

## THE CRUCIAL ROLE OF HUMAN RESOURCE MANAGEMENT IN SUSTAINABLE DEVELOPMENT

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**Abstract** — In recent years, a rising amount of research has shown a link between sustainable development and HRM. Although practitioners have access to rigorous research, different interpretations and overlapping terminology usually leave them confused. Human resource management (HRM) strategies included within a company's CSR programs are often categorized as sustainable HRM due to their linkages to sustainability, organizational ethics, and workplace justice. It is widely accepted that human resources may play a vital role in enhancing a company's long-term profitability by establishing employee- and societal-beneficial policies and practices. Recent focus has increased on the Sustainable Development Goals (SDGs) of the United Nations, particularly the ESG criteria that compose the standards for documenting and assessing eligible corporate activities. Human resource management (HRM) may be effective in the development and implementation of these practices, especially those with a social component. This article defines Sustainable Development, examines its growing significance to businesses, as well as clarifies the relationship between Sustainable Development and Human Resource Management (HRM). It describes the history of the Sustainable Development Goals (SDGs) as well as the 3 components — Environment, Society and Leadership (ESG) — that serve as the fundamental requirements for corporations to create and assess sustainable practices. The report concludes by defining sustainable human resource management and discussing the sustainable practices that Greek firms have embraced following the 2010 economic crisis. These efforts come mostly within the ESG Guidelines' social

component. Driven by a desire to improve HRM's moral reputation, objective, or strategic relationship, this statement emphasizes the significance of HRM's engagement in sustainable development.

**Keywords:** - *HRM, Sustainable, Techniques, Programmes, Development, Organization*

## I. Introduction

In recent years, sustainable development has become a top priority, since it is necessary for ensuring that the demands of current and future generations are addressed without damaging the environment's capacity to support life. In order to achieve sustainable development, human resource management (HRM) is necessary. HRM include managing people and their work and is focused on ensuring that a company has the proper people in the correct roles and that they are motivated to efficiently do their jobs. The importance of human resource management to sustainable development is discussed in this study.

One of the most important functions of HRM in sustainable development is the promotion and maintenance of a supportive work culture for sustainable practices. A pleasant work environment is characterized by a set of shared values, beliefs, and attitudes that encourage sustainable behaviors. By supporting the adoption of sustainable practices in an organization's policies and processes, HRM may guarantee that the organization's values and beliefs coincide with sustainable development. HRM develops a culture of sustainability inside the firm, which leads to sustainable employee behaviors (Shah et al., 2022).

Another essential function of HRM in sustainable development is ensuring that staff is sufficiently taught and equipped with the skills and information required to successfully implement sustainable practices. HRM is able to create and administer training programs that educate workers with the information and skills essential to do their jobs in a sustainable way. HRM may also give staff the resources they need to do their job in a sustainable manner, including energy-efficient equipment and tools.

HRM also plays a crucial role in encouraging workplace diversity and inclusion, which is vital for sustainable growth. Diverse workplaces foster a variety of viewpoints and ideas, which may lead to the development of new and sustainable solutions. HRM may adopt policies that encourage diversity and inclusion in the workplace, such as enacting recruiting procedures that promote diversity and establishing employee resource groups that foster understanding (Stefańska, 2021).

HRM may help sustainable development by encouraging work-life balance and employee well-being. A good work-life balance guarantees that people have the time and motivation to participate in sustainable behaviors outside of work. By offering workers flexible work arrangements, such as telecommuting or flextime, and by supporting initiatives that support employee well-being, such as wellness programs and mental health services, human resource

management may encourage work-life balance.

## II. Objective

The following is a list of goals that the research attempted to accomplish.

