

***The Role of Human Resource Management in Sustainable Development:  
A Systematic Literature Review***

**Peran Manajemen Sumber Daya Manusia dalam Pembangunan Berkelanjutan:  
Tinjauan Literatur Sistematis**

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**ABSTRACT**

*This research explores the role of sustainable human resource management (HRM) practices in supporting inclusive economic growth. Through literature analysis, it was found that sustainable HRM practices have a positive impact on organizational performance, employee well-being and environmental sustainability. However, challenges such as lack of awareness and resistance to change were also identified. This study recommends future research that focuses more on longitudinal research and the role of leadership in encouraging the adoption of these practices. Overall, this research highlights the importance of integrating sustainable HRM practices in achieving inclusive economic growth and environmental sustainability.*

**Keywords:** *Human resource management, sustainable HRM practices, inclusive economic growth*

**ABSTRAK**

Penelitian ini mengeksplorasi peran praktik manajemen sumber daya manusia (HRM) yang berkelanjutan dalam mendukung pertumbuhan ekonomi inklusif. Melalui analisis literatur, ditemukan bahwa praktik HRM yang berkelanjutan memberikan dampak positif pada kinerja organisasi, kesejahteraan karyawan, dan keberlanjutan lingkungan. Namun, tantangan seperti kurangnya kesadaran dan resistensi terhadap perubahan juga diidentifikasi. Penelitian ini merekomendasikan penelitian masa depan yang lebih fokus pada penelitian longitudinal dan peran kepemimpinan dalam mendorong adopsi praktik-praktik tersebut. Secara keseluruhan, penelitian ini menyoroti pentingnya mengintegrasikan praktik-praktik HRM yang berkelanjutan dalam mencapai pertumbuhan ekonomi yang inklusif dan keberlanjutan lingkungan.

**Kata kunci:** *Manajemen sumber daya manusia, praktik HRM yang berkelanjutan, pertumbuhan ekonomi inklusif*

**Introduction**

Human resource management (HRM) plays a significant role in organizational performance. HRM practices can positively impact employee job satisfaction, organizational social evaluation, and financial performance (Yin, 2023) (Wijaya, et al. 2023) (Ansari, et al. 2022) (Irum, 2022) (Zhao, et al. 2021) . Green HRM, which promotes environmentally friendly behaviors and sustainable use of organizational resources, has emerged as a vital tool for organizations seeking to balance economic growth with sustainable practices and social responsibility. The adoption of Green HRM remains essential for organizations aiming to achieve sustainable development and responsible resource management, thereby contributing to a greener and socially responsible future. Other HRM practices, such as organizational innovation and learning organizational culture, can also significantly affect innovation performance and organizational performance (Wijaya, et al. 2023). The significance of HRM in enhancing organizational performance is evident in the growing scholarly interest in studying HRM and its influence on organizational performance in general and financial performance in particular (Ansari, et al. 2022) (Zhao, et al. 2021).

Sustainable development is a crucial concept that emphasizes the balance between economic growth, social responsibility, and environmental protection. The link between sustainable development and human resource management (HRM) has gained recognition in recent literature. HRM practices, such as those included in Corporate Social Responsibility (CSR) programs, play a critical role in enhancing corporate sustainability through policies that benefit both people and society. Organizations are increasingly focusing on the United Nations Sustainable Development Goals (SDGs) and the dimensions of Environment, Society, and Governance (ESG) to guide their sustainable practices. HRM can design and implement practices aligned with these goals, especially those related to society, contributing to sustainable development (Papalexandris, 2022).

Green Human Resource Management (Green HRM) has emerged as a key approach for organizations aiming to balance economic growth with sustainable practices and social responsibility. Green HRM promotes environmentally friendly behaviors and sustainable resource use, positively impacting employee job satisfaction and organizational social evaluation. Studies have shown a positive relationship between Green HRM practices and sustainable organizational performance in various industries, emphasizing the importance of integrating green management concepts for a greener and socially responsible future (Yin, 2023).

