


Strategic and sustainable human resource management: Twin weapon for achieving competitive advantage in organization

William Ben Gunawan^{1,2*}  & Lukas Mikhail²

¹INTI International University & Colleges, Persiaran Perdana BBN, Putra Nilai, 71800 Nilai, Negeri Sembilan, Malaysia

²Sekolah Tinggi Manajemen PPM, Jalan Menteng Raya No. 9, Kebon Sirih, Menteng, Jakarta Pusat 10340, Indonesia.

e-mail: wbilliambenwb@gmail.com

Received 7 May 2025

Revised 22 June 2025

Accepted 23 June 2025

ABSTRACT

This perspective explores the integration of strategic human resource management (strategic HRM) and sustainable human resource management (sustainable HRM) as a dual strategy for organizational competitive advantage. Strategic HRM focuses on aligning HR policies with business goals to maximize employee engagement, innovation, and productivity, thereby enhancing organizational performance. Key strategic HRM practices include performance management, talent development, and fostering a cohesive company culture that values inclusivity and adaptability. However, strategic HRM's strategic focus often prioritizes immediate organizational needs over long-term societal concerns. In contrast, sustainable HRM emphasizes a broader, long-term perspective, addressing economic, social, and environmental impacts. This approach integrates multi-stakeholder engagement, ethical practices, and a commitment to societal well-being, thus ensuring the organization's resilience and sustainability. The research highlights the evolving nature of HRM, noting that the contemporary business landscape requires organizations to balance financial success with social responsibility and environmental stewardship. The findings underscore the complementary nature of strategic HRM and sustainable HRM. While strategic HRM drives performance and competitive advantage, sustainable HRM ensures ethical governance and societal impact. Implementing both approaches enhances organizational adaptability, employee satisfaction, and long-term success. This paper concludes with strategic recommendations for HR leaders, emphasizing the need for strategic alignment, stakeholder engagement, and flexible HR practices that promote both organizational excellence and sustainability.

Keywords: Strategic Human Resource Management, Sustainable Human Resource Management, Competitive Advantage, Organizational Dynamics

priviet lab.
RESEARCH & PUBLISHING



1. INTRODUCTION

Human resource management (HRM) refers to a range of strategies, structures, and practices that shape employee attitudes, behaviors, and performance. Often referred to as "people practices" by organizations (Noe et al., 2016), HRM encompasses various functions, including job design, workforce planning, recruitment, employee selection, training, development, performance evaluation, compensation, and the creation of a supportive workplace culture. Well-executed HRM strategies are integral to aligning with organizational objectives and improving overall performance. Empirical evidence suggests that effective HRM not only boosts innovation and productivity but also enhances both employee and customer satisfaction, while strengthening a company's reputation within its community (Taamneh et al., 2018).

An organization's primary aim is to achieve its objectives and create value for stakeholders in a competitive landscape. Human resources are essential assets in this endeavor. However, organizations today operate in increasingly unpredictable economic, political, and social contexts, facing complex challenges that can jeopardize their survival. In response, many firms are shifting toward workforce management approaches that are more attuned to risk and opportunity (Malik et al., 2022). Research has shown that adopting strategic HRM practices contributes positively to both organizational performance (Wan et al., 2002) and the development of competitive advantages (Hamadamin & Atan, 2019). Nonetheless, the role of HRM continues to evolve beyond strategic practices.

Historically, corporate management has prioritized short-term financial gains, often at the expense of broader, long-term human and societal considerations (Laverty, 1996). However, growing public concern over the environmental, economic, and social impacts of business has compelled companies to demonstrate stronger commitments to sustainability (Rondinelli & Berry, 2000). Sustainable development within society is closely tied to responsible corporate behavior (Wagner, 2015). In recent years, this has led to the emergence of sustainable human resource management (Sustainable HRM), a framework that integrates sustainability principles into HRM functions (Kramar, 2013).

A growing body of literature highlights the advantages of both strategic and sustainable HRM. While current HR practices contribute to business success, they often fall short of enhancing the organization-stakeholder relationship within the context of sustainability. Sustainable HRM thus plays a pivotal role in advancing a deeper understanding of these relationships and in promoting corporate sustainability as a key organizational capability (Mariappanadar, 2020). At the same time, strategic HRM supports organizational development, enhances performance, and drives business excellence (Al-Jedaiah & Albdareen, 2020). Through initiatives such as talent development, performance appraisal, and workforce training, strategic HRM can provide companies with unique, hard-to-imitate advantages. Findings in recent studies underscore the importance of aligning HR practices with strategic objectives, emphasizing that a firm's competitive edge is closely linked to how it manages its human capital (Aliyev, 2024). As such, human resources must be integral to the organization's strategic efforts toward excellence. However, despite the growing literature on strategic HRM and sustainable HRM, there remains a critical gap in understanding how these two paradigms can be jointly leveraged to achieve long-term organizational competitiveness and stakeholder value. Most existing studies examine them in isolation, missing the opportunity to explore their synergistic potential when integrated into a unified HR strategy (Hamadamin & Atan, 2019; Delery & Roumpi, 2017; Duvnjak & Kohont, 2021; Almarzooqi et al., 2019). This paper contributes to bridging that gap by providing a conceptual reflection on the intersection of strategic HRM and sustainable HRM, and how their integration can equip organizations to respond effectively to contemporary challenges related to performance, ethics, and sustainability.

