

TUNAS BARU LAMPUNG

ARTOTEL • CAKAP

BUSINESSMAN
OF THE YEAR

SARASWANTI GROUP

SIKLUS REFILL • SPOTIFY

Forbes

INDONESIA

JANUARY 2022



THE GREEN DRIVER

**GARIBALDI
"BOY" THOHIR**

DRIVES PT ADARO ENERGY
TO BE A SUSTAINABLE
COMPANY THROUGH THE
ADARO GREEN INITIATIVE.

WWW.FORBESINDONESIA.COM

RP 70,000

ISSN 2087-1996



97 720871 99601

By Olly Riches

The Human Capital of Sustainability

14

It is easy to feel overwhelmed by the term "sustainability". How does a company become sustainable? Perhaps in simpler terms, corporations, no matter the size, need to think about how to meet the needs of the present without compromising the company's ability to meet the needs of future generations, and at the same time, create positive impact on society and the environment.

With the commitments made at COP26 by the Government, the time has come for corporations in Indonesia to actively transform the business landscape towards sustainability and integrate sustainable business practices for the health of organisations. While the global movement of sus-



capital, which can be defined as the potential of people as generators of economic value, is an important factor in developing sustainable institutions, and human capital management covers matters such as diversity, equity and inclusion, and skills development.

Starting the dialogue on ESG is critical to managing risk in the future. Indonesia is still in the relative early stages of implementing and

integrating sustainable business practices in its domestic business. Over the last 12 months, there has been a steady increase in the number of hiring opportunities for positions like sustainability head or equivalent, and there are a growing number of companies with a full sustainability team in place. These are positive indicators that companies in Indonesia are committed to a sustainability agenda and are at the planning and implementation stages.



tainability may have given a significant push for Environmental, Social, and Corporate Governance (ESG) issues in Asia, the unprecedented upheaval over the past two years brought about by COVID-19 has cemented the importance of human capital management and preparedness of a workplace during periods of uncertainty.

HUMAN CAPITAL ON THE SUSTAINABILITY AGENDA

It is vital for companies to know that business sustainability is not just about environmentalism. It is also highly dependent on human capital, as people are key drivers of organisational transformation, environmental resources and processes within any organisation. After all, human

SUSTAINABILITY: THE NEXT BIG MOVEMENT IN HUMAN CAPITAL HIRING

Finding professionals with the right skills sets and experience in sustainability management is another challenge companies face when formulating sustainable business practices.

As sustainability is a fairly new function, many sustainability professionals started as passionate individuals about ESG and are mostly self-taught and without formal training or qualifications. Some companies in Southeast Asia have started hiring sustainability professionals based on passion and without key experience. While there is nothing inherently wrong with that hiring strategy, it is crucial for companies carefully consider before doing so.

This is especially important, when recruiting senior sustainability positions. If you are speaking with candidates with insufficient experience, hiring managers need to dig deeper, find out their proposals for ESG strategies before making the final hire.

One proven hiring strategy for ESG roles is to recruit Indonesians who have work experiences overseas and are returning home to Indonesia. There are returning Indonesians who have worked in countries like the US, UK,

OLLY RICHES, SENIOR MANAGING DIRECTOR INDONESIA, SINGAPORE, PHILIPPINES AND PAGE EXECUTIVE SE ASIA

Singapore and Australia, where the subject of ESG is more mature, and therefore, are able to drive change back home. With the uncertainty of the pandemic, many such individuals are also looking to come home to be closer to their loved ones and they also see coming back to their native country as a way of giving back to their community.

Despite the lack of immediate ESG talent in Indonesia, there are contributing factors that would develop this group of talent in the near future. For instance, companies with regional or global teams trained in sustainability practices would be in a better place to train and develop new ESG team members. Also, third-generation leaders in domestic conglomerates, SMEs and family-owned enterprises often spent time overseas and have some exposure to sustainable business practices.

On top of that, there has been an increase in start-ups in Indonesia, often funded by foreign investment, that focus on sustainability or around it as a business. This would further elevate the profile of ESG in Indonesia, and at the same time, out further pressure on the already-limited talent pool competing with traditional companies adopting sustainable business concepts.

I believe it is key that we continually nurture generations of homegrown talent in the Indonesian workforce to ensure we have the ready skill sets within the country for ESG

roles. This is a multi-layered approach which must start at the grassroots. And a part of this is to ensure that the universities in Indonesia get up to speed on the ESG outlook and start offering courses around ESG and sustainability. One way is to promote partnerships between local universities and overseas ones to provide Indonesian students access to ESG knowledge.

For instance, the British Chamber of Commerce (Brit-Cham) in Indonesia has, over the last 12 months, signed partnerships with 14 universities in the UK to provide courses in a variety of majors, including around sustainability, for Indonesian students. And this is precisely what President Jokowi is driving right now to fill the talent gaps in the Indonesia market.

Foreign investors see Indonesia as a country that can make a huge impact in the ESG space especially in relation to climate change. Indonesia has amongst the largest renewable energy potential in the world, the largest deposits of raw nickel (a material essential for EV batteries) and forests that contribute to maintaining the world's atmosphere.

Indonesia hosting the 2022 G20 in Bali will further shine the spotlight on its progress across ESG. With the current climate for business sustainability and increase in job opportunities, we see ESG as the next big movement in human capital. **F**



THE
CENTURION
EXECUTIVE CENTER

Virtual Office
Rp 300,000/Month*

BOOK NOW @ www.centurion.co.id
Sona Topas Tower 5A Floor,
Jl. Jend. Sudirman 26, Jakarta 12920
CALL (021) 250 6222

*Terms and conditions apply. Subject to availability