

# PERSPECTIVE

Invited article

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## SUSTAINABILITY AND THE ROLE OF HRM

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Sustainability is not a new subject. Both society and business are increasingly becoming aware of the importance of a sustainable development “that meets the needs of the present without compromising the ability of future generations to meet their own needs” (World Commission on Environment and Development, 1987, p. 8). However, managers still need to comprehend how to deal with the challenges of achieving sustainability (Clarke & Clegg, 2000).

Business performance includes concerns for a triple bottom line: economic, environmental, and social, to tackle these challenges. This triple bottom line involves an increased corporation focus on engaging in corporate sustainability and corporate social responsibility. Furthermore, it is generally accepted that companies may take advantage of incorporating responsibility and sustainability principles and practices into their strategies and core business processes (Bonini & Swartz, 2014).

Human resource management may play an important role in searching for this triple balance and contributing to corporate sustainability and social responsibility (Wilkinson, 2000). In this article, we discuss the role of HRM in the search for corporate sustainability and corporate social responsibility and highlight the Respect-Openness-Continuity (ROC) model proposed by Prins, Beirendonck, Vos, and Segers (2014) to address the different challenges of HRM.

## THE ROLE OF HUMAN RESOURCE MANAGEMENT

The sustainability paradigm may have the power to transform the purpose of HRM from a single economic purpose to multiple purposes. There are several perspectives of HRM associated with sustainability issues in the literature, namely Socially Responsible HRM, Green HRM, among others (Aust, Matthews, & Muller-Camen, 2020). Furthermore, Sustainable HRM is closely related to corporate social responsibility initiatives. However, according to Stahl, Brewster, Collings, and Hajro (2020), HRM has not taken ownership of social responsibility issues, and is uncomfortable with how to approach these concerns. Additionally, HRM is more likely to offer operational support in executing and implementing internal social responsibility initiatives rather than strategic input in developing a corporate social responsibility strategy (Sarvaiya, Eweje, & Arrowsmith, 2018).

Bonner and Friedman (2013) also found that HRM does not play a key role within organizations of corporate social responsibility decision making; the key influencers are members of the board of directors, followed by the legal, public relations, sales, and marketing departments. Additionally, according to Deloitte (2021) millennials and Gen Zs want businesses to shift its purpose, focus more on people (employees, customers, and society) and less on profits. 62% of the respondents agree that businesses “have no ambition beyond wanting to make money” (p. 47).

Stahl et al. (2020) analyze why HRM fails to be more involved in sustainability and corporate social responsibility initiatives. One of the main factors is the difficulty of the HR function in playing a strategic role in organizations, as has been widely documented for a long time (Becker, Huselid, & Ulrich, 2001; Lawler, 2017). Another reason has to do with the extent to which sustainability initiatives are merely symbolic and self-serving issues in organizations or, on the contrary, are normative and substantive endeavors. The former involves an ad-hoc approach and greenwashing rhetoric, mainly driven by cause marketing motivations, which does not require high levels of HRM involvement. The latter comprises an authentic commitment to addressing societal needs and an impactful approach, which in this case requires a high HRM involvement, “such as attempts to improve working conditions along the supply chain, efforts to reduce the carbon footprint, or corporate volunteering and service assignments” (Stahl et al., 2020, p. 4).

Nevertheless, according to Beer, Boselie, and Brewster (2015), HRM has a responsibility for the panorama presented above. The authors argue that, over the past 30 years, HRM has sought to become successful by developing a narrow focus on economic performance. In order to persuade the board of directors, human resource managers struggled to become business partners, seeking to demonstrate the profitability (ROI) of their interventions, which became one of their main motives. HRM has somehow “ignored its role in building corporate sustainability and corporate social responsibility capabilities and balancing the interests of different parties within the organization” (Stahl, 2020, p. 4). Beer et al. (2015) argue that HRM must return to its roots, namely to the “Harvard model” (Beer, Spector, Lawrence, Mills, & Walton, 1984), by balancing the interests of multiple stakeholders. Pfeffer (2016) claims that HRM needs to consider other variables beyond performance, such as psychological and physical health and societal welfare. According to Wilkinson (2000) for true corporate sustainability, employees must take a central stage in the workplace by being recognized, valued and promoted, preventing the exodus of bright and enthusiastic people.

