# THE DISCLOSURE OF SUSTAINABILITY AND HUMAN RESOURCE MANAGEMENT LINKAGE

### ASTA SAVANEVICIENE – ZIVILE STANKEVICIUTE

#### Abstract

The debate on the link between sustainability and human resource management is getting more and more attention in the academic level and among practitioners. The stimulus for emerging a new concept – sustainable human resource management – is related with wide range of the reasons (as the negative effect of human resource management on human resources) and these motifs are the object of the analysis in this paper. Due to the fact that there is no consensus on definition of sustainable human resource management are proposed. The paper aims to examine theoretically the link between sustainability and human resource management by analysing the various constituents of sustainable human resource management and by introducing the model for sustainable human resource management, which encompasses the characteristics of the concept and the negative outcomes of human resource management on individuals.

**Key words:** human resource management, sustainability, sustainable human resource management, sustainable human resource management practices.

**Classification JEL:** M12 – Personnel Management.

## 1. Introduction

The literature review allows to state, that the term sustainability is one of the most widely used words across different contexts (*Leal Filho, 2000*), it is a broad, multifaceted term (*Ehnert, Harry & Zink, 2014*) and "has become a mantra for the 21st century," (*Dyllick & Hockerts, 2002*). Although the society expresses clear position for sustainability, it is obvious, that without corporate support society will not achieve sustainable development (*Hahn & Figge, 2011*). The fact is that more and more organizations put sustainability on the management agenda (*Kiron, Kruschwitz, Haanaes & von Streng Velken, 2012*) and commit themselves to sustainability due to various motifs. However, in order to achieve sustainability and that enables to discuss the link between sustainability and different systems, like human resource management (HRM).

Though human resources and their management have been identified as crucial for organizational success, sustainability is treated an alternative of organizational success (*Boudreau*, 2003) and sustainable human resource management is explored as a concept for HRM, research on sustainable HRM is still at "pioneering if not emerging phase" (*Ehnert & Harry*, 2012). Following the approach that sustainable HRM forms the next stage in the traditional HRM thinking (*De Prins, van Beirendonck, De Vos & Segers, 2013*) and is the extension of strategic HRM (*Ehnert, 2009b*), it should be acknowledged, that sustainable HRM still lacks conceptual and empirical maturity. The implication is that extremely relevant are the questions: how the idea of sustainability can be translated to HRM level? and what would HRM system look like which could be called sustainable HRM?

The analysis of the "waves" of research in the field linking sustainability and HRM allows to maintain that there is no consensus on definition of sustainable HRM due to the different perspectives: paradox perspective (*Ehnert*, 2006a; 2006b; 2009b; 2011) and harmonious co-existence of employees, organizations and society (*Zaugg*, 2009a) and due to different interpretations of sustainability: normative, efficiency-oriented, substance-oriented,

integrated interpretations (*Ehnert, 2014*). The literature review enables to identify several models of sustainable HRM: Gollan (2000); Zaugg, Blum & Thom (2001); Ehnert (2009b); Zaugg (2009a); Cohen, Taylor & Muller-Christ (2012); Gollan & Xu (2014); De Prins et al. (2013), Kramar (2014) and to state main similarities and differences of these models. The main similarity is that all models treat sustainable HRM as new construct for managing human resources. Concerning the differences, it should be highlighted that the models encompass various constituents, the constituents are presents explicitly or implicitly and the content of the same constituents are different. Following the analysis of theoretical discussion on sustainability and HRM link and the evaluation of the models of sustainable HRM, the conceptual sustainable HRM model is introduced in that paper.

**Results.** 1) The paper presents an overview of theoretical and empirical arguments supporting the idea that sustainability is of great relevance for HRM; 2) the paper provides an analyses of exiting models of sustainable HRM by identifying the main similarities and differences; 3) the paper reveals the content of the main constituents of different models of sustainable HRM; 4) the paper introduces the conceptual sustainable HRM model by justifying each constituent and the content of it.

*Practical implications.* The paper provides better understanding regarding the sustainable HRM and introduces the sustainable HRM model, which could be used in order to examine empirically sustainable HRM.

*Value/originality.* The paper attempts not only to enlarge the theoretical foundation and to extend scientific discussion, but also to encourage to examine sustainable HRM model empirically and hereby to fill the gap between theory and practice.

*Methodology.* The paper is based on the analysis and synthesis of scientific literature and on critical discussion considering provided references.

## 2. The relevance of sustainability for HRM

The question of the relevance of sustainability for HRM consists of two parts – what are the reasons fostering the organizations to commit to sustainability for HRM (what are the empirical or theoretical evidences supporting the importance of sustainability to HRM) and what are the meaning and underlying motifs of sustainability for HRM?

According to Hahn & Figge (2011) the society will not achieve sustainable development without support from organizations. In order to further the sustainable development, the organizations need to adapt business sustainability, which means that corporate success is not defined solely in financial terms, but also in terms of social equity and environmental integrity (*Taylor, Osland & Egri, 2012*). Moreover, all the systems and processes in the organizations should be directed forwards sustainability. Admitting the mentioned proposition and coming back to the questions of the relevance of sustainability for HRM, it is purposeful to start with answers to the first question: what are certain reasons fostering the organizations to commit to sustainability for HRM?

The literature review allows provide wide range of reasons fostering organizations to commit to sustainability (Table 1). The short explanation of the reasons is provided below.

