Promote a Circular HRM culture through international PR actions international events, marketing and advertising activities, publications, talk shows,...).**
- **Incorporate Circular HRM terminology and measures into the current Circular Economy Action Plan.**
- **Need to explicitly align the principles of circular HRM with the outcomes of the UN Sustainable Development Goals (SDGs).**

For heads of companies, HRM and HR professionals:

- **Consider the application of the 7 principles in the broadest sense possible.**
- **Promote a Circular HRM culture: raise management board and employees' awareness.**
- **Implement a review of areas where existing practices can be adapted or adopted.**
- **Prepare an Action Plan, defining the transition process – from linear to circular HRM – and allocate necessary financial and human resources.**
- **HR managers need to ensure spontaneous introduction of the Circular HR model in organisations approaching it through common organisational forms as are the idea boards, working groups, intersectoral groups, etc, which will enable the best idea for the organisation in this area (Circular HRM) to be easily identified and implemented.**
- **Pay attention to communication channels and use of language when implementing the circular HR principles with employees.**



- **Create internal “communities of practices”, supporting continuous learning and practical organisations’ transition towards a circular human resources management.**
- **Implement the Circular transition roadmap and build new Circular HRM practices.**
- **HR Managers need to quantify the impact of these practices on the organisations in order to ensure top management support.**
- **Develop Circular HRM assessment monitoring tool and implement internal analysis.**

"(...) a paradigm shift is necessary. We need to move away from the classical approach to a systemic approach. It is this approach that is applied in the Circular HRM project. An approach that is at the centre of the three P's, which often define the circular economy: People, Planet and Prosperity."

Emmanuel Mossay speaking at the Final Conference of the Circular HRM Project, Brussels, 2 March 2022.¹⁵

¹⁵ https://circular-hrm.eu/images/news/Circular_HRM_FINAL_CONFERENCE_Summary.pdf



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