

SUSTAINABLE HUMAN RESOURCE MANAGEMENT. THE ATTEMPT OF HOLISTIC APPROACH



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ABSTRACT

The concept of sustainability seems fundamental for companies operating worldwide. Human resources are acknowledged to be among the most valuable assets for them. Even though literature shows that Sustainable Human Resource Management is an upcoming topic there is still limited research on the concept due to its initial state. Previous literature reveals a lack in research on systematic links between sustainability and HRM. There are some studies that take this subject into account but they are widely dispersed across different HRM subfields, use diverse interpretation of sustainability and are barely interrelated with each other or with mainstream HRM literature. The purpose of the study is to present the four important approaches to Sustainable Human Resource Management – sociological, psychological, strategic and ‘green’. The paper contributes to the literature linking sustainability to the HRM issues presented in the literature. In the introduction, it discusses how the notion of sustainability has emerged and developed. Then, the four approaches to Sustainable Human Resource Management are briefly depicted. Next, each of them – sociological, psychological, strategic and ‘green’ – is widely described. Diversity of Management and Work-Life Balance programs is presented as the manifestations of societal and psychological approaches to Sustainable Human Resource Management. The strategic and ‘green’ approaches to SHRM are presented as the sources of sustained competitive advantage and increasing employer attractiveness. Finally, some concluding remarks are delivered.

KEY WORDS

sustainability, HRM, approaches to SHRM

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INTRODUCTION

In the 21st century, sustainability and sustainable development – applied as synonyms for “long-term”, “durable”, “sound”, and “systematic” – have become a critical issue for the world and for business in particular. Companies have found themselves in need to develop more sustainable business models, in which the HR function has a key role to play. The understanding of sustainability has been influenced by three main groups: ecologists, business strategists, and the United Nation’s World Commission on Environment and Development (WCED, 1987), called the “Brundtland Commission”.

Ecologists’ view on sustainability is said to have been coined in 1712 by the German nobleman Hans Carl von Carlowitz, and referred to the sustainable production of wood. In the 1970s, the term was adapted by the ecological movement concerned with

the over-exploitation of natural and environmental resources of the planet. While ecologists focus on sustainability’s ecological dimension – the protection of the natural environment – the traditional goal of business strategy scholars is economic sustainability of organizations. Business strategists link the term “sustainability” with “sustainable competitive advantages”. The Brundtland Commission added a social dimension to the ecological and economic ones, defining sustainable development as a development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

Since its dissemination through the Brundtland Report, the notion of sustainability has been associated with ecological issues in business practice primarily. In the recent years however, the focus on

the social dimension of sustainability has become increasingly important.

The diffusion of research and practice such as “Corporate Social Responsibility” or “Corporate Sustainability”, in practice and research, has contributed to the interest in sustainability linked to Human Resources issues.

1. SUSTAINABILITY IN HUMAN RESOURCES MANAGEMENT

Today’s approaches using the notion of sustainability in HRM and HR-related literature deal with one or more origins of sustainability described previously. Prior research linking sustainability and problems relevant for HRM can be traced in the literature on Strategic HRM, Corporate Social Responsibility, Sustainable Work Systems as well as Sustainable HRM (Mazur, 2013). The approaches identified in this literature differ with regard to the origin of their understanding of sustainability, their objectives, focus, and theoretical foundations (Ehnert, 2006). One of the most interesting attempt to capture the complexity

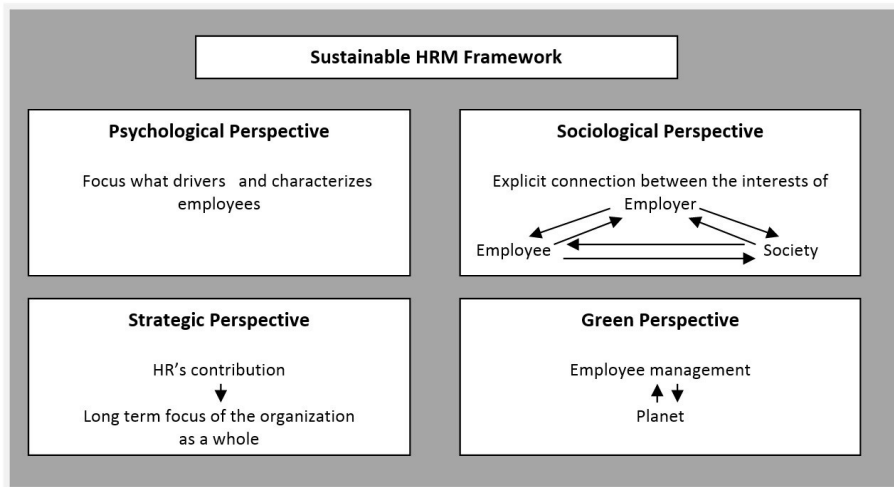


Fig. 1. Holistic model

Source: author's elaboration on the basis of (De Prins, 2011).

of the concept of Sustainable Human Resource Management (SHRM) is De Prins' holistic model consisting of four approaches to Sustainable HRM.