As is seen from Table, Pfeffer (2007) introduces three facts, which reveal the paradoxical organizational behaviour. First, the human resources show pervasive job dissatisfaction, distrust and disengagement and this have the negative consequences for employers as well as employees. Second, how people are managed have an impact on human resource outcomes and organizational performance. Third, notwithstanding the fact that much of what is required to build successful organizations is known, organizations have failed to take appropriate actions. Responding to the question of Pfeffer (2010) "Why are polar bears,

for instance, or even milk jugs more important than people, not only in terms of research attention, but also as a focus of company initiatives?" (p. 2010), the new way of managing human resources is in demand.

Author (year)	Perspective	Approach	The main aspects		
Zaugg et al. (2001)	Empirical	Testing of theoretical model of sustainable HRM	The main objectives organizations are seeking by sustainable HRM are revealed.		
Pfeffer (2007)	Theoretical	Paradoxical organizational behaviour	HRM is related to human resource outcomes.		
Ehnert (2009b)	Theoretical	Challenges for HRM	The problem of labour or skills shortage; the problem of self-induced side and feedback effect; paradox tensions for HRM.		
Ehnert (2009b)	Empirical	Practice-based model of sustainable HRM	The main objectives organizations are seeking by sustainable HRM are revealed.		
Ehnert & Harry (2012)	Theoretical	The relations of organizations to environment; The content of HRM	Organization do not "operate in vacuum" (Mariappanadar, 2003) and the environment is important; the sustainability of the HRM system itself is extremely important.		
Ehnert (2014); Ehnert & Brandl (2012)	Theoretical	Changing organization- environment relationships	Classical, neo-classical and modern approaches to management are analysed by introducing the application of the features to HRM.		

*Table 1: Reasons fostering the organizations to commit to sustainability for HRM (own processing)* 

Ehnert (2009b) justifies the importance of sustainability for HRM by defining the main challenges for HRM. Referring to Ehnert (2009b) the sustainability emerged in situations of crises when at least one of the two aspects is of the high importance: economic, natural or social resources are scare; side and feedback effects make influence on the exploitation of resources. From HRM perspective the organizations focus with problem of labour or skills shortages (*Ehnert, 2009b*). Moreover, the HRM make not only positive but also a negative effect on human resources (*Mariappanadar, 2003; 2012a; 2012b; 2014*) and organizations are in tensions between competing demands such as short-termed profit making and long-term organization viability (*Ehnert, 2006b*). All three challenges (shortage, negative effects and tensions) foster to use the new way of managing people.

Ehnert & Harry (2012) provide two main lines of arguments to support the relevance of a sustainability perspective on HRM. The first line of argument refers to the relationship of the organization to its economic and social environments (macro level) – "HRM can (or should) no longer neglect the societal discourse on sustainability and corporate sustainability because this is dealt with in practice and that HRM could make important contributions to corporate sustainable development," (*Ehnert & Harry, 2012, p. 223*). The second line of arguments addresses the internal elements and relationships of an HRM system (meso and micro levels). The main point here is that fostering the sustainability of the HRM system itself becomes a 'survival strategy' for organizations (*Ehnert, 2009b*).

Ehnert (2014), Ehnert & Brandl (2012) by analysing three alternative organizational contexts (classical, neo-classical and modern) reveal that the changing organizationenvironment relations form the assumptions for the organization to employ the sustainability concept in HRM. In classical organization context the purpose of organization was to make profit, whereas in modern organization context the organizations measure their performance in multiple bottom lines. Although the theoretical insights disclose the relevance of sustainability for HRM, the empirical evidences are important. Here two empirical grounding is provided. Zaugg et al. (2001) empirical research reveals that HRM in European companies is strongly aligned to economic objectives, on the second place is the promotion of individual responsibility of employees; further goes the guaranteeing a performance-adequate-pay and promoting health. A website content analysis, made by Ehnert (2009a; 2009b), has revealed that organizations pursue four general objectives by linking idea of sustainability to HRM: attracting talent and being recognized as an "employer of choice"; maintaining a healthy and productive workforce; investing into the skills of the current workforce; creating employee trust, employee trustworthiness and sustained employment relationships.

Summing up could be stated that theoretical and empirical evidence provide the reasons for organizations concerning the reasons fostering organizations to commit to sustainability for HRM. Further the second part of the question – what are the meaning and underlying motifs of sustainability for HRM? has to be answered.

Müller-Christ & Hülsmann (2003) have offered from a management perspective three explanations of sustainability pointing why and when the organizations engage themselves for sustainability: a normative, an innovation-oriented and a rational understanding of sustainability. Ehnert (2009b) has adapted and extended the mentioned categorisation for the HRM context according to the underlying justification for sustainability and offers such meanings of sustainability: a normative, an innovation or efficiency-oriented and a substance-oriented interpretation. Also Ehnert (2014) proposes an integrative approach. The content of mentioned three understandings is our interest here.

