Deliverables towards HR Sustainability: A conceptual Review

Mr. L K Jena
Ph.D Scholar, Dept. of Humanities and Social Science, IIT-Kharagpur
Email: lkjena@iitkgp.ac.in

Dr. R K Pradhan
Associate Professor, Dept. of Humanities and Social Science, IIT-Kharagpur
Email: rkpradhan@hss.iitkgp.ac.in

Abstract
The hallmark of sustainability is that it brings about long-term thinking and for HR portfolio building an establishment as an "employer of choice" is synonymous with sustainability. One of the prime tenets of sustainability is maximizing the positive benefits of a business operation for all stakeholders and precisely it should start with its internal people resources. There is a growing consensus that effective human capital is critical to an organization’s success and that the human resource functions must be strategically sustainable. The very word sustainability is a new and interesting topic for most HR professionals; at the same time the nexus between sustainability and human resources is an intangible one. In contemporary times human resources is under incredible pressure to ascertain its value, facing intense demands to create a more productive, results-oriented workforce. This review paper will try to revisit the "HR to do list" and will explore an effectiveness mechanism to address the factors like employee engagement, performance, competence and retention as a powerful engine for propelling sustainability of the domain.

Keywords: HR sustainability, HR effectiveness, Employee engagement, Employee performance, Employee competence, Employee retention

Introduction
One of the most cited key word the term “sustainability” is a multidisciplinary phenomenon (Mebratu, 1998) and has become a critical issue for the business world of 21st century (Prahalad & Hammond, 2002). Sustainable establishments strive to endure and satisfy the triple bottom line of economic, environmental and human performance and being a ubiquitous term, practitioners and researchers have begun examining the role on “human performance” that HR functionaries may potentially work out to derive greater organizational sustainability. In this context it is observed that in contemporary times, the areas that HR professionals are strategically undertaking necessary contribution are in the field of change management, organizational development and alignment of key HR systems and processes. However, “unfortunately, few in HR are well versed with the terminology of sustainability” (Hitchcock and Willard 2006) and in the name sake of “strategic organizational development” they usually are getting trapped with implementation slip-ups.

At the outset, HR functionaries need to understand that their critical goal is to nurture individual competences, devise concerted strategies for aligning each department’s goal to the organizational mission and aid up with the right resources to support the organization’s sustainability voyage. This ideology substantiates that in order to materialize organizational goals; domain of HR must hold onto the “people factor” as their ideas, passion and commitment fuels the innovation ensuring long term sustainable future. A potential means to achieve a sustainable HR practice is through creating a positive psychological contract between the employee and the employer resulting in increased trust, commitment, organizational citizenship, engagement and a sense of fairness (Guest & Conway 1997; Stajkovic & Luthans 1998; Coyle-Shapiro 2002).

These functional expectations lead towards gazing “HR effectiveness” where in prioritizing, developing, and implementing the cyclical phase of HR delivery that is in the form of employee engagement, employee performance, employee commitment and employee retention is required to be reviewed in detail. In this context, the authors believe that HR effectiveness can be best seen as a dependent variable linked to sustainable practice, rather than as an attribute in the context of expected HR delivery as there are many models those have proposed in sustainability literature focusing on development of sound strategies. However, there is a scanty attention to factors pertaining to HR effectiveness such as engagement, performance, commitment, retention and hence the desired result of this review study is to explicitly define the relationships between sustainability & HR effectiveness in order to identify the competencies that make HR delivery viable.

Human Resource is it a discipline towards sustainability:
The fundamental question arising in this context is why do organizations’ are progressively compelling
themselves to own up sustainability strategies and what kind of role is expected from HR to be a part of their sustainability journey? To explore the connecting linkage of both the terms the origin of organization need to be studied.