The Sustainable Development Goals (SDGs) are a set of 17 goals established by the United Nations to guide global sustainable development efforts. The SDGs cover a range of areas, including poverty reduction, gender equality, clean energy, and climate action (Papalexandris, 2022). Human resource management (HRM) can play a critical role in achieving these goals by designing and implementing practices aligned with the SDGs, especially those related to society (Papalexandris, 2022). HRM practices included in Corporate Social Responsibility (CSR) programs are often linked with sustainability, business ethics, and workplace justice and are often under the terms of sustainable HRM (Papalexandris, 2022). The adoption of Green HRM, which promotes environmentally friendly behaviors and sustainable use of organizational resources, has emerged as a vital tool for organizations seeking to balance economic growth with sustainable practices and social responsibility (Yin, 2023) (Zhao, 2021) (Irum, 2022). Studies have shown a positive relationship between Green HRM practices and sustainable organizational performance in various industries, emphasizing the importance of integrating green management concepts for a greener and socially responsible future (Yin, 2023) (Zhao, 2021) (Irum, 2022). Therefore, HRM can contribute to the achievement of the SDGs by designing and implementing practices aligned with the goals, especially those related to society, and by adopting Green HRM practices to promote environmentally friendly behaviors and sustainable resource use (Papalexandris, 2022) (Yin, 2023) (Zhao, 2021) (Irum, 2022).

Sustainable HRM practices can contribute to inclusive economic growth by promoting environmentally friendly behaviors and sustainable use of organizational resources, positively impacting employee job satisfaction and organizational social evaluation (Tortia, et al. 2022) (Hronová, et al. 2021). Sustainable HRM practices can also enhance corporate sustainability through policies and practices that benefit people and society in general, contributing to a greener and socially responsible future. Studies have shown a positive relationship between sustainable HRM practices and organizational performance in various industries, emphasizing the importance of integrating sustainable management concepts for a greener and socially responsible future. Sustainable HRM practices can also positively influence worker involvement and well-being, which in turn can improve organizational performance in terms of service quality and organizational innovation in social and care services (Hronová, et al. 2021). Therefore, sustainable HRM practices can contribute to inclusive economic growth by promoting sustainable practices, enhancing corporate sustainability, and improving worker

involvement and well-being, ultimately leading to improved organizational performance (Vaishali, 2019) (Yin, 2023) (Tortia, et al. 2022) (Hronová, et al. 2021).

### **Literature Review**

#### **Linking sustainable HRM with economic growth and inclusivity.**

Theoretical foundations linking sustainable HRM with economic growth and inclusivity have been established in recent literature. Sustainable HRM practices can contribute to inclusive economic growth by promoting environmentally friendly behaviors and sustainable use of organizational resources, positively impacting employee job satisfaction and organizational social evaluation (Tortia, et al. 2022) (Hronová, et al.2021). Sustainable HRM practices can also enhance corporate sustainability through policies and practices that benefit people and society in general, contributing to a greener and socially responsible future. Studies have shown a positive relationship between sustainable HRM practices and organizational performance in various industries, emphasizing the importance of integrating sustainable management concepts for a greener and socially responsible future. Sustainable HRM practices can also positively influence worker involvement and well-being, which in turn can improve organizational performance in terms of service quality and organizational innovation in social and care services (Tortia, et al. 2022) (Yin, 2023). Therefore, sustainable HRM practices can contribute to inclusive economic growth by promoting sustainable practices, enhancing corporate sustainability, and improving worker involvement and well-being, ultimately leading to improved organizational performance (Vaishali, 2019) (Papalexandris, 2022) (Tortia, et al. 2022) (Yin, 2023) (Hronová, et al.2021)

#### **The effectiveness of sustainable HRM practices in promoting inclusive economic growth.**

Empirical evidence on the effectiveness of sustainable HRM practices in promoting inclusive economic growth has been established in recent literature. Sustainable HRM practices can contribute to inclusive economic growth by promoting environmentally friendly behaviors and sustainable use of organizational resources, positively impacting employee job satisfaction and organizational social evaluation (Yin, 2023) (Hronová, et al. 2021). Sustainable HRM practices can also enhance corporate sustainability through policies and practices that benefit people and society in general, contributing to a greener and socially responsible future. Studies have shown a positive relationship between sustainable HRM practices and organizational performance in various industries, emphasizing the importance of integrating sustainable management concepts for a greener and socially responsible future. Sustainable HRM practices can also positively influence worker involvement and well-being, which in turn can improve organizational performance in terms of service quality and organizational innovation in social and care services (Tortia, et al. 2022) (Yin, 2023). Therefore, sustainable HRM practices can contribute to inclusive economic growth by promoting sustainable practices, enhancing corporate sustainability, and improving worker involvement and well-being, ultimately leading to improved organizational performance (Papalexandris, 2022) (Tortia, et al. 2022) (Yin, 2023) (Hronová, et al. 2021)

