

## Strategic to Sustainable Human Resource Management: Shifting Paradigms of Personal Managerial Trends

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**ABSTRACT:** The field of personal management in organizations has undergone significant changes in the past decade. An advanced area of personal management -Human Resource Management (HRM) - takes actions to have lasting access to qualified human resources to enable organizations to meet its desired objectives. The idea of corporate social responsibility and sustainable performance demands a commitment to social and environmental outcomes along with concerns of financial profit. In this milieu, considering employees as critically important asset to the organization, strategic and sustainable management of human resources help make organizations effective and successful. This descriptive study analyses sustainable HRM and identifies its key elements, trends, and progression. Sustainable HRM focuses on cost reduction and corporate profitability (in the short-term) as well as further actions on long-term sustainability of organizational performance. It demands organizational sustainability through the implementation, management and development of human resources policies, strategies and practices holding direct the economic, social and environmental dimensions.

**KEYWORDS:** Strategic Management, Personal Management, Human Resource Management, Strategic HRM, Sustainable HRM

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Date of Submission: 20-02-2019

Date of acceptance: 05-03-2019

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### I. INTRODUCTION

The advancement of new communication and information technologies and the consequent mushrooming of economy industries like service sectors causes to view human resources as source of competitive advantage than any other capital in organizations. The field of personal management in organizations has undergone significant changes in the past decade. It experienced a shift in its scope and functions by moving towards what is called the Human Resource Management (HRM) and to the Strategic HRM and then to the present Sustainable HRM. This shift confirms an interpolation and an integration of HRM with Organizations' general strategic management process. This article gives an introductory and a conceptual reading of trends and practices of Strategic and Sustainable HRM. This study indicates that HRM in its new form indulges in providing human dignity to the individual workers and recognizes their individuality considering their achievements, capacities and potentials, and motivations and commitments. It implies a new mode of administering and managing employees of an organization with the adoption of humanitarian approach. For, thinking employees as a critically important asset to the organization, strategic and sustainable management of human resources help make organizations effective and successful. This study identifies and demonstrates Sustainable HRM as an extended paradigm of strategic HRM as well as an ethical tenet of humanistic strategies of managing employees. It then follows a standardized view of Sustainable HRM.

#### Conceptual Reading of Strategic and Sustainable HRM

**Human Resource** is illustrated as an aggregate of both inherent and acquired abilities, knowledge and skills of individuals. In organizational context the term 'human resources' represents the people that staff and operate an organization and signifies talent and aptitude of employees. It is defined as "the total knowledge, skills, creative abilities, talents, and aptitudes of an organization's workforce, as well as the values, attitudes, approaches and beliefs of the individuals involved in the affairs of the organization" (Kumar 2011). The term 'human resources' is multidimensional in nature, as it also indicates an organizational function that deals with the employees and the issues related to them (Gardia 2018). Having an involvement of human beings in all the activities of an organization, human resource has relatively a significant role in the success of an organization.

**Human Resource Management (HRM)** is a creative and innovative management (art) of people applying precise and rigorous (science) theories (DeCenzo et al. 2010). A general view of HRM depicts it as a process of managing people in organizations in a structured manner. It is a unique approach to employment management "to achieve competitive advantage through the strategic deployment of a highly committed and capable workforce, using an array of cultural, structural and personnel techniques" (Storey 1995, 5). However, today it is a managerial procedure of managing people in the form of a collective relationship between

management and employees (Joshi 2015). Thus, it is a people enabling and people development process in organizations and fosters organizational success enabling innovative business practices and strategies (Collings & Wood 2009; Buchanan & Huczynski 2004). Likewise, HRM implies effective designing and implementation of various policies, procedures and programs in organizations (Bratton & Gold 2007) to develop and manage knowledge, skills, creativity, aptitude and talent of employees and using them optimally for a specified purpose.

A **strategy** is a pattern of integrating an organization's major goals, policies, and action sequences into a cohesive whole. It is an action plan for attaining broad corporation objectives (Mintzberg 2003; Quinn 1980). It is well defined as "an integrated and coordinated set of commitments and actions designed to exploit core competencies and gain a competitive advantage" (Hitt et al. 2007, 4). Strategy determines long term goals of an organization and embrace best course of action and necessary resources to carry them out (Barney 2001; Chandler 1962). In organizations, a hierarchy of strategy is recognized in its corporate, business and functional level (Hofer & Schendel 1978). The term strategy replaces the traditional term long-term planning.