- Study the origins of sustainable development goals
- Examine ESG consisting of? And relationship between sustainable development and HRM.
- Study relationship between ESG and sustainable HRM.
- Examine the case of Greek throughout the previous ten years

## III. Methodology

Human resource management and sustainable development are increasingly related in academic research. Practitioners have access to rigorous research, yet differing interpretations as well as overlapping nomenclature can leave them confused. In a company's CSR program, sustainable HRM practices are connected to sustainability, and corporate ethics, including workplace justice. Human resources employee- or society-beneficial laws & procedures may increase the long-term profitability of an organization. Recent interest has been drawn to the UN Sustainable Development Goals (SDGs) and its ESG standards for documenting and evaluating eligible company activities. HRM may aid in the creation and implementation of these practices, especially social ones. This article defines Sustainable Development, analyses its expanding significance to businesses, and discusses its relationship to Human Resource Management (HRM). It discusses the history of the Sustainable Development Goals (SDGs) as well as the 3 component — Environment, Society and Leadership (ESG)—used by businesses to create and assess sustainable operations. During the economic crisis of 2010, Greek businesses implemented sustainable human resource management. The majority of these efforts are social ESG Standards. This statement emphasizes HRM's attempts to increase its morals, purpose, or strategic link via sustainable development.

## IV. The Origins of Sustainable Development Goals

In 2015, U.N. member states agreed to the 2030 Agenda for Sustainable Development with the intention of promoting global peace and prosperity. The Sustainable Development Goals (SDGs), which seek to enhance health, literacy, and equity, as well as the ecology, and invitation all nations to join worldwide cooperation to abolish lack of wealth and hunger, serve as the foundation for their implementation. These goals are the result of a lengthy process that began with the 1992 Earth Summit in Rio de Janeiro and continued through the 2000 Millennium Summit in New York, where the Global Compact was introduced, the 2002 World Summit in South Africa, the 2006 U.N (Hawkes & Buse, 2019). Fundamentals in Support of Sustainable Investing, the 2012 U.N. Conference back in Brazil, & the 2015 Ideology for the 17 SDGs. As significant members of society, corporations have started to promote and publicize sustainability programs. As stated earlier, the notion of People, World, and Financial Gains spurred pioneering enterprises to examine other issues outside profit. This concept laid the groundwork for what we now term ESG (Environment, Society, Governance). With the initial

introduction of the Guidelines for Sustainable Investment in 2006, ESG legislation and norms having shifted to the forefront of the budgetary institution's sector. Eighty percent of investors anticipate having an ESG strategy in place by 2023, in accordance with the Sustainable Finance Regulation, which was enacted in 2021 and emphasizes the adoption of ESG principles for investment goals, including fund administration. To fulfill their fiduciary obligations, investors must consider environmental, social, and governance (ESG) factors when making investment decisions. They must also encourage high ESG performance among companies in which they have a financial interest. Even during the Covid-19 pandemic, ESG stocks beat their less ethical peers, indicating that ESG investment can be profitable.



**FIGURE 1: ORIGINS OF SUSTAINABLE DEVELOPMENT GOALS**

## V. What is ESG Consisting Of?

The following broad standards and practices come within the ESG's three pillars.

- **Environment:** Evaluates how a company manages its energy use, waste generation, purchase of raw materials, carbon footprint, water consumption, and recyclable activities.
- **Social:** Evaluates how a company impacts its workers and the larger community. Important subjects to address include equality, inclusivity, gender parity, worker rights, charity and community service, temporary staff care, and volunteering.
- **Governance:** Administration includes executive salaries, shareholder rights, internal audits, and the inclusion of women on the board. The profession of investing has usually assumed responsibility for ESG factors. Climate change, wealth inequality, and high-profile corporate catastrophes have all led to demands for firms to prioritize the interests of all their stakeholders, including employees, customers, and communities.