De Prins (2011) argues Sustainable HRM focuses on optimally utilizing and respecting human workforces within the organization, in which an explicit relationship is built between an organization's strategic policies and its environment. Long-term vision and integration with an organization's strategy and CSR-policy are key. Sustainability transported to

the business level is referred to as Corporate Sustainability. Even though Corporate Sustainability used to put most emphasis on the effects businesses have on the environment, while Corporate Social Responsibility also incorporated a social dimension, their separate paths have been noted to grow into convergence.

De Prins distinguishes four approaches to the concept, of which the first, second and fourth are exhibited in concrete policies; sociological, psychological, strategic human resource management and green approaches.

Sustainable Human Resource Management framework including all those approaches is depicted on the Fig. 1.

2. THE SOCIOLOGICAL APPROACH TO SHRM AS EXEMPLIFIED BY DIVERSITY MANAGEMENT

Diversity has been an evolving concept. Many writers define diversity as any significant difference that distinguishes one individual from another - a

description that encompasses a broad range of overt and hidden qualities. Generally, researchers organize diversity characteristics into four areas: personality (traits, skills and abilities), internal (gender, race, ethnicity, I.Q., sexual orientation), external (culture, nationality, religion, marital or parental status), and organizational (position, department, union/non-union). The trend in defining diversity seems

to favor a broad definition, one that goes beyond the visible differences. One of the first researchers to use this inclusive definition, R. Roosevelt Thomas, Jr., was crucial in moving diversity thinking beyond narrow categories. He argued that to manage diversity successfully, organizations must recognize that race and gender are only two of many diversity factors. Managers and leaders must expand their perspective on diversity to include a variety of other dimensions (Thomas, 1992, p. XV). Workplace diversity management, in his model, is also inclusive, defined

as a “comprehensive managerial process for developing an environment that works for all employees” (Thomas, 1992, p.10). This general definition also enables all staff to feel included, permitting them to connect and fortify relationships that enable employees to deal with more potentially volatile issues that may later arise.

Creating and applying effective diversity management concepts is one of the main challenges in modern organizations (Mazur, 2009, pp. 13-14). Comprehensive diversity management is a strategic approach and attitude towards understanding differences in organizations and teams.

Diversity strategies use diversity as a strategic resource for complex problem solving (Aretz, Hansen, 2003). By planning and implementing corporate organizational practices in leadership and team work, potential advantages of diversity can be maximized and disadvantages, like conflict potential, are minimized. This is achieved by increasing “the ability of all employees to contribute to organizational goals and to achieve their full potential unhindered by group identities such as gender, race, nationality, age, and departmental affiliation” (Cox, 1993, p. 11). In light of this, implementing strategy-oriented diversity measures will not only raise the acceptance towards diversity but also increase the acceptance and appreciation of new perspectives (Aretz, Hansen, 2003). Strategic diversity measures act on various levels: on a “surface-level” (Harrison et al., 1998) and a “deep-level”. Aspects at the surface-level-age, ethnicity, or physical abilities- are highly visible, easy to control, to measure, and to explicate. In contrast, the deep-level characteristics “values” or “attitudes” are only expressed through behavior and behavioral patterns in communication situations (Harrison et al., 2002). A more detailed category system was developed by Aretz and Hansen (2003). They describe several diversity dimensions and connected management measures based on four systems:

- the social system describes the aspects of ethnicity and gender. Connected measures are aiming at building trust and strengthening equality;
- the organizational system provides measures for managing different age and ability levels;
- the cultural system contains aspects like ideologies or persuasions which are reflected in the corporate vision, mission, and values within a company. This system level is best managed by clearly defining diversity management concepts and actions which are communicated to all employees. Promoting a culture that values critical dialogue, creating awareness for the connection between diversity and complexity, or measures to overcome stereotypes may be included in such concepts and actions;

- the fourth system - the psychological system - is characterized by aspects like education, personality as well as the work style and mindset of people.

These characteristics can be directly linked to leadership practices within the organization. Consequently, leading persons are responsible for implementing and monitoring diversity processes, for clarifying requirements within this processes, and for taking needed measures. Successful implementations of adequate diversity management concepts can lead to higher creativity, better problem solving, and higher system flexibility. Heterogeneous teams may generate more creative and innovative solutions and higher employee satisfaction due to intense and effective collaboration. Still, inefficient diversity management could trigger negative impacts and lead to manifestation of stereotypes, communication issues, and consequently lower efficiency and effectiveness. As organizations and teams are both systems that are depending on individuals working towards a common vision or goal, diversity management should not only be a focus on a management level but also on a project management level.

