

HUMAN RESOURCE MANAGEMENT IN SUSTAINABILITY REPORTS

There has been growing research interest in defining and developing the concept of sustainable human resource management (HRM). This is a result of the growing sustainability requirements and challenges facing the world overall, which also require action from businesses. Companies face expectations from their stakeholders to operate in a sustainable way. HRM practices are the concrete actions an organization takes to build a sustainably operating organization (Podgorodnichenko et al. 2020). The challenge arises from the difficulties of measuring and reporting the outcomes of these actions to stakeholders (Schouteten et al., 2021). However, in spite of the growing number of publications on both corporate sustainability reporting and sustainable HRM, there is lack of common understanding on what sustainable HRM is and how to report sustainability in HRM.

The majority of HRM research seems to be based on the premise that the purpose of HRM is ultimately to improve performance and the financial return to shareholders (Beer et al. 2015). Scholars have identified the “best” HRM practices or bundles of HRM practices (e.g., HPWSs) that might lead to performance improvements at multiple levels (Dyer & Reeves, 1995). Concerning the human and social outcomes of HRM practices, employee-level outcomes (e.g., health and well-being) are particularly important (Schouteten et al., 2021).

The purpose of the paper is to study how reported HRM practices promote social sustainability and organizational well-being. Our qualitative data consist of sustainability reports of the 40 most sustainable corporations in the world. The sustainability reports indicate that the sustainable HRM aims to health and well-being, employee development, employee engagement, and diversity and inclusion. Sustainability reporting regarding HRM is relatively homogeneous, giving more support to “best practice” rather than “best fit”. Our study contributes to a well-being model of Guest (2017) from sustainable HRM perspective.