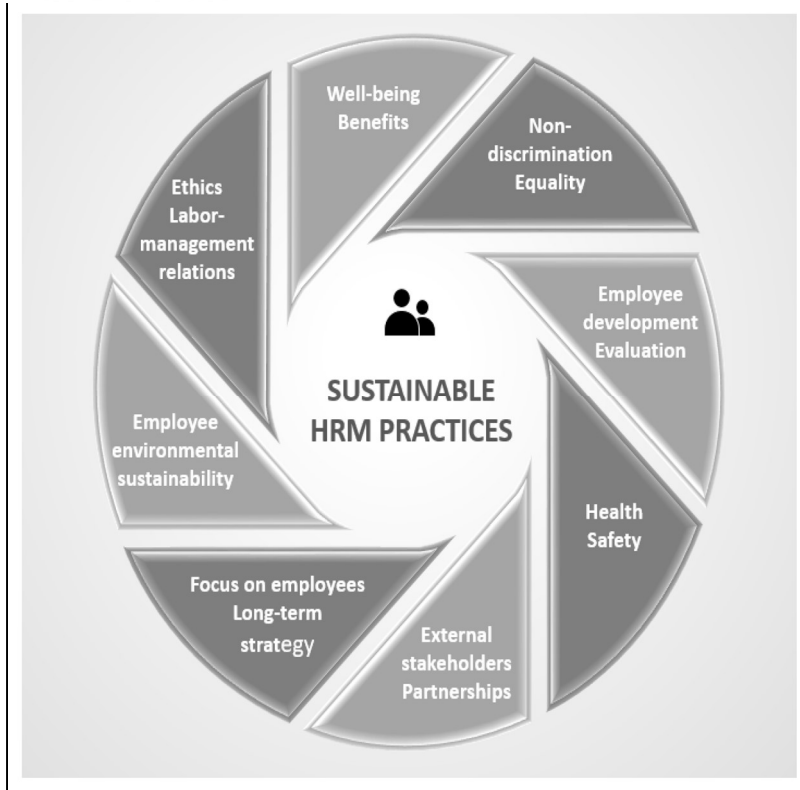
According to the many publicly and privately offered systems and platforms, business information, analytics, and thorough monitoring are used (Zhang & Jin, 2022). However, ESG reporting is still a difficult task, so legislators are urged to establish consistent requirements as well as transparency specifications to facilitate larger clarity and uniformity in recordkeeping & to encourage businesses, particularly relatively small ones, to embrace methods that will facilitate the implementation as well as documentation of sustainable practices.

## **VI. The relationship between Sustainable Development and Human Resource Management**

To provide for the needs of today without putting tomorrow in jeopardy is the definition of "sustainable development." This definition was provided by the International Commission on Environment and Development (ICED). When it comes to companies, this idea is referred to as "Corporate Sustainability," and it places a focus on the ways in which the operations of the company contribute to Ecological concerns including such contamination, environmental degradation, composting, and the conservation of eco-systems are of increasing concern and other similar issues. The concept of a "Triple Bottom Line," which considers a corporation's economic situation performance in addition to its impact on the environment and the well-being of its employees, was developed in an effort to facilitate more sustainable development for businesses (Jaskeviciute et al., 2021).

This suggests that the bottom line (profit) shouldn't be the only measure used to judge the success of a firm; rather, environmental, social, or moral performances (people) should also be taken into consideration. In the 1980s, in response to rising demand from the general public to donate part of their riches to causes that benefit society as a whole, firms started showing a greater interest in corporate social responsibility (CSR) projects. The phrase "Corporate Social Responsibility" (CSR) refers to a broad range of different actions that go beyond and around the three "P's" of public policy, which are necessities for all types of enterprises. Hence, corporate social responsibility (CSR) may be seen as the process of creating a sustainable society (Stefańska, 2021).

As a result of the growing popularity of the concept of corporate social responsibility, modern businesses are becoming more aware of the necessity of striking a balance between the various interests of their stakeholders, which may include their workers, consumers, suppliers, local community, and culture, among other groups (CSR). Corporate Social Responsibility (CSR) and Human Resource Management (HRM) are intricately connected since, in fact, CSR initiatives offered by enterprises engage, in addition to the environment and society, their individual people. HRM is an umbrella term that encompasses both of these concepts. In addition, there is a growing understanding that HRM may aid the attainment of corporate sustainability targets as a result of a focus on the long-term effect of HRM. This is due to the fact that HRM is increasingly seen as having long-term consequences.



