

See discussions, stats, and author profiles for this publication at: <https://www.researchgate.net/publication/283470150>

Does Sustainability Practices of Human Resources as a New Approach Able to Increase the Workers Productivity...

Article in *Advanced Science Letters* · May 2015

DOI: 10.1166/asl.2015.6086

CITATION

1

READS

101

3 authors:



Beni Widarman

Universiti Teknologi Malaysia

4 PUBLICATIONS 1 CITATION

[SEE PROFILE](#)



Nur Naha Abu Mansor

Universiti Teknologi Malaysia

46 PUBLICATIONS 52 CITATIONS

[SEE PROFILE](#)



Ayyub Hassan

Universiti Teknologi Malaysia

3 PUBLICATIONS 5 CITATIONS

[SEE PROFILE](#)

Some of the authors of this publication are also working on these related projects:



Industry and Academia Partnerships [View project](#)



AMERICAN
SCIENTIFIC
PUBLISHERS

Copyright © 2015 American Scientific Publishers
All rights reserved
Printed in the United States of America

Advanced Science Letters
Vol. 21, 1501–1504, 2015

Does Sustainability Practices of Human Resources as a New Approach Able to Increase the Workers Productivity in the SME Sector Through Human Resources Policy Support?

Beni Widarman Yus Kelana^{1,2,*}, Nur Naha Abu Mansor^{1,2}, and Mohamed Ayyub Hassan^{1,2}

¹Faculty of Management, Universiti Teknologi Malaysia, 81310 Skudai Johor, Malaysia

²Department of HRD, Universiti Teknologi Malaysia, 81310 Skudai Johor, Malaysia

This article was published to review the key features of sustainability practices in human resources, a number of terms that connects the relationship between sustainability and human resources. Besides that, this article aims to identify whether the proposed approach of five human resource sustainability practices found in the Gollan model¹⁷ were able to increase the productivity among workers in the SME sector through human resources policy support so that the organization can gain short and long term benefits. In this case, several sustainability practices of human resources have been considered important in creating an atmosphere of human resources sustainability in an organization to increase labor productivity through participation and consultation of employees, career development and organizational learning, organizational change, work-life balance and institutional systems and workplace. However, human resources policy support is also seen as important in ensuring an effective implementation of sustainability practices of human resources in the workplace. This article also aims to provide debates from previous research in the human resources management field which covers issues of sustainability, implementation of human resources sustainability, human resources policy and to propose a conceptual framework draft for future research.

Keywords: Sustainability Practices of Human Resources, Human Resources Policy, Worker Productivity, Small and Medium Enterprises.

1. INTRODUCTION

The SME sector is very helpful to generate a wider economic growth.¹ This is because the SME sector is extremely important in reinforcing the main industry and it has the potential to develop into a major industry in the future which will contribute to a stable socio-economic development.^{2,3} However, issues related to human resource management in SME has yet to be addressed by previous researchers as compared to larger companies and this causes various issues to increase among workers in the SME sector.⁴⁻⁶ However, in recent years, a new concept and practice has been introduced to compensate for human resources policy and financial which is known as the sustainability of human resources management.⁷ Human resource sustainability approach is a practice that can create long-term benefits to the organization not only in terms of performance (financial) but it also ensures that the human resources within the organization also gain benefits.⁸⁻¹⁰ As indicated in Figure 1. This approach

has received greater attention after various human resource issues arise such as an increase in the number of turnover, lack of loyalty and commitment to the organization, decrease in productivity, workplace stress among workers.¹¹⁻¹³ Therefore, a few models related to HR sustainability has been introduced such as the “four Cs” (commitment, competency, continuous and effective cost) in creating long-term profitability through human resources.¹⁴ Besides that, an “open system” model has also been introduced. However, this model fails to distinguish between the contribution of HR policies and practices of HR sustainability in the organization.¹⁵ Kramar¹⁶ proposed a “strategic human resource management” approach in creating HR sustainability leading to “reproduction,” “Connection” and “Promoting social and environmental health.” However, an advantage of the model featured by Gollan¹⁷ compared to other models is that it includes all elements centered in previous models in developing HR sustainability. Therefore, this article tries to unravel whether the approach of sustainability of human resources in the particular model introduced by Gollan¹⁷ were able to address human

* Author to whom correspondence should be addressed.