In general, incorporating strategic HRM and sustainable HRM into daily organizational operations will be beneficial, especially for core employees and leaders. This perspective aims to present and discuss these issues, which will be structured as follows. Accordingly, the guiding research question for this paper is: How can the integration of Strategic HRM and Sustainable HRM be utilized as a dual strategy to achieve sustained competitive advantage in organizations? By addressing this question, the paper aims to offer novel insights into the evolving role of HRM and propose a forward-looking framework for HR practitioners and organizational leaders navigating increasingly complex environments. The introduction

section outlines the background of the topics. In the analysis section, as a reflection of what has been learned, this paper will discuss the concept of strategic HRM and sustainable HRM and their implication for achieving a competitive advantage within an organization. In the conclusion section, the paper will conclude with a self-reflection on how understanding strategic HRM and sustainable HRM will be beneficial for leaders and HR strategists. Several strategies and recommendations to implement strategic HRM and sustainable HRM will also be proposed.

2. LITERATURE REVIEW

2.1. Strategic Human Resource Management

Strategic human resource management (HRM) involves formulating and executing HR strategies that align with and support the overarching business strategies of an organization (Gupta, 2020). From a strategic viewpoint, employees are regarded as valuable assets whose contributions increase when aligned with well-structured policies and initiatives. Successful companies recognize that their workforce is just as significant as their physical and intangible resources (Riley et al., 2017). Strategic HRM combines a forward-looking managerial perspective with a unified and systematic HR approach. Its core objectives include achieving integration with business goals, offering strategic direction, and contributing to the formulation of corporate strategy (Agustian et al., 2023). Nevertheless, its central challenge lies in aligning HR functions with external competitive pressures. The primary purpose of strategic HRM is to enhance organizational effectiveness and competitive positioning by efficiently allocating, developing, and managing human resources. It underscores the strategic role of human capital and the interconnection between HR operations and strategic planning (Hu et al., 2023).

In addition to driving strategic outcomes, strategic HRM plays a key role in cultivating employee engagement and reinforcing organizational culture (Akingbola et al., 2023). By aligning HR initiatives with organizational objectives, companies can create an environment where employees feel valued, motivated, and empowered. Initiatives such as performance management systems, skill development programs, and employee recognition not only support individual growth and career progression but also deepen employees' sense of commitment and belonging. Strategic HRM contributes to fostering a workplace culture based on principles like transparency, fairness, and inclusivity, which in turn encourages collaboration, innovation, and adaptability in challenging circumstances. Thus, strategic HRM extends beyond routine HR tasks to shape meaningful employee experiences and strengthen organizational performance.

Furthermore, the strategic alignment of HR practices is not simply a matter of policy consistency—it reflects a dynamic and iterative process where feedback loops, contextual adaptability, and stakeholder input continuously refine HR's contribution to organizational goals. Strategic HRM thus requires a deliberate synthesis of analytics, organizational behavior insights, and change management strategies to bridge the gap between corporate intent and workforce realities effectively (Diefenhardt et al., 2024). As organizations navigate volatility and digital transformation, the emphasis is shifting from static alignment to agile responsiveness, demanding HR leaders who can translate strategy into actionable people-centric initiatives while also forecasting future capabilities (Neves, 2024).

Research in strategic HRM has highlighted the complex relationship between human capital and business success. A central takeaway is the necessity of ensuring that HR strategies are tightly aligned with the company's long-term goals—this is the essence of strategic HR. Rather than simply overseeing personnel matters, strategic HR involves leveraging the workforce to drive organizational progress (Ejibe et al., 2024). It represents a proactive approach that anticipates emerging trends and prepares the organization to navigate future uncertainties. This strategic integration spans all HR functions, from recruitment and training to succession planning and talent retention, ensuring that all practices are interconnected and contribute to the business's strategic trajectory. Moreover, strategic HRM recognizes the importance of organizational agility in responding to competitive pressures and evolving market conditions (Saha, 2021). Through a strategic investment in its human resources, a company can build a workforce equipped with the skills, adaptability, and mindset needed to sustain long-term growth and maintain a competitive edge.