The normative meaning interprets sustainability as a moral, ethical value. The normative meaning is built on Brundtland Commission's definition, underlying such objectives as intergenerational and intra-generational fairness, social justice or social legitimacy. The implication for HRM is to treat employees in a socially responsible way, to foster employee well-being and health and to reduce the impact of work on employees (Ehnert, 2009a). An innovation-oriented understanding of sustainability understands sustainability as an economic principle to minimise the impact of business activities on natural or social resources or to explore innovative ways for using (usually less) resources. Transferred to the HRM context, the implications are to reduce the impact on the human resource and to decrease utilisation of human resources. Substance-oriented understanding of sustainability interprets sustainability also as an economic principle, but with the objective of sustaining the corporate resource base by achieving a long-term balance of resource consumption and resource reproduction (Müller-Christ & Remer, 1999). Organizational environments are treated as "sources of resources", and for the organizations it is a "survival strategy" to invest actively in these environments. Applying substance-oriented understanding of sustainability to HRM the implication is to balance the "consumption" and "reproduction" of human resources by fostering the regeneration of human resources but also by investing into the "origin" of human resources (Ehnert, 2009a). Generally it could be stated that all three understandings of sustainability have appropriate merits for HRM because they provide partial solutions to the sustainable development problem.

To conclude concerning the relevance of sustainability for HRM, it seems that theoretical and empirical evidence as well the interpretations of meaning of sustainability provide the basis for organizations to commit themselves to sustainability for HRM. Analysing the relationship between two constructs – sustainability and HRM – and investigating a new construct – sustainable HRM – is important to ascertain what the sustainable HRM is in terms of definition and in terms of constituents.

# 3. The models of sustainable HRM

Before the analysis of models of sustainable HRM, it is worth to provide an answer to the question – what we mean by sustainable HRM? Sustainable HRM could be just "old wine in new bottles" or the fashion or new concept. The paper treats "the potential of sustainability as a new paradigm and Sustainable HRM as a concept for HRM," (*Ehnert et al., 2014, p. 4*), believes that "sustainable HR is promising domain for HR theory-building, research and practice," (*De Prins et al., 2013, p. 1*) and "Sustainable HRM represents a new approach to managing people, by identifying broader purposes for HRM," (*Kramar, 2014, p. 1085*), and "Sustainable HRM is a broader concept that Strategic HRM," (*Ehnert, 2011, p. 226*).

The literature review does not give possibility to present one complete definition. Contrary, the literature accepts variety of definitions (*Ehnert et al., 2014*) and follow the attitude that "definitional diversity is to be expected during the emergent phase of any potentially big idea of general usefulness" (*Gladwin, Kennelly & Krause, 1995*). Some of the definitions on sustainable HRM are provided in Table 2.

Author (year)	Definition				
Zaugg <i>et al.</i> (2001)	Sustainable HRM as "long term socially and economically efficient recruitment, development, retainment and disemployment of employees," (p. II).				
Thom & Zaugg (2004), as cited in Ehnert, 2011	Sustainable HRM is "those long-term oriented conceptual approaches and activities aimed at socially responsible and economically appropriate recruitment and selection, development, deployment, and downsizing of employees," (p. 24).				
Ehnert (2009b)	"Sustainable HRM is the pattern of planned or emerging human resource strategies and practices intended to enable organisational goal achievement while simultaneously reproducing the HR base over a long-lasting calendar time and controlling for self-induced side and feedback effects of HR systems on the HR base and thus on the company itself," (p.74).				
Kramar (2014)	"Sustainable HRM could be defined as the pattern of planned or emerging HR strategies and practices intended to enable the achievement of financial, social and ecological goals while simultaneously reproducing the HR base over a long term. It seeks to minimise the negative impacts on the natural environment and on people and communities and acknowledges the critical enabling role of CEOs, middle and line managers, HRM professionals and employees in providing messages which are distinctive, consistent and reflect consensus among decision-makers," (p. 1084).				

As there is no unique definition on sustainable HRM, so any universal model of the construct does not exist. The literature review allows identify several models of sustainable HRM: Gollan (2000); Zaugg et al. (2001); Ehnert (2009b); Zaugg (2009a); Cohen et al. (2012); De Prins et al. (2013); Gollan & Xu (2014); Kramar (2014). Despite the fact that the main object of all these models is sustainable HRM, the models are grounded by different theoretical approaches, combine various constituents. Moreover, the content of the same constituents differs.

To describe each of the models is not the aim of that paper. The paper seeks to compare the models by identifying main constituents and later to describe how these constituents are disclosed in particular model. The comparison of the sustainable HRM models is provided in Table 3. Here one remark is important – seeing as Gollan & Xu (2014) extended the model of Gollan (2000), the model of Gollan (2000) is not included in the analysis.

Constituents	Sustainable HRM								
	Zaugg <i>et al.</i> (2001)	Zaugg (2009a)	Ehnert (2009b)	Cohen <i>et al.</i> (2012)	De Prins <i>et</i> <i>al.</i> (2013)	Gollan & Xu (2014)	Kramar (2014)		
Key theoretical frameworks	Defined	Defined	Defined	Defined	Defined	Defined	Defined		
Key assumption	Defined	Defined	Defined	_	_	-	Defined		
Drivers for sustainability in HRM	Explicitly defined	Explicitly defined	Explicitly defined	_	_	Explicitly defined	Explicitly defined		
Characteristics of sustainable HRM	Explicitly & implicitly defined	Explicitly defined	Implicitly defined	Explicitly & implicitly defined	Implicitly defined	_	Implicitly defined		
Practices of sustainable HRM	No list of practices in the model (but the list in empirical research)	Final list of practices	No list of practices (but the list in practice- based model)	No list of practices	Vertical and horizontal practices. The list not final	No list of practices	No list of practices		
Outcomes of sustainable HRM	Implicitly defined	Implicitly defined	Explicitly defined	Implicitly defined	Implicitly defined	Explicitly defined	Explicitly defined		

Table 3: The comparison of the sustainable HRM models (own processing)

Before the comparison of the sustainable HRM according the main constituents provided in Table 3, certain aspects of the models have to be highlighted.