Fig. 1. Major factors, influences and outcomes of HR sustainability in organization (Gollan,¹⁷ p. 60).

resource issues without affecting the performance of the organization to produce short-term profits to long-term profitability. In conclusion, this article will try to sketch the development of human resource sustainability framework for future research in the SME sector.

2. CONCEPTS, DEFINITIONS AND RELATIONSHIPS BETWEEN SUSTAINABILITY, CORPORATE SUSTAINABILITY AND HR SUSTAINABILITY

By looking at past literatures, no specific term can be seen between “Sustainability” and HR, where its definition depends on the assumptions, theoretical frameworks, stakeholders and the industry in a country.¹⁶ But, here are some definitions related to “sustainability,” human resources and labor productivity found by previous researchers.

3. GAP AND ISSUES OF HR SUSTAINABILITY AND HR POLICY IN SME

This section discusses the gap and issues related to human resources sustainability practice in Small and Medium Enterprises (SMEs). This is because, the SME sector is also seen still far behind in terms of management and human development compared to other companies, particularly in terms of the use of human resource management and clear strategic planning.^{4,23} Furthermore, the awareness on the importance of practices of HR sustainability is very low among SME owners.²⁴ Moreover, the field of academic research and writing has little knowledge related to human resource practices, especially in small firms such as SME.²⁵ Hence, the first gap to emphasize here is lack of research and attention to the importance of HR sustainability especially in SME.

Table I. Sustainability definitions, HR sustainability and productivity (examples).

Reference	Sustainability, corporate sustainability and HR sustainability definition, productivity
Kramar ¹⁶	<i>HRM sustainable</i> —Refers to social and human kindness that involves a sustainable human resource management for a long term. In addition, HRM sustainability also refers to human resource management activities that enhance environmental benefits known as the Green HRM (GHRM), social, human, and does not focus solely on financial gain.
Ehnert ¹⁵	<i>HRM Sustainable</i> —is a design of strategic human resource which is planned or newly implemented in order to achieve organizational goals and HR sustainability. <i>Sustainability</i> —“Resource consumption/Resource regeneration (Sustainability is the balance of resource consumption and re-source regeneration),” which focuses on human resources, namely reproduction, development, maintaining the resource base and relationship (material) inside and outside the organization.
Boudreau and Ramstad ¹⁸	“The organization achieves goals without affecting the needs of future generations”
Clarke and Clegg ¹⁹	<i>Sustainability</i> —“An imperative key business, as the eternal search for domination over nature is replaced by the challenge of achieving environmental balance”
Dyllick and Hockerts ²⁰	<i>Corporate sustainability</i> —“is defined as meeting the needs of stakeholders in the firm directly and indirectly (shareholders, employees, customers, pressure groups, communities and others), without affecting its ability to meet the needs of stakeholders in the future.
Gollan ¹⁷	<i>HR sustainability</i> —defined as an organization’s ability to create value in an organization that is able to regenerate and renew wealth through human resource policies.
WCED ²¹	<i>Sustainable development</i> —“Meeting the needs of the present without compromising the ability of future generations to meet their own needs”
Voordt ²²	<i>Productivity</i> —In scientific literature, ‘productivity’ is defined as the relationship between output and input; between results or proceeds and sacrifices” and labour productivity expressed as the amount of production for each labour unit, or the number of labour hours for each product unit.

Source: Own elaboration.

Meanwhile, practices of HR policies in SME are still outdated.²⁶ Besides that, the contribution of HR policy towards the implementation of HR sustainability in the organization is not clear.¹⁶ A gap that can be seen here is the research towards the role and contribution of HR policy towards HR sustainability has yet to be solved in depth.

“Work Life Balance” (WLB) is among the issues promoted by some authors to be the subject of study, especially in the SME.²⁷ This is because, culture and practices of “WLB” in the SME

sector is not fully implemented and it has a negative impact on the level of job satisfaction of employees to be more productive. Besides that, SME companies do not have strong guidelines through policies related to the implementation of “WLB” in their organization causing it to be not executed properly.²⁸ In addition, the issues of participation and consultation of workers (empowerment, Communication, Decision Making) are also not adequately addressed by the SME’s management which cause a variety of human resource issues surging the SME human resource management.²⁹ Meanwhile, Cardon and Stevens⁴ in their study has indicated that the management of SME often underestimate the importance of the right of employees to get involved and voice out their views even though they are aware that this approach can resolve the issues between them and the workers.