2.2. Sustainable Human Resource Management

A sustainable HRM strategy refers to managing human capital in a manner that addresses both the present needs of an organization and its surrounding community, without compromising the ability to meet future demands (Piwowar-Sulej, 2021). The application of sustainable HRM practices aims to fulfill economic, social, and environmental goals over the long term, influencing internal operations and external stakeholders, while also anticipating unintended consequences. Unlike strategies that prioritize short-term financial performance, a sustainable HRM model incorporates broader concerns such as climate change, biodiversity, poverty, and pollution into organizational decision-making (Aust et al., 2020). Sustainable HRM offers a more expansive view than traditional strategic HRM by emphasizing the ethical treatment of employees as individuals rather than as mere organizational assets. It is grounded in a multi-stakeholder philosophy that values inclusivity and long-term well-being (Stahl et al., 2020).

Some scholars argue that strategic HRM can be viewed as a foundational stage that evolves into sustainable HRM (Ren et al., 2023). Strategic HRM focuses on aligning human capital practices with business strategies to enhance competitiveness and achieve performance goals. It highlights the importance of strategic planning, workforce development, and adaptability in response to dynamic business environments. In contrast, sustainable HRM extends this focus by integrating ethical, environmental, and social considerations into HR operations. This approach promotes sustainability as a core value in policy-making and practice, emphasizing corporate responsibility, ecological awareness, and moral integrity. While strategic HRM centers on aligning human resources with business success, sustainable HRM broadens the framework by embedding these efforts within the larger context of ecological and social sustainability. In essence, sustainable HRM is about ensuring that HR practices not only benefit the organization in the short term but also support long-lasting positive outcomes for society and future generations.

Significantly, sustainable HRM is not merely a parallel evolution of traditional HRM; it represents a paradigmatic shift in how organizational value is conceived. While strategic HRM tends to focus on maximizing efficiency and performance outcomes, sustainable HRM introduces a systemic lens that considers interdependencies among economic resilience, ecological integrity, and human dignity (Mushtaq & Akhtar, 2024; Khalid Alrashedi, 2024). This paradigm necessitates reimagining success metrics to include employee well-being indices, the carbon footprint of HR activities, and long-term stakeholder trust. Integrating sustainability thus requires not only ethical alignment but also structural adjustments within HR frameworks, such as sustainable workforce planning, green HR audits, and cross-functional sustainability task forces.

Exploring sustainable HRM has revealed how deeply HR practices influence not just organizational outcomes but also societal and environmental well-being. One of the key insights is the necessity of a forward-looking mindset in managing human capital. Sustainable HRM encourages organizations to go beyond addressing immediate priorities, urging them to consider how their workforce strategies affect long-term growth, community welfare, and environmental stewardship. Understanding the interplay between economic success, social equity, and ecological health is central to this paradigm (Duvnjak & Kohont, 2021). This approach requires a balanced consideration of financial performance, ethical responsibility, and ecological sustainability. Moreover, it underlines the value of inclusive HR policies that account for a wide range of stakeholders, not just shareholders, but also employees, customers, suppliers, and broader society. At the heart of sustainable HRM is a humanistic philosophy: employees are not merely tools for organizational gain but individuals deserving of fairness, dignity, and respect.

3. METHOD

The research is divided into two main sections. The first approach regarding bibliometrics was started by searching for relevant literature on strategic HRM and sustainable HRM. To ensure relevance and rigor, criteria were established for selecting the studies. In March 2025, a search was conducted in the Scopus database using the keywords (“strategic human resource management” OR “strategic HR management” OR “strategic HRM”) OR (“sustainable human resource management” OR “sustainable HR management” OR “sustainable HRM”). Scopus was chosen as the primary database for this

bibliometric analysis due to its extensive coverage of peer-reviewed publications across disciplines (Singh et al., 2021). Additionally, Scopus facilitates easy data export, allowing for efficient analysis in VOSviewer, a tool designed for bibliometric visualization. There was no restriction on publication year, ensuring comprehensive trend capture.

This search yielded 824 documents for strategic HRM and 271 documents for sustainable HRM, which were then exported from Scopus into VOSviewer for visualization and analysis based on keyword co-occurrences. To ensure academic relevance, a minimum threshold was set: (i) authors with at least one document, and (ii) keywords with a minimum occurrence of two. This process allowed for identifying clusters of research focused on similar themes and pinpointing gaps in the literature where further exploration may be beneficial. It is important to note that, while bibliometric studies may include additional analyses such as link strength or author co-authorship networks, this study intentionally focused only on keyword co-occurrence analysis, as it was deemed the most relevant to the research objective. Afterward, a literature review was performed on the previously collected articles within the following criteria: (i) article in English; (ii) accessible full paper; and (iii) fully published journals or book chapters.

4. FINDINGS AND DISCUSSION

4.1. Trending Research Topics & Keywords

Strategic Human Resource Management

The bibliometric network visualization highlights the key research themes and linkages within the field of Strategic HRM from 2014 to 2020 (Figure 1). At the center of the map, "Strategic Human Resource Management" is the most prominent node, indicating that it is the focal point of research, surrounded by various interconnected concepts. This centrality suggests that numerous studies have explored strategic approaches to managing human resources to improve organizational outcomes. Keywords such as "Human Capital," "Knowledge Management," and "Resource-Based View" suggest that scholars have placed a significant emphasis on leveraging human capital and knowledge as strategic assets, which aligns with theories that view people as a core source of competitive advantage.