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for research include exploring the impact of sustainable HRM practices on different dimensions of organizational performance, such as financial performance, and investigating the role of HRM in achieving specific Sustainable Development Goals (SDGs) (Papalexandris, 2022) (Hronová, et al. 2021). Overall, empirical evidence suggests that sustainable HRM practices can contribute to inclusive economic growth by promoting sustainable practices, enhancing corporate sustainability, and improving worker involvement and well-being, ultimately leading to improved organizational performance (Papalexandris, 2022) (Tortia, et al. 2022) (Yin, 2023) (Hronová, et al. 2021).

### **Research Method**

The research methodology adopted for this study is a systematic literature review, a methodological approach aimed at comprehensively examining and synthesizing existing scholarly literature pertaining to the topic of "The Role of Human Resource Management (HRM) in Sustainable Development." To ensure a thorough exploration of the subject matter, a systematic search strategy was employed, leveraging reputable international academic databases including IEEE Xplore, Scopus, Web of Science, and Google Scholar.

The search strategy was carefully devised, incorporating a range of relevant keywords such as "human resource management," "sustainable development," "inclusive economic growth," and "sustainability practices." Furthermore, the inclusion criteria were rigorously applied to select studies directly pertinent to the research question. Specifically, articles published within the last five years (2019-2024) and written in English were considered, with a focus on those directly addressing the nexus between sustainable HRM practices and their impact on inclusive economic growth.

Articles meeting these criteria underwent a meticulous data extraction process, where key information such as theoretical frameworks, research methodologies employed, main findings, and implications were systematically extracted and synthesized. This process enabled a comprehensive analysis of the literature, providing valuable insights into the relationship between sustainable HRM and inclusive economic development. Through adherence to rigorous methodological standards and systematic data synthesis, this study aims to contribute substantially to the existing body of knowledge in the field, offering practical implications for HRM practitioners, researchers, and policymakers alike.

### **Results and Discussions**

#### **Theoretical Foundations of Sustainable HRM**

##### **1. Overview of theoretical perspectives linking HRM and sustainability.**

Theoretical perspectives linking HRM and sustainability include the link between sustainable development and HRM, the role of HRM in enhancing corporate sustainability through policies and practices that benefit people and society in general, and the importance of documenting and reporting sustainable HRM practices to gain visibility and credibility (Papalexandris, 2022) (Hronová, et al. 2021). Green HRM, which promotes environmentally friendly behaviors and sustainable use of organizational resources, has gained its unique position in recent research, since the awareness towards environmental management and sustainable development has gradually increased in the world. The adoption of Green HRM remains essential for organizations aiming to achieve sustainable development and responsible resource management, thereby contributing to a greener and socially responsible future (Papalexandris, 2022) (Hronová, et al. 2021). The literature also highlights the diverse functions of HRM that are capable of contributing to environmental sustainability, including job designing, job analysis, human resource planning, recruitment, selection, induction, performance evaluation, training and development, reward management, discipline management, health and safety management, and employee relations (Hronová, et al. 2021). Future directions for research include exploring the impact of sustainable HRM practices on

different dimensions of organizational performance, such as financial performance, and investigating the role of HRM in achieving specific Sustainable Development Goals (SDGs) (Papalexandris, 2022). Overall, theoretical perspectives linking HRM and sustainability emphasize the importance of integrating sustainable management concepts for a greener and socially responsible future (Papalexandris, 2022) (Hronová, et al. 2021) (Stahl, et al. 2020).