Diversity means dissimilarity, variety, and individuality that emerges from various differences between people. Diversity of individual abilities, experiences, competencies, and qualifications of human resources builds a success factor in organisations, which enables entrepreneurial strategies of increasing flexibility and continuous learning. Managing Diversity is more than a program. It is an attitude and a new understanding of how enterprises function and how to manage human resources in a sustainable way.

3. THE PSYCHOLOGICAL APPROACH TO SHRM AS EXEMPLIFIED BY WORK-LIFE BALANCE

Work-life balance is about creating and maintaining supportive and healthy work environments, which will enable employees to keep balance between work and personal responsibilities and thus strengthen employee loyalty and productivity. Numerous studies have been conducted on work-life balance. According to a study (Lowe, 2000; Lowe, Schellenberg, 2001), 1 in 4 employees experience high levels of conflict between work and family, based on work-to-family interference and caregiver strain. If role overload is included, then close to 60 percent of employees surveyed experience

work-family conflict. Of all the job factors that influence work-life conflict, the amount of time spent at work seems to be the strongest and most consistent predictor. The higher levels of work-to-family conflict reported by managers or professionals often are a function of their longer work hours. Other reasons include: job security, support from one's supervisor, support from coworkers, work demands or overload, work-role conflict, work-role ambiguity, job dissatisfaction, and extensive use of communication technology that blurs the boundaries between home and work (Higgins, Duxbury, 2002). Today's workers have many competing responsibilities such as work, children, housework, volunteering, spouse and elderly parent care and this places stress on individuals, families and the communities in which they reside. Work-life conflict is a serious problem that impacts workers, their employers and communities. It seems that this problem is increasing over time due to high female labour force participation rates, increasing numbers of single parent families, the predominance of the dual-earner family and emerging trends such as elder care. It is further exasperated with globalization, aging population, and historically low unemployment.

Long work hours and highly stressful jobs not only hamper employees' ability to harmonize work and family life but also are associated with health risks, such as increased smoking and alcohol consumption, weight gain and depression. Work-life conflict has been associated with numerous physical and mental health implications (Cichorzewska, 2011, pp. 155-163). Women are more likely than men to report high levels of role overload and caregiver strain (Duxbury, Higgins, 2009). This is because women devote more hours per week than men to non-work activities such as childcare, elder care and are more likely to have primary responsibility for unpaid labour such as domestic work. Furthermore, other studies show that women also experience less spousal support for their careers than their male counterparts. Although women report higher levels of work-family conflict than do men, the numbers of work-life conflict reported by men is increasing. Work-life conflict has negative implications on family life. Employees, especially the younger generation who are faced with long hours, the expectations of 24/7 connection and increasing pressure of globalization are beginning to demand changes from their employers. Also, people in the elderly employee segment are working longer now than in the past and are demanding different work arrangements to accommodate their life style needs.

Employers are becoming progressively aware of the cost implications associated with over-worked

employees such as: operating and productivity costs, absenteeism, punctuality, commitment and performance. There are five main reasons why companies participate in work life balance programs: high return on investment, recruitment and retention of employees, legislation, costs and union regulations. There are a wide variety of practices currently being used to help employees achieve work-life balance. Some work-life balance programs help employees handle stress and otherwise cope more effectively while other programs help to reduce the absolute stress levels by rebalancing work life. A growing number of employers have implemented wellness programs or pay for their employees' gym membership as part of a benefits package. Some companies invite fitness trainers or yoga instructors into the office to hold lunchtime sessions. Some companies undertake initiatives to improve employees' healthy eating habits. Others offer stress management programs which include stretching, yoga, counseling, as well as bringing in Registered Massage Therapists to work. Many employers are offering longer vacation times than the mandatory 2 or 3 weeks per year imposed by legislation. Additionally, some companies will offer "flex" days. Interestingly, sick days tend to go down once some is "entitled" to three weeks or more a year of holidays. Human resources policies that can be used to increase work-life balance include implementing time off in lieu of overtime pay arrangements, providing a limited number of days of paid leave per year for child care, elder care or personal problems, or having policies around weekend and evening use of laptops.

There are some issues that arise when employees have flexible work hours such as lack of facetime with other staff and not being as available to clients; these issues can be solved by ensuring employees discuss scheduling with supervisor and let clients and other employees know their hours of availability. Sometimes in order to accommodate workers need for work life balance, firms may need to reduce the amount of work given to each employee. To accomplish this, employers can hire new people, reduce time spent in job-related travel, allow for job sharing, or reevaluate the work itself and how it is structured and organized with work process improvements and/or reengineering of work. Flexible scheduling is the benefit valued most by employees. However, increased flexibility, if implemented without conditions and used to facilitate business ends without provision for worker consent, could compromise instead of enhance work life balance.

