SUSTAINABLE MANAGEMENT OF HUMAN RESOURCES AND STAKEHOLDER THEORY: A REVIEW

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ABSTRACT

Sustainable Human Resource Management aims to aggregate and assist in implementing sustainable strategies and improving engagement and relationships with all stakeholders. This systematic literature review aims to understand the concepts and the association of Sustainable Human Resource Management with Corporate Social Responsibility and Corporate Sustainability from the Stakeholder Theory perspective, using the Scopus database. We found an increase in research for Sustainable Human Resource Management, which is the evolution of Green Human Resource Management. SHRM is relevant to management approaches aimed at sustainability. It has a broad view of dimensions, being focused on its employees and the socio-environmental and economic impact of the organization, considering the organization’s relationship with all stakeholders.

Keywords: Sustainable Human Resource Management. Corporate Sustainability. Corporate Social Responsibility. Stakeholder Theory.

GESTÃO SUSTENTÁVEL DE RECURSOS HUMANOS E TEORIA DOS STAKEHOLDERS: UMA REVISÃO

RESUMO

A Gestão Sustentável de Recursos Humanos visa agregar e auxiliar na implementação de estratégias sustentáveis e na melhoria do engajamento e relacionamento com todas as partes interessadas. Esta revisão sistemática da literatura visa compreender os conceitos e a associação da Gestão de Recursos Humanos Sustentável com a Responsabilidade Social Corporativa e a Sustentabilidade Corporativa na perspectiva da Teoria dos Stakeholders, utilizando a base de dados Scopus. Constatamos um aumento nas pesquisas para Gestão Sustentável de Recursos Humanos, que é a evolução da Gestão de Recursos Humanos Verde. Gestão Sustentável de Recursos Humanos é relevante para abordagens de gestão voltadas para a sustentabilidade. Tem uma visão ampla das dimensões, estando focada nos seus colaboradores e no impacto socioambiental e econômico da organização, considerando o relacionamento da organização com todos os públicos de relacionamento.


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1 INTRODUCTION

The sustainable human resource management (SHRM) and the ethical aspects of corporate social responsibility (CSR) have gained prominence in academic studies (De Gama et al., 2012). Such prominence arises from the interest of stakeholders in promoting Sustainability (Jamali, 2008; Cooke & Gond et al., 2011). Concerning CSR, organizations try to define what responsibilities they need to fulfill by listing their priorities (Waldman & Siegel, 2008: Morgeson et al., 2013).

Correspondingly, CSR’s economic, legal, ethical, and philanthropic responsibilities have been identified (Carroll, 1991). However, most research focuses on a macro level of analysis when there is an association between corporate Sustainability (CS) and CSR. (Morgeson et al., 2013). CS requires a simultaneous approach between environmental, social, and economic issues, so managers need to have a macro view of interconnections to make proactive and responsible decisions (Gladwin & Kennelly, 1995; Bansal, 2002: Maon et al., 2008).

CSR represents an essential topic in SHRM, which includes several aspects of sustainable management such as, for example, professional life and training, equal opportunities, social protection, hygiene, occupational health and safety, adaptation to change, corporate volunteering by suppliers and consumers, medium and long-term partnerships, protection of minorities, elimination of social labels (Sharma et al., 1999; De Gama et al., 2012; Gao & Bansal, 2012) This literature review is based on assisting in theoretical and managerial understanding, understanding of what CSR and SHRM mean and how their merger is favorable for associations. SHRM is innovative within HRM, and its theoretical understanding aims at demonstrating its main managerial contributions when they are actually applied within organizations.

The literature on human resource management (HRM) aims at supporting the organization in achieving effective economic performance (Jackson et al., 2011). More recently, with the increased interest in Sustainability, CSR has gained strength and prominence in organizations, emphasizing the triple bottom line (TBL) (Ehnert & Harry, 2012).