## **2. Stakeholder theory, resource-based view, and institutional theory.**

Theoretical perspectives linking HRM and sustainability include stakeholder theory, resource-based view, and institutional theory. Stakeholder theory emphasizes the importance of considering the interests of all stakeholders, including employees, customers, suppliers, and the community, in organizational decision-making processes (McGahan, 2021) (Freeman, et al. 2021) (Hronová, et al. 2021). The resource-based view focuses on the strategic management of resources and capabilities to achieve a competitive advantage (McGahan, 2021). Institutional theory emphasizes the importance of social norms, values, and regulations in shaping organizational behavior and practices (Farrukh, 2021). These theoretical perspectives provide a framework for understanding the role of HRM in promoting sustainable practices, enhancing corporate sustainability, and improving worker involvement and well-being, ultimately leading to improved organizational performance. The literature also highlights the diverse functions of HRM that are capable of contributing to environmental sustainability, including job designing, job analysis, human resource planning, recruitment, selection, induction, performance evaluation, training and development, reward management, discipline management, health and safety management, and employee relations (Freeman, et al. 2021). Future directions for research include exploring the impact of sustainable HRM practices on different dimensions of organizational performance, such as financial performance, and investigating the role of HRM in achieving specific Sustainable Development Goals (SDGs) (McGahan, 2021) (Farrukh, et al. 2021) (Stefano, et al. 2018). Overall, theoretical perspectives linking HRM and sustainability emphasize the importance of integrating sustainable management concepts for a greener and socially responsible future.

### **Sustainable HRM Practices**

#### **1. Key sustainable HRM practices, including recruitment, training, diversity management, and employee engagement.**

Key sustainable HRM practices include recruitment, training, diversity management, and employee engagement. Recruitment practices can include selecting candidates who share the organization's values and commitment to sustainability, as well as promoting job opportunities that contribute to sustainable development (Gunasekare, 2021) (Papalexandris, 2022). Training practices can include providing employees with knowledge and skills related to sustainability, such as environmental management and social responsibility (Yin, 2023). Diversity management practices can include promoting diversity and inclusion in the workplace, which can lead to a more sustainable and socially responsible organization. Employee engagement practices can include involving employees in sustainability initiatives and providing opportunities for them to contribute to sustainable practices within the organization. These sustainable HRM practices can contribute to inclusive economic growth by promoting sustainable practices, enhancing corporate sustainability, and improving worker involvement and well-being, ultimately leading to improved organizational performance (Neeraja, 2023). However, there are also barriers and challenges to the adoption of sustainable HRM practices, such as lack of awareness, resistance to change, and lack of resources (Gunasekare, 2016) (D.K., 2022). Future directions for research include exploring the impact of sustainable HRM practices on different dimensions of organizational performance, such as financial performance, and investigating the role of HRM in achieving specific Sustainable Development Goals (SDGs) (Gunasekare, 2016) (Neeraja, 2023) (Stankevičiūtė, et al. 2018).

Overall, sustainable HRM practices can contribute to inclusive economic growth by promoting sustainable practices, enhancing corporate sustainability, and improving worker involvement and well-being, ultimately leading to improved organizational performance

## **2. The effectiveness of these practices in organizational sustainability.**

Empirical evidence supporting the effectiveness of sustainable HRM practices in organizational sustainability has been established in recent literature (Yin, 2023) (Irum, 2022) (D.K., 2022). Studies have shown a positive relationship between sustainable HRM practices and organizational performance in various industries, emphasizing the importance of integrating sustainable management concepts for a greener and socially responsible future. Green HRM, which promotes environmentally friendly behaviors and sustainable use of organizational resources, has gained its unique position in recent research, since the awareness towards environmental management and sustainable development has gradually increased in the world (Hronová, 2021). The adoption of Green HRM remains essential for organizations aiming to achieve sustainable development and responsible resource management, thereby contributing to a greener and socially responsible future (Irum, 2022) (Hronová, 2021). The literature also highlights the diverse functions of HRM that are capable of contributing to environmental sustainability, including job designing, job analysis, human resource planning, recruitment, selection, induction, performance evaluation, training and development, reward management, discipline management, health and safety management, and employee relations (Hronová, 2021). Future directions for research include exploring the impact of sustainable HRM practices on different dimensions of organizational performance, such as financial performance, and investigating the role of HRM in achieving specific Sustainable Development Goals (SDGs) (Yin, 2023) (Irum, 2022). Overall, empirical evidence suggests that sustainable HRM practices can contribute to inclusive economic growth by promoting sustainable practices, enhancing corporate sustainability, and improving worker involvement and well-being, ultimately leading to improved organizational performance (Yin, 2023) (Irum, 2022) (Hronová, 2021) (Ren, et al. 2020).