## Sustainability in human resource management

The sustainability debate involves challenges and changes in many organizational domains, which are impossible to achieve without developing the necessary technical and administrative skills, as well as values and attitudes with a clear and long-term focus (Dunphy, Beneveniste, Griffiths, & Sutton, 2000). The Respect–Openness–Continuity model (ROC) deals with many issues that

organizations should consider when pursuing sustainable HRM (Prins et al., 2014). “Respect” for different stakeholders is a basic assumption, and the internal stakeholder, the employee, is often overlooked, as opposed to what happens to external stakeholders (Brunton, Eweje, & Taskin, 2017). In strategic HRM, this dimension is in line with an inside-out perspective brought by the resource-based view (RBV) (Barney, 1991). “Openness” is related with environmental awareness, which is in line with an outside-in perspective on HRM, based on the strategic fit perspective where the main premise relies on the HRM role in achieving business outcomes (Prins et al., 2014). Finally, “Continuity” involves a long-term approach, both in terms of economic and societal sustainability levels as well as in what concerns individual employability level. Continuity at all levels demand employees equipped with the skills to nurture innovation, manage risk, transform the economic systems within which they operate, and deliver on broader societal goals responsibly and sustainably.

Therefore, sustainability in people management goes beyond HRM policies and practices by including a broad and critical perspective of leading people responsibly and ethically to accomplish the first building block of the ROC model, proposed by Prins et al. (2014), “respect.” A primary prevention perspective involves the psychology of sustainability and sustainable development (Fabio, 2017). Achieving quality of life and well-being are sustainability goals as they allow positive organizational contexts that are key to mobilizing energy, coping with challenges, and innovation. Besides the internal social concern, sustainable HRM includes the external social concern leading people to engage in social projects through corporate volunteering, addressing issues such as human rights, diversity, and inclusion (Stahl et al., 2020). HRM can also provide a critical debate about the introduction of global supply chains and the growth of out-sourced and off-shore services that have exacerbated unfair labor conditions by simply applying economic responses in a competitive market, reducing labor costs, for example, without considering ethical implications (Donaghey & Reinecke, 2020). Prins et al. (2014) remark that the critical HRM literature highlights the pitfalls of managing employment relations based solely on economic terms and the need to bring the “human” into HRM. Respect in sustainable HRM involves concerns about “sense-making, engagement, employee participation, autonomy, [...] which may allow corporate sustainability initiatives to become substantive and not merely means to ends” (Prins et al., 2014, p. 272).

Furthermore, “openness”, the second dimension of the ROC model (Prins et al., 2014) requires revisiting the strategic fit, including institutional and stakeholder theories, which could broaden the scope of mainstream HRM, usually focusing on industrial/organizational psychology. Another dimension of fit, involves the environmental fit. “Green HRM” is increasingly becoming the focus of research and involves literature related to environmental management and HRM and organizational culture (Renwick, Redman, & Maguire, 2013).

Finally, the last dimension of the ROC model (Prins et al., 2014), “continuity,” involves the search for a long-term focus on organizational relationships and employment relations. Prins, Stuer & Gielens (2020) suggest a reinforcing effect between sustainable HR practices, social dialogue and industrial relations climate. Within a more sustainable or balanced approach, scores of

financial, individual, and social performance are important to consider simultaneously for the long-term survival of the organization. The continuity dimension within the employment relation is not equal to lifetime employment but involves synthesizing individual and organizational focus on career management.

## CONCLUSION AND AVENUES FOR RESEARCH

In sum, to debate sustainability and the role of HRM, a new approach to managing people that goes beyond the traditional approach to strategic human resource management (SHRM) should be discussed. According to some authors (e.g., Ehnert, 2008; Kramar, 2014), by adopting a sustainable approach to HRM, we are concerned with the outcomes of managing an individual or a group within an organization. However, we are also focusing on health and well-being in work contexts as primary levers for sustainable development (Fabio, 2017). Above all else, we are attentive to the impacts of HRM policies and practices on groups of people and the relationship between multiple stakeholders within the organization and within the wider community (e.g., social outcomes).

Relevant avenues for research concern identifying the socioeconomic and strategic context in which sustainable HRM prospers best. For example, interesting research issues could involve identifying ways of advocating or excluding sustainable HRM strategies with cost-cutting or restructuring strategies. The influence of external socioeconomic factors, such as culture, sustainability institutions (such as UN and/or local public institutions), environmental governance, and regulation or consumer environmental concerns, in a new sustainable HRM model, are important avenues for research. In the vein of Tanova, & Bayighomog (2022) organizations wishing to successfully implement a sustainable HRM model should avoid a one size fits all approach and therefore researching contextual factors is important.

Researchers should also consider the extent to which organizations develop substantive or ad hoc approaches to the three dimensions of the ROC model and the roles played by vertical, horizontal, transactional, and transformational themes, practices, and processes within these approaches.

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## AUTHOR'S CONTRIBUTION

Teresa Proença worked on the conceptualization and theoretical-methodological approach; theoretical review; data collection; data analysis, and, finally, writing and final revision of the manuscript.