**Strategic management** is a process or set of all necessary and continuous planning, monitoring, analysis and assessment to meet goals and objectives of an organization and lead it to success with an efficient analysis of its current situation and an effective implementation of its further strategies (Nag 2007). It is defined as "the art and science of formulating, implementing, and evaluating cross-functional decisions that enable an organization to achieve its objectives" (David 2011, 6). It involves the formulation, implementation and evaluation of the major goals and initiatives taken by the management considering its resources and assessing its internal and external environments in which it operates (David 2011). Strategic management correlates with the strategic planning of setting both short- and long-term goals and obtaining it through determining proper decision and actions to follow.

**Strategic HRM** is the practice of aligning HR practices with organizations' business strategy to achieve its set goals (DeCenzo et al. 2010). When business goals or objectives are concerned, it aims to ensure that HR strategy is not a means but an end in itself. It implies organizations derive strategy from employees than imposing it to them. Today in India, where more people-centred service sectors account for a major share of GDP, it is imperative to embrace an approach that is more people centric – an employee friendly strategy in organizations. In this line, strategic HRM indicates a proactive managerial strategy of the management or the HR department of the organization with regards to the activities extending from recruiting, staffing, payment, training and performance development (Saini 2000). It provides a framework within which integrated HR strategies in the main areas of resourcing, employees' development, rewards and relations can be framed. Thus, it emphasises a correspondence of all these HRM practices to the to the evaluation and promotion of employees within an organization.

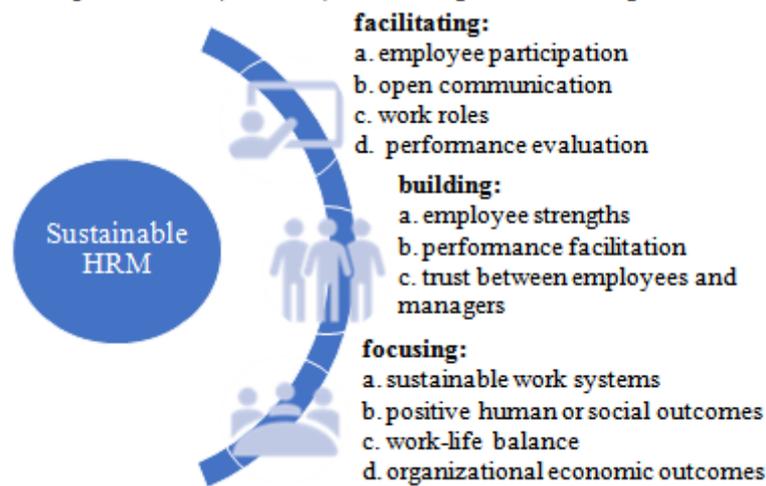
**Sustainable HRM** is an inclusive approach to action recognising decisions in organizations affect the lives of all persons concerned. It is "the adaption of HRM strategies and practices that enables the achievement of financial, social and ecological goals, with an impact inside and outside of the organization and over a long-term time horizon while controlling for unintended side effects and negative feedback" (Ehnert et al. 2016, 90). Sustainable HRM commits to refraining from pursuing short-term cost-driven HRM practices that harm employees and their families or communities and promotes proactive steps to develop mutually beneficial and regenerative relationships between employees and different resource providers (Ehnert et al. 2016). It nurtures employees as a longer-term investment to achieve greater functioning both for employees and the organization. It is a collaborative HR development "facilitating employee participation, open communication, work roles, and performance evaluation focused on building employee strengths and facilitating performance" (Järlström, Saru & Vanhala 2018, 705). It also promotes trust between employees and managers in a given situation. Similarly, sustainable HRM seeks to achieve positive human or social outcomes by the implementation of sustainable work systems, and thus facilitates employees' work-life balance without compromising performance.

### **Development of Sustainable HRM as an Extended Paradigm**

As it is noted above, strategic HRM is the process or pattern of planned Human Resource deployments in the organizations and the consequent further activities intended to enable organizations to achieve its short-term and long-term goals. Researchers like to perceive sustainable HRM as an extension or an integrated development of the strategic HRM and thus as an umbrella term covering diversified levels of analysis and multiple dimension with definite form of certain dynamics (Ehnert and Harry 2012; Ehnert 2009). Sustainable HRM becomes more employee-centred and development oriented, stressing employee performance, organizational effectiveness, individual well-being and societal impact. It enables positive relationship between HRM and financial performance, influences different stakeholders within and beyond organizations and recognizes ambiguities of HRM practices and its outcomes (Järlström, Saru & Vanhala 2018; Ehnert and Harry 2012).

