SUSTAINABILITY AS A CONCEPT FOR HUMAN RESOURCE MANAGEMENT

Zivile Stankeviciute¹, Asta Savaneviciene²

¹,² Kaunas University of Technology, Lithuania

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Abstract

Assuming that sustainability is multifaceted phenomenon, the paper reveals the literature examining sustainability as a concept for human resource management (HRM). In doing that the emphasis is placed on the meaning of sustainability and its significance and application for HRM. The paper indicates that due to different application contexts there is no consensus on notion of sustainability, however corporate sustainability means adopting a „triple bottom line“ perspective that requires the simultaneous adoption of environmental, economic and social equity principles. Admitting new challenges for HRM, the paper defines the relevance of implication the sustainability concept into HRM. Then, drawing from a wide range of understanding, three different meaning of sustainability for HRM (normative, efficiency-oriented and substance-oriented) are revealed. Recognizing Sustainable Work Systems, Sustainable Resource Management and Sustainable HRM as the approaches linking sustainability and HRM, the answers to the questions concerning future supply with motivated and qualified employees, the control of the negative effect of HRM and the responsibility for sustainability implication in HRM are stressed. Whereas the paper provides conceptual insights linking sustainability and HRM, this might help to emerge new avenues for future theoretical and empirical research.

The type of the article: Theoretical article.

Keywords: human resource management, sustainability, sustainable human resource management, sustainable work systems, sustainable resource management.

JEL Classification: M12, O15, Q56.

1. Introduction

Linking HRM and performance by demonstrating that HRM practices are positively related to organizational performance (Arthur, 1994; Huselid, 1995; Delery & Doty, 1996; Guthrie, 2001; Boselie, 2010), it should be admitted that strategic HRM typically means making investment in HRM practices that enhance financial outcomes (Boudreau, 2003). Although human resources and their management are recognized as critical for organizational success (Guest, 2011), it is assumed that in the practice human resources are consumed and exploited rather than developed and reproduced (Thom & Zaugg, 2004). Striving to overcome the new challenges for HRM and to reduce the negative impact of HRM on employees, such as high level of stress or work-related illness (Marriappanadar, 2012a, 2012b), the search for the new way of managing people has recently become increasingly significant. In that context the concept of sustainability is of the great importance whereas the sustainability on the corporate level can be explained as meeting the needs of organization’s direct and indirect stakeholders without compromising its ability to meet the needs of future stakeholders as well (Dyllick & Hockerts, 2002).

Although concept of sustainability has evolved over the past three decades (Dyllick & Hockerts, 2002) and the word „sustainability“ is today one of the most widely used words in the scientific field (Leal Filho, 2000), the full potential of the concept for HRM has not been till nowadays revealed (Ehnert, 2009a). Acknowledging the integration of economic, ecological and social aspects in a “triple bottom line“ (Elkington, 1997) the concept of sustainability is significant for reconsidering how to treat human resources in the theory and in the practice (Ehnert, 2009a) and...
can help to develop a new view on how to manage human resources. The relevance of sustainability as a concept for HRM can be supported by two kinds of arguments (Ehnert & Harry, 2012): first, organizations operates in economic and social environments and HRM can no longer neglect the societal discussion on sustainability, moreover needs to make an input to sustainable development; second, due to the scarce human resources, aging population and increasing work-related health problems sustainability of HRM itself becomes essential for surviving of organizations.