The major issues and challenges in the implementation of training and learning in small firms such as SME is lack of time, financial resources and negative attitudes of the owner towards employees’ training and its importance to their business.³⁰ Attitude change is among the key issues that need to be addressed by SME owners before any change is to be done in the organization.³¹ This is because; every effort to make changes will not be successful if the employee is still with the old work practices with a bad perception towards changes. If this is not addressed, various human resource issues will arise such as dissatisfaction among workers as they find the changes burdensome.

There are small SME firms that do not provide services in terms of competitive salaries, opportunities for promotion and adequate equipment as they had promised to their employees.¹² This causes the employees’ level of satisfaction and performance to deteriorate as a result of no increase in salary, promotions, career development and uncomfortable working environment and consequently affecting the workers’ productivity. In conclusion, it can be seen that the gap and issues discussed mostly revolve around the lack of attention given to practices of HR sustainability in SME which needs to be addressed.

4. “LINKING PIN” BETWEEN HR SUSTAINABILITY AND HR POLICY

In this section, debates from previous research will be discussed to answer research objectives, namely whether the sustainability practices of human resources are able to increase labor productivity through human resource policy support to form a proposed research framework based on Gollan’s¹⁷ model. The HR sustainability Model has outlined five sustainability practices of human resources, 4 factors that are essential in actuating the five human resource sustainability practices and policies as shown in Figure 1. However, in this article we only focus on human resource policies because human resource policies are the backbone of the sustainability of human resources.³²

Employee Consultation and Involvement—are the medium for workers to voice out opinions and problems and solve issues regarding low labor productivity in SME as workers have the opportunity to voice their opinions. However, according to Cox et al.³³ the employee engagement approach looks convincing only on paper compared to the actual implementation as there is no special policy to support it. Hence, to ensure that this approach is effective, policies such as “*formal communications policies*” should be executed as a platform for each employee to speak.³⁴

Career Development and Organizational Learning—through reports released by OECD,³⁵ high levels of training will result in increased work productivity among workers. Moreover, previous study also showed that there is a strong relationship between investment on employees’ development and the organization’s market position.³⁵ Yet, most learning approaches prepared by the organization do not afford to increase labor productivity because the input given is not appropriate to current needs.³⁶ Therefore, the role of “*Continue Professional Development*” policy is required to stress on the importance of education and career according to general and specific needs of each worker with a more systematic approach.

Organisational Change—able to improve the management system particularly related to human resource and policy.³⁷ Moreover, this statement is supported by Savery and Luks,³⁸ where downsizing is capable to increase labor productivity when the focus of improvement shifts towards human resource rather than focusing on cost only. However, this statement contradicts with Durphy et al.,¹¹ where *downsizing* approach focuses a lot on cost reduction which affects workers’ productivity. Hence, previous study suggest organizations to use “*bottom-up*” policy and “*top-down*” policy to implement any changing process³⁹ as a medium to communicate any changes quickly and reduce dissatisfaction and low productivity among workers and prevent organizations to merely focus on cost reduction.

Work Life Balance—The implementation of “*Work Life Balance*” in an organization will create a flexible working system to increase workers moral and productivity where employees have sufficient time to be with their families and not only focus on work alone.⁴⁰ Nevertheless, this statement was denied by Bloom and Van’s⁴¹ study where “*WIB*” is not one of the main factors which caused workers’ productivity to decrease but increase in living cost caused workers to work overtime. Yet, Hildebrandt⁴² mentioned that “*WIB*” is a big issue to the society and it is a basic need to be more productive. This can be seen through the emphasis on the implementation of “*Family-friendly policies*” in an organization to lead the organization towards a formation approach of an effective “*WIB*.”⁴¹

Workplace Institutions and System—in terms of recruitment, training, promotion, incentive, interest, involvement, health and safety as key factors in creating productivity workers and positive organizational performance.⁴³ However, this statement contradicts with Zwick⁴⁴ where the weakness of the workers’ union in fighting for their rights caused them to be neglected. Hence, the role of the institution should be widen so that policies such as “*Active labour market policies*” (ALMPs) which was introduced by European union is capable to ensure that the organization is more attentive and compliant to the welfare of the workers.⁴⁵ This policy aims to increase workers safety, skills and constant learning in the labor market and improve the workers productivity level to a satisfactory stage.