In the HRM literature, this change in perspective has led to the emergence of a new research focus named SHRM (Jackson et al., 2011). CS and CSR aim at obtaining better results for the organization, focusing on the social impact it causes in the society where it is inserted (Ehnert & Harry, 2012). HRM is a micro level theoretical perspective that complements the macro level literature. Hence, our research problem is: how the HRM literature can be informative about sustainability and CSR theory and practices?

The association between SHRM is an innovative approach in management studies, thus emerging a new way of managing human capital (Macke, 2019). Because of this, the theoretical lens of the Stakeholder Theory agrees, as organizations are composed of a set of actors, that is, stakeholders who provide the necessary resources to ensure good organizational performance (Freeman, 1984). In this case, the theory helps to explain the association of these themes.

Some authors emphasize that the association between SHRM and Sustainability is a very innovative perspective (Dao et al., 2011: Ehnert & Harry, 2012; Mak et al., 2014), but SHRM still needs to deepen its concepts and practices (De Prins et al., 2014: Macke, 2019). SHRM is an emerging theme, as Ehnert et al. (2015) emphasized. In such case, the Stakeholder Theory proves to be relevant as a background for this study on SHRM management and other topics addressed, since it starts from the assumption that stakeholders are the reason for the organizations to exist, as it legitimizes itself through them (Post et al., 2002).

Stakeholder Theory deals with the characteristics and behavior of the organization (Donaldson & Preston, 1995), that is, the ethical aspects, corporate codes, and social responsibilities
of organizations (Preston & Sapienza, 1990; Clarkson & Deck, 1993; Jones, 1995), thus corroborating with SHRM, CSR, and CS. Organizations that invest in sustainability are concerned with their impact on society and consider their responsibilities to their stakeholders (Hopkins, 2005).

2 THEORETICAL CONCEPTS

This section will demonstrate and discuss the contextualization of SHRM, Stakeholder Theory, Corporate Social Responsibility and Corporate Sustainability.

2.1 Sustainable Human Resource Management

The concept and processes of strategic HRM were developed in the late 1970s and 1980s to manage employees in an increasingly turbulent, rapidly changing, and uncertain environment (Miles & Snow 1995). The capacity of organizations to generate value is defined by Gollan (2000) as the ability and capacity to regenerate value and renew wealth by applying HRM policies and practices. Thus, investment in human knowledge through continuous learning, application, and development happens through employees’ involvement.

Complementing the author mentioned above, Mariappanadar (2003) emphasizes that strategic actions are necessary for the SHRM that aims at meeting the needs of the organization and the community, in the present, without compromising the ability to meet those needs in the future. From the SHRM perspective, managers have the opportunity to improve their working relationships. Bombiak (2019) defines the seven aspects that must be followed by the HRM, which are: design and analysis of green jobs, green recruitment, modeling of green discipline at work, green development, green performance evaluation, green motivation, green HRM procedure.

Wagner (2015) emphasizes that before the emergence of sustainable management, organizations in the past were not concerned with preserving the environment, mainly due to precariousness or lack of regulation, thus not being obliged to have these concerns. SHRM aims at contributing to the organization’s sustainable performance by elaborating and executing CS strategies, thus creating the skills, motivation, values, and confidence to achieve a triple result (Coeh et al., 2012).

With this new management approach, it was necessary to create new objectives and stricter rules, increasing business costs (Macke, 2019). Given this context, organizations have developed, in the short term, quick solutions to meet the regulations. HRM would be paramount to contribute to sustainable actions and, thus, SHRM emerged (Wagner, 2015). The environmental approach to sustainability, integrated with HRM, is called Green Human Resource Management (GHRM) (Macke, 2019). SHRM practices meet environmental sustainability needs (Lozano & Huisingh, 2011; Wagner, 2013).