Surrounding this central theme are clusters that reveal important subfields and emerging areas of interest. The presence of terms like "Innovation," "Ambidexterity," and "Corporate Entrepreneurship" indicates that research in strategic HRM increasingly addresses how strategic HR practices can foster innovation and organizational adaptability. Similarly, concepts like "Organizational Effectiveness" and "Performance Management" highlight the ongoing interest in linking HR strategies to measurable business performance outcomes. The network also shows a focus on employee-related aspects, such as "Job Satisfaction," "Turnover," and "Employee Involvement," reflecting the need to align strategic HR practices with employee well-being and retention strategies. Additionally, the impact of global events, like "COVID-19," is evident, emphasizing the growing recognition of external factors influencing HR strategies, particularly in times of crisis. The inclusion of geographic and sector-specific references, such as "India" and "Australia," points to an expanding interest in exploring strategic HRM within diverse contexts and understanding regional variations. Overall, the bibliometric analysis illustrates a dynamic research landscape, with strategic HRM at the nexus of discussions around innovation, performance, and human capital. It emphasizes the evolving understanding of HR's strategic role in organizations, particularly in adapting to technological advancements and navigating global challenges. The temporal color gradient also indicates that recent research has increasingly focused on digital transformation and the integration of advanced knowledge management practices.

of the organization, which serves as a guiding principle, defining the firm's purpose and informing the direction of HR initiatives. Following this alignment, organizations identify key objectives, such as enhancing market position, increasing customer satisfaction, or fostering innovation. Strategies are then crafted to achieve these aims, utilizing human capital efficiently. Examples of such strategies include recruitment and retention programs, upskilling initiatives, performance evaluations, and employee engagement efforts (Gunawan et al., 2025). Finally, detailed action plans are designed, specifying timelines and implementation steps necessary to operationalize these strategies effectively. This structured process underpins both strategic HRM and sustainable HRM, ensuring that human resource initiatives not only support organizational objectives but also contribute to long-term social and environmental sustainability. By adopting this integrated approach, organizations can amplify the impact of HRM, fostering outcomes that benefit the environment, society, and future generations alongside driving business performance.

Implementing strategic HRM requires an understanding of the core principles that shape its philosophy and practice (Boselie, 2014). First, a direct alignment between HR systems, policies, and the organization's strategic goals is essential. Second, the decentralization of HR responsibilities—shifting them from dedicated HR personnel to operational line managers—encourages closer integration with daily activities. Third, the emphasis in employee relations shifts from collective to individualistic approaches, focusing on personal development and autonomy. Fourth, employee engagement is driven by fostering commitment and initiative, with managers acting as enablers and facilitators. Fifth, attracting and retaining high-caliber talent is recognized as crucial for delivering quality outcomes. Sixth, organizational structures and job roles must remain flexible to respond swiftly to change. Lastly, employees are viewed as key strategic assets, essential to securing competitive advantage. Together, these principles form the foundation for strategic HRM, underlining its vital role in promoting both performance and long-term sustainability. Successful implementation also requires a strategy-focused, performance-driven, and adaptable mindset (Hu et al., 2023).

While strategic HRM focuses on aligning human resource policies with organizational performance goals, sustainable HRM expands the scope by embedding environmental, social, and economic dimensions into every aspect of HR practice. Where strategic HRM emphasizes efficiency, flexibility, and competitive advantage (Boselie, 2014; Hu et al., 2023), sustainable HRM requires a reconfiguration of HR activities to support long-term resilience and responsible business practices. The first step in adopting a sustainable HRM approach involves assessing existing HR functions, such as recruitment, training, compensation, and employee engagement, to identify opportunities for incorporating sustainability principles. Following this, organizations are advised to set clear objectives that not only align with their strategic goals but also advance sustainability agendas. This may involve revising HR policies to promote initiatives such as flexible working arrangements, the recruitment of candidates with demonstrated sustainability values, and support for community-based or environmentally responsible behaviors. Further practices include investing in inclusive and continuous learning programs, promoting work-life balance, and enhancing workforce diversity. Yasin et al. (2022) emphasize that integrating sustainability into HR policies not only supports ethical and environmental objectives but also enhances an organization's attractiveness as an employer of choice, thereby yielding reputational and strategic benefits. By reframing HRM through a sustainability lens, organizations shift from a purely performance-driven approach to one that is also ethically grounded and future-resilient.