4. THE STRATEGIC APPROACH TO SHRM AS A SOURCE OF SUSTAINED COMPETITIVE ADVANTAGE

In Strategic HRM literature, attention centers on the resource-based view of the firm as a means to explain how people (human resources), as well as HRM practices, can provide a sustained competitive advantage. Organizations achieve a sustained competitive advantage by implementing value-enhancing strategies that differentiate them from their competitors and are difficult for competitors to duplicate. The resource-based view asserts that an organization's competitive advantage and thus its success depends on its supply and effective use of resources. If resources are valuable, rare, non-substitutable, and inimitable, they are considered as important and strategic and enable the organization to gain a sustained competitive advantage (Barney, 1991). Wright and McMahan (1992) thus argue that human resources have the potential to be sources of sustained competitive advantage, though they also note that to do so, the employees must be both highly skilled and motivated - that is, a high-quality workforce.

Other research offers evidence that HRM can contribute to a sustained competitive advantage by establishing suitable HRM practices to create and develop a high quality workforce (Lado, Wilson, 1994; Delery, Doty, 1996). Although Wright et al. (1994) posit that most HRM practices can be imitated and/or substituted, such that they might not be a source of sustained competitive advantage, Lado and Wilson (1994) refute this claim and assert instead that it is difficult to imitate HRM practices. Because they often are firm specific and reflect the organization's particular circumstances, HRM practices are not easily transferable from one organization to another.

This view seems well established in current Strategic HRM literature. Consequently, human resources and their management by organizations likely are important sources of competitive advantage, and it becomes crucial to identify ways to attract, develop, and retain high-quality employees.

5. INCREASING EMPLOYER ATTRACTIVENESS THROUGH "GREEN" HRM

Potential employees' positive perceptions of an organization's reputation influence their desire to

pursue employment with the organization. Turban and Cable (2003) show that organizations with better reputations attract a larger pool of job seekers and then can select employees from an applicant pool that includes more high-quality employees. Support for a prediction that Sustainable HRM positively influences employer attractiveness also appears in corporate social responsibility (CSR) literature. CSR pertains to some organization's voluntary environmental activities in its business operations and in interactions with stakeholders. A few studies note a positive association between CSR and employer attractiveness; for example, Greening and Turban (2000) show that applicants are more likely to seek employment with environmentally responsible organizations.

Thus an employer brand contains multiple facets, all of which should express what the organization, as an employer, represents. By establishing an employer brand, organizations aim to provide a unique employment offering that positively differentiates them from competitors. If they can create an image as a green place to work, they likely can attract and retain a skilled and motivated workforce (Moroko, Uncles, 2008). Turban and Cable (2003) show that potential employees are willing to accept a lower salary to pursue employment with an organization which has an environmentally positive reputation.

Finally, the organization's employer brand image reflects the perceptions of existing and potential employees, so an employee perspective must be adopted to effectively position an employer brand. As argued previously, a substance-oriented understanding of Sustainable HRM indicates that organizations themselves should secure the long-term supply and "reproduction" of their human resources and not rely on supply from labor markets. From an employee's perspective, this securing involves investments in the human resource base, to create value for existing and potential employees, and therefore enhances the organization's attractiveness as an employer. Including Sustainable HRM in the employer brand thus might be a promising route to employer attractiveness. Sustainable HRM also enhances the organization's ability to attract and retain high-quality employees.

CONCLUSIONS

The paper is an attempt to present the HR's role in sustainabilizing the organization. Its aim was to examine the role HR can play in contributing to the sustainabilization of their organizations from two different perspectives: sociological and psychological.

The Human Resource Department of an organization is said to have the capability to play a significant role in the creation of company's sustainability. Using such concepts as diversity management and work-life balance programs seems to be crucial in achieving the far-reaching goals of sustainable development.

Evidence suggests that improvements in people management practices, especially work time and work location flexibility, and the development of supportive managers, contribute to increased work-life balance. Work-life balance programs have been demonstrated to have an impact on employees in terms of recruitment, retention/turnover, commitment and satisfaction, absenteeism, productivity and accident rates. Companies that have implemented work-life balance programs recognize that employee welfare affects the "bottom line" of the business. Parameters are required to ensure that programs are having the desired effect on both employees and the company. Six parameters that can be used to evaluate work life balance programs are: extent of management buy-in and training, how programs are communicated to employees, corporate culture, management controls, human resources policies and employee control. Finally, self-management is important; people need to control their own behaviour and expectations regarding work-life balance.

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