Acknowledging the problems in defining the concept of sustainability and that the World Commission on Environment and Development’s (1987) definition is one of the most popular, three different rationalities of sustainability for HRM context - normative, efficiency-oriented and substance-oriented can be distinguished (Ehnert, 2006, 2009a, 2009b, 2011). Based on different categorization of sustainability for HRM context three conceptual approaches link sustainability and HRM: Sustainable Work Systems, Sustainable Resource Management and Sustainable HRM. The literature on Sustainable Work Systems perceives sustainability as social responsibility, the basic research object is work intensity and the goal is to improve the understanding of the mechanisms leading to human resource exploitation or development. The main objective of Sustainable Resource Management is to provide an explanation for mutual exchange relationships between organization and its environments and how to deal with scarce resources. Whereas Sustainable HRM treats sustainability as a mutual benefit for all groups of the stakeholders and as a contribution to long economic sustainability. The comparison of approaches allows to conclude that diversity of approaches provide different viewpoints respecting key questions (Ehnert, 2009b): how future supply with motivated and qualified employees can be managed; how negative effect of HRM can be controlled; who is responsible for sustainability implication in HRM.

The research problem includes question: how sustainability is linked with HRM?

The paper aims to examine theoretically the link between sustainability and HRM from the perspective of the organization.

Methods of the paper are the analysis and synthesis of scientific literature.

The main results: 1) the meaning of the concept of sustainability was analysed and an answer to the question – why sustainability is of great relevance for HRM – is provided. This is done by identifying the challenges for HRM which can be solved by sustainability implication into HRM. 2) the different rationalities underlying the reasoning of sustainability for HRM were studied and the approaches linking two constructs are introduced.

The paper is structured into 3 main sections. In the section after introduction the method is explained. Further, in the section of results the characterisation of sustainability as a concept is provided; the relevance of sustainability for HRM is revealed; the rationalities of sustainability for HRM are explained and the approaches linking two constructs are examined. At the end of the paper brief discussion is provided.

2. Method

The paper is built on the analysis and synthesis of scientific literature. The analysis and synthesis of scientific literature enable to describe the concept of sustainability by providing the historical development of sustainability meaning. The chosen method allows to stress the relevance of sustainability for HRM from the point of researchers. The method capacitates to pinpoint the rationalities of sustainability for HRM and to reveal the features of the approaches linking sustainability and HRM. Using the results of the paper the instruments for quantitative and qualitative methods of empirical survey can be developed in order to get empirical data for link between sustainability and HRM.

3. Results

Characterisation of sustainability as a concept

Although sustainability in recent years has become a “hot topic“ (Wilkinson, 2004) and “a
The analysis of the evolution of the concept is not the light task due to scattered records (Leal Filho, 2000). The term “sustainability” has been traditionally used as synonyms for “long-term”, “durable”, “sound” or “systematic” (Leal Filho, 2000). Historically the concept of sustainability developed from an economic concept to the concept applicable to HRM and the evolution of idea can be divided in some stages. First, the roots of sustainability lies in the Aristotel’s concept of a „household” – the “household” was characterised by the ability to produce and reproduce everything what was needed for the living (Ehnert, 2009b). Second, from the 12th century the idea of sustainability was applied in forestry sector underlying the necessity for balancing wood consumption and regeneration (Leal Filho, 2000; Ehnert, 2009a). Third, starting from the late 1970s (till that period the word of “sustainability” was employed only occasionally (Leal Filho, 2000) the notion of sustainability was adopted by the ecological movement concerned with the over exploitation of natural resources. In the report “The limits to growth” the search for the world systems, what are sustainable without sudden collapse and capable to satisfy the basic material requirements of all peoples is highlighted (Meadows et al., 1972). Fourthly, in 1980 the term sustainability became one of the critical terms in strategic management context underlying the possibility for organizations to achieve sustainable competitive advantage (Kazlauskaite & Bucianiene, 2008) employing valuable, rare, imperfectly imitable and difficult to substitute resources (Barney, 1991). Fifth, a significant step toward description of sustainability is related with World Commission on Environment and Development (WCED) provided definition that „sustainable development is a development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (WCED, 1987). That definition stress justice in and between generations and is one of the most cited definitions (Ehnert, 2009a). Sixth, Elkington (1997) translated the societal concept of sustainability to the corporate business level underlying that for the long-term success financial, ecological and social “bottom lines” have to be equally considered. All three dimensions of the “triple-bottom-line” are interrelated, the implication is that environmental integrity, economic prosperity and social equity are necessary conditions for corporate sustainable development (Bansal, 2005) and due to that business needs to manage not only economic but also natural and social capitals (Dyllick & Hockerts, 2002). Recognizing the facts that most managers accept corporate sustainability as a precondition for doing business (Dyllick & Hockerts, 2002) and that sustainable business practices are seen as increasing profits while responding to stakeholder’s demands (Kiron, Kruschwitz, Haanaes & von Streng Velken, 2012), six criteria for corporate sustainability - eco-efficiency, eco-effectiveness, sufficiency, ecological equity, socio-effectiveness and socio-efficiency – are of the same importance for long-term viability. Although corporate sustainability has evolved as a result of economic growth, environmental regulation and a pressure for social justice, however the changes could be treated as worldwide cooperation to end “the age of irresponsibility” (Christofi, Christofi & Sisaye, 2012). Seventh, starting from 2000 in the theory and in the practice the sustainability is more and more linked with HRM (Zaugg, Blum & Thom, 2001). In human resource terms this means a shift in emphasis away from human management to resource management with the argument that organisations need to allow the aspirations of people to be placed at the heart of the workplace (Gollan, 2004, as cited in Wilkinson, 2004).