The integration of strategic and sustainable HRM into daily organizational practices, however, presents a series of complex challenges alongside potential benefits. Hu et al. (2023) identify one prominent issue as the weak transmission of strategic intentions from the planning phase to operational execution. This breakdown often arises from ineffective communication between strategic planners and implementers, resulting in a misalignment that undermines successful outcomes. To address this, organizations must establish clear, multidirectional communication channels and feedback loops to ensure coherence across all hierarchical levels. A second challenge lies in the misalignment of goals between strategy developers and those responsible for implementation; this often stems from ambiguous or overly ambitious objectives. Overcoming this requires the formulation of realistic, measurable goals and fostering an ongoing dialogue among stakeholders to ensure shared understanding. Moreover, the underestimation

of resource requirements by strategic planners frequently leads to delays or failure during implementation. As such, thorough and proactive resource planning should be a critical component of strategy formulation. Lastly, resistance or passive disengagement from employees and managers can significantly hinder the execution of strategic initiatives. This can be mitigated through targeted capacity-building, training programs, and incentive mechanisms that foster active participation and reinforce commitment to organizational goals.

These challenges underscore the need for organizations to adopt a more integrated, sustainable, and strategic HRM framework. As previously discussed, the call for integration is not solely rooted in operational necessity or the normative appeal of sustainability but rather reflects the tangible benefits that sustainable practices yield for both organizations and their employees. The integration of sustainable and strategic HRM should not be seen as the introduction of a new paradigm, but rather as a natural evolution and enhancement of existing HR functions. In many cases, this integration is already reflected—albeit implicitly—in policies that companies have adopted, even if they have not explicitly labeled them as such. While the extent of actual implementation remains somewhat unclear, there is growing evidence that businesses are beginning to recognize the strategic value of sustainability in HRM. This recognition is especially evident in the evolving perception of sustainable policies as a protective mechanism that enhances organizational adaptability. For instance, commitments to safe working environments, psychosocial support systems, and long-term development opportunities now play an increasingly central role in shaping the employment relationship. These elements contribute not only to compliance or reputational gains but also to fostering more resilient, equitable, and forward-looking organizational cultures.

On the one hand, emphasizing a fundamental transformation in organizational culture and mindset is imperative to ensure that HR practices are aligned with long-term sustainability objectives (Kramar, 2014). Achieving such alignment may require targeted investments in employee training and development, the resolution of conflicting strategic priorities, and the management of resistance to organizational change. On the other hand, the integration of sustainable HRM principles has the potential to generate a wide range of benefits, including increased employee engagement, enhanced brand reputation, and improved organizational innovation. The process of adopting these principles often brings about observable shifts in the way companies, whether intentionally or inadvertently, perceive and apply the concept of the sustainable psychological contract, particularly as greater emphasis is now placed on improved working conditions within the contemporary business landscape. In this context, the sustainable psychological contract is defined as an “adaptive system of beliefs” that reflects an individual’s perceptions of mutual obligations within a high-quality exchange relationship, one that is characterized by attentiveness, responsibility, and responsiveness from both parties, and which advances mutually beneficial economic, social, human, and environmental goals (Griep, Hansen, Kraak, Sherman, & Bankins, 2024). This framework emphasizes the importance of resilience and long-term sustainability in response to evolving organizational and societal conditions. Strengthening such psychological contracts in a fair and robust manner can help reduce the uncertainties and instabilities often associated with modern employment arrangements. Consequently, increased organizational attention to sustainable psychological contracts may enhance the ability to attract and retain top talent, reinforce relationships with key stakeholders, and serve as a strategic mechanism for future-proofing business operations in the face of ongoing environmental and social challenges by fostering a culture of sustainability and responsible corporate behavior.

A more integrated and future-oriented approach to human resource management requires recognizing the central role of the sustainable psychological contract in bridging Strategic HRM and Sustainable HRM. As organizations seek to align performance-driven strategies with socially and environmentally responsible practices, the psychological contract offers a conceptual foundation for this alignment by shaping mutual expectations between employers and employees. Traditional psychological contracts often focus narrowly on job security, compensation, and role clarity; however, the sustainable psychological contract expands this view to include shared commitments to long-term well-being, ethical conduct, and ecological responsibility. Griep et al. (2024) define it as an “adaptive system of beliefs” that

reflects reciprocal obligations rooted in attentiveness, responsibility, and responsiveness, with the goal of achieving not only economic but also social, human, and environmental value. This conception reinforces the idea that employees are not only instrumental in delivering strategic objectives but are also key stakeholders in the organization's sustainability journey. By internalizing this expanded contract, organizations can foster greater resilience, trust, and commitment across the workforce, which are essential in times of uncertainty and transformation. The integration of Strategic HRM with Sustainable HRM, then, is no longer merely a structural or procedural challenge—it becomes a matter of cultural and relational reframing. Investing in sustainable psychological contracts entails prioritizing developmental programs, inclusive leadership, and equitable workplace policies that reflect long-term thinking. Moreover, these contracts can help mitigate employment-related risks by providing stability and clarity amidst changing business landscapes. In turn, organizations that actively cultivate this contract may enjoy strengthened employee engagement, enhanced innovation, and improved employer branding. Ultimately, embedding the sustainable psychological contract at the core of HRM strategy enables firms to align their competitive aspirations with broader social and environmental imperatives, thereby ensuring that sustainability is not an adjunct but a strategic necessity woven into the fabric of organizational life.