The models of Zaugg et al. (2001) (this model is the first systematic, theoretically and empirically substantiated concept for sustainable HRM) and Zaugg (2009a) represent the Swiss approach. As reffering to Ehnert & Harry (2012) the Swiss approach relied first upon empirical research on the understanding of sustainability and HRM in *practice (Zaugg et al., 2001)* and has been extended into a systematic conceptualization of sustainable HRM based on conceptual and qualitative case research (*Zaugg, 2009a*). The Swiss approach does not include ecological aspect of sustainability and focuses on these aspects: shortage of labour force (skilled and motivated); stress-related absence of employees and work-related health problems; more demanding labour force due to changing work value (*Ehnert, 2011*).

The model of Ehnert (2009b) is based on sustainable resource management approach, which points out the dependence of organizations on the survival of their organizational environments. Ehnert (2009b) extend substance-oriented approach from a paradox theory, assuming that "sustainability, if it is defined as balancing consumed and reproduced resources, brings about paradoxical choices situations and tensions for actors in Sustainable HRM," (*Ehnert & Harry, 2012, p. 227*). Kramar (2014), following Ehnert (2009b) attitude concerning substance-oriented approach and paradox theory, extended the model of Ehnert (2009b) by including the issue of the implementation of HRM practices and ecological effects of HRM practices.

Cohen et al. (2012) proposed the possible route to sustainable HRM, Gollan & Xu (2014) focuses on human resources sustainability. De Prins et al. (2013) proposed "Respect, Openness and Continuity" (ROC) model of sustainable HRM by following De Lange and Koppens (2007) position, who stated that sustainable HRM differs from mainstream HRM because of its: (renewed) focus on respect for the internal stakeholders in the organization, the employees (Respect); environmental awareness and outside-in perspective of HR (Openness);

long-term approach in both economical and societal sustainability terms as in individual employability terms (Continuity).

After the revealing the main aspects of each model of sustainable HRM, the comparison of the models according the main constituents provided in Table 3 is introduced.

## Key theoretical frameworks

The model of Zaugg (2009a) is the extension of the model, provided by Zaugg et al. (2001), and both models are derived from sustainability literature, sustainable work systems (*Docherty, Forslin, Shani & Kira, 2002*), strategic HRM and are based on stakeholder theory, self-organization theory and a competence based view. Ehnert (2009b) adopted three theoretical perspectives – the stakeholder theory, resource-based view, systems theory, also the model of Ehnert (2009b) is built on the insight from literature on sustainability, strategic HRM, sustainable resource management and paradox perspective from organization theory. Paradox perspective is the main aspect, which make difference between models of Zaugg (2009a) and Ehnert (2009b).

The model of De Prins et al. (2013) is based on the revision of strategic HRM, revision of resource-based view, ethical and critical human resource theory, institutional and stakeholder theory. Gollan & Xu (2014) and Cohen et al. (2012) do not explicitly identify the theoretical frameworks, but the model of Gollan & Xu (2014) is based on literature and empirical evidence on sustainable HRM and Cohen et al. (2012) focus more on stakeholder theory. Kramar (2014) model is built on Ehnert's model (2009) and highlights the paradoxes.

## Key assumption

Two main assumptions ("win-win" assumption and tensions) are identified in most models. Zaugg et al. (2001), Zaugg (2009a) believe that organizations, employees and society are mutually responsible for sustainable activities and that all stakeholders benefit from sustainability – hereby "win-win" assumption is standing. In that case, according to Ehnert (2009b), sustainable HRM follows the Swiss tradition of "a harmonious co-existence of employees, corporations, and society" (p. 55). Ehnert (2009b) and Kramar (2014) explicitly state that "win-win" solution is not very likely: organizations focus with dilemma of efficiency and sustainability. According to Ehnert (2009b), "competing positions between social responsibility, efficiency, and the substance-oriented understanding of sustainability create paradoxical tensions because the positions cannot be maximised simultaneously," (p. 173). Cohen et al. (2012), De Prins et al. (2013) and Gollan & Xu (2014) do not stress explicitly or implicitly the possibility or no possibility for "win-win" solution.

## Drivers for sustainability in HRM

Ehnert (2009b) includes the socioeconomic context in the model and as drivers for sustainable HRM indicates internalization and globalization, demographic trends and workforces, tight labour market and insufficient quality of education, changing employment relationships, changing work values and employee expectations, impact of business activities on human, social and natural resources (*Ehnert*, 2011). De Prins et al. (2013) and Cohen et al. (2012) do not include in the model the drives for sustainability. Golan & Xu (2014) identify external drivers (market, technology, changes required by regulations) and internal drivers, such as culture and customers, leadership and management style. Kramar (2013) explicitly includes economic, social, institutional, technological and organisational context. Zaugg et al. (2001) as main driver mark changing social need and values. According to Zaugg (2009a) general circumstances, with workplace related, organizational and personal circumstances are drivers for sustainable HRM.