The short historical review allows to draw the conclusion that term of sustainability has been used in many various application context, moreover there is unlikely to be a consensus on the meaning of sustainability. At this point the situation is not curious in the scientific literature, for example there is no unified definition on quality, it is just recognition that quality means different things to different people (Harney & Green, 1993). According to Leal Filho (2000) depending on the ways how sustainability is treated, the term may have many meanings as: 1) the systematic, long-term use of natural resource so that these are available for future generations (as defined by WCED); 2) the modality of development that enables countries to progress economically and socially, without destroying their environmental resources; 3) the type of development which is ethically acceptable, morally fair, socially just, and economically sound; 4) the type of development where environmental indicators are as important as economic indicators.
Here the duality comes into consideration: from one side, different meaning has nothing negative assuming that sustainability has a potential of a paradigm shift in management research (Gladwin, Kennelly & Krause, 1995) and that new paradigms (sustainability is a new one) tend to emerge from entirely new fundamentals and, at first, without a full set of concrete rules (Kuhn, 1962, as cited in Gladwin et al., 1995). However from another side, there is the need to establish some ground rules so that the search for consensus will not be impossible (Leal Filho, 2000) and the questions concerning sustainability and it’s relevance for management issues and particularly for HRM issues will be disclosed.

Relevance of sustainability for HRM

Admitting that the research on link between sustainability and HRM until now has remained scare (Cohen, Taylor & Müller-Camen, 2012; Ehnert & Harry, 2012), the question of sustainability relevance for HRM is more than discerning. Why sustainability is treated as „the new step in HRM evolution“ (Freitas, Jabbour & Santos, 2011) or why „Sustainable HRM is a broader concept than Strategic HRM“ (Ehnert, 2011)? According to Boudreau and Ramstad (2005), the traditional business paradigm strives to achieve financial returns and HRM responds with strategic logic showing the contribution of human resources also defined in financial terms. Following that logic, the successful organization is that one which enhances financial outcomes. However, the notion of sustainability replaces the understanding of the success: Schuler and Jackson (2005) identify that “success requires meeting the present demands of multiple stakeholders while also anticipating their future needs”; Boudreau (2003) sustainability treats as “an alternative definition of organizational success”; the same view share Boudreau and Ramstad (2005) arguing that sustainability is “achieving success today without compromising the needs of the future”. The mentioned standpoints strengthen the idea that sustainability must become a part of HRM (Boudreau, 2003), notwithstanding the fact that historically the link of sustainability and HRM is related with situations of crises when problems come due to labour (skills) shortage or problems occur because of HRM negative effects on employees (Ehnert, 2009b). Concerning the first argument, many organizations nowadays focus with the scarcity of highly skilled and motivated employee, hereby the relevance of sustainability for HRM is related with possibility for organization to become an employer-of-choice due to dimensions of the “triple-bottom-line” (Lis, 2012). Respecting the second argument, the traditional HRM is focused on employee’s workload, handle employees as „dead wood“ and determine psychological and social harm on employees and work related health harm on community (Mariappanadar, 2012b). In consequence of mentioned facts, human resources should be managed sustainably so that employees can continue make positive contributions to families and community while they are actively employed in an organization (Mariappanadar, 2012b).