To move beyond conceptual alignment and offer actionable value for practitioners, the integration of Strategic and Sustainable HRM should be supported by concrete tools, policy mechanisms, and measurable indicators. For example, organizations can implement sustainability-focused HR scorecards that incorporate key performance indicators (KPIs) related to employee well-being, diversity and inclusion, environmental stewardship, and ethical leadership. These scorecards can be used alongside traditional HR metrics to ensure a balanced approach to both performance and sustainability outcomes. In addition, policy instruments such as green HR policies, which may include eco-friendly commuting incentives, paperless workflows, or carbon accountability in remote work policies—can reinforce environmentally responsible behaviors (Wang, 2025). To operationalize the sustainable psychological contract, structured feedback systems and pulse surveys can be used to assess employee perceptions of fairness, trust, and shared values, thereby identifying gaps between espoused and enacted commitments. Case examples from companies like Unilever, which integrates sustainable development goals (SDGs) into performance management and leadership training. These tools and cases demonstrate that the successful integration of strategic and sustainable HRM is not only conceptual but also contingent on embedding accountability mechanisms, transparent communication practices, and continuous improvement cycles into daily HR operations. By leveraging these instruments, organizations can better ensure that sustainability is not only articulated in strategy but tangibly enacted in practice.

5. CONCLUSION

The exploration of strategic and sustainable HRM has shed light on the pivotal role HR plays in driving organizational success. Key insights from this investigation highlight the importance of aligning HR strategies with broader corporate objectives, fostering a culture of engagement and commitment among employees, and integrating economic, social, and environmental dimensions into HRM practices. Strategic HRM emphasizes a proactive and forward-looking approach to managing human capital, aiming to align people management with the organization's strategic vision. In contrast, sustainable HRM underscores the need for ethical practices and long-term sustainability, ensuring that HR policies support the organization's responsibilities toward society and the environment. Despite their distinct emphases, both frameworks reinforce the notion that human resources are critical to achieving organizational resilience, competitiveness, and long-term viability, necessitating a holistic and strategic approach to HR management.

To enhance organizational performance, sustainability, and competitive edge, it is imperative that businesses prioritize the integration of both strategic and sustainable HRM into their operational frameworks. This involves cultivating an inclusive culture that empowers employees, ensuring that HR initiatives are closely tied to corporate objectives through transparent and consistent communication, and embedding sustainability principles within HR policies and practices. Additionally, investing in workforce training and professional development is essential to strengthen execution capabilities and promote active

participation in strategy implementation. By adopting a comprehensive approach that considers the long-term implications of HRM on organizational sustainability and success, companies can better navigate the dynamic business environment and secure a stronger position for future growth and innovation.

The underlying significance of the concept extends beyond the mere availability or capacity to incorporate it into the implementation process. It lies in recognizing the substantial value, both strategic and ethical, that emerges from establishing a more sustainable HRM system. Over the past two decades, sustainability has gained increasing prominence in organizational discourse, prompting many businesses to align their HRM practices with both sustainability principles and strategic objectives. Contrary to being an insurmountable challenge, integrating sustainability into HRM represents a necessary and forward-looking response to the evolving demands of the competitive environment. This integration is evident in various organizational practices, such as the implementation of CSR programs aimed at supporting local communities, the refinement of sustainable business processes, and, crucially, the promotion of improved working conditions. These developments reflect a deeper understanding of the psychological contract between employers and employees, encompassing not only job responsibilities but also the dynamics of workplace power and mutual expectations.

Thus, the adoption of strategic and sustainable HRM should not be seen as a binary or sequential process, but rather as a synergistic model that enhances resilience in a world marked by social unrest, environmental crises, and economic unpredictability. It calls for a transformation in mindset—from viewing employees as resources to recognizing them as co-creators of organizational purpose. The future of HRM lies in cultivating workplaces that are not only high-performing but also regenerative—places where business success is inseparable from social equity, environmental stewardship, and ethical integrity. By embracing this expanded vision, organizations can not only withstand external pressures but thrive through values-driven growth and innovation.

Ethical approval

Not Applicable.

Informed consent statement

Not Applicable.

Authors' contributions

Conceptualization, W.B.G. and L.M.; methodology, W.B.G. and L.M.; validation, W.B.G. and L.M.; formal analysis, W.B.G. and L.M.; resources, W.B.G. and L.M.; writing original draft preparation, W.B.G. and L.M.; writing review and editing, W.B.G.

Research Funding

There was no funding source for this study.

Statement of Disclosure

There were no conflicts of interest disclosed by the authors.

Notes on Contributors

William Ben Gunawan

Former nutrition graduate, now William Ben Gunawan is pursuing a Master of Management and Master of Business Administration, focusing on financial and operational aspects. Actively applying what he has learned in his own businesses and consultancy projects.

Lukas Mikhail

A Master of Management student at PPM School of Management (Sekolah Tinggi Manajemen PPM), focusing on human resource management.