#### Characteristics of sustainable HRM

Referring to Zaugg et al. (2001) sustainable HRM is related with employees acting in self-responsible way and participating in decisions; it is also important that HRM should operate as "guardian of HR" seeking to support employees. Zaugg (2009a) extend the spectrum of characteristics of sustainable HRM and provides finished list: flexibility, employee participation, value orientation, strategy orientation, competency and knowledge orientation, stakeholder orientation, and building mutually trustful employee-employer relationships. Ehnert (2009b) implicitly identifies these characteristics of sustainable HRM: exploring short-term as well as long-term effects as well as side and feedback effects; extending the notion of success by considering economic, social and ecological objectives, considering moral, ethical positions as well as economic arguments; fostering the ability of HRM to develop and sustain the human base and environments from within; balancing paradoxes, dualities, dilemmas and tensions. Cohen et al. (2012) identify three characteristics: equity, well-being and employee development and five preconditions for sustainable HRM: compliance, governance, ethics, culture and leadership. De Prins et al. (2013) identify characteristics of sustainable HRM implicitly in relation with practices and offer such as employee participation, autonomy, self-development and so on. Golan & Xu (2014) do not provide the list of characteristics. Kramar (2014) implicitly present such characteristics as balancing paradoxes, dualities, dilemmas and tensions; exploring short-term as well as longterm effects; considering social, economic, moral and ecological aspects.

#### Practices of sustainable HRM

Zaugg et al. (2001) do not include sustainable HRM practices in the model, however they provide the list of practices in empirical research. Zaugg (2009a) incorporates HRM practices in the model: metapractices (strategic HRM, personal leadership and management development, knowledge management, internal communication, change and transformation); process practices (human resource planning, recruitment, development, deployment, retainment of staff, disemployment), cross-section function (human resource marketing, organization, controlling) and support function. Ehnert (2009b) in the practice-based model of sustainable HRM includes human resource related sustainability objectives (attracting talent and being recognised as an "employer of choice"; maintaining a healthy and productive workforce; investing into the skills of the current and future workforce) and human resources related activities (diversity, responsibility, ethics, good employee relations, remuneration, career development and so on ). Cohen et al. (2012) do no provide list of sustainable HRM practices - the authors follow the attitude that in the road for sustainable HRM all HRM practices should be reviewed and revised in line with sustainability principles. De Prins et al. (2013) introduce horizontal and vertical sustainable HRM practices. Horizontal sustainable HRM practices are grouped according three dimensions - respect, openness and continuity. Gollan & Xu (2014) and Kramar (2014) do not indicate practices of sustainable HRM.

#### **Outcomes of sustainable HRM**

Implicitly Zaugg et al. (2001) and Zaugg (2009a) acknowledge that from an organisation's perspective sustainable HRM contributes to economic value added, organisational flexibility and viability. Meanwhile from the perspective of employees, the success of sustainable HRM can be measured in terms of employee employability, well-being, and self-responsibility. According to Cohen et al. (2012) the "tangible outcomes of strong sustainable HRM performance include not only support for the achievement of broad sustainability business objectives, but also measurable contributions to HRM performance, including lower employee turnover, lower absenteeism, improved employee well-being, and an overall increase in employee engagement, motivation and productivity," (p. 3). De Prins et

al. (2013) do not explicitly include in the model outcomes of sustainable HRM, however the stress outcomes form the individual perspective, such as lifetime employability. Gollan & Xu (2014) explicitly identify such outcomes of sustainable HRM – productivity and profit; employee satisfaction and commitment; employee development, equity and well-being. Ehnert (2009b) explicitly present three kinds of outcomes: organizational, social and individuals (all outcomes are grouped according normative, efficiency and substance oriented sustainability interpretations). Kramar (2014) added to these three kinds of outcomes one more kind – ecological effects.

To conclude could be stated that during the last decide the number of models has increased, however the construct of sustainable HRM still lacks conceptual maturity (De Prins et al., 2013). According to the literature review, the models of Zaugg (2009a) and of Ehnert (2009b) are the most explicated. The models differ according to various constituents and their content. Concerning key theoretical frameworks, the literature on sustainability and strategic HRM, the stakeholder theory and the paradox perspective from organization theory are the main frameworks used for models of sustainable HRM. As regard key assumptions, two contradictory assumptions are mainly used in the models: "win-win" assumption and tension assumption. Economic, social, institutional and technological contexts and organisational context are the main drivers for sustainable HRM. Although the number of debate concerning sustainable HRM is growing, however there is no clear what are the characteristics of sustainable HRM, only Zaugg (2009) explicitly includes in the model a list of characteristics. The same situation is concerning sustainable HRM practices. As regards the outcomes of sustainable HRM, it is evident that organization, social and individual outcomes are mainly presented. The analysis of the models and the future research directions, provided by Ehnert (2009a; 2011), Ehnert & Harry (2012), De Prins et al. (2013), Kramar (2014), inspired and provided the space for one new model of sustainable HRM.

## 4. The model of sustainable HRM: a new approach

Accepting the aspects of debate on sustainability and HRM and the main features of sustainable HRM according to analysed models and including some new aspects, the model for sustainable HRM is provided in Figure 1.

Further the analysis of these constituents is provided, as well the justification of the main constituents and their content.