Primarily, the birth of a formal organization set up is because of market imperfectness and they would not have a place if markets get themselves operated effectively. The perfection is in terms of “‘internalizing” recurring economic exchanges, enhancing the efficiency for resource allocation and reducing the cost of individual transactions through standardization and establishing routines (Coase 1937). Therefore, the strategic intent of organizations’ is ‘to harness private interests for serving the public interests’ and to engage a range of stakeholders in decision making and sharing of rewards (Zappala, 2010). Adding with the term “sustainability” in this context is to keep a composed view recognizing that organizational values are incorporated in its conceptualization through balancing the competing interests, values and priorities of stake holders (Robbin and Melia Hariadi 2010). This is through realizing effective internal and external stakeholder management which entails specific capabilities, such as dialogue, long-term thinking, critical reflection, systemic thinking, conflict management and collaborative skills (Gao & Zhang 2006). The incessant requirements for collaborative skills and systemic management amongst its stake holders induce organization to have the discipline of human resource as its biological off spring. Therefore in a macro perspective human resource practices, such as individual professional’s creativity, risk-taking and innovative capabilities, stands as an outcome of sustainable practice and holds as a key mediator between sustainability objectives and organizational performance. These practices contribute to organizational performance through an ability to attract and retain employees, fostering a greater sense of organizational justice and employee commitment, improving employee perception of the organization leading to morale enrichment and job satisfaction (Brammer et al 2007; Kuvaas & Dysvik 2009).

In this connection, though many scholars and practitioners have hypothesized that there is a relationship between organizational sustainability and HR effectiveness, however there is a little research has been carried out to simultaneously investigate the factors of HR outcome and sustainability initiatives for bringing out a single entity.

Functional Review of Human Resource:
HRM has materialized and progressed as one of the most important areas of organizational science and management practice. It has not been developed in isolation, but rather in the context of industrial change and economic development. Just as the concepts of organizational performance and sustainability gets broader, so does the concept that holds human resource management as the underlying practices are important for developing capabilities and organizational culture contributing towards sustainable outcomes.

On the wake of knowledge management; scholars have remarked that managing people and their aspirations is much more difficult than managing capital or technology (Lado and Wilson, 1994) as one has to bear in mind that people, not the firm, are the adaptive mechanism in determining how the firm will respond to the competitive environment (Rundle 1997). In this connection resource based view of the firm has impressed on developing competitive advantage which aids to sustainable development stating that the organizations need to create a value based strategy in its functional portfolio in a way that is rare (Penrose 1995) and difficult for competitors to imitate and the quality the human resource carried within is difficult to imitate.

There are emerging HR concerns not only for developing the work force but also ensuring that the right people are in the right roles and engaged doing the right work during one’s professional life tenure. Therefore, efficient utilization of human resource is dependent on the ideologies that interface between individual and the organization (Guest, Conway, Briner and Dickman 1996). Primarily a professional individual and an organization are amalgamated with a “psychological contract” as individual members expect to make contributions to the organization and receive certain rewards in return wherein the psychological contract involves a ‘set of expectations and rules which forms the psychological basis for the continuing commitment of an employee to their employer’ (Cavanagh, 1996). It is at this interface between the individual and the organization that issues such as engagement, performance, commitment and retention comes into play as a basis for sustainable HR practice.
Employee engagement: Employee engagement connotes involvement, commitment, passion, enthusiasm, focused effort and energy so it has both attitudinal and behavioral component (Macey 2008). It is widely accepted by both academic researchers and practitioners that employee engagement brings a significant positive impact on both the organization and the individual (Schaufeli and Bakker 2010) as it is related to dedication (work involvement and experiencing a sense of pride and enthusiasm about one’s work) and absorption (fully concentrated and engrossed in one’s work) in one’s job profile. However, there is a prerequisite to define engagement clearly and to unfold the ways on engaging employees in a healthy and sustainable way. Kahn (1990) has defined employee engagement as “the harnessing of organization members’ selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances”. From an individual perspective, evidence suggests that employees who are engaged are likely to be more satisfied in both their life and job and have better mental and physical health (Schaufeli and Salanova 2007) translating to lower absence rates (Schaufeli et al 2009), lesser intention to leave the organization and gaining higher organizational commitment (Schaufeli et al 2008) than non-engaged employees. Therefore, employee engagement outlines the amount of discretionary effort exhibited by employee in their job (Frank et.al, 2004) and cumulatively states about a professional individuals intellectual and emotional commitment to the organization (Shaw 2005; Richman 2006). In this connection, researchers have found that emotional factors are linked to an individual’s personal satisfaction and the sense of inspiration and affirmation they get from their work on being part of their organization. In another landmark study there has been found some kind of evidence of psychological well-being as an influencing factor for sustaining employee engagement (Robinson et.al 2004) and enhancing the relationship between employee engagement and productivity.