### **Role of Sustainable HRM in Inclusive Economic Growth**

#### **1. Sustainable HRM practices contribute to innovation, productivity, and organizational performance.**

Empirical evidence supporting the effectiveness of sustainable HRM practices in promoting innovation, productivity, and organizational performance has been established in recent literature (Panda, et al. 2023) (Shahzad et al. 2023) (Tortia, et al. 2022). Studies have shown that sustainable HRM practices can positively influence worker involvement and well-being, which in turn can improve organizational performance in terms of service quality and organizational innovation in social and care services (Tortia, et al. 2022). Green HRM, which promotes environmentally friendly behaviors and sustainable use of organizational resources, has gained its unique position in recent research, since the awareness towards environmental management and sustainable development has gradually increased in the world (Shahzad et al. 2023). The adoption of Green HRM remains essential for organizations aiming to achieve sustainable development and responsible resource management, thereby contributing to a greener and socially responsible future (Tortia, et al. 2022). The literature also highlights the diverse functions of HRM that are capable of contributing to environmental sustainability, including job designing, job analysis, human resource planning, recruitment, selection, induction, performance evaluation, training and development, reward management, discipline management, health and safety management, and employee relations (Shahzad et al. 2023) (Tortia, et al. 2022). Future directions for research include exploring the impact of sustainable HRM practices on different dimensions of organizational performance, such as financial performance, and investigating the role of HRM in achieving specific Sustainable

Development Goals (SDGs)(Shahzad et al. 2023) (Tortia, et al. 2022). Overall, empirical evidence suggests that sustainable HRM practices can contribute to innovation, productivity, and organizational performance by promoting sustainable practices, enhancing corporate sustainability, and improving worker involvement and well-being, ultimately leading to improved organizational performance (Shahzad et al. 2023) (Tortia, et al. 2022) (Panda, et al. 2023) (Poon, et al. 2020).

## **2. Relationship between inclusive HRM practices and social inclusion, economic equity, and inclusive economic growth.**

Inclusive HRM practices can contribute to social inclusion, economic equity, and inclusive economic growth by promoting diversity and inclusion in the workplace, providing equal opportunities for all employees, and enhancing employee well-being and job satisfaction (Meacham, et al.2017) (Tortia, et al. 2022) (Panda, et al. 2023). Studies have shown that inclusive HRM practices can positively influence worker involvement and well-being, which in turn can improve organizational performance in terms of service quality and organizational innovation in social and care services (Tortia, et al. 2022). Inclusive HRM practices can also support the employment and social inclusion of workers with disabilities, promoting their participation and well-being in the workplace (Meacham, et al.2017). Sustainable HRM practices, which promote environmentally friendly behaviors and sustainable use of organizational resources, can also contribute to inclusive economic growth by enhancing corporate sustainability and improving worker involvement and well-being, ultimately leading to improved organizational performance. However, there are also barriers and challenges to the adoption of inclusive and sustainable HRM practices, such as lack of awareness, resistance to change, and lack of resources (Meacham, et al.2017) (Panda, et al. 2023) . Future directions for research include exploring the impact of inclusive and sustainable HRM practices on different dimensions of organizational performance, such as financial performance, and investigating the role of HRM in achieving specific Sustainable Development Goals (SDGs) (Meacham, et al.2017) (Panda, et al. 2023) . Overall, inclusive and sustainable HRM practices can contribute to social inclusion, economic equity, and inclusive economic growth by promoting diversity and inclusion, providing equal opportunities, enhancing employee well-being and job satisfaction, and improving organizational performance(Panda, et al. 2023) (Meacham, et al.2017).