The key theoretical frameworks of the in Figure 1 provided model is pluralistic perspective (stressing often conflicting interest of employee and employer), strategic HRM, critical HRM, paradox framework, stakeholder theory, institutional theory and sustainability literature. The model is based on integrative approach for strategic HRM (*Martin-Alcazar, Romero-Fernandez & Sanchez-Gardey, 2005*). First, the model encompass *economic, social, institutional and technological contexts*, because they influence the way the organizations are dealing and can serve as a source of pressure to behave in particular way (contextual approach). Second, the model involves strategy revealing the strategic importance of HRM (universalistic approach). Third, the model takes into account relationships with the organisational environment (contingency perspective). Fourth, the model analyses internal relationships in HR systems and adds the idea of synergies between HR practices, policies, and strategies (configuration approach), (*Ehnert, 2009b*). Mentioned approaches and theories reflect the nature of relationship between sustainability and HRM and are in line with another constituent of the proposed model.

Following to Ehnert (2009b) and Kramar (2014) attitudes, the model includes *the* source of human resources, illustrating the relevance of focusing on "origin" of human resources – where and what human resources can be obtained. The model encompass human

*capital*, seeing that although the sustainable HRM literature does not represent a coherent body of literature, the focus of "sustainable HRM writers is on the development of human capital as an essential outcome of HRM processes," (*Kramar, 2014, p. 1080*).

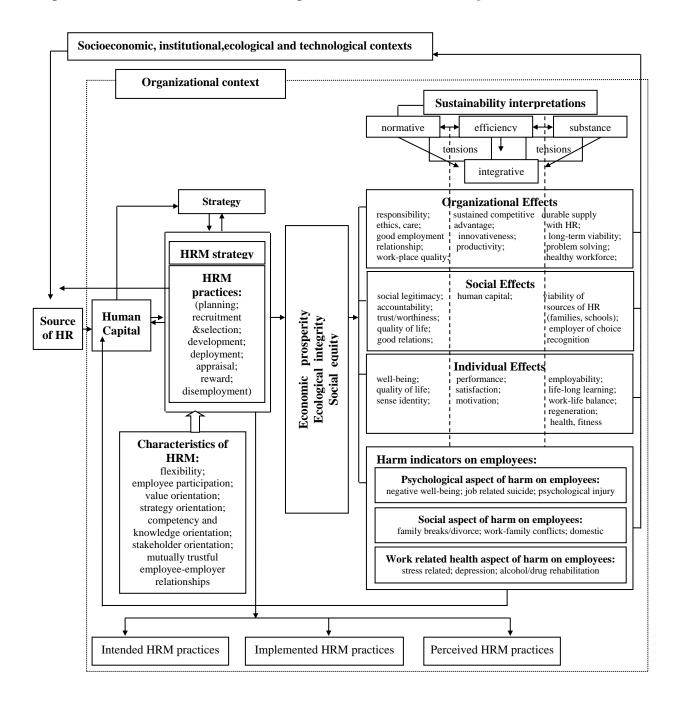


Figure 1: The model of Sustainable HRM (own elaboration)

The issues of duality, paradox, ambiguity dominate in HRM literature (*Boselie*, *Brewster & Paauwe*, 2009). As the model follows pluralistic perspective it includes *understanding of sustainability* due to the necessity to clarify the key motifs why organizations commit themselves to sustainability. Normative approach to sustainability focus on the moral implications for HRM; an efficiency – oriented approach focus on costs that can we saved or new value which can be created; a substance – oriented approach focus on

regeneration and development of resources; an integrative approach accepts all three before mentioned approaches, making use of them and balancing tensions (*Ehnert*, 2014).

#### Characteristics of sustainable HRM

As it was mentioned before, one of the questions in theoretical research is what HRM and HRM practices would like in order to deserve the attribute "sustainable"? In the model (Figure 1) it is presented these characteristics: flexibility, employee participation, value orientation, strategy orientation, competency and knowledge orientation, stakeholder orientation, mutually trustful employee-employer relationships. All these characteristics were mentioned in the model of Zaugg (2009). Why these characteristics? Zaugg (2009a; 2009b) identified characteristics based on HMR approaches (Harvard approach, Human investment philosophy (*Miles & Snow, 1995*), People-centred management (*Pfeffer, 1994*), organisation management (*Wunderer & Kuhn, 1993*) and literature on sustainability debate (*Gladwin et al., 1995*). Some of these characteristics (such as long-term, stakeholder orientation, flexibility) can be found in another models (see in Chapter "The models of sustainable HRM"). The model includes mentioned characteristics because they go together with nature of relationships of sustainability and HRM and sustainable HRM. Further the main aspects of contents of these characteristics are provided.

*Trust.* According to Zaugg (2009a) trust is treated as characteristic and as precondition for sustainable HRM. Although it is acknowledged that human resources is the most important assets, however when the organizations are required to cut the cost, they look first to reduce investments in people and due to that a trust gap between employees and employers occurs (*Vanhala & Ahteela, 2011*). Trust is important construct in management research. Trust within an organization refers to the overall evaluation of an organization's trustworthiness as perceived by the employee and is usually categorized at two levels: individual and organizational (*Puusa & Tolvanen, 2006, as referred in Katou, 2013*). According to Vanhala & Ahteela (2011), organizational trust incorporates interpersonal (i.e. trust in co-workers and in supervisors/managers) and impersonal trust (an individual employee's attitude based on his or her perception and evaluation of the employer organization). In the context of sustainable HRM impersonal trust is the high importance. Hereby, inherent in this model is that HRM in order to deserve the attribute "sustainable" should include and build the trust.