Following the attitude that HRM is the both – a means and the end realizing organizational strategic objectives (Huselid, Becker & Beatty, 2005), Taylor, Osland and Egri (2012) present two kinds of arguments why sustainability is important for HRM. First, HRM help direct employees mindset and actions toward achieving sustainability goals (HRM is treated as means). Second, sustainability principles can be embodied in HRM systems and that cause the long-term physical, social and economic well-being of employees (HRM is treated as an end).

Grounding the importance of sustainability for HRM, Ehnert and Harry (2012) emphasize the relationship of the organization to its economic and social environments and the potential of HRM to contribute to sustainable development. The other group of arguments are in relations with the necessity of the organizations to cope with issues of scare human resources, aging population and negative effects of HRM, fostering the sustainability of HRM system itself.

Summing up, it could be stated that the possible strategy for the organizations to overcome the mentioned challenges for HRM is introducing sustainability as a concept for HRM. However, the rationalities underlying sustainability for HRM are different and these are discussed in the next section.
The rationalities of sustainability for HRM

Three rationalities of sustainability for HRM provide explanation why the organizations commit themselves to sustainability (Ehnert, 2009a): normative; efficiency-oriented; substance-oriented.

The normative (social – responsibility) meaning is based on WCED definition of sustainability and, as stated Hülsmann and Grapp (2005), indicates that people on the common and individual level should not consume the substance but instead live on the output. According to Ehnert (2011), the implication of normative understanding requires to treat employees in a socially way, to foster employees well-being and to reduce the impact of work. The concept of the efficiency-oriented rationality is based on duality: the first option is to lower the utilization of resources through innovations, the second option is to use resources more efficiently (Hülsmann & Grapp, 2005). In the HRM context the implications are to reduce the impact on the human resources and to decrease the utilisation of human resources (Ehnert, 2011). The substance-oriented rationality of sustainability focuses on maintaining the resource basis by taking into account the effects of decision making processes. From that viewpoint two aspects are of the great importance: the resource-base has to be preserved by investing in its reproduction and a balance between the consumption and the supply of resources has to be established (Müller-Christ, 2001). In the HRM context the implications is to balance the consumption and reproduction of human resources in two ways: fostering the regeneration of human resources and investing into origin of these resources: universities, education systems and etc. (Ehnert, 2011).

The brief explanation of the interpretations of sustainability reveals differences in organization’s commitment for sustainability implication in HRM. Besides various grounding aspects it is worth to highlight that each rationality of sustainability has the advantages and critical points (see Table).

Table. The rationalities of sustainability for HRM

<table>
<thead>
<tr>
<th>Rationality of sustainability for HRM</th>
<th>Main advantages</th>
<th>Main critical points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Normative</td>
<td>The relevance of business and society relationship is underlined</td>
<td>The concept of „needs“ is complicated to operationalise for corporate decision-making, particularly judging on the needs of future generations</td>
</tr>
<tr>
<td>Efficiency-oriented</td>
<td>The understanding can be easily linked with familiar ways of thinking about resources and about integration of social and economic objectives in the organization</td>
<td>The suggestions on how to develop resources are not provided</td>
</tr>
<tr>
<td>Substance-oriented</td>
<td>The understanding can be easily applied to decision-making processes by differentiating between choices of human resource consumption or reproduction</td>
<td>Due to that understanding the tension may occur in balancing human resource efficiently and effectively today and sustaining the human resource base for the future</td>
</tr>
</tbody>
</table>