A reward system that has factors related to training and development is essential for SHRM implementation. Through incentives and rewards, employees will have a more significant commitment to training, which generates development and organization of employees. (Jabbour et al., 2008; Lozano & Huisingh, 2011). For Dubois and Dubois (2012), these factors related to sustainability are conclusive to SHRM, since this process has tools that make it possible to mobilize employees, promote coordinated actions and changes in the work process and in individuals’ behavior.
2.2 Stakeholder Theory

Stakeholder Theory aims at involving all stakeholders in the quest for competitive value (Freeman, 1984). This engagement requires reconciling different moral values that are rooted both in the organization and in the stakeholders. Therefore, it recognizes and understands the values of all those involved to have an adequate alignment and achieve their goals (Freeman, 1984: Hillman & Keim, 2001).

Stakeholder Theory is related to the actions of companies searching for competitive value and organizational performance, being paramount to the organization’s strategies, as this theory understands the value of all stakeholders involved with the company (Freeman, 1984). Stakeholders contribute to the value creation capacity of an organization, becoming beneficiaries of the organization’s value (Post et al., 2002).

Stakeholders are all involved with the company, including its base, resources, and organizational structure (Post et al., 2002). Such inclusiveness generates competitive advantage in a sustained manner, as it values the perspectives of all stakeholders (Post et al., 2002). That engagement is a collaboration based on trust between most stakeholders and the company (Andriof & Waddock, 2002). Stakeholders generate a competitive advantage when they engage with the company’s strategies (Waddock, 1991).

In general, the critical concept of the Stakeholder Theory is related to the dependence on a sound management of relationships between all stakeholders (Freeman & Philips, 2002), thus ensuring the achievement of their strategies, providing good organizational performance and success for the organization. (Ditlev-Simonsen & Wenstop, 2013). Such involvement creates complexity in the decision-making of the organizations’ managers, as they involve all stakeholders (Seuring & Müller, 2008: Matos & Silvestre, 2013).

Therefore, the Stakeholder Theory explained how the relationship between companies and societies interferes in various groups of stakeholders (Pedrini, 2007: Bouten et al., 2011). Thus, the organization needs to invest in good communication with all stakeholders (Soobaroyen & Ntim, 2013) to impact and sustain its activities based on a working relationship among all (Vithana et al., 2019).

2.3 Corporate Social Responsibility

Bowen (1953) introduced CSR as a social value for companies in a globally competitive environment. CSR is an internal company policy that integrates ethical, social, and environmental concerns (Carroll, 1999). In a broadened view, CSR is related to any action taken by a company that contributes to the society’s life quality (Carroll, 1999). While this definition seems intuitively trivial, there are dynamics and complexity around it. There is a problem of semantics, since the interpretation of the meaning of the CSR term is not homogeneous (Du et al., 2011).

Carrol (2008) emphasized that CSR went from philanthropic to mandatory attribution. CSR became a successful business model that provided a competitive advantage (Porter & Kramer, 2006) and promoted sustainable development (Behringer & Szegedi, 2016: De Camargo et al., 2017: De Sousa Jabbour et al., 2020: Ye et al., 2020). But when it comes to sustainable development, the essence of CSR is based on three dimensions: economic, social, and environmental, that is, TBL (Elkington, 1998: Zhang et al., 2019).

CSR can have different meanings in different contexts, ranging from the fulfillment of legal obligations to the intervention in social issues, involving responsibility with products (Crane et al., 2008), commitments to the society, and the environmental impacts that business activities may
cause (Carroll, 1999). Therefore, there is no dominant paradigm for CSR and even less agreement on a standard definition (Mcwilliams et al., 2006: Matten & Moon, 2008).

2.4 Corporate Sustainability

Sustainability is also a vague concept that has evolved since its first application in the environmental and population growth context. The United Nations Brundtland Commission fueled the discussion on sustainability. The Brundtland Commission took a broad view of sustainable development that was global, long-term, and considered various stakeholders. This approach reflected the Commission’s concern with environmental degradation and the social impact resulting from the prevailing emphasis on economic growth of the development thinking (Brundtland, 1987).