5. CONCLUSION: THE NEXT STEP TOWARDS SUSTAINABLE HR IN SME?

This paper explores the sustainability practices of human Resources as a new approach able to increase the workers productivity in the SME sector through human resources policy support. The main factor of HR sustainability such as employee consultation and involvement, career development and organizational Learning, organisational change, work life balance and

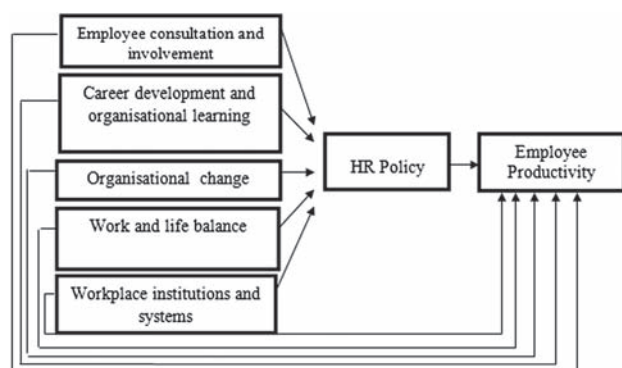


Fig. 2. Proposed research framework.

workplace institutions and system have been identified as the elements to increase workers productivity with HR policy. This approach indirectly helps to increase short-term and long-term gains to the organization through workers' productivity especially in SME. In conclusion, it is important for an SME organization to review the importance of HR sustainability to be included in HR policy organization as shown in the proposed research framework in Figure 2.

6. RESEARCH LIMITATION AND RECOMMENDATIONS

The main limitation of this review is there are no empirical evidences provided by the author to support the literature review of this article and the evidences are only based on the finding of previous literatures. Secondly, this article only focuses on sentences part of model and future researchers are recommended to carry out some study on finding conceptual relationship between overall elements in human resources sustainability model. Moreover, focus is only given to the SME sector without any involvement of other sectors.

Acknowledgments: This work was supported by Universiti Teknologi Malaysia as the main sponsorship for this research. The main author thanks Associate Professor, Nur Naha Abu Mansor and Mohamed Ayyub Hassan for their invaluable assistance in planning, implementing and process submission of this research.