## **Discussion**

Key findings regarding the contribution of sustainable HRM to inclusive economic growth include:

### **1. Link between Sustainable Development and HRM**

Sustainable Human Resource Management (HR) practices have a close relationship with the goals of alignment, business ethics and fairness in the workplace. These practices include a variety of strategies and policies aimed at creating a work environment that prioritizes not only the success of the organization, but also the well-being of employees and society at large. By adopting sustainable HR management practices, organizations recognize their responsibility towards environmental stewardship, social equality, and ethical behavior in their operations (Ansari, et al. 2022).

The relationship between sustainable HR management and corporate sustainability is very important to recognize the role of HR management as a driver of organizational success in the broader context of societal and environmental welfare. Sustainable HR management practices include the integration of principles such as diversity and inclusion, employee empowerment, and ethical decision making into HR policies and processes. These practices not only shape a positive organizational culture, but also contribute to long-term business sustainability and resilience (Farrukh, et al. 2021).

Additionally, sustainable HR management practices go beyond mere regulatory compliance; they involve proactive initiatives to address social and environmental challenges while driving economic growth. By prioritizing fair employment practices, promoting employee health and safety, and adopting environmentally sustainable practices, organizations can enhance their reputation, attract the best talent, and build stronger relationships with stakeholders (Freeman,2021) .

The formulation of the hypothesis shows that there is a significant relationship between sustainable HR management practices and corporate sustainability. This hypothesis indicates that organizations that implement sustainable HR management practices tend to achieve higher levels of corporate sustainability. Through policies and practices that prioritize ethical behavior, social responsibility and environmental stewardship, organizations can create value not only for themselves, but also for society as a whole, thereby increasing their overall sustainability and making a positive contribution to the achievement of social goals wider.

**H1: There is a significant relationship between sustainable human resource management practices (Sustainable HRM practices) and the level of corporate sustainability.**

## **2. Role in Enhancing Corporate Sustainability**

HRM can design and implement practices aligned with the U.N. Sustainable Development Goals (SDGs) and the dimensions of Environment, Society, and Governance (ESG), contributing to a greener and socially responsible future[1]. Human Resource Management (HRM) has a very important role in improving company sustainability. One of the key aspects of this role is HRM's ability to design and implement practices that are in line with the Sustainable Development Goals (SDGs) set by the United Nations (UN), as well as the Environment, Society and Governance (ESG) dimensions. These practices not only include environmental aspects, but also social aspects and responsible corporate governance (Irum, 2022).

By designing and implementing practices related to the SDGs and ESG dimensions, HRM can contribute to the formation of a greener and more socially responsible future. For example, HRM can develop policies that support more efficient use of resources, reduced carbon emissions, as well as the promotion of corporate social responsibility, such as philanthropic programs or community sustainability initiatives. Additionally, HRM can play an important role in ensuring that these practices are integrated into the overall organizational culture and company values (McGahan,2021).

Sustainable human resource management practices have a significant impact on employee performance and productivity. This indicates that organizations that implement sustainable HRM practices tend to have more productive and high-performing employees. This can happen because these practices create a work environment that is more motivating, supportive and oriented towards sustainable goals, thus encouraging employees to make a greater contribution to the success of the organization.

**H2: There is a significant influence of sustainable human resource management practices (Sustainable HRM practices) on employee performance and productivity.**

## **3. Impact on Employee Performance and Productivity**

Sustainable HRM practices positively influence worker involvement, well-being, service quality, and organizational innovation, ultimately improving organizational performance[2][4]. Sustainable human resource management (HRM) practices have a significant impact on employee performance and productivity. These practices include a variety of strategies designed to improve employee engagement, well-being, service quality, and organizational innovation. Through implementing these practices, organizations can create a more supportive work environment, which in turn improves overall employee performance (Meacham, 2017).



One of the positive impacts of sustainable HRM practices is increased employee engagement. By encouraging active employee participation in the decision-making process and providing opportunities to contribute to organizational goals, these practices can increase employee motivation and loyalty. This allows employees to feel more connected to the goals and values of the organization, which ultimately increases their productivity and performance (Neeraja, 2023).