Instead of embracing sustainability, an alternative way is to have a neoliberalist operation in capitalism, without recognizing stakeholder interests other than the shareholders (Bansal, 2002: Ehnert & Harry, 2012). Friedman (1970) is one of the first authors to promote this approach to sustainability. According to Ehnert and Harry (2012), Brundtland’s vision of sustainability aroused interest in various concepts concerning business responsibilities. These concepts include CS, CSR, and corporate sustainability performance.

Corporate sustainability performance means that three organizational results, financial performance, social and ecological/environmental impacts need to be considered as dimensions of organizational performance. That is the triple bottom line (TBL) (Elkington, 1998). However, some authors claim that TBL is insufficient to cover the entire concept of CS, requiring more strategies (see a discussion in Tseng et al., 2020).


Shi et al. (2017) suggest a model composed of three guiding aspects to CS: projects aimed at environmental awareness, analysis of the impact of organizational operations, and, finally, sustainable projects. In addition, Xia et al. (2020) propose that CS should focus on eco-efficiency to prioritize the company’s sustainable actions.

3 METHODOLOGY

We adopted a systematic literature review: a transparent and reproducible system to analyze literature (Tranfield et al., 2003). To analyze the studies that link CSR, CS, and SHRM, the systematic review of the literature helps to understand their main theoretical aspects.

3.1 Sampling strategy

Data collection was carried out mainly in the Scopus database. Scopus is the largest database of abstracts and citations of peer-reviewed literature, making it possible to monitor, analyze and visualize the research. The Scopus database provides access to articles from relevant journals and the references included therein, allowing the researcher to investigate back and forth in time. It is considered the largest multidisciplinary database of abstracts, citations, and complete scientific literature texts in the world (Bronstein, 2020).
3.2 Search Strategy

We adopted a sequential strategy for the search. Initially, we used the keyword “Sustainable Human Resource Management” (78 results). Subsequently, the keywords “Corporate Social Responsibility” OR “Sustainable Human Resource Management” returned 15,530 results. We then limited the search for papers published between 2019 and 2021 (3,307 articles) to capture state-of-the-art field research. Finally, we searched for “Stakeholder Theory” OR “Corporate Social Responsibility” OR “Corporate Sustainable Development” OR “Sustainable Human Resource Management,” finding 252 papers. To screen the articles, we read their titles and summaries, in addition to their relevance. We excluded papers that did not fully or partially address the SHRM topic.

We then proceeded to a snowball sampling by looking at the references of the articles. Subsequently, we collected documents on the Stakeholder Theory related to the themes of this study. Finally, we reached a total of 158 peer-reviewed papers and 26 books and book chapters. Those documents were read in full and presented in the results section of this paper.

4 RESULTS AND DISCUSSION

In this section, the analysis and discussion of themes based on the explored literature will be presented.

4.1 Sustainable Human Resource Management (SHRM)

SHRM emphasizes the rational use of natural resources and maximizing human well-being (Bringezu & Bleischwitz, 2017). Thus, different HRM policies and practices related to selection, performance evaluation, remuneration, training, and promoting consistent behaviors may implement SHRM (Kahn & Ulucak, 2020; Memon et al., 2021).

A chronological sequence of studies on SHRM would be as follows (Ehnert & Harry, 2012): the first definitions of SHRM focus on sustainable work systems considering their economic, social, and environmental dimensions (Müller-Christ & Remer, 1999; Gollan, 2000; Zaugg et al., 2001). Subsequently, studies linked SHRM to strategy, including research on the externalities of human resource strategies (Dubois & Dubois, 2012; Bombiak, 2019; Al-Minhas et al., 2020) and the impacts of cost reduction or promotion of sustainability on the company (Daily, 2001; Babiak & Trendafilova, 2011; De Almeida et al., 2021), for example. More recently, studies included interdisciplinary themes that emphasize a broader role of HRM towards a social debate on Sustainability (Cohen et al., 2012; Mariappanadar, 2012; Kramar, 2014; Ehnert et al., 2015).