REFERENCES

- Agustian, K., Pohan, A., Zen, A., Wiwin, W., & Malik, A. J. (2023). Human Resource Management Strategies in Achieving Competitive Advantage in Business Administration. *Journal of Contemporary Administration and Management (ADMAN)*, 1(2), 108-117. <https://doi.org/10.61100/adman.v1i2.53>
- Akingbola, K., Kerekou, S., & Tohon, A. (2023). Employee engagement in nonprofit organizations: the role of perception of HR and organizational culture. *Journal of Management Development*, 42(3), 215-233. <https://doi.org/10.1108/JMD-09-2022-0232>
- Aliyev, J. (2024). Strategic Human Resource Management (SHRM) and Competitive Advantage. Available at SSRN 4772231. <https://doi.org/10.2139/ssrn.4772231>
- Al-Jedaiah, M. N., & Albdareen, R. (2020). The effect of strategic human resources management (SHRM) on organizational excellence. *Problems and Perspectives in Management*, 18(4), 49. [http://doi.org/10.21511/ppm.18\(4\).2020.05](http://doi.org/10.21511/ppm.18(4).2020.05)
- Almarzooqi, A. H., Khan, M., & Khalid, K. (2019). The role of sustainable HRM in sustaining positive organizational outcomes: An interactional framework. *International Journal of Productivity and Performance Management*, 68(7), 1272-1292. <https://doi.org/10.1108/IJPPM-04-2018-0165>
- Aust, I., Matthews, B., & Muller-Camen, M. (2020). Common good HRM: a paradigm shift in sustainable HRM? *Human Resource Management Review*, 30(3), 100705. <https://doi.org/10.1016/j.hrmr.2019.100705>
- Boselie, P. (2014). *Strategic human resource management: A balanced approach*. McGraw-Hill.
- Delery, J. E., & Roumpi, D. (2017). Strategic human resource management, human capital, and competitive advantage: is the field going in circles?. *Human Resource Management Journal*, 27(1), 1-21. <https://doi.org/10.1111/1748-8583.12137>
- Diefenhardt, F., Rapp, M. L., Bader, V., & Mayrhofer, W. (2024). 'In God We Trust. All Others Must Bring Data': Unpacking the Influence of Human Resource Analytics on the Strategic Recognition of Human Resource Management. *Human Resource Management Journal*. <https://doi.org/10.1111/1748-8583.12583>
- Duvnjak, B., & Kohont, A. (2021). The Role of Sustainable HRM in Sustainable Development. *Sustainability*, 13(19), 10668. <https://doi.org/10.3390/su131910668>
- Ejibe, I., Nwankwo, T. C., Nwankwo, E. E., Okoye, C. C., & Scholastica, U. C. (2024). Advancing environmental sustainability in the creative sectors: A strategic HR framework based on data analytics and eco-innovation. *World Journal of Advanced Research and Reviews*, 21(3), 050-060. <https://doi.org/10.30574/wjarr.2024.21.3.0659>
- Griep, Y., Hansen, S. D., & Kraak, J. M. (2024). The dynamic influence of personality on psychological contract evaluations: A 2-study investigation of approach/avoidance goals and emotion regulation strategies. *Journal of Business and Psychology*. Advance Online Publication. <https://doi.org/10.1007/s10869-024-09943-w>
- Gunawan, W. B., Oktavia, Y. D., Budiman, A. H., & Diptawibowo, N. D. (2025). The Strategic Approach to Recruitment and Selection at WIKA Rekayasa Konstruksi: Implication and Recommendation. *Contemporary Public Administration Review*, 2(2), 120-142. <https://doi.org/10.26593/copar.v2i2.8733.120-142>
- Gupta, A. D. (2020). *Strategic human resource management: Formulating and implementing HR strategies for a competitive advantage*. Productivity Press. <https://doi.org/10.4324/9780429327728>

