

## Common HRM Practices: A Paradigm Shift in Sustainable Human Resource Management

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### ABSTRACT

The role of the HR has become very challenging, in this present scenario. As organizations increasingly claim to have become more sustainable and to have contributed to global sustainable development, demands for Human Resource Management (HRM) to become sustainable intensify. In the 21st century where a man has become a resource, there is a paradigm shift in the trends in Human Resource Management. The traditional HR only developed the policies of the organization. The present HR had to focus on employee growth and had to be responsive to the needs and act as a bridge between the employers and the employee. In the past decade, the concept of Sustainable HRM received increasing attention in both practice and research. However, academics views about what Sustainable HRM means are diverse and the effectiveness of Sustainable HRM practices is uncertain. Here reviewed key articles in the literature on Sustainable HRM and as a result highlight how the purpose of HRM has been transformed in the search for sustainability. Here present four Sustainable HRM types and describe how HRM can effectively contribute to solving today's "grand" sustainability challenges by applying ideas from a common good economy perspective.

**Keywords:** Paradigm Shift, Sustainable HRM, Hard HRM, Soft HRM, Green HRM.

### INTRODUCTION

Over the last decade, HRM scholars have increasingly drawn attention to the challenge to develop more Sustainable HRM systems to enhance human sustainability. We know little about how the search by companies to become "more sustainable" impacts HRM or how HRM could effectively contribute to both Sustainable HRM systems and to reaching SDGs. However, the question is whether these practices are effective in making HRM systems more sustainable and/or more capable of contributing to SDGs. The objectives for this paper are twofold: First, we examine whether and how the sustainability paradigm transforms the purpose of HRM from a single economic purpose to multiple including common good purposes. Second, we ask along which dimensions Sustainable HRM approaches vary and develop a classification of Sustainable HRM types that can guide future conceptual and empirical research. We argue that a new understanding of the purpose of HRM is needed if it is to be effective in both designing and implementing Sustainable HRM systems and contributing to solving today's "grand" societal challenges (the SDGs) in business sustainability typology highlighting the necessary shifts required for a paradigm change.

### Best HR Practices for Sustainable Organisational Growth:

The word "sustainability" is difficult to define since sustainability is a dynamic and evolving concept. As a result, this concept can take on many different meanings and represents different things to different people. Sustainability means balancing social, environmental and economic factors for short and long term perspective, it is a critical issue for the world as well as for the business. Sustainability has been defined as the ability to meet the needs of the present without compromising the ability of future generations to meet their needs. As regulatory pressures and societal demands for greater environmental and social responsibility have increased, sustainability has become a key focus for many organizations. A sustainable organization can be defined as an enterprise that simultaneously contributes economic, social and environmental benefits, known as the "triple bottom line" to society while also ensuring its own long-term sustainability as an organization. Sustainable human resource management (HRM) can be defined as using the tools of HR to create a workforce that has the trust, values, skills and motivation to achieve a profitable triple bottom line. The term sustainability means meeting the needs and demands of people today without compromising the ability of future generations to meet their requirements. Sustainability also mean balancing social, environmental and economic factors for short and long term perspective, it is a critical issue for the world as well as for the business. Now when we see around us now-a-days people demands and needs are regularly changing, people are now more demanding than ever HR has to play more vital role in it. But sometimes HR does not play their role in an effective way as we

expect from them mostly when strategy management in HR practices, but HR at the same time doing good jobs at recruitment, training and development.

#### **Examples of sustainable HR practices:**

- Designing a company's HRM system to reflect equity, development and well-being, thus contributing to the long-term health and sustainability of both internal employees and external communities.
- Emphasizing long-term employment security to avoid disruption for employees, their families and communities.
- Encouraging employees through training and compensation.

Sustainable HRM is also about the role and sustainability of the HR function in the business. As business strategy becomes more driven by sustainability considerations, the HR function must revise its own mandate and transform the way it performs core HR responsibilities. It must ensure HR managers become enablers of an organization aligned with sustainability, which means taking on new roles and perspectives that have not traditionally been part of the HR brief. For example, the HR function must expand its view of who the company's stakeholders are and ensure that the HRM system enables their sustainability.