Sustainable HRM, as various studies demonstrate (Järlström, Saru & Vanhala 2018; Browning & Delahaye 2011; Donnelly & Proctor-Thompson 2011; Guerci and Pedrini 2014), influences organizational

design and practices through different modes of operations, such as: (1) by facilitating: employee participation, open communication, work roles and performance evaluation; (2) by building: employee strengths, performance facilitation, and trust between employees and managers; and (3) by focusing on: sustainable work systems, positive human or social outcomes, work-life balance, and organizational economic outcomes. Sustainable HRM is an aggregation or configuration of all these practices and linked to the corporate sustainability frameworks. A pictorial representation (Exhibit-1) of this integrated model is given below.



**Exhibit 1** Sustainable HRM for Corporate Sustainability

Researchers view fourfold responsibilities of corporate social responsibilities (CSR) in line with the responsibilities of sustainable HRM (Järlström, Saru & Vanhala 2018; Carroll 1991; Jamali 2008). These are economic (return on investment), legal (fulfil minimum legal requirements), ethical (norms and morals – fairness and justice), and/or philanthropic (contribution to the community) responsibilities (Carroll 1991). It is interesting to note that the sustained competitive advantage, innovativeness, and productivity in organizations influences the financial outcomes.

### **Sustainable HRM as an Ethical Tenet of Humanistic Strategies**

Discussing the future of HRM from a strategic point of view, researchers opine that in order to build a healthy and effective organization, the aspect of ‘humanity’ should be brought back into the dialogue (Cleveland, Byrne & Cavanagh 2015; Järlström, Saru & Vanhala 2018). For HRM is inherently an ethical activity concerning fundamentally the treatment of humans (Greenwood 2013). This modern sustainable HRM views employees as a significant asset to the organization and accords importance to employees’ needs, preferences and perspectives. This is an important precept of the humanistic or person-centered perspective of HRM. Sustainable HRM tries to improve organizational performance by enabling a long-term, developmental relationships with employees in contrast to the restrictions of the contractual agreements and its economic languages (Cleveland, Byrne & Cavanagh 2015). Hence, sustainable HRM brings a model of organizational development based on human development in organizations.

Cleveland et al., (2015) in this regard, show that organizations that are committed to their employees secure the total commitment of employees as well – those who “invest the most,” “get the most.” For according to them “Organizations where HRM places a priority on the care of employees (by using alternative approaches to workforce reduction or cutbacks during tough economic times), and attending to the environmental sustainability of organizations (including green buildings that support the health of employees) will retain more highly committed, engaged, and productive employees because their overall health and well-being are secured — not just within themselves, but within their community and family realm” (Cleveland, Byrne & Cavanagh 2015, 150). This view also runs against instrumental views that perceive employees through the prism of usefulness. The individuals thus become the core of the sustainable human resource system. In their research, Järlström, Saru and Vanhala (2018) identify four dimensions of sustainable HRM, namely: Justice and equality, transparent HR practices, profitability, and employee well-being.

- (1) **Justice and Equality** concern the ethical responsibilities of law-abiding and seek exemplary behaviour on the part of authorities, including the proper management of employment relationships. This dimension also stresses diversity among employees and their equal treatment, and thus gives a new meaning to sustainability consisting equality and appreciation among employees.
- (2) **Transparent HR practices** require and demand transparent HR practices in all the major functions such as recruitment, resource allocation, competence development, rewarding, remuneration, promotion, [employee] participation, and flexibility practices. Transparency implies fairness and equity. For instance, career planning, right man for the right position, no compromise with quality and quantity, competence development (development of employees' skills), ensuring employee participation, etc.
- (3) **Profitability** dimension looks for organizational effectiveness through the integration of HRM and strategy, proactiveness in action, long-term thinking, etc., along with financial outcomes. It also indicates an integration of HRM and strategy with a holistic thinking assimilating strategy, economic resources and environment. Sustainable HRM considers the profitability through proper and fair employee valuation leading to innovation, resilience, flexibility and performance-enhancing atmosphere. Advancing performance is linked to the economic responsibility of the profitability dimension of Sustainable HRM.
- (4) **Employee Well-Being** promotes a leadership style that cares for and supports employees, showing due respect. This dimension shows that employees are not mere resources to be exploited, but assets to be developed. Employee well-being here implies well-being, health-related thinking, physical and mental demands, safeguarding work relationships with others and work-life balance. The sustainable HRM in the individual realm of employees here promotes practices that foster the mental and physical health or well-being of employees. Responsibility for wellness here is mutual and shared between the organization and its employees.

Exhibit 2 shows the integrated relationships of four dimensions of sustainable HRM. All these show a shift toward an employee-centred perspective of people management. Respect for humanity is said to be future direction of HRM (Cleveland et al. 2015).