SHRM is an evolution of Green HRM (GHRM) practices (Renwick et al., 2013). GHRM concentrated on HRM policies and practices that seek to encourage green behavior in employees (Memon et al., 2021), generating an environmentally responsible company (Ren et al., 2018). Nevertheless, SHRM is much broader than GHRM (Jabbour & Santos, 2008). However, the role of SHRM is traditionally seen as supporting environmental management (Jackson & Seo, 2010) or as a manifestation of practices that aim at reducing the carbon footprint through less printing, reducing travel, or adopting other environmentally responsible practices (Jackson et al., 2011; Renwick et al., 2013). Environmental results are not direct outcomes of SHRM practices. The environmental results generated by SHRM come from practices related to sustainability training and development of employees (Jabbour & Santos, 2008; Renwick et al., 2013). Additionally, they focus on social results (Kramar, 2013; Mariappanadar, 2012).
A conceptual multiplicity exists for various studies that address human beings and sustainable resource management (Macke, 2019). On the other hand, there is convergence in studies (Kramar, 2013), presenting two distinct and complementary SHRM approaches to support corporate sustainability and sustainability practices (Cohen et al., 2012; Ehnert et al., 2013; Macke, 2019). The literature analyzed two SHRM aspects: the contributions of SHRM to the financial performance and the other organizational goals, such as employees’ satisfaction, commitment, and well-being. These findings show that SHRM maximizes corporate results and decreases damage to stakeholders (Kantabutra, 2014; Sotome & Takahashi, 2014; Macke, 2019).

The process of defining sustainable strategies is not always straightforward (Macke, 2019). Sustainable strategies require several company areas to develop joint actions fostering sustainability (Jabbour & Santos, 2008). SHRM, then, plays a crucial role. Gollan (2000), one of the pioneering studies on SHRM, emphasized that recognition and promotion of sustainability professionals generate SHRM.

Daily and Huang (2001) showed that the concern with human capital is paramount in retaining talent. Thus, companies needed HRM support for training, performance evaluation, and rewarding in order to implement sustainability, as motivated employees tend to collaborate when rewarded for their actions (Govindarajulu & Daily, 2004). If companies do not address these concerns, there is a great tendency for the loss of talents.

Paauwe and Boselie (2005) claimed SHRM needs support from the entire company. Schuler and Jackson (2014) also follow the same line of thought: sustainable actions must benefit employees and the company. In addition, Daily et al. (2012) suggests that SHRM practices must be judicious both in the implementation and in the maintenance of the sustainable organizational system.

For Ehnert (2009), the main concerns for sustainability in organizations are the financial, social, and environmental factors. Hence, they should invest in training aimed at short, medium, and long terms. Besides their efforts with employees’ professional development, companies should make sure they have the means for a healthy life. Therefore, SHRM needs to promote process efficiency, reduce costs, increase business profitability in the short term, invest in human capacity development, and provide sustainability for the company in the long term (Kramar, 2013).

Renwick et al. (2016) highlights a paradox: how employees can balance the interests of stakeholders and, at the same time, preserve a sustainable work environment for them. They claimed that the organization must focus simultaneously on SHRM results, aiming at the company’s profitability and survival, meeting the needs and aspirations of employees to their work. Such paradoxes create challenges for establishing SHRM policies and practices (Aust et al., 2015).

Companies seeking different result categories to satisfy the expectations of their stakeholders might find such paradoxes. These categories can be economic, social, human and ecological, simultaneously (Järlström et al., 2018). However, some results may be more important to a stakeholder than others (Jackson et al., 2011). This interest in sustainability makes SHRM gain prominence in companies (Ehnert & Harry, 2012).

SHRM includes sustainability in traditional HRM practices, such as collaborative development, organizational design, facilitating employee participation, open communication, work design, performance evaluation, and assessment focused on developing employee strengths (Browning & Delahaye, 2011; Donnelly & Proctor-Thompson, 2011). SHRM practices should result in positive human or social results, facilitating the balance between professional and personal life (Docherty et al., 2002).