In addition, sustainable HRM practices also have a positive impact on employee well-being. By providing comprehensive wellness programs, support for work-life balance, and a safe and healthy work environment, organizations can increase employee happiness and well-being. Employees who feel valued and supported by their organizations tend to have higher levels of job satisfaction and less absenteeism, which in turn contributes to increased productivity (Panda, 2023).

In addition, sustainable HRM practices can also improve service quality and organizational innovation. By providing ongoing training and development to employees, organizations can improve their skills and knowledge, which in turn increases their ability to provide high-quality service to customers. Additionally, by creating a culture that supports experimentation and the development of new ideas, these practices can encourage innovation and positive change throughout the organization (Shahzad, 2023).

Sustainable human resource management practices have a significant influence on an organization's ability to achieve sustainable development goals. This shows that organizations that implement sustainable HRM practices tend to perform better in achieving their sustainable development goals, such as reducing environmental impact, improving employee well-being, and encouraging sustainable innovation. Thus, sustainable HRM practices not only contribute to employee performance and productivity, but also to the overall ability of the organization to achieve sustainable development goals.

**H3: There is a significant influence of sustainable human resource management practices (Sustainable HRM practices) on the organization's ability to achieve sustainable development goals.**

#### **4. Contribution to Environmental Sustainability**

Green HRM practices promote environmentally friendly behaviors and sustainable resource use, contributing to a greener future and supporting environmental sustainability efforts[5]. Sustainability-oriented Human Resource Management (HRM) practices or commonly called Green HRM have a significant impact on environmental protection and sustainable development efforts. These practices aim to encourage environmentally friendly behavior and sustainable use of resources in the work environment, ultimately contributing to the creation of a greener future and supporting environmental sustainability efforts (Tortia, 2022).

One example of Green HRM practice is encouraging employees to adopt environmentally friendly behavior, such as reducing energy and water consumption, reducing waste, and supporting sustainable transportation. By providing incentives or training on these practices, organizations can help change employee behavior and create a more environmentally friendly work culture (Vaishali, 2019).

In addition, Green HRM practices also aim to ensure sustainable use of resources in the work environment. This includes the use of recycled materials, reduced paper consumption, and efficient use of energy. By adopting these practices, organizations can reduce their environmental footprint and contribute to the conservation of valuable natural resources.

Apart from direct benefits within the organization, Green HRM practices also have a wider impact in supporting global environmental protection efforts. By becoming role models and advocates for environmentally friendly practices, organizations can influence change on a larger scale and become part of the solution to global environmental challenges (Wijaya, 2023).

There is a significant relationship between sustainable human resource management practices and contributions to environmental protection and sustainable development. This suggests that organizations that implement sustainable HRM practices tend to have a greater impact in supporting environmental protection efforts and creating a more sustainable environment. Thus, sustainable HRM practices not only benefit the organization internally, but also for society and the environment as a whole.

**H4: There is a significant relationship between sustainable human resource management practices (Sustainable HRM practices) and contributions to environmental protection and sustainable development.**

### **Barriers and Challenges**

Despite the benefits, barriers such as lack of awareness, resistance to change, and resource constraints exist in adopting sustainable HRM practices (Yin, 2023) (Zhao, et al. 2021). Although sustainable human resource management (HRM) practices offer various benefits, there are several barriers and challenges that hinder their adoption. Some of these challenges include lack of awareness, resistance to change, and constraints on existing resources.

First, lack of awareness is one of the main barriers to adopting sustainable HRM practices. Many organizations or individuals do not fully understand the importance of these practices in creating a more sustainable and environmentally friendly work environment. With a lack of awareness about the benefits that can be gained from these practices, it is likely that organizations will be reluctant to change their old habits.

Second, resistance to change is also a significant challenge. When organizations try to adopt sustainable HRM practices, they will often be faced with resistance from various parties, including employees, managers, or even external stakeholders. Changes in work culture or established operational processes are often difficult to accept for certain individuals or groups who feel comfortable with the status quo.

In addition, resource constraints can also be a barrier to adopting sustainable HRM practices. Many organizations may face limitations in terms of budget, personnel, or infrastructure required to implement these practices effectively. Without adequate resources, implementing sustainable HRM practices can be difficult or even impossible.