*Participation.* Wilpert (1998, p. 42) provides a multidimensional definition of participation and defines participation as "the totality of forms [...] by which individuals, groups, collectives secure their interests or contribute to the choice process through self-determined choices among possible actions," (as cited in Joensson, 2008). According to Zaugg (2009b) participation means that employees should be involved in developing strategies and objectives of HRM, that they are entitled to a high degree of autonomy in the choice of means to creatively take care of the search for solutions for HRM issues and participate actively and responsibly in HRM processes. It should be stressed, that "intensity of participation" should be examined in the context of sustainable HRM, because intensity concerns the extent of influence or power related to participation, expressing the extent to which interests and self-determination can be safeguarded (Joensson, 2008). Summing up, all HRM practices in order to deserve the attribute "sustainable" should include attributes of participation.

*Value orientation.* As stated Zaugg (2009b) sustainable HRM creates qualitative and quantitative benefits to all stakeholders and helps increase the value of the company. It focuses not only on the efficiency of HRM measures (input-output ), but also refers to the effectiveness of measures (goal attainment).

Strategy orientation. According to Zaugg (2009b) sustainable HRM is strategic, longterm oriented. Ehnert (2009b; 2014) follows the position that today's requirements to use human resources efficiently and effectively are balances with tomorrow's requirements to maintain and develop these resources. Zaugg (2009) emphasizes that strategy orientation in the context of sustainable HRM means: first, organization strategy provides main guidelines to HRM strategy and second, from the system analysis HRM mission und goals are derived.

Competency and knowledge orientation. Knowledge management is about developing, sharing and applying knowledge within the firm to gain and sustain a competitive advantage (*Petersen & Poulfelt, 2002, as cited in Edvardsson, 2008*). The relationship between HRM and knowledge management is accepted in the literature maintaining that knowledge is depended on people and that HRM practices, such as recruitment and selection, education and development, performance management, pay and reward are vital for managing knowledge within organizations (*Edvardsson, 2008*). Zaugg (2009a) provides for the HRM competency and knowledge orientation the following tasks and requirements: (1) promotion of individual learning, (2) promoting collective learning and the transmission of knowledge, (3) promotion of innovation, (4) development of competency profiles, the lead to core competencies, and (5) expansion of the entire organization's knowledge base.

*Flexibility*. Zaugg (2009b) states that with flexibility the ability of HRM to short-term adaptation to unforeseen circumstances is examined; flexibility is about increasing the cultural, strategic and structural change and development ability of organizations and the people working in them. Carvalho & Cabral-Cardoso (2008) highlight that the flexibility debate tends to concentrate on the notions of functional and numerical flexibility and the implications of adopting either one or the other or adopting the complementary perspective. Functional flexibility is usually seen as the ability to respond to changes in business needs by having multi-skilled, adaptable and internally mobile employees, meanwhile numerical flexibility is the ability of the organization to vary the quantity of work employed to match changes in the business needs. All HRM practices in order to deserve the attribute "sustainable" should include attributes of flexibility.

*Stakeholder orientation.* HRM solutions are more viable, the more they are aligned to the needs of various internal and external stakeholders. In addition to the primary stakeholders such as line management and employees, it is important also to take into account the needs of other stakeholders such as former employees, job applicants and employees' representatives (*Zaugg, 2006*).

#### **HRM practices**

The most important questions here are – what HRM practices are most related with construct of sustainability? Which HRM practices should be included in the theoretical model of sustainable HRM and in the empirical research? As it was mentioned before, some authors (*Zaug, 2009a*) provide a final list of practices, some authors (*De Prins et al., 2013*) provide not final list, some authors do not indicated practices in theoretical model, but do that in empirical research (*Ehnert, 2009b*).

Concerning HRM practices, the mainstream HRM literature review provides different approaches to the practices. According to the "best practices" approach there are single or set of HRM practices irrespective of context, which led to performance improvement; the representatives of "best fit" approach argue for vertical fit (to fit the organization stage of development) and for horizontal fit (the fit and support between individual HRM practices) (*Boxall & Purcell, 2000*). The "best practice" approach encourages organizations to adopt sophisticated or "high performance" practices across their human resources in order to achieve competitive advantage. "High performance" practices are mainly based on AMO

theory, according which people will perform well when they have abilities, motivation and opportunity to participate (*Boselie*, 2010). Whitener (2001, as cited in Chiang, Han & Chuang, 2011) asserted that the practices of HRM can be divided into "control" and "commitment", where control focuses on norms, supports, rewards, and monitoring of employee behaviour, and commitment focuses on encouraging employees to identify organizational goals, and working hard to enhance productivity and efficiency.

In that paper the approach is based on functional /process principal. Based on a strategic perspective, Schuler & Jackson (1987) proposed a list for HRM practices which included six major practices: planning, staffing, appraisal, compensating, training and development choices. Similarly, Fombrun et al. (1984) (as cited in Yeganeh & Su, 2008) developed a model based on four interrelated HRM functions: staffing, rewards, training and appraisal. In the presented model such HRM practices are included: planning, recruitment and selection, development, deployment, appraisal, reward, disemployment.