References and Notes

- L. T. Szamosi, L. Duxbury, and C. Higgins, *Education and Training* 46, 444 (2004).
- S. Kameyama, H. Kobayashi, T. Suetake, J. H. Hines, V. G. Diker, R. S. Langer, and J. I. Rowe, Model for SME sector development, *Proceedings of the 19th International Conference of the System Dynamics Society* (2001), Vol. 13, pp. 23–56.
- I. Noraini, A. I. Noormala, A. K. Norminsham, and N. I., *Small Medium* (2010).
- M. S. Cardon and C. E. Stevens, *Human Resource Management Review* 14, 295 (2004).
- A. Grigore, *International Journal of Business and Social Science* 4, 73 (2013).
- L. T. Szamosi, *Education and Training* (2006), doi:10.1108/00400910610710074.
- D. Dunphy, A. Griffiths, and S. Benn, *Organizational Change For Corporate Sustainability* 3 (2006).
- P. Gollan, High involvement management and human resource line sustainability, *Handbook of Business Strategy* (2006), Vol. 7, pp. 279.
- J. Liebowitz, *Journal of Sustainable Development* 3, 50 (2010).
- I. Rimanoczy and T. Pearson, *Industrial and Commercial Training* 42, 11 (2010).
- D. Dunphy, A. G. Jodie Benveniste, and P. S., Sustainability the corporate challenge of the 21st century, 1st edn., Allen and Unwin (2000), p. 282.
- L. T. Szamosi, L. Duxbury, and C. Higgins, *Education and Training* 46, 444 (2004).
- A. Wilkinson, M. Hill, and P. Gollan, *International Journal of Operations and Production Management* 21, 14921502 (2001).
- F. Breu, S. Guggenbichler, and J. Wollmann, Explorative Research on Sustainable Human Resource Management, Vasa (2008), pp. 1–120, Retrieved from <http://medcontent.metapress.com/index/A65RM03P4874243N>.
- I. Ehnert, Sustainable Human Resource Management, Physica-Verlag HD, Heidelberg (2009), pp. 1–31, doi:10.1007/978-3-7908-2188-8.
- R. Kramar, *The International Journal of Human Resource Management* 25, 10691089 (2014).
- P. Gollan, Human resources, capabilities and sustainability, Sustainability: Corporate Challenge for the 21st Century, edited by Dunphy, Dexter, Benveniste, Jodie, Griffiths, Andrew and Sutton, Philip, St. Leonards, NSW, Allen and Unwin, Australia (2000), pp. 55–77, Retrieved from <http://eprints.lse.ac.uk/id/eprint/11566>.
- J. W. Boudreau and P. M. Ramstad, *Human Resource Management* 44, 129 (2005).
- T. Clarke and S. Clegg, Changing Paradigms, Longman, Sydney (2000).
- T. Dyllick and K. Hockerts, *Business Strategy and the Environment* 11, 130 (2002).
- WCED, Our Common Future, Report of the World Commission on Environment and Development, Annex to General Assembly Document A/42/427, World Commission on Environment and Development, London (1987).
- Voordt and J. M. van der Theo, *Journal of Corporate Real Estate* 6, 133 (2004).
- A. J. Fazzari and J. B. Mosca, *Human Resource Development Quarterly* (2009), doi:10.1002/hrdq.20017.
- E. Masurel, *Business Strategy and the Environment* 16, 190 (2007).
- C. Cassell, S. Nadin, M. Gray, and C. Clegg, *Personnel Review* (2002), doi:10.1108/00483480210445962.
- Y. Zhou, Strategy-oriented practices and factors of human resource management in small and median sized enterprise, 2008 International Seminar on Business and Information Management, ISBIM 2008 (2009), Vol. 2, pp. 473–477.
- A. Lavoie, Work-Life Balance and SMEs: Avoiding the One-Size-Fits-All, Trap (2004), pp. 1–13.
- F. Malik, L. McKie, R. Beattie, and G. Hogg, *Personnel Review* (2010), doi:10.1108/00483481011030502.
- J. A. Marin-Garcia and T. Bonavia, *International Journal of Production Research* 1 (2014), doi: 10.1080/00207543.2014.975852.
- A. Panagiotakopoulos, *Development and Learning in Organizations* (2011), doi: 10.1108/1477728111125354.
- M. A. T. K. Munasinghe and A. P. Malkumari, *Journal of Emerging Trends in Educational Research and Policy Studies* 3, 168 (2012).
- S. D. Hunt, *Journal of the Academy of Marketing Science* (1999), doi:10.1177/0092070399272003.
- A. Cox, S. Zagelmeyer, and M. Marchington, *Human Resource Management Journal* 16, 250 (2006).
- R. Croucher, *The International Journal of Human Resource Management* 21, 2659 (2010).
- OECD, OECD Employment Outlook 1999, OECD Publishing (1999), p. 256, doi:10.1787/empl_outlook-1999.
- A. Coetzer, *Journal of Workplace Learning* (2007), doi:10.1108/13665620710819375.
- G. K. Ornatowski, *Sloan Management Review* 73 (1998).
- L. K. Savery and J. A. Luks, *Journal of Management Development* 19, 309 (2000).
- M. Z. A. Rashid, M. Sambasivan, and A. A. Rahman, *Leadership and Organization Development Journal* 25, 161 (2004).
- S. Fleetwood, *The International Journal of Human Resource Management* 18, 387 (2007).
- N. Bloom and J. Van Reenen, *Oxford Review of Economic Policy* 22, 457 (2006).
- E. Hildebrandt, *European Societies* 8, 251 (2006).
- A. A. Katou and P. S. Budhwar, *Thunderbird International Business Review* 49, 135 (2007), Retrieved from <http://onlineibrary.wiley.com/doi/10.1002/tie.20129/abstract>.
- T. Zwick, *Labour Economics* (2004), doi:10.1016/j.labeco.2004.02.001.
- R. M. Azzopardi, *South European Society and Politics* 18, 177 (2013).

Received: 17 February 2015. Accepted: 13 April 2015.