**FIGURE 2: SUSTAINABLE AND HRM PRACTICES**

## VII. Relationship between ESG and Sustainable Human Resource Management

In the Society component of ESG, human resources have an excellent chance to take the initiative, show impact, and consolidate its position as a strategic business partner. According to the study, pleasant connections with employees may be the key to corporate success. The identical is true for numerous employee activities, some of which are covered by corporate social responsibility but which must now be verified within ESG standards in addition to being included in sustainability assessments, the Global Reporting Index (GRI), and other venues for conducting sustainability research. Sustainable HRM emerged in the early 2000s due to the rising attention in identifying the function of HRM in establishing projects & practises related to sustainability, as a valuation option focused less on reducing costs or revenue generation & increasingly on its contributions to individual and collective well-being. (Jaskeviciute et al., 2021).

Human resource management (HRM) with an emphasis on sustainability accords with the flow and future needs of an organization and the community as a whole. In a more pragmatic sense, sustainable HR is the process of recruiting, developing, keeping, and treating people in a manner that is beneficial to the organization and the employees over time. Recently, the same researcher has defined Sustainable HRM as the incorporation of HRM techniques as well as practises that facilitate the accomplishment of financial, cultural, as well as environmental objectives with effect respectively inside or outside the organization, above a long time frontier,

whereas helping reduce unintended side consequences as well as negative reactions. (Takehara & Hasegawa, 2020).

The topic of sustainable HRM may be divided into three sections:

- I. Training, talent management, and a more flexible work environment may result in a continual flow of prospective new workers.
- II. Appropriate management of employees to decrease staff turnover, dissatisfaction, stress, and morale
- III. Companies can only implement sustainability if their employees support it and actively engage in activities that benefit the environment and society.

Socially Aware Human Resource Management, Green Human Resource Management, and Common Good Human Resource Management are a few of the more recent approaches that put equal focus on both individual and societal well-being in the workplace. The Sustainable Development Goals of the United Nations have identified human-centered human resource management as a key instrument. In light of the preceding, the most important topic to explore is HRM's growing and increasing agenda, its true involvement in sustainable HRM strategies and practices, and its consequent impact on HRM's corporate-level strategic role. To address this question, we analyzed the human resource management practices of Greek enterprises during the preceding ten years.

### **VIII. The case of Greek throughout the previous ten years**

Following defining sustainable HRM, we will cover sustainable HR practices used by both large and small Greek companies. We reviewed the websites and publications of companies affiliated with the Greek Network for Corporate Environmental Responsibility and the Quality net Foundation to identify practices. At work, we prioritized rules and processes that encouraged people to participate in community service initiatives that addressed social and ecological problems. We also analyzed data from organizations such as the Good Workplace Academy and the HR Annual Awards, which conduct contests recognizing performance in CSR, sustainability, and HRM. Afterward, we went out to many HR directors for in-depth discussions. Large and small firms alike, in our experience, see the need to assist their workers in addressing social concerns and providing answers by encouraging them to give both within and outside the office.

In a careful study of reporting practices, the following were highlighted: The COVID Epidemic emphasized the need for health and safety activities. Adaptive systems for working remotely or in a hybrid environment, with an emphasis on employees' need for work-life balance, and the provision of appropriate technological tools for remote workers (Rajan et al., 2014).

Employment support programs for persons left off during the huge downsizing that happened

in the first few years of the 2010 economic crisis. There is a concern for the mental health of employees, as seen by the provision of EAP services such as counseling and advising hotlines.

In the case of a layoff or other job loss, businesses may develop a "re-skilling" or "up-skilling" plan to assist their workers in maintaining marketable skills and a position in the workforce. Diversity, Equality, and Inclusion (DEI) projects aim to eliminate prejudice and sexism in the workplace by offering sensitivity training, promoting gender parity in management positions, and eliminating the gender pay gap. Furthermore, there are inclusion programs for individuals from varied backgrounds (including those with impairments, racial/ethnic/religious identities, and sexual orientations). Programs of employment and training for the unemployed, the elderly, migrant workers, and women who have left labor and want to return.