#### **How Can Organizations Leverage Sustainability:**

For most organizations in today's economy, there is a need to make difficult business decisions and justify expenditures. Even though determining the return on investment (ROI) for sustainability-related activities may be extremely difficult, there is no reason for organizations to ignore outcome-based measurement tools. Sustainability is a continual practice that is more likely to be effective when integrated into the company's strategic framework. It may be more difficult for organizations to make major advancements into sustainability without support from executive-level employees. Even though it is important for executive-level employees to buy into sustainability, it is equally important for all levels of employees to value sustainability. Organizations can leverage sustainability to attract, retain and develop employees. Volunteer community outreach initiatives related to sustainability are a great way for businesses to engage all levels of employees.

Now when we see around us now-a-days people demands and needs are regularly changing, people are now more demanding than ever HR has to play more vital role in it. But sometimes HR does not play their role in an effective way as we expect from them mostly when strategy management in HR practices, but HR at the same time should do good jobs at recruitment, training and development. HR should provide programmes and services that result in a measurable increase in employee productivity, revenue and ROI. It will build a strong business case outlining its financial impact. HR should play an important role in ensuring that an organisation has productive employees and effective people management programmes. However, a strategic approach requires that HR marshal all of the resources of the corporation in order to build a "performance culture" that permeates the entire organisation. Only by ensuring that all managers, management systems, measures and rewards work together "in unison" can an organisation ensure that it optimises its performance. HR must take the lead in building and maintaining this performance culture and in ensuring it permeates the organisation.

Thinking strategically may be an important goal. There are few strategies which HR can work upon.

- The first is the Time Based Strategy- The program or policy which the HR must opt are flexitime, job sharing, part time works, leave for new parents, closing plants or offices for certain special occasions. HR must ensure that its programme focuses on their efforts on the problems and opportunities of HR issues.
- The second is the Information Based Strategy- It includes intranet work or life web site for employees and also relocation assistance. Technology, people, e-workplaces: these are the elements that fast moving organizations use to meet changing business requirements by using technology to invent new business processes, to re-align organizational structures, and to implement new management practices. Moreover, it has become apparent in today's global information economy, the most critical-indeed the primary-resource that distinguishes market leaders from everyone else is human talent. Countries, communities, and organizations are suddenly very interested in developing the human capacities that will allow them to compete in a networked world. Successful growing organizations have placed the

combined development of information technology and human resources as their top priority. With the help of human resource professionals, organizations must grasp the pertinent aspects of both people and technology issues to create an effective e-workplace.

- The third is the Money Based Strategy- It includes vouchers for child care, work life flexibility benefits, adoption assistance, leave with pay and perks benefits and many more.
- The fourth is Direct Services- Which includes onsite child care, emergency backup care, health and beauty services and take out dinner programs for the employees.

Let's take the example of Mc Donalds or Google. We all have visited the Mc Donalds store but it is very amazing that many big brands in this world like Mc Donalds, Microsoft, Google, Apple and many more to name generally started recreation programs for their employees like yoga, dance, meditations, painting, music and many more things so that they can release their tension at their working station and also at their personal life.

- The fifth strategy in it is the Cultural Change Strategies- Which includes, training the managers so that they can properly deals with the employees and their work life conflicts. Manager pays to employees satisfaction and focuses on actual performance, not on face time. The Aditya Birla group and the RPG group are two examples of prominent business houses that have made visible and substantive interventions in the HR arena towards increasing professionalization, independence in operational decision-making, greater transparency in performance measurement, and market-linked compensation. Some groups like the Tata recognised early that HR initiatives were a powerful way for the group to create value – the creation and running of the TMTC; the Tata Administrative Service; support for XLRI; and an industry renowned graduate engineer training scheme at Tata Steel and Telco.
- The cultural change strategy should also include maternity leaves, better working conditions, part time jobs and harmonious relationship between HR and employees, in service organisations such as call centres and other remote service providers, in spite of the repetitive nature of the work, employees see themselves more as professionals than blue collar workers. This is therefore an opportunity for HR professionals to bring a single HR perspective to the organisation, and to cast aside the confrontational mind-set often inherent in the IR paradigm. Moving ahead we have to discuss on the CSR means Corporate Social Responsibilities, every organisation in this world operates in the society and should be responsible for its degradations or depletions of it the organisations should compensate the society in the manner of giving employment to the local people and improving the area around it which it is operating. In recent years CSR has become a fundamental business practice and has gained much attention from the management of large international companies. They understand that a strong CSR program is an essential element in achieving good business practices and effective leadership. Companies have explored that their impact on the economic, social and environmental sector directly affects their relationships with investors, employees and customers.