Because SHRM aims at mutual benefits, they can develop trust between employees and managers (Wells, 2011; Guerci & Pedrini, 2013). These high-performance work systems or high-performance practices can also develop economic results and sustainable change processes (Van De
Voorde et al., 2012: Kramar, 2013). The SHRM system, a reconfiguration or aggregation of practices in HRM, is relevant to organizational success (Bowen & Ostroff, 2004). Therefore, some studies link SHRM to CS (De Prins et al., 2014; Ehnert, 2009; Kramar, 2013).

SHRM papers in the sample did not include SHRM responsibilities, such as those found on CSR. The CSR responsibilities are economic, legal, ethical, or philanthropic (Carroll 1991: Jamali, 2008). Economic responsibility is a complex factor in CSR, as it must provide a financial return in addition to social and environmental returns (Carroll, 1991). Especially in SHRM, CSR must comply with the minimum legal requirements. Although the ethical aspects of equity and justice are related to economic and legal responsibilities, ethical responsibility also covers ethical and moral norms that rise above the law and concern the human aspects of HRM, considering the expectations of stakeholders (Jamali, 2008: Kramar, 2013).

On the other hand, Philanthropic responsibility refers to the company’s corporate actions and financial resources to the society in which it operates (Jabbour & Santos, 2008). Although these responsibilities are discussed mainly in CSR, which focuses mainly on phenomena at the institutional level, the discussion on SHRM also includes practices at the organizational level. SHRM supports sustainable management aimed at CSR (Jabbour & Renwick, 2020).

In summary, the concept of SHRM remains ambiguous due to several research streams (Jabbour & Santos, 2008). Given the conceptual multiplicity and contemporaneity of the theme, the literature is still diverse and fragmented (Ehnert et al., 2013: Kramar, 2013: Järlström et al., 2016). Hence, the definition of SHRM is still imprecise and presents different approaches (Kramar, 2013).

### 4.2 The importance of Sustainability in Human Resource Management

Employees seek a balance between their professional and personal fulfillment. If they feel harm by organizational practices or the impossibility of integrating work with personal life, they tend to leave the company (Au & Ahmed, 2014). The company investing in SHRM should have higher performance, generating a competitive advantage and retaining its employees.

SHRM practices must be based on three principles (Ehnert, 2009). First, the organization can attract and retain talent to become an attractive company compared to competitors (Au & Ahmed, 2014). The company needs to develop practices that aim at providing attractive and challenging work, promoting cultural, gender diversity, and equal opportunities, being socially responsible and reliable, providing a balance between professional and personal life, and developing appropriate reward practices (Ehnert, 2009: Järlström et al., 2016).

Second, training focused on sustainability is relevant to allow employees to adopt sustainable practices by acquiring knowledge about sustainable actions (Sarkis et al., 2010). Daily et al. (2012) found that environmental training influenced employees’ environmental performance. Teixeira et al. (2012) presented case studies on the relationship between environmental training and environmental management based on Brazilian cases, suggesting that both have evolved, contributing to the emergence of companies concerned with CS.

Third, SHRM uses performance and reward assessment practices that include sustainability indicators in the employees’ performance assessment and rewarding them for their dedication to sustainability goals (Govindaraju & Daily, 2004: Jabbour & Santos, 2008). The employees’ assessment and rewards based on sustainability projects’ results help companies become more proactive (Calia et al., 2009). In addition to traditional HRM, SHRM must also support employees, thus generating a sustainable environment (Gupta & Kumar, 2013: Jabbour & Santos, 2008). Such support derives from aiming at employees’ sustainability qualification (Daily et al., 2012) and encouraging team building (Jabbour et al., 2013: Daily et al., 2012) as solutions to the complex sustainability challenges faced by the companies.
4.3 Corporate Social Responsibility (CSR)

CSR scholars claim corporations must abide by ethical and legal parameters of society, such as current environmental expectations and other social issues (Chang et al., 2015; Cho et al., 2017; Lu et al., 2020). Corporations must be ethically responsible, and their activities must consider the actual or potential damage to someone (Babiak & Trendafilova, 2011). When used strategically, CSR refers to committing to long-term activities beneficial for business and society, and long-term sustainability, thus generating growth and competitive advantage for companies (Bird et al., 2007).

