

A literature review on impact of sustainable HRM practices on organizational change

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Abstract: *Sustainable HRM is an approach that links HRM and sustainability. Organizational change is an ongoing process that has to be managed effectively to keep the change in place for a long time. Sustainability in work can be seen as an important part of the organizational strategies. The current study is an attempt to review the literature and find the relationship between sustainable human resource management and organizational change.*

Keywords: *Organizational change, Human resource management, Sustainable HRM*

1. INTRODUCTION

Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs. There are three main pillars: economic, environmental, and social. These three pillars are informally referred to as profits, planet, and people. Sustainable human resource management is used as a tool of HR for creating a workforce that has the trust, values, skills and motivation to achieve organizational goals (Cohen, Taylor, and Muller, 2014). Training and compensation, development and well-being, contributing to the long-term health and sustainability of both internal (employees) and external communities, long-term employment security for employees are some of the sustainable HR practices.

Change management focuses on people side of change on every level of the organization including executives, senior and middle level managers and line supervisors. Organizational change can be seen in form of structural change, process change and portfolio change. Organizational change is an ongoing process that has generated the need for the organizations to develop effective change management strategies. Organizational changes affect the organizational performance as indicated from the past research. The organization's performance is the ultimate goal.

HRM practices enhance financial outcomes. In practice, human resources are consumed and exploited rather than developed and reproduced. Thus, sustainable HRM as a concept helps to reduce the negative impact of HRM on employees as it provides new ways of managing people without compromising with ability to meet the future needs (Stankeviciute, Z. & Savaneviciene, A., 2013). Change occurs in an infinite number of forms depending on the situation, the organization, and the timing; and while some organizations are proactive about change, many are not. The organizations are working not only on implementing change management process but also on its sustainability.

2. REVIEW OF LITERATURE

Ibrahim, N. S., & Rahman, R. A. (2017) conducted a study in Malaysia in a public sector organization to explore the sustainable HRM practices. The methodology used was interview with the senior officers of the central agency. The results concluded that sustainable human resource management is very important in employee retention in public sector and therefore supports the sustainable development of an organization. The paper discusses sustainable HRM activities like training and development, leadership, work promotions and employee engagement. Thus, HRM needs to be a part of sustainable development of an organization in order to achieve the social, economic, and ecological goals. Savaneviciene, A., & Stankeviciute, Z. (2017) discusses in their research paper that certain challenges related to human resource management like aging society, work related illness, and generates the need for the organizations to rethink the way of managing employees. The authors have described that smart power i.e. soft and hard power can be used in sustainable HRM area. The paper suggests work-life balance, training for sustainability, employee relation management, work related stress and career management are some of the sustainable human resource management practices in organizations. Deaconu, A., & Ghenu, C. I. (2016) suggested that the changes occurring in an organization generates the need to develop strategies that yields long term results and therefore sustainable human resource management helps in building the ability to adapt these continuous changes. Work-life balance, self-development, autonomy, employability are some psychological factors of sustainable HRM practices for employees. The study suggested various methods of planning and action adopted by HR managers for successfully implementing the sustainable HRM strategy in an organization.

Ehnert, I. et al. (2016) defined sustainable HRM as those strategies and practices that helps in achieving social, financial and environmental goals, impacting both internal and external factors of an organization in a long-term and also controlling the negative effects of HRM. The paper contributes by linking sustainable HRM with parallel concepts of sustainability and highlighting the changing role for HRM in organization. Also, the study reveals that most of the organizations are focused on the internal dimensions of sustainable human resource management rather than the external dimensions. The authors have also concluded that there is limited literature available on sustainable human resource management practices. Ulus, M., & Hatipoglu, B. (2016) conducted a research to study the managerial and technical aspects of implanting sustainability processes in an organization. The authors concluded that the human factors are not paid much attention while implementing sustainability. These human factors contribute a lot in the change management process of an organization either in a negative or in a positive manner. The human factors like internal communication, employee engagement and resistance to change are considered for the study in the paper. The authors concluded that these human factors lead to successful change management processes if approached in a right manner in order to achieve organizational sustainability through human capital. Cohen, E. Et al. (2014) suggested that HR function is needed in corporate values and formulating strategies for sustainability. The authors described training and compensation, long term employment security, development and well-being, recycling of products as sustainable HRM practices. Sustainable HRM is very important for engagement of employee, their motivation and creativity. The study also concluded that the companies practicing sustainable human resource management policies are having high trust, commitment, and job satisfaction among their employees. Thus, sustainable HRM is critical for developing sustainable business organization.