In an organizational context, building engagement is a never ending process and for HR functionary it rests on creating the foundation for a meaningful and emotionally enriching work experience (Towers Perrin, 2006). The rudiments for creating an engaged workforce can be materialized through strong leadership, accountability, autonomy, a sense of control over one’s environment, providing opportunities for development and there are no substitutes for these fundamentals. Precisely, on the ground of behavioral interventions employee engagement can be achieved through the creation of an organizational environment where in positive emotions like involvement and pride are encouraged (Robinson, 2006) as it has been earlier argued that when individuals feel a sense of positive emotions in them, they are more likely to think in a more flexible, open-minded way and are also likely to feel greater self-control, cope more effectively and be less defensive in the workplace. A set of key behaviour like belief in the organization, desire to work for making things better, understanding the business context, being respectful of and helpful to colleagues, willingness to “go the extra mile” and keeping up to date with developments in the field have been found to be associated with employee engagement (Robinson et.al, 2004).

One of the most important characteristics of engagement is exploring the meaningfulness in job assignments and hence, people’s perceptions of meaning with regard to the workplace has connections with how engaged they are and their level of performance (Holbeche and Springett 2003). In this context, the
organizational HR functionaries need to promulgate the key drivers of engagement which should include twoway communication; high levels of internal cooperation amongst inter-departs, incessant commitment for employee wellbeing and devising clear, accessible human resource policies and practices to which managers at all levels can show their confidence and commitment.

At the same time, there were ample evidence indicating that for most employees the first year on the job stands as their best and thereafter it slowly falls down (Brim, 2002), and therefore there lies the challenge for HR to explore new ways of renewing employee’s engagement level throughout their span of their employment. With the continuation of a professional for years together while upholding their engagement levels it has been found that feelings and perceptions on being valued and involved; generates a kind of discretionary effort that may lead to enhanced performance (Konard, 2006). Such evidence implies that management needs to share control and allow employees to influence important decisions while promoting their merit vis-a-vis seniority profile in an organization. Employee engagement is seen as strongly related to the sustainability of the company as this is not only the right thing to do but as an enabler of its internal customer satisfaction and subsequent business growth. However, getting employees involved in the journey to sustainability is seen as a major challenge for which HR’s intervention is of paramount importance.

**Employee Performance:**

Contemporary challenges facing organizations have led many organizations’ to refocus attention on their performance management systems (Buchner, 2007) and explore ways to improve employee performance. Due to the realization that people are the most valuable assets in an organization, the importance of performance management has been pushed to the fore (Bartlett and Ghoshal, 1995). At the same time, the feeling of being treated appropriately by a company will result in demonstrating fair behavior back to the profile portfolio that a professional individual owns up. Therefore, there is an essential need for HR functionary to integrate fair performance measurement system with that of compensation policies.

Development of performance measures stands as a very critical part of an organizational system (Herpen et al., 2005). Every individual’s performance carries an impact on organization’s wider objectives; therefore it is imperative that every employee’s performance should be managed. This process of performance management may include group assessments and peer reviews (Hellriegel, et al., 2004), as well as written reports. Amos, et al. (2004:64) has defined performance management as “the process that begins with translating the overall strategic objectives of the organization into clear objectives for each individual employee”. To study the effects of performance management systems a survey was conducted at 500 organizations’ by Martinez et al. (2006) and it has been found that having a proper performance measurement system will improve the focus of people to achieve key objectives and correspondingly deriving employee motivation and satisfaction. Survey study has also been carried out by Ukko et.al (2008) to apprehend the impact of performance measurement on quality of life where in structured interviews have been carried out with managers and employees. The survey has come out with a significant positive relationship between impact and the quality of work life on the ground of learning opportunities, job satisfaction, work atmosphere, participation in decision making and realization of personal targets and rewards.