The sustainable HRM practices should be directed to achieve three **types of goals**: – financial, ecological and social goals (economic prosperity, ecological integrity, social equity). During the 1990s, strategic HRM emphasized three aspects: the link between HRM and financial performance; the fit between HRM and strategy; HRM and sustainable competitive advantage (*De Prins et al., 2013*). In strategic HRM the primary focus is on the achievement the business outcomes in terms of financial profit. However, sustainability as a concept for HRM highlights that for organization's viability in long-term it is not sufficient just to seek financial results; ecological and social goals have to be taken into account.

#### **Outcomes of sustainable HRM**

The provided model acknowledges that HRM have positive and negative outcomes on different stakeholders. Accepting that the aspects of strategic HRM are an integral part of sustainable HRM (*Kramar*, 2014), in the literature on the link between HRM and performance it is highlighted, that there is a general agreement that HRM can have a positive impact on performance, although there is a general lack of attention to potential negative outcomes (*Boselie, Brewster & Paauwe, 2009*). The outcomes of sustainable HRM can be measured by evaluating outcomes on three levels: organisational, social and individual outcomes (*Ehnert, 2009; Kramar, 2014*). Concerning the negative impact in the proposed model harm indicators of negative externality are included: psychological aspects of harm on employees; social aspects of harm on employees and work related health aspect of harm on employees (*Mariappanadar, 2014*). Doing that the plea of Kramar (2014) is taking into account: "The identification and therefore the measurement of negative outcomes, not just positive outcomes, would be an important component of sustainable HRM. In addition, these outcomes would include outcomes, within the organisation and outside the organisation," (*p. 1083*).

#### **Process of HRM**

Purcell and Hutchinson (2007) stressed the role of managers by implementation of HRM practices. Wright and Nishii (2007) make a distinction between three different types of HRM practices: intended HRM practices reflecting HRM strategy and policies, often designed and initiated by HRM professionals; actual HRM practices reflecting the enacted practices by line managers; and perceived HMR practices reflecting the employee perceptions of the actual HRM in an organization. The model encompasses Wright and Nishii (2007) approach and includes different types of HRM practices. Hereby, the model includes quite a new aspect not mentioned in previous models, except that Kramar (2014) highlighted the factors influencing implementation of HRM policies.

To conclude the analysis of in Figure 1 provided model of sustainable HRM has to be stressed that model has theoretical background, is based on paradox perspective, encompasses such main constituents as HRM practices, characteristics of sustainable HRM, outcomes of HRM and process of HRM. Due to the fact that the model incorporates negative outcomes of HRM on individual level, provides the set of characteristics and highlights the difference between intended, actual and perceived HRM, the model presents some theoretical novelty.

## 5. Conclusions

The society and business are on the same road for sustainability – the society will not achieve sustainable development without support from organizations. In order to further the sustainable development, the organizations need to change the understanding of success and directed all the systems and processes in the organizations forwards sustainability. Environmental integrity, economic prosperity, and social equity have to become a "bottom-lines" as well for HRM.

The literature reviews provides theoretical and empirical evidence fostering and supporting the organizations to commit to sustainability for HRM. These reasons mainly are related to challenges for HRM, to changing organizational-environment relationships and to paradoxical organizational behaviour. Acknowledging the fact that sustainability is the term applied in different context, four different understandings of sustainability (normative, innovation-oriented; substance-oriented and integrative) are revealed by explaining the choices for sustainability to HRM.

Acknowledging that there is no unique definition on sustainable HRM, it is stressed the diversity of sustainable HRM models – Gollan (2000); Zaugg et al. (2001); Ehnert (2009b); Zaugg (2009a); Cohen et al. (2012); De Prins et al. (2013); Gollan & Xu (2014); Kramar (2014). Despite the fact that the main object of all these models is sustainable HRM, the models are grounded by different theoretical approaches, combine various constituents and the content of the same constituents differs. As regards key theoretical frameworks, the literature on sustainability and strategic HRM, the stakeholder theory and the paradox perspective from organization theory are the main frameworks used for models of sustainable HRM. Concerning key assumptions, two contradictory assumptions ("win-win" and tensions) are mainly used in the models. Though the number of debate concerning sustainable HRM is growing, however there is no clear what are the characteristics of sustainable HRM and what are sustainable HRM practices. As regards the outcomes of sustainable HRM, outcomes on three levels (organization, social and individual) are mainly presented.

Similarities and differences of the models leave the space to present the model, which integrates certain new aspects and some aspect could be seen in the new light. In the paper provided model of sustainable HRM is based on paradox perspective, encompasses such main constituents as HRM practices, characteristics of sustainable HRM, outcomes of HRM and process of HRM. Due to the fact that the model encompass negative outcomes of HRM on individual level, presents the set of characteristics and highlights the difference between intended, actual and perceived HRM, it broadens the understand what we mean by sustainable HRM and encourages to examine sustainable HRM model empirically and hereby to fill the gap between theory and practice.

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#### **Addresses of authors:**

Prof. Asta SAVANEVICIENE Department of Management Economics and Management School Kaunas University of Technology Laisves av. 55 Kaunas Lithuania e-mail: <u>asta.savaneviciene@ktu.lt</u> Zivile STANKEVICIUTE, PhD. Department of Management Economics and Management School Kaunas University of Technology Laisves av. 55 Kaunas Lithuania e-mail: <u>zivile.stankeviciute@ktu.lt</u>