Source: adapted by the authors with reference to Ehnert (2009a, 2011)

The analysis of interpretations of sustainability for HRM allows to draw conclusion that all three understandings highlight two challenges for organizations: first, huge number of organizations feel external pressure to become economically, ecologically and socially sustainable; second, organizations feel internal pressure which fosters the attention to the problem of human sustainability. Three rationalities of sustainability for HRM are basis for conceptual approaches linking two constructs. These approaches are the analysis object in the next section.
Approaches linking sustainability and HRM

According to Ehnert (2009b) three major streams of literature have been identified as applying the notion of sustainability for human resource issues: Sustainable Work Systems, Sustainable Resource Management, Sustainable HRM. All three approaches propose different answers to main questions asked in the literature linking sustainability and HRM: 1) How can human resource executives manage future supply with qualified and motivated human resources (Thom & Zaugg, 2004); 2) How can negative effects of HRM be prevented (Mariappanadar, 2003; 2012a; 2012b); 3) Who is responsible for the measures that have to be taken (Thom & Zaugg, 2004). The approaches and the answers to the mentioned questions are our interest here.

Sustainable Work Systems promote an understanding of sustainability largely based on the WCED definition. Due to the consensus that sustainability is a really complex concept, the promoters of that approach do not try to offer just one truth or “one unified message, but rather, different impressions on sustainability” (Docherty et al., 2002). The confirmation for difference provide Docherty et al. (2002) arguing that sustainability „encompasses three levels: the individual, the organizational and the societal. Sustainability at one level cannot be built on the exploitation of the others. These levels are intimately related to the organization's key stakeholders: personnel, customers, owners and society. [...] A prerequisite for sustainability at the system level (individual, organizational or societal) is to achieve a balance between stakeholders' needs and goals at different levels simultaneously”.

The core research object in Sustainable Work Systems is work intensity stressing that the concept intensive work systems is related to consumption of human resources physically, cognitively, socially and emotionally. Whereas Sustainable Work Systems are thought to lead to balance between working life quality and performance of organization (Ehnert, 2009b).

Concerning three above mentioned questions, the approach of Sustainable Work Systems offers: 1) future supply with qualified and motivated human resources can be ensured putting more emphasis on the regeneration and development of human and social resources (Docherty et al., 2002); 2) the prevention of unwanted negative HRM effects is due to the understanding of the mechanisms and processes leading to human resources exploitation or development (Ehnert, 2006); 3) mainly organizations are responsible for actions in order to reach sustainability.

Sustainable Resource Management. The main objective is to formulate the new rationality for how to deal with corporate resources trying to explain resource scarcity with dysfunction of „sources of the resources“ (Müller-Christ, 2001).

The Sustainable Resource Management approach is based on three main assumptions (Ehnert, 2006). First, the organizations survive because they open their boundaries and because they manage the balance of mutually “opening” and “maintaining” their boundaries. Second, the organizations survive because they cooperate with each other to reproduce the human resource base and because they create mutual exchange relationships. Third, the organizations survive because they manage sustaining and reproducing their resource base in their environments. Organizational environments are treated as „sources for resources“.

Concerning above mentioned questions, the approach of Sustainable Resource Management offers: 1) future supply with qualified and motivated human resources can be ensured due to investment in „sources for resources“ arguing that sustainability is not based on responsibility, but on economic rationality; 2) the negative effects of HRM can be prevented due to three main assumptions on which the approach is based.