De Prins, P. et al. (2014) developed a Respect Openness Continuity (ROC) model that serves as a framework of sustainable HRM linking theory and practices. The paper studies the People, Profit, and Planet dimension of sustainable HRM with the help of ROC model. The authors have discussed Talent, Engagement, Empowerment, Health and Wellbeing, Employee Participation as People dimension of sustainable HRM practices, Diversity, Ageing, Work-life Balance, Ecology, Stakeholders, Labour Market as Planet dimension of sustainable HRM practices, and Employability, Careers, Succession, Learning organisations, Workplace innovation as Profit dimension of sustainable HRM practices. Kramar, R. (2014) in his research paper studies the relationship between HRM and sustainability, and also describes the major characteristics of sustainable HRM. The author has described sustainable HRM as social and human outcomes that contribute to the long term continuation in the existence of an organization, i.e., sustainability of an organization. Sustainable HRM helps in the development of social and human capital in an organization. The author has suggested that well-being and work life balance, workforce planning, climate and estimation of carbon footprint are some of the measures for the evaluation of sustainable human resource management practices. Mazur, B. (2014) defined sustainability as a concept that helps an organization to achieve the goals and increases the long term value of shareholders by integrating the three aspects of economic, social and environmental in their business strategies. The objective of the study was to study the dimensions that contribute towards organizational sustainability and the role that human resource management plays in developing that process. The result indicates that change management is an area where more contribution is needed by the sustainable HRM practices.

Sotome, R. et al. (2014) conducted a research study to find if the employment system in Japan does any harm on the performance of productivity. The study was done from the perspective of data envelopment analysis and sustainable HRM. The paper suggested that sustainable practices like job satisfaction, employee engagement, employee well-being and morale helps in achieving organizational and financial goals. The result of the study suggests that Japanese companies needs to pay more attention on their employment system in order to minimize the negative impact of the human resource management system. Jerome, N. (2013) conducted a research to study the impact that sustainable human resource management have on the performance of an organization. In any organization, changes takes place which give rise to inconsistencies in the working. To avoid this, the need for sustainable human resource management emerges that gives support to long term management practices, which ultimately increases organizational performance. The paper concludes that the impact of sustainable human resource management on organizational performance is a success. The author also suggested that limited literature is available on sustainable HRM and its related issues. Parker et al. (2013) described how project initiates change in an organization. The relation between project-based management and organizational change management is drawn based on secondary data. They concluded that whenever a project comes to an organization the employees goes through a change process. So change management is a complimentary discipline to project management for managers.

App, S. et al. (2012) suggested that sustainable human resource management helps in creating attracting employer brand without compromising with the image of an employer and this results in building a sustainable competitive advantage. Therefore, sustainable HRM can be considered for retaining quality employees by sustainable HRM practices in the value creation of employees. The authors concluded that the results of practicing sustainable human resource management reveals, that existing employees become more responsible and thus provides high quality employees to the organizations. The paper finds work-life balance, training and development, health care programs, self responsibility as some of the sustainable human resource practices being practiced in organizations. Ehnert, I., & Harry, W. (2012) in their research paper says that the sustainable human resource management practices like work-life balance, employee well-being, and employee health need to be studied so as to build good employee- employer relationships. The paper discusses how sustainable organizations are developed with the help of human resource management and how HRM systems are made sustainable.

Lis, B. (2012) has discussed in the research paper that Corporate Social Responsibility is relevant to sustainable HRM. CSR is as important tool for attracting employees. Attracting and retaining the employees provides sustainable development of the organization. The paper studies the four CSR dimensions like product, environment, diversity and employee relations. Sustainable HRM practices like work-life balance and diversity are considered by organizations for sustainability. Mariappanadar, S. (2012) conducted the study to explore the psychological, work related health and social related harm on employees and their families in an organization with the help of human resource practices. The authors suggested that in order to facilitate the corporate sustainability, sustainable HRM provides an ethical way of managing employees. Thus, sustainable human resource management practices helps in reducing the negative effects of human resource practices in an organization.

Bhatnagar et al. (2010) in their research paper "Organizational change and development in India" examines the Organizational Change (OC) transformation in North Delhi Power Limited (NPD). The study focuses on how the role of HR affects the organizational transformation dimensions. They concluded that employees are more motivated towards implementing change when they believe that the change happening is worth and contribution is valuable. Gebauer et al. (2005) in their research paper "Behavioral implications of the transition process from products to services" studied the behavior during the transition process of companies from manufacturer to service providers. They took five companies that have implemented transition successfully and six companies that are struggling to achieve the transition. They analysed both managers and employees and concluded that the companies that have achieved transition successfully rely on four factors. These factors are managers must be aware of the transition and their potential; management must be ready to take the risk i.e. willing to implement the change, invest resources in achieving organizational changed structure and the understanding of their role. Similarly, employees must be aware of the organizational change taking place and must have proper understanding of their role.

3. OBJECTIVES OF THE STUDY

The objective of the study was to review the literature on sustainable human resource management and organizational change as to identify the relationship between them.

4. CONCLUSION

The literature review done suggests that human resource management functions are critical to organizational sustainability. To human resource system that in builds the human resource practices to obtain sustainability is known as sustainable human resource management system. The literature also reveals that during organizational change human resource management practices play an important role in the successful implementation of the change processes. So, the concept developed on the basis of literature review suggests that there is no empirical study done so far that focuses on exploring and analyzing the impact of sustainable human resource management practices on organizational change.

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