### **Paradigm Shift in Human Resource Management:**

- **From Hard HRM to Sustainable HRM models:**

In contrast to Hard and Soft HRM, a context-based literature emerged that emphasized the social, cultural, and legal purposes and multiple roles of HRM in helping employees meet the expectations of role partners within the organization i.e. supervisors, peers, subordinates, at organizational boundaries i.e. customers and clients, and beyond i.e. family and society. Since the 1980s the HRM discourse has been highly influenced by the models of Hard HRM and Soft HRM. The Hard HRM model focuses on tight strategic control and defines HRM's contribution in terms of the economic performance of the firm. This one-dimensional purpose emphasizes the need to apply "best practices" in selection, appraisal, rewards and HR development to increase shareholder value, which is treated as the only purpose of the organization. Broader societal or environmental stakeholder concerns are not considered. Inspired by the Human Relations movement's industrial-relations and employee-welfare approaches, a developmental, humanist Soft HRM approach has also gradually emerged since the 1980s. The HR strategy of this model is based on the concepts of commitment, flexibility, and quality and aims to enhance performance through a policy of high-involvement relationship management in which behaviour is often self-regulated and based on a culture of trust and cooperation. Although the HRM purpose is two-dimensional in the Soft HRM model and refined to incorporate wider, long-term consequences,

the main concern is still shareholder value and centered on organizational performance-related HR outcomes (commitment, competence, congruence, cost-effectiveness). However, broader global societal factors and ecological challenges were not yet recognized as important to HRM. Only recently have scholars been calling for a more Sustainable HRM model that better reflects how organizations are currently changing and developing toward more multistakeholder perspectives.

Over the past 10–15 years, the global business context has changed rapidly, and many organizations are now seen to be pursuing multiple purposes. Consequently, they are redefining success in more sustainable terms of Triple Bottom Line, Quadruple Bottom Line and common good outcomes, not just financial criteria. At the level of a changing organizational environment, the purpose of HRM is currently in transition and a multidimensional Sustainable HRM model is emerging that takes into account long-term influences such as climate change, biodiversity, urbanization, and workforce demographics rather than simply quarterly returns and market-driven, short-term financial issues. Also, natural resources and social capital are increasingly seen as valuable assets on a par with economic capital. Consequently, these resources are recognized as in need of appropriate protection through the development of “people-management practices that take the development of social, environmental and human capital into account”.

### **Types of Sustainable HRM:**

- **Type 1 Socially Responsible HRM:**

In its early stages of development, Sustainable HRM referred to Socially Responsible HRM activities. For example, Thom and Zaugg (2004) defined Sustainable HRM as “those long-term oriented conceptual approaches and activities aimed at socially responsible and economically appropriate recruitment and selection, development, deployment, and release of employees”. This definition is in the tradition of Soft HRM, focused on human capital conservation. It serves both a social and economic purpose. In a later development, Socially Responsible HRM as not only an important part of a company’s sustainability or CSR strategy but also as an implementation tool. One finds this type of Sustainable HRM in sustainability reporting today. Influenced by the Global Reporting Initiative guidelines, businesses use these reports to describe their HR activities in the areas of diversity management, training, and development as well as in health and safety. Earlier, Mariappanadar (2003) suggested that a “Sustainable HR strategy can be defined as the management of human resources to meet the optimal needs of the company and community of the present without compromising the ability to meet the needs of the future”. Thus, it is acknowledged that the responsibility of business in managing HR goes beyond its corporate organizational boundaries and beyond the present time frame. In other words, corporations are responsible not only for the people they employ directly, but also for the communities in which they operate and also for those indirectly employed in their supply chains. In all these approaches, the organizational perspective is inside-out. The purpose of implementing Socially Responsible HRM is to minimize negative impacts on business and to reduce business risks. For example, a primary purpose is not to improve the life of employees in supply chains in developing countries but instead to manage the economic risks associated with people management practices in the supply chain. Thus, the social purpose serves the economic purpose.

- **Type 2 Green HRM:**

Type 2 is primarily concerned with environmental sustainability in business organizations. It was developed to influence and improve employee’s ecological awareness and behaviour and ultimately to both reduce an organization’s carbon footprint and contribute to its green credentials. This HR approach differs from earlier sustainability/CSR endeavours through its employee-level focus on encouraging practices and actions to improve the environmental records of companies.

- **Type 3 Triple Bottom Line HRM:**

Triple Bottom Line HRM focuses simultaneously on the presumed economic, environmental, and social purposes of HRM. Triple Bottom Line HRM is “characterized by the maximization and balancing of economic, environmental, and social organizational goals”. This approach shows that a broader understanding of Sustainable HRM is possible when HRM is regarded

as a generic approach to people management that focuses on both employee-oriented practices, such as employee well-being or involvement while also considering the impact of HRM on its social and ecological environments and/or ecological goals.