Components of anti-bullying and anti-harassment programs in the workplace includes sensitivity education, designating a competent individual to handle allegations, communicating the technique for handling such instances, aiding victims, and penalizing offenders. Professional counselling and resource administration services may assist individuals of all ages, but especially recent college graduates and those in need of a career transition due to cutbacks at their job. In the midst of the economic downturn, a number of companies have encouraged their workers to engage in volunteer activities that benefit the local communities. Workers are encouraged to participate in environmental preservation efforts, including recycling, energy conservation, and beach cleanups, in addition to those already in place inside the organization.

Especially notable were the strategies that received accolades at the Best Workplace, the Quality Net Foundation, and the HR Annual Awards. Not just major, multinational firms (MNCs) that often adhere to parent company conventions, but even small, family-owned Greek enterprises have embraced employee-centered practices. The 2010 economic crisis demonstrated the importance of internal corporate unity to the organization's continuing survival. Individuals were enlisted to aid firms, notably SMEs, in navigating treacherous waters, after taking into account the ideas and opinions of employees and soliciting suggestions for changes. It is noteworthy that Greek exports increased as a consequence of the economic crisis, as businesses were compelled to go outside for solutions.

After identifying exceptional HR practices in October 2022, a total of eight in-depth interviews were performed with HR managers from the most employee-centered organizations. Participants were surveyed about their acquaintance with the idea of sustainable HR, their willingness to disclose activities in accordance with ESG criteria, and the degree to which they saw their HR practices as a component of or contributor to corporate sustainability. All respondents reported complete satisfaction with the current HR practices. As a consequence of winning a prestigious award, they saw an increase in morale and productivity among their employees. They recognized a lot of potential advantages in continuing their activities, especially in the areas of worker satisfaction, diversity, and anti-harassment and anti-bullying



measures. Volunteer programs and activities with an impact on the environment were essentially the responsibility of the industrial divisions, even if HR did give some support with worker communication. It was shown that organizations are more receptive to initiatives that benefit internal stakeholders than external stakeholders.

## CONCLUSION

According to available data and discussions, it appears that Greek businesses are focusing more on HRM practices that contribute primarily to the socioeconomic aspect of Corporate Sustainability and that a wide range of employee- and community-centered operations with and for the benefit of staff have increased since the beginning of the Greek economic downturn and the subsequent epidemics. Better workplace treatment of employees is now generally recognized as vital to a company's long-term viability, with beneficial benefits on employee satisfaction and output. In addition, the United Nations (UN) 2015 launch of the 17 Sustainable Development Goals (SDGs) and subsequent emphasis on ESG requirements for disclosing their execution has encouraged businesses, initially large publicly traded corporations and subsequently smaller, privately held businesses, to adhere to standards and initiate applicable initiatives and practices. The Quality net Foundation, a Greek non-profit, was recently given a prize for their work on the Greek Sustainability Code, which was shown at the United Nations Conference on Business & Prosperity in Switzerland. The Greek Ministry of Environment & Development, the Organization of Greek Industries (S.E.V.), 120 commercial businesses, 44 local administrations, and 17 Citizens' Groups collaborated extensively to develop this Code, which is included in the Greek Sustainability Toolkit. In accordance with the European CSRD Guideline (Corporate Sustainability Reporting Directive), which will be voted on in the EU in November 2022, the National Regulations, and market requirements, the Sustainability Code provides a free structure to assist Greek businesses in disclosing non-financial information about sustainability and ESG. All of the firms engaged in the formation of the Code have shared their most efficient practices, promoted a culture of sustainability, and allowed other, smaller businesses to join supply chains and achieve the "sustainable" label for themselves. Businesses that meet ESG success requirements are more likely to get positive evaluations from economic groups, shareholders, or the society at large, which in turn increases the company's profitability and desirability to customers or investors.

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