**Exhibit 2** Dimensions of sustainable HRM

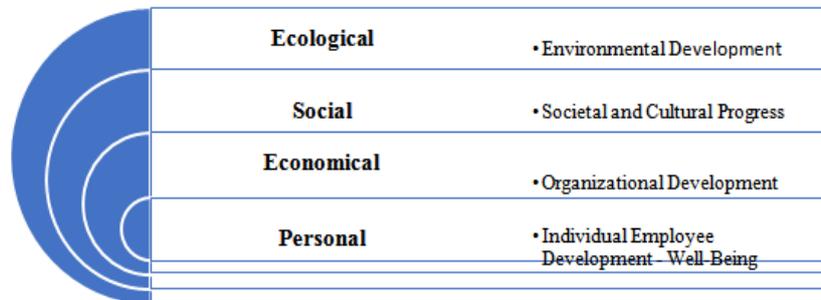
Sustainable HRM offers an institutional context of a person-centred approach of employee management, and hence a more employee-oriented reasoning in organizations.

### **The Current Architype of Sustainable HRM**

From a focus merely on an administrative efficiency and from a link to strategy, sustainable HRM now tries to create a value with employees and organizations and with extended communities (Ulrich 2015). It increases employee productivity and improve organizational capabilities by offering integrated and innovative HR practices around employees. Individual employee is the core constituent of the sustainable HRM. It increases the maximization of integrating the goals and objectives of employees with that of the organizations. An organization is said to be sustainable when the legitimate needs of both organization (productive employees, reasonable work) and employees (impartial treatment, fare wage) have met (Cleveland 2015). When employees' development and well-being is ensured, their organizational contributions increases. Likewise, the mentoring activities and increased work satisfaction leads to higher organizational commitment and hence greater organizational citizenship behaviours (Cleveland 2015). It implies that sustainable HRM is a developmental approach for employees.

Sustainable HRM tries to provide a strong foundation for a well-functioning community. It implies a social contribution to the community along with environmental and ecological sustainability (Exhibit 3). Along with economic outcomes (financial profits) sustainable HRM looks for commitment to social and environmental outcomes (Chamsa & García-Blandónb 2019). Strategic HRM focuses primarily on employees' financial and economic outcomes, emphasising monitoring of the human capital through HR practices. Sustainable HRM concentrates on "developing an innovative workplace with internal and external social involvement, on increasing awareness and responsibility toward environmental preservation, and on improving the distribution

and consumption of resources to promote organizational success in a competitive environment” (Chamsa & García-Blandónb 2019, 111). It strives to achieve sustainability in organizations through developing policies, strategies and practices to manage ‘human resource’ that in turn leads to economic, social and environmental progression and development.



**Exhibit 3** Sustainable HRM Contributions

In line with HRM and sustainable development, Chamsa and García-Blandónb (2019, 112) propose three approaches: (1) responsibility-oriented approach (employees’ well-being, community prosperity, and quality of work-life balance); (2) efficiency-oriented and innovation-oriented corporate purposes (linking economic and sustainability outcomes - changes in the environment, technological progress, and the quality of services and products); and (3) substance-oriented approach (responsible consumption and reproduction of resources for future organizational viability). Sustainable HRM thus affirms the human responsibility, organizational efficiency and proper resource management for an integral – human, social, and environmental – development.

## II. CONCLUSION

HRM is the ‘people’ dimension of the organization. It points towards the entire activities commenced by an entity in organizations for the effective utilization and development of human beings. HRM develops and manages harmonious relationships at workplace by balancing organizational goals and individual goals. Therefore, HRM is in personnel management, in employee welfare and in industrial relations. The fields of Human resource Management (HRM), Human Resource Development (HRD) and Organisation Development (OD) have converged into the new strategic HRM and its extended form – sustainable HRM. Strategic and Sustainable HRM treat employees not just as resources but as assets. Human resources are not static but changing and are to be developed. Sustainable HRM ensures leveraging capabilities of employees guaranteeing the sustenance and nurturing of this ‘human capital’ as a source of competitive advantage. It aligns people’s policies with that of the management objectives. Sustainable HRM demands organizational sustainability through the implementation, management and development of human resources policies, strategies and practices holding direct the economic, social and environmental dimensions. Along with financial performance and organizational goals sustainable HRM considers employees’ satisfaction, commitment and well-being. It demonstrates personal, financial, social and ecological goals in the organization. As a most productive resource among the entire resources available in the organization, human resource has to be used strategically and sustainably to achieve organizational competitiveness. Sustainable HRM finally endorse that ultimately successful individuals become the foundation stones for effective and successful organizations.

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Jijo James Indiparambil "Strategic to Sustainable Human Resource Management: Shifting Paradigms of Personal Managerial Trends" *International Journal of Business and Management Invention (IJBMI)*, vol. 08, no. 03, 2019, pp 65-70