- **Type 4 Common Good HRM:**

In Common Good HRM, inputs would refer to using HRM competencies, skills, knowledge, and attitudes to contribute to the common good and to help solve the “grand challenges” of our time. Common Good HRM implementation would mean embedding common good values within all areas of HR policy, structure, and procedures. This would involve HRM’s taking on a new role of developing an organizational culture of common good values and introducing HR practices based on such values as dignity, solidarity, and reciprocity. As a reaction to increasing criticism of the ineptitude of current business models to seriously address the issue of sustainability, interest is growing among academics and practitioners alike in alternative “outside-in” models that answer the call for a new paradigm by redefining the purpose of business in terms of common good values. Type 4, Common Good HRM, marks a fundamental change in understanding the purpose of business and the contributions of HRM. All three previous types have to various degrees adapted the traditional business purpose of economic gain to accommodate the external pressure for more social and ecological responsibility. However, a common good approach assumes that it is the fundamental responsibility of business to “make an effective contribution to resolving the sustainability challenges we are collectively facing” and that business organizations long-term self-interest lies in sustaining our collective livelihood. Thus, Common Good HRM places collective interests above or more realistically equal to individual including organizational wishes, needs and desires. Redefining Sustainable HRM outcomes in this direction would involve openness to nonbusiness objectives of societal fairness, workplace democracy, employment security, environmental protection, and human rights. Thus, in contrast to current conceptualizations of Sustainable HRM, Common Good HRM emphasizes the global and local context of organizations, recognizes the reciprocal, individual and collective elements of business activity and serves a purpose that contributes to the common good in economic, social, ecological, and human dimensions.

#### **Few Strategies Which HR Can Work Upon:**

The first is the time based strategy the program or policy which the HR must opt are flexitime, job sharing, part time works, leave for new parents, closing plants or offices for certain special occasions. The second is the information based strategy it includes intranet work or life web site for employees and also relocation assistance. The third is the money based strategy it includes vouchers for child care, work life flexibility benefits, adoption assistance, leave with pay and perks benefits and many more. The fourth is direct services strategy which includes on-site child care, emergency backup care, on site health and beauty services and take out dinner programs for the employees. The fifth strategy in it is the cultural change strategies which includes, training the managers so that they can properly deals with the employees and their work life conflicts. Manager pays to employee’s satisfaction and focuses on actual performance, not on face time. Which includes maternity leaves, better working conditions, part time jobs and harmonious relationship between HR and employees, moving ahead we have to discuss on the CSR means Corporate Social Responsibilities, every organisation in this world operates in the society and should be responsible for its degradations or depletions of it there organization should compensated the society in the manner of giving employment to the local people and improving the area around it which it is operating. Now the time has arrived when all HR managers have to sit down together and replan and redefine there HR practices for the sustainable growth and development of the organisation.

#### **SUGGESTION**

Based on analysis, it is suggested the following design principles for Common Good HRM. First, the main principle is an outside-in perspective with the objective of contributing to solving one of the grand challenges or SDGs such as climate change, corruption, migration, poverty, or youth unemployment. The second principle refers to an understanding that equal and fair employment relationships are essential for Common Good HRM to achieve trusting relationships and organizational success. The third principle reflects the idea that Common Good HRM provides all stakeholders with opportunities for participation and democratic workplace representation to achieve locally adapted HR solutions of complex global grand challenges. Fourth, Common Good HRM

assumes that the psychological contract will be upheld in terms of protecting human needs for employment which includes security, safety, and meaningful work.

## **CONCLUSION**

The emerging concept of sustainable HR practices has important implications both for organizational performance and for the HR function. HR must support the development and implementation of corporate sustainability strategy because the unique HR contribution is critical to sustainable business success. HR must recognize the new sustainability context of organizations and align its practices. HRM needs to provide HR solutions for a sustainable organization as well as manage the HR function in a sustainable way. In this context, the recommended approach includes the adoption of iterative process for embedding sustainability values, understanding and engaging HR stakeholders, reviewing and developing HR policies and practices, and tracking and reporting performance and effects. Through this process, HR will demonstrate how its sustainability performance aligns with leading global frameworks and supports the overall business sustainability strategy. Now the time has arrived when all HR managers have to sit down together and replan and redefine their HR practices for the sustainable growth and development of the organisation.

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