In facing these obstacles and challenges, organizations need to adopt a comprehensive and strategic approach. This may involve efforts to raise awareness of the importance of sustainable HRM practices, building support and involvement from various stakeholders, as well as the allocation of adequate resources to support the implementation of such practices. By overcoming these barriers, organizations can accelerate change towards more sustainable HRM practices, which in turn will provide long-term benefits for the organization, employees and the environment.

### **Conclusion**

From the literature review that has been carried out regarding the role of sustainable human resource management (HRM) in supporting inclusive economic development and environmental sustainability, it can be concluded that sustainable HRM practices have a significant impact on various aspects of the organization. These practices not only contribute to improving organizational performance and employee productivity, but also bring benefits to the environment and society at large. Through integrating sustainability principles into HRM policies and practices, organizations can play an important role in creating a greener, more inclusive and sustainable future.

Nevertheless, research also highlights several challenges in adopting sustainable HRM practices, such as lack of awareness, resistance to change, and resource constraints. Overcoming these barriers requires concerted efforts from HRM practitioners, policymakers,

and academics to increase understanding, promote the adoption of sustainable practices, and overcome existing obstacles.

Furthermore, future research needs to deepen the understanding of the relationship between HRM, sustainability, and economic development by adopting a more holistic, multidisciplinary and research approach. This includes in-depth qualitative research to explore the mechanisms and processes underlying the impact of sustainable HRM practices, as well as longitudinal research that can evaluate the long-term impact of these practices.

Thus, research on the role of sustainable HRM not only has practical implications for HRM practitioners and policy makers in developing strategies to achieve organizational sustainability and inclusive economic growth, but also has a significant contribution in enriching our understanding of how organizations can play a role in creating the future. a more sustainable future for all parties.

## **Implications**

### **Practical implications for HRM practitioners and policymakers in promoting sustainable HRM practices.**

HRM practitioners can use these findings as a guide to design and implement sustainable practices in human resource management in their organizations. This includes strengthening awareness of the importance of sustainable HRM practices, addressing barriers that may arise, and ensuring the adoption of practices that support the organization's sustainability goals.

Policy makers can use these findings as a basis for formulating policies that support the adoption of sustainable HRM practices at the national or even global level. This includes providing incentives, regulations and resources to encourage organizations to adopt practices that support environmental and economic sustainability.

The findings of this research can be an important contribution to the academic literature in deepening the understanding of how sustainable HRM practices contribute to corporate sustainability and inclusive economic development. This paves the way for the development of new theories and frameworks that can be used to analyze and explain the complex relationship between HRM, sustainability and economic growth.

## **Limitations and Future Directions**

The existing literature on the relationship between sustainable HRM practices, sustainability, and economic development provides valuable insights but also faces certain limitations. One limitation is the predominance of cross-sectional studies, which may not capture the dynamic nature of sustainable HRM practices over time. Additionally, many studies rely on self-report measures, which could introduce bias or subjectivity into the findings. Furthermore, the majority of research has been conducted in Western contexts, limiting the generalizability of findings to other regions. Future research should aim to address these limitations by employing longitudinal designs, incorporating objective measures of sustainable HRM practices, and conducting studies in diverse cultural and geographical contexts.

To advance understanding of the relationship between HRM, sustainability, and economic development, future research could explore several avenues. Firstly, there is a need for more qualitative research to gain deeper insights into the mechanisms through which sustainable HRM practices impact organizational outcomes. Qualitative studies could uncover the underlying processes, contextual factors, and stakeholder perspectives that influence the effectiveness of sustainable HRM practices. Additionally, researchers could examine the role of leadership in driving the adoption and implementation of sustainable HRM practices within organizations. Understanding how leaders shape organizational culture, values, and practices related to sustainability could provide valuable insights for HRM practitioners and policymakers. Furthermore, there is a need for longitudinal research to assess the long-term

effects of sustainable HRM practices on organizational performance, employee well-being, and environmental outcomes. By tracking organizations over time, researchers can better understand the causal relationships and sustainability implications of HRM practices. Overall, addressing these gaps in knowledge and advancing research in this area can contribute to the development of evidence-based strategies for promoting sustainable HRM practices and achieving inclusive economic growth.

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