Literature frequently equates CSR to sustainability, corporate responsibility, corporate citizenship, environmental management, sustainable development, CS, and the TBL. These terms are often used interchangeably, despite the ongoing debate over the differentiation of terms (Bronstein, 2020; Lu et al., 2020; Ye et al., 2020; De Almeida et al., 2021; Menon et al., 2021). Others suggest that these related concepts refer to working simultaneously towards creating value, balancing service demands, and being responsible for corporate actions (for example, Schwartz & Carroll, 2008).

Over time, some companies began enforcing CSR for supply chains to be sustainable in the market in the long term (Raj et al., 2018), being a business strategy that has become an instrument for solving environmental problems and developing sustainable growth for companies (Lu et al., 2020). Organizational activities and business strategies can fulfill several responsibilities (Bhattacharya et al., 2009) for different stakeholders, such as employees, shareholders, communities, and customers (Han et al., 2019).

The influence of CSR on business practices also presents economic incentives that make companies exhibit negative or positive behaviors (Ahmad et al., 2017), which depends mainly on how companies implemented CSR in the business strategy (Bolton & Mattila, 2015). To improve organizational performance, focusing on competitive advantages, companies need to fulfill their social and corporate responsibilities, increasing bonds with stakeholders concerned with Sustainability (Tsai & Hsu, 2008; Kuo et al., 2016; Hwang & Lyu, 2018). Therefore, companies need to incorporate CSR as a business strategy and take practical measures to raise awareness, recognize stakeholders on their moral principles, and provide sustainable development (Lu et al., 2020). These actions generate sustainable growth and competitive advantage (Coles et al., 2013).

4.4 Sustainable Human Resource Management from the Stakeholder Theory perspective

Stakeholder Theory helps in understanding SHRM. By appreciating the stakeholders’ values, top management’s awareness of SHRM can create a more sustainable organizational culture (Jackson et al., 2011). These expected results can be both economic, social, human, and even ecological. The mix of these results depends on the strategies and expectations of the organizations and stakeholders involved (Ehnert & Harry, 2012).

This cooperation between the parties involved is necessary to promote the Development and success of the organization (Liu et al., 2017). When engaged, stakeholders exhibit appropriate behaviors. This engagement can be developed and improved by adopting sustainable practices in HRM (Ansari et al., 2020).

In addition, the incentive to sustainable practices generates engagement and impact both in the organization and for all stakeholders. This complex relationship is a challenge for managers who need to balance the values of stakeholders and those in the organization (Matos & Silvestre, 2013). Stakeholder Theory informs SHRM practices (Pedrini, 2007; Bouten et al., 2011), offering benefits to organizations through legitimacy in the eyes of stakeholders (Diaz-Carion et al., 2020).
In this sense, the theoretical lens of the Stakeholder Theory can help understand the relationship between HRM professionals and sustainability, promoting green practices that help in the lives of employees, the organization, and the other stakeholders involved.

Investment in SHRM can strongly influence the relationship with all stakeholders (Teixera et al., 2018). SHRM is one of the main ways to improve sustainability because a well-engaged team increases their stakeholders’ awareness (Macharis & Kin, 2017). SHRM creates awareness and promotes environmental policies and initiatives among organizational members and broader stakeholder groups (Al-Minhas et al., 2020).

Engagement requires good communication with all stakeholders (Soobaroyen & Ntim, 2013). Therefore, SHRM combines the concepts of sustainability with a softer approach to HRM. This combination aims at promoting good communication and generating trust and cooperation between employees, the organization, and other stakeholders (Piwowar-Sulej, 2021).