The performance management process offers an opportunity for the integration of all HR strategies (Armstrong 2000). Hence, a successful performance management system is one that requires full participation between employees and managers through effective communication and goal agreement, resulting in complete common understanding and not unfounded expectations (Campbell, et al., 1993). In the wake of HR sustainability a systematic performance measurement system devised as a part of HR policy should lead towards providing empowerment to its stake holders, where in they should be responsible, for their own targets. Empowered individuals should perform better than those who are not or less empowered (Liden et al., 2000) as empowerment takes care of employees with initiative and persistence.

Integrating both the HR effectiveness variables i.e employee engagement and performance management it has been suggested that designing the performance management process to foster employee engagement will lead to higher levels of performance (Mone and London 2010). To create a sustainable HR practices contemporary performance management process need to focus on creation of conditions for the engagement of knowledge workers in order to facilitate the type of enhanced performance desired in advanced economies.

**Employee commitment:**

In present times no organization can attain sustainability unless each employee is committed to fulfill the organizational objectives. Therefore, commitment is one of the most challenging and researchable concept in the field of management science. In this context, Salancik (1977) has said that commitment is “a state of being in which an individual become bound by his action and through these action to have a self-belief that sustain the activities of his own involvement” and it is a psychological state of characterization where in the employees
relationship with the organization has implication for the decision to continue membership in an organization (Myer and Allen, 1997). They have explained it through a 3 dimensional model stating: affective commitment being based on how much individual want to remain in the organization, continuance commitment is about the awareness of the costs associated with leaving the organization and normative commitment refers to feeling of obligation to continue employment in an establishment. With respect to similar terminologies it has been opined that organizational commitment is the subset of employee commitment, which comprises of work commitment, career commitment and organizational commitment (Rajendran Muthurveloo and Raduan Che Rose 2005).

Commitment is both a willingness to persist in a course of action and reluctance to change plans, often owing to a sense of obligation to stay the course (Vance, 2010) hence, the committed employee stands as a more creative professional and they are less likely to leave an organization than those who are uncommitted (Porter et.al. 1974). Commitment reflects the employees’ belief in the mission and goals of the firm, willingness to expend effort in their accomplishment, and intentions to continue working in an organization during their service tenure (Newstrom and Davies 2002). Therefore, in exchange these set of clan may expect from their HR functionaries to provide an environment that fosters empowerment and growth, allowing for a balance of personal and work-life. It is well said that “if people feel trusted, they will make extraordinary effort to show the trust to be warranted” (Mullin 1999).

Commitment tends to become stronger because individuals develop deeper ties with the organization and their co-workers as they spend more time with them and hence seniority often brings advantages that tend to develop more positive attitudes and a sense of commitment in them (Hellriegel, 2001). Therefore it can be concluded that a high level of employee commitment implies willingness to work for the organizations’ benefit, but however on the ground of sustainable HR continuance is very much dependent on the reciprocal commitment by the organization to its members (Mullin, 1999). Precisely, employees must feel a sense of belonging to the organization, their position/job must provide a sense of excitement, and they must have confidence in management if they are to remain committed to the organization. It is expected that employers must bring in a lot of flexibility in their policies to ensure employee commitment and the only way to generate the sincere commitment in employees is through establishing an ideal leadership process in all levels of an establishment, which is dependable, reliable, predictable, empathetic, courageous and full of character and integrity (Vohra, 2003).

**Employee retention:**

Hiring knowledgeable people for the job is vital for an employer, but retaining them is even more essential than hiring. The key purpose of retention is to prevent the loss of competent employees from the organization as this could have adverse effect on productivity. At the same time, employees with scarce skill sets are in great demand and primarily they are quite difficult to source and eventually if they are sourced still they become even more difficult for organization’s to retain them up (Hendricks, 2006). There is much evidence from today’s employees, especially knowledge workers whose skill sets are scarce, tend to expect their work to be meaningful and rewarding. (Thomas, 2000)

Another fallacy is that there are a handful of establishments who make the mistake of centering too much on employees walking out the door and not enough on what keeps them engaged. It is an essential prerequisite for HR department to understand how to motivate people to perform at their best and get them productively engaged. Therefore, employee retention level depends on the people who are hired, why they are hired, and how they are managed (Dibble, 1999; Herman, 1999; Kaye and Jordan-Evans, 1999). The most effective organizations – and ultimately the most profitable – are those that closely align the aspirations of their employees with the goals of the business. In the other hand, unhappy people can seriously affect employee morale as whether they leave or not, disaffected workers can possibly damage the attitudes of other workers (Caplan and Teese, 1997).