- Hamadamin, H. H., & Atan, T. (2019). The impact of strategic human resource management practices on competitive advantage sustainability: The mediation of human capital development and employee commitment. *Sustainability*, 11(20), 5782. <https://doi.org/10.3390/su11205782>
- Hu, C., Wu, C., & Yu, L. (2023). Research on Strategic Human Resource Management and Its Issues and Challenges. *Journal of Human Resource Development*, 5(5), 18-25. <https://doi.org/10.23977/jhrd.2023.050504>
- Iqbal, J., & Parray, Z. A. (2024). Leading with integrity: illuminating the pathway to positive job outcomes through ethical leadership and CSR. *Social Responsibility Journal*. <https://doi.org/10.1108/SRJ-08-2023-0464>
- Khalid Alrashedi, A. (2024). The key sustainable strategies criteria for effective human resource management practices. *Sustainability*, 16(12), 5250. <https://doi.org/10.3390/su16125250>
- Kramar, R. (2014). Beyond strategic human resource management: is sustainable human resource management the next approach?. *The International Journal of Human Resource Management*, 25(8), 1069-1089. <https://doi.org/10.1080/09585192.2013.816863>
- Laverty, K. J. (1996). Economic “short-termism”: The debate, the unresolved issues, and the implications for management practice and research. *Academy of Management Review*, 21(3), 825-860. <https://doi.org/10.5465/amr.1996.9702100316>
- Malik, N., & Yuli, S. B. C. (2022). An innovative strategic human resource management in uncertain world: A systematic literature review. *Social and Political Issues on Sustainable Development in the Post Covid-19 Crisis*, 235-246. <https://doi.org/10.1201/9781003263586-28235>
- Mariappanadar, S. (2020). Characteristics of sustainable HRM system and practices for implementing corporate sustainability. *Sustainable Human Resource Management: Transforming Organizations, Societies and Environment*, 9-35. https://doi.org/10.1007/978-981-15-5656-2_2
- Mushtaq, S., & Akhtar, S. (2024). Sustainable HRM strategies, enhancing organizational resilience and advancing sustainability goals. *Journal of Management Development*, 43(5), 712-726. <https://doi.org/10.1108/JMD-02-2024-0072>
- Neves, R. (2024). Evaluating and Developing Your Team. In *The Engineering Leadership Playbook: Strategies for Team Success and Business Growth* (pp. 295-346). Berkeley, CA: Apress. https://doi.org/10.1007/979-8-8688-0140-2_6
- Noe, R., Hollenbeck, J. R., Gerhart, B., Wright, P. M., & Eligh, L. (2016). *Strategic human resource management: Gaining a competitive advantage*. McGraw-Hill.
- Piwowar-Sulej, K. (2021). Human resources development as an element of sustainable HRM—with the focus on production engineers. *Journal of Cleaner Production*, 278, 124008. <https://doi.org/10.1016/j.jclepro.2020.124008>
- Ren, S., Cooke, F. L., Stahl, G. K., Fan, D., & Timming, A. R. (2023). Advancing the sustainability agenda through strategic human resource management: Insights and suggestions for future research. *Human Resource Management*, 62(3), 251-265. <https://doi.org/10.1002/hrm.22169>
- Riley, S. M., Michael, S. C., & Mahoney, J. T. (2017). Human capital matters: Market valuation of firm investments in training and the role of complementary assets. *Strategic Management Journal*, 38(9), 1895-1914. <https://doi.org/10.1002/smj.2631>
- Rondinelli, D. A., & Berry, M. A. (2000). Environmental citizenship in multinational corporations: social responsibility and sustainable development. *European Management Journal*, 18(1), 70-84. [https://doi.org/10.1016/S0263-2373\(99\)00070-5](https://doi.org/10.1016/S0263-2373(99)00070-5)
- Saha, N. (2021). Strategic HRM and organizational agility enable firms to respond rapidly and flexibly to the changing environment. In *Encyclopedia of Organizational Knowledge, Administration, and Technology* (pp. 2551-2569). IGI Global.
- Singh, V. K., Singh, P., Karmakar, M., Leta, J., & Mayr, P. (2021). The journal coverage of Web of Science, Scopus and Dimensions: A comparative analysis. *Scientometrics*, 126(6), 5113–5142. <https://doi.org/10.1007/s11192-021-03948-5>
- Stahl, G. K., Brewster, C. J., Collings, D. G., & Hajro, A. (2020). Enhancing the role of human resource management in corporate sustainability and social responsibility: A multi-stakeholder,

- multidimensional approach to HRM. *Human Resource Management Review*, 30(3), 100708. <https://doi.org/10.1016/j.hrmr.2019.100708>
- Taamneh, A., Alsaad, A. K., & Elrehail, H. (2018). HRM practices and the multifaceted nature of organization performance: The mediation effect of organizational citizenship behavior. *EuroMed Journal of Business*, 13(3), 315-334. <https://doi.org/10.1108/EMJB-02-2018-0010>
- Wagner, M. (2015). A European perspective on country moderation effects: Environmental management systems and sustainability-related human resource benefits. *Journal of World Business*, 50(2), 379-388. <https://doi.org/10.1016/j.jwb.2014.08.005>
- Wang, G. (2025). Corporate Sustainability and Employee Engagement: Fostering a Green Workplace Culture. *Journal of Lifestyle and SDGs Review*, 5(5), e06601. <https://doi.org/10.47172/2965-730X.SDGsReview.v5.n05.pe06601>
- Wan, D., Ong, C. H., & Kok, V. (2002). Strategic human resource management and organizational performance in Singapore. *Compensation & Benefits Review*, 34(4), 33-42. <https://doi.org/10.1177/0886368702034004006>
- Yasin, R., Huseynova, A., & Atif, M. (2023). Green human resource management, a gateway to employer branding: Mediating role of corporate environmental sustainability and corporate social sustainability. *Corporate Social Responsibility and Environmental Management*, 30(1), 369-383. <https://doi.org/10.1002/csr.2360>