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### **Abstract**

With the crisis, the scope of Human Resources Management (HRM) has expanded to include a greater number of internal and external stakeholders. While adapting for immediate needs, HRM is involved in longer-term perspectives. Its actions and results are more integrated with financial and ecological goals. This paper analyses the emergence of “sustainable HRM”, its declinations in terms of practices and also the challenges for its development.

Keywords: sustainable HRM – strategic HRM – prospective.

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## **A sustainable HRM thanks to the crisis?**

The health crisis has revealed new factors in the work environment such as workers forced to continue working despite the health risks, alternative working methods such as teleworking, but also the plurality of roles for human resources management. Indeed, decisions to reorganise and support employees have rarely been so closely observed. Their effects, at both individual and collective levels, have been scrutinised and commented on, far beyond the boundaries of companies. The strategic nature of HRM has suddenly become visible to all internal and external players. During this period, HRM has been associated with two challenging issues: supporting implementation of emergency decisions and anticipating strategies for the future in a very uncertain context.

If this HRM has gained (at least for the moment) its strategic stripes, it has also extended its scope of action. Could the crisis even be an opportunity for this HRM to become sustainable? This is the question of this paper, which analyses the accelerated convergence between theoretical questions and emerging practices initiated by the crisis.

### **Sustainable HRM ambitions**

While corporate social responsibility is systematically described as being based on the three pillars of environment, finance and people, the latter is often relegated to the status of a follower of the first two. However, this pillar could perhaps play a driving role and be the subject of renewed attention. But what would it mean to add the adjective 'sustainable' to HRM? This addition is not a buzzword but reflects developments accelerated by the crisis.

Sustainable HRM has moved from an obscure concept to a subject of increasing academic interest in the last few years. It is defined by Ehnert et al (2016, p.3), the pioneers of the subject, as: *“the adaptation of HRM strategies and practices that achieves financial, social, and ecological goals, with impact inside and outside the organisation and over a long-term time horizon, while controlling unintended side effects and negative feedback”*. HRM thus extends to longer time horizons (Guerci et al., 2014) and to internal and external actors, with sometimes conflicting interests, and various objectives, not always quantitative and financial. This sustainability requires many changes for HRM :

- Moving from a reactive HRM to a forward-looking HRM: by considering several future scenarios, and trying to anticipate all their implications, for example in terms of skills;
- Going beyond the boundaries of the company to move towards an open HRM: by considering that the clients of HRM are not only the employees of the company, but that people living in the territory, employees of other organisations, public authorities, etc. should also be considered in the decisions taken;
- To broaden the objectives of HRM to a variety of human, economic, ecological and, of course, financial issues.

It is therefore a new paradigm that is proposed for a sustainable HRM (Boudreau and Ramstad, 2005). While this proposal is attractive and is in line with current debates on sustainability, it is implemented in a variety of degrees.

### **The crisis as an opportunity for diverse sustainable HRM**

In many (especially large) companies, the crisis has produced both discourses and actions in line with this conception of an extended HRM. Faced with uncertainties and blurred time

horizons, companies have been thinking in terms of the very short term and constant adaptation, while at the same time seeking to prepare the long-term future. The governmental decisions, the reactions of territorial actors and, more broadly, of society, have become constraints for the practices initiated, but also levers for decision making (e.g. support employees in their reconversion). However, this orientation towards the sustainability of HRM takes place differently depending on the company. It is also convergent with the typology of "sustainable HRM" identified in the literature (Aust et al., 2020).

The first approach, "socially responsible HRM", seeks to reduce the risks and the negative impacts of the company's strategy by maintaining human resources throughout the supply chain. In the context of the crisis, it has resulted in HRM practices focusing on maintaining health (by providing masks, for example, and now vaccines) and the activity of all players (via partial activities, distance or mobility). This approach therefore takes a social view of HRM, which is primarily at the service of the company's business and economic interests.

The second perspective, "green HRM", is based on the ecological awareness of workers and the effects of their activities on the planet. This has recently been reflected in increased incentives to work at or near home, to reduce the amount of professional work spaces, to use clean modes of transport, or to consume local products. The crisis has certainly accelerated these practices and measures initiated in companies with environmental objectives, but with expected economic spin-offs, from an HR point of view; for example, in terms of employer brand.

The third perspective, "triple bottom line HRM", focuses simultaneously on the ecological, social and economic goals. It is the broadest concept of "sustainable HRM". While it combines the first two perspectives and presents all these issues as inextricably linked, it highlights all the contradictions and paradoxes associated with these three goals. Companies that have invested in reorganising their production, in reducing environmental effects and health risks for their workers, or in training them for new activities, have often had to reduce their financial expectations. Thus, this multipurpose focus is synonymous with potential tensions and conflicts. But at the same time, it "*redefines performance in win-win-win terms of "people, profits, and planet" shared-values*" (Aust et al., 2020).