It will become significantly more important in the years ahead to recognize the commitment of individuals to an organization, as well as the organization’s need to craft an environment in which one would be willing to stay (Harris, 2000). To build commitment level among the in-house professionals; HR functionaries must assess its employees capacity to engage in various initiatives; provide honest feedback; develop their strengths; identify their ‘blind-spots”; make decisions; and most of all, value each person’s unique style and capabilities. The new challenge for today’s HR professionals is to identify the developmental strategies which can inspire the commitment of employees to the firm’s mission and values in the form of “positive workplace experiences” so that the employees become motivated and help the firm to gain and maintain a competitive advantage (Graddick, 1988). For achieving that employee intention to remain a part of the organization and to continue his/her job should positively associate with perception towards organizational values (Spector, 1997; Aryee, Luk, and stone, 1998; Mitchell, 2001). It is the prerogative of HR department to formulate strategies for increasing employee retention such as: design an interesting employee value proposition; developing a total reward system that contains more than compensation; giving constructive point of view on employee
performance on regular basis; implementing flexibility programs in terms of work life balance; building a culture of engagement, developing and refining management skills to be effective, as it engages employees while driving improved performance at the same time (Neelmann, 2012).

**Implications on HR sustainability:**

Sustainability strategy should not be a PR opportunity, but should be incorporated into a business's overarching objectives and the single biggest business driver of corporate sustainability initiatives is the way they help companies to attract and engage better people and make them stay motivated ones they have on board. In this connection, HR should leverage sustainability to advance HR objectives such as winning the war for talent, getting the talent engaged, developing and retaining them, and ensuring that employees are happy, healthy and productive. To simplify, HR need to get up and stretch its muscles by incorporating sustainability into its traditional roles of managing HR processes, from recruitment to separation; developing organizational capacity; leading or facilitating culture change; and helping to motivate employees.

**References:**


Hendricks S (2006). Recruitment & retention of appropriately skilled people for the public service to meet the
challenges of a developmental state. Conference of senior managers of the Free State Provincial government, local authorities, state agencies & the business sector. 29 – 31 August.


Macey William H and Schneider, Benjamin.(2010). The Meaning of Employee Engagement.*Industrial And Organizational Psychology Journal, 1, 3-30.*


Salancik, G.R. (1997), Commitment and the control of organisational behaviour and belief, *New direction for organisational behaviour, 1-54,Chicogo:St.Clair*

Vance, Robert J. 2006. Engagement and Commitment. *SHRM Foundation Publications: USA.*
The IISTE is a pioneer in the Open-Access hosting service and academic event management. The aim of the firm is Accelerating Global Knowledge Sharing.

More information about the firm can be found on the homepage:
http://www.iiste.org

CALL FOR JOURNAL PAPERS

There are more than 30 peer-reviewed academic journals hosted under the hosting platform.

Prospective authors of journals can find the submission instruction on the following page: http://www.iiste.org/journals/ All the journals articles are available online to the readers all over the world without financial, legal, or technical barriers other than those inseparable from gaining access to the internet itself. Paper version of the journals is also available upon request of readers and authors.

MORE RESOURCES

Book publication information: http://www.iiste.org/book/

IISTE Knowledge Sharing Partners

EBSCO, Index Copernicus, Ulrich's Periodicals Directory, JournalTOCS, PKP Open Archives Harvester, Bielefeld Academic Search Engine, Elektronische Zeitschriftenbibliothek EZB, Open J-Gate, OCLC WorldCat, Universe Digital Library, NewJour, Google Scholar