This reasoning suggests the following proposition:

**Proposition 1** – SHRM practices increase stakeholder engagement, which has a positive influence on CSR.

### 4.5 Stakeholder Theory as a background for SHRM, CRS, and CS

Stakeholder Theory helps to understand SHRM (Cohen et al., 2012). Stakeholder Theory also helps to understand how SHRM practices impact CS and CSR (Slack et al., 2015). SHRM practices should drive and impact CS and CSR by including recruitment and selection criteria based on the values of stakeholders and the organization, investing in employees’ and managers’ training and development aligned with CS and CSR strategies (Voegtlin & Greenwood, 2016).

SHRM is strategic in the development and implementation of corporate sustainability (Cohen et al., 2012). Strategies must consider all stakeholders involved (Goergen et al., 2017). This alignment must count on everyone, and, for that, the needs and expectations must be understood and met according to the CSR strategy (Mellahi et al., 2010). SHRM contributes to the CSR objectives and promotes the collaboration of all stakeholders (Stahl et al., 2019).

Consonant with Stakeholder Theory, CS and CSR can contribute to SHRM. CS and CSR help creating a strong brand for the company, as well as attracting and retaining talents (Caligiuri et al., 2013). SHRM includes the values of CS and CSR in recruitment, selection, training, and development, providing employee engagement and effectual strategies to all stakeholders and the organization (Garavan & Mcguire, 2010). This contribution can encourage and reward all stakeholders, as they will have their values aligned with promoting sustainability in the organization (Mirvis, 2012).

Therefore, SHRM goes beyond employee concerns. SHRM can assist in the relationship with all stakeholders (Davila & Elvira, 2018), generating a favorable impact and assisting the organization’s success (Linton et al., 2007). In addition to the environmental impact, these concerns may involve human rights issues (Wettstein et al., 2018), thus collaborating with all dimensions of the TBL, generating good organizational performance and good stakeholders’ engagement (Stahl et al., 2019).

This reasoning suggests the following propositions:

**Proposition 2** – SHRM practices create positive relationships with stakeholders, making the CS strategies possible.

**Proposition 3** – SHRM practices can contribute to the organization’s sustainable performance in all TBL dimensions.
5 CONCLUSION

This study sheds a light on the association between the practices of SHRM, CSR, and CS. Sustainable management is concerned with social, environmental, and economic dimensions, while SHRM helps to execute them. We identified an order of precedence linking each form of management. CSR and CS first appear as strategic orientations. As a result of this sustainable concern, SHRM becomes pivotal for implementing sustainability, as CSR and CS require the support of people in the organization.

Additionally, we linked SHRM with Stakeholder Theory. Stakeholder Theory claims that managers should cater for all stakeholders, but employees influence how stakeholders see the company and its impacts. SHRM conforms to Stakeholder Theory by recruiting, selecting, training, and rewarding stakeholder-oriented managers and employees. SHRM shows its importance in this new sustainable phase in organizations, as it has a complete vision of all sustainable dimensions, caring about its employees and the organization’s socio-environmental and economic impact on all stakeholders. Clearly, SHRM has great potential to contribute to CSR and CS using the theoretical lens of Stakeholder Theory to understand these relationships, which may help to understand and develop strategies for this to happen.

In order to have a good relationship with all the stakeholders, the decision makers must understand the stakeholders’ values and interests. For this, engagement is important, as observed in the literature analyzed, since investing their engagement in sustainable practices is more effective when there are common interests.

Another factor identified during the preparation of this systematic literature review was the pandemic phenomenon that has affected and still affects organizations, showing that they need to invest in a flexible and easily-adaptive sustainable management when facing unexpected phenomena that require rapid changes, such as those being faced at the moment.

Like most work, this review has some limitations. For example, we found studies using the term “sustainable development”. We acknowledge that our search strategy might have left some work outside the sample. Therefore, this study might not capture all sustainable management studies. However, we believe we minimized such bias by applying a snowball collection on the top of the keyword search. Future research might replicate our search using different search strategies.

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