The crisis has certainly led to a new orientation, or even a reorientation, towards a more responsible HRM, but with different translations depending on the context. Some companies have introduced practices in line with social or environmental responsibility, without however questioning their system of HRM practices. They can remain focused on the short term and their own employees, or even only those considered strategic. Few companies have yet taken the opportunity to rethink their HRM model by seeking to put all their issues on the same level.

All these tendencies can be seen in two ways, insufficient or encouraging, depending on the point of view. They reveal deeper changes in the HRM perspectives. However, it is important to remain cautious and to consider the limits of these ongoing changes.

## **The risks of a sustainable but ephemeral HRM**

In management, the fashion effect is an existing and frequent risk. The ambition of sustainable HRM to overcome the period of crisis can only be achieved if it does not fall into a certain number of pitfalls, which we gather around the notion of ease. It would be simple:

- To return to the short term, when the storm has passed and the horizon is clearer, because it will be easier to reason in the short term than to assume the multiple scenarios associated with HR foresight;

- To limit the number of stakeholders in HRM, because the more stakeholders associated with HRM, the more the plurality of interests and perspectives, and the more the regulations between stakeholders increase;

- To give priority to financial objectives, which are easier to quantify than human, social or global objectives, and, more generally, to develop "good practices" oriented towards a single objective (Lopez-Cabrales A. & Valle-Cabrera, 2020).

All these risks are known. They are part of a natural and human tendency to want to take the simplest, most direct route with the most guaranteed results. After reacting to the crisis, some companies may forget or relegate to the background their three types of commitments and their orientations towards a sustainable HRM (Aragon-Correa & Sharma, 2003). If companies fall into this trap, this HRM model will have been nothing but a flash in the pan.

## **Towards a sustainable HRM strategy**

For companies, the challenge is to take advantage of the crisis to implement an HRM policy that does not remain a mere intention but that takes up practices that are consistent with the three types of objectives. This brings us back to the challenges of all strategic HRM, or the search for alignment between HRM and the company's strategy, but also between practices (since Schuler and Jackson, 1987). This sustainable strategy assumes a change in cognitive frameworks, no longer simply seeking to meet legal standards or cost minimisation issues (Lopez-Cabrales A., & Valle-Cabrera, Ibid). The challenge is to go further, by (re)thinking the entire system of responsibility. The development of new products, services and working methods has led to a different view of human resources knowledge and know-how, and to an understanding of its impact on the company and on society. For example, the importance of "essential" workers has been key during the crisis. Sustainable HRM should mean continuing to value them after the crisis. The exceptional bonuses distributed in 2020 should, for example, pave the way for new remuneration systems linked to the performance of employees but also to their societal and environmental impacts. This HRM should also mean helping them to develop their competencies, through training and new opportunities. The COVID pandemic has also had significant impacts on employee's health, on their well-being and their career. Sustainable HRM should add this "ethics of care" (Mc Guire et al., 2021) by helping workers to secure a favorable work-life balance. Each company must now consider which practices to maintain, initiate or transform, in order to achieve all these objectives. The crisis has shown that some new practices can be implemented and may open up the range of possibilities.

This approach therefore requires innovation in the field of HRM, by rethinking it, in the light of these sustainability issues. HR practitioners must initiate and consider these changes. To do so, they must also develop new skills in order to move beyond their traditional missions towards new horizons. For example, they need to develop prospective skills to anticipate changes in jobs, to know how to better analyse the data in order to evaluate the effects of their decisions, or to rethink their talent management. But this is not just an HR issue. In fact, it is more than ever a challenge for the leaders of these companies to give a new position to HRM, embedding all these objectives. It is also a new challenge for investors to evaluate HRM systems and their effects. Finally, all workers should be made responsible to understand these extended ways of managing them and to make them known. It is therefore a process of co-creation of this sustainable HRM that must now be initiated (Hewett & Shantz A., 2021). The crisis has probably accelerated the awareness of all these actors of their roles in the development of a sustainable HRM. While intentions are often stated, there are still many options for the development of this HRM.

## Conclusion

The crisis provides an opportunity for HRM to assert its strategic and responsible nature in companies and beyond. The practices initiated and deployed over the last few months reflect all these changes, whether in terms of time horizons, the actors involved or the stated objectives. However, many steps remain to be taken to implement these changes and to evaluate the results of this new paradigm.

These transformations must be accompanied by reflections on the scope of HRM's responsibility. Should it go further in taking into account the personal sphere of its employees? How can it integrate all the objectives of its increasingly numerous stakeholders? Will it be able to focus on the long term in the face of short-term issues? Many questions are emerging about the future of HRM and the affirmation of the HR function in companies. It is now that the responsibility of the players within this function is engaged, so that the rapid changes of recent months become the basis for new ways of considering HRM within and outside companies.

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