Sustainable HRM. The first input in defining Sustainable HRM was made by the representatives of the University of Bern, proposing the first systematic, theoretically and empirically substantiated concept for a Sustainable HRM. Sustainable HRM was defined as “those long-term oriented conceptual approaches and activities aimed at a socially responsible and economically appropriate recruitment and selection, development, deployment, and release of employees” (Thom & Zaugg, 2004). The approach conceptualises sustainability as mutual benefit for all stakeholders, moreover Sustainable HRM is interpreted as a cross-functional task. Thom and
Zaugg (2004) propose Sustainable HRM particularly for organizational change situations as these often make too great demands on the people involved. The Swiss conceptual model of sustainable HRM underlines such objectives: increasing the employees’ employability; using participatory management models to enhance individual responsibility and ensuring a harmonious work-life-balance (Zaugg, Blum & Thom, 2001).

Significant step forward applying sustainability as a concept for HRM was made by Ehnert (2006, 2009a) presenting sustainable HRM model that addresses a general notion of sustainability, emphasizes the desired effects of HRM on three levels (individual, organizational and social) and the need to balance the duality of efficiency and sustainability over a long-lasting time. According to Ehnert (2006), “Sustainable HRM is the pattern of planned or emerging human resource deployments and activities intended to enable a balance of organizational goal achievement and reproduction of the human resource base over a long-lasting calendar time and to control for negative impact on the human resource base.”

Concerning the above mentioned questions, the approach of Sustainable HRM offers:
1) future supply with qualified and motivated human resources can be ensured first of all due to human resource development, design of reward systems as well as consideration of sustainability in the company’s goals (Thom, 2002); 2) negative effects of HRM can be prevented if employees act in a self-responsible way, participates in decisions, and if HRM operates as a ‘guardian of HR’ with the objective to support and “to deploy HR in a way that the employee’s long-term development and performance is not affected but improved” (Zaugg, 2002); 3) the organizations, employees, and society are mutually in charge for sustainable activities; the implication is that the responsibility is extended to employees’ responsibility for themselves and for their careers.

Summing up, it is worth to highlight that various streams of literature applying the notion of sustainability for human resource issues provides different understanding, employ different rationalities of sustainability for HRM, however extend the grounding that sustainability is appropriate concept for HRM.

### 4. Discussion

Highlighting two aspects, first, that sustainability requires economical, social and environmental partnership and second, that partnership will help each partner to perform traditional tasks more efficiently and to reach synergy effect – “sustainability can be a $2 + 2 = 5$ (or even 50) game“ (Elkington, 1998) – the concept of sustainability will certainly figure in the future paradigms of the organizations (Boudreau, 2003). Sustainability is typically connected to traditional HRM through the traditional human resource paradigm – service delivery, client satisfaction, worker representation, child labour (Boudreau, 2003), however observing and, moreover, acknowledging the changes inside and outside organizations and new challenges for HRM, as the problem of scarcity of human resources and negative effect of HRM on employees, sustainable HRM is treated as an extension of strategic HRM (Freitas et al., 2011).

The paper provides insights on sustainability meaning, point out the relevance of sustainability for HRM, further present ideas on how sustainability could be linked to HRM. However it should be admitted that the literature review does not provide clear understanding of what sustainability is, of how this concept could be explained and why it should be paid attention to. Different meanings of sustainability for HRM (normative, efficiency-oriented and substance-oriented) and various approaches linking two constructs demonstrate that sustainability perspective range from social responsibility to economic rationality: the approach of Sustainable Work Systems understands sustainability as a social responsibility, the approach of Sustainable HRM tries to balance economic rationality and social responsibility simultaneously and the Sustainable Resource Management examine sustainability as an economic rationality (Ehnert & Harry, 2012). Assuming particular viewpoints more discussion is needed on what sustainable HRM is, further what is the role of HRM in implementing idea of sustainability in the organizations and what is the role of HRM in developing sustainable HRM. At this point it is relevant to underline that for the
organizations striving to ensure the vitality its is not enough to attach the word sustainability to HRM, the actions should be taken in order not to raise expectations without results (Boudreau, 2003). As a consequences of actions the empirical research on how organizations perceive sustainable HRM, how implement sustainable HRM and how employees perceive the practice is on demand.

References


