

THE ROLE OF HUMAN RESOURCES MANAGEMENT FOR CORPORATE SUSTAINABILITY

Nirwana¹, Haliah², Andi Mutia Lukman³

^{1,2,3}University of Hasanuddin Makassar, Jl. Perintis Kemerdekaan, Tamalanrea Indah, Kec. Tamalanrea, Makassar City, South Sulawesi 90245

Correspondence Authors; nirwana_ni@yahoo.com¹, haliah@fe.unhas.ac.id²,
zulhamutialukman@gmail.com³

Abstrak

Seiring pertumbuhan perusahaan, kebutuhan akan manajemen sumber daya manusia yang terorganisir dan efektif menjadi semakin penting. Karyawan perusahaan adalah sumber daya yang paling berharga, yang berarti bahwa manajemen sumber daya manusia (SDM) memainkan peran penting dalam sebuah organisasi. Dalam menjalankan operasi perusahaan, perlu disadari bahwa terdapat dampak-dampak sosial yang akan ditimbulkan perusahaan tersebut. Sehingga pertanggungjawaban yang harus dilakukan perusahaan pun tidak hanya kepada investor dan kreditur saja, tetapi juga kepada lingkungan sosial perusahaan. Dalam hal ini, terdapat suatu konsep yang dinamakan Triple Bottom Line (Profit, People, Planet) yang seharusnya dapat diterapkan oleh setiap perusahaan. Penelitian ini bertujuan untuk melakukan tinjauan literatur tentang seberapa penting manajemen sumber daya manusia dalam pembangunan berkelanjutan untuk mendukung perusahaan agar dapat tumbuh dan berkembang secara berkelanjutan.

Kata Kunci: Manajemen Sumber Daya Manusia, (Profit, People, Planet), Keberlanjutan Perusahaan.

Abstract

As companies grow, the need for organized and effective human resource management becomes increasingly important. A company's employees are its most valuable resource, which means that human resource management (HRM) plays an important role in an organization. In carrying out company operations, it is necessary to realize that there are social impacts that the company will cause. So that the responsibility that must be carried out by the company is not only to investors and creditors, but also to the company's social environment. In this case, there is a concept called the Triple Bottom Line (Profit, People, Planet) which should be applied by every company. This study aims to conduct a literature review on how important human resource management is in sustainable development to support companies to grow and develop sustainably.

Keywords: Human Resource Management, (Profit, People, Planet), Corporate Sustainability.

Introduction

Human Resource Management as one of the important objects in a company or organization to achieve goals, studies the impact of human factors on sustainable development and resource conservation (Pfefer, 2010). Good Human Resource Management should make a good and positive contribution to the environment and not only be oriented towards profit goals. Companies are required to implement a triple bottom line which is a concept that benefits the company and benefits humans and the environment. The concept of sustainable development of the business world is no longer only faced with responsibilities based on a single bottom line (SBL) or corporate value in terms of economic conditions (financial) only. But it is more based on the triple bottom line (TBL), namely the synergy of three elements covering the economy, social, and environment or better known as 3P (Profit, People and Planet). The exponential growth of human economic expansion has taken a toll on the world's environment and natural resources. At the same time, engagement in social action to improve this situation has been limited (Bauman, 2000; Korten, 2001). With the increasing focus on social responsibility and sustainable performance, organizations have set themselves new goals beyond mere financial gain, such as commitment to social and environmental outcomes (Elkington, 1997). In fact, an international survey of 2800 global companies revealed that 70% of these organizations include sustainability as a key issue in their strategic plans and agendas (Kiron et al., 2012). Because financial conditions alone are not enough to ensure that the value of the company grows sustainably. These three pillars (3P) are key to the concept of sustainable development. The Triple Bottom Line (TBL) was first proposed by John Elkington in 1994 in his book *Cannibals with Forks*. This article aims to conduct a literature review on how important human resource management is in sustainable development to support companies to grow and develop sustainably.

Theoretical studies

Human Resources

According to (Nawawi, 2001) there are three definitions of human resources, namely:

1. Human resources are humans who work within an organization (also called personnel, workforce, workers or employees).
2. Human resources are human potential as the driving force of the organization in realizing its existence.
3. Human resources are potential that is an asset and functions as capital (non-material / non-financial) in a business organization, which can be realized into real potential (real) physically and non-physically in realizing the existence of the organization.

Human resources are people who manage, supervise quality, allocate financial resources and explain all organizational strategies and goals (Amalia et al., 2022). Human resources must have good management to be able to control the relationship and role of HR efficiently and effectively so as to achieve the goals of the company. The design of HR development programs has several objectives (Dharma Putra et al., 2021), namely:

1. Ensure employee quality,
2. Cover the availability of current or future employees,
3. Reduce the occurrence of fraud in the performance of job duties,
4. Relieve the coordination system to maximize employee performance,
5. Become a foundation in the implementation of employee assessments

Human Resource Management

Human resource management is a process that addresses various issues within the framework of employees, employees, managers and other workers who can support the activities of an organization or company in order to achieve predetermined goals (Amalia et al., 2022).

Human Resource Management is one of the functions in a company or organization that focuses on recruiting human resources, managing, and directing in order to achieve a goal within the company. If human resources are not managed properly by management, the company will find it

difficult to survive. Therefore, the role of human resource management is needed to manage human resources in the company in various ways (Prasetyo, I., Mansur, M., Khalikussabir, 2022).

Human resource management is a science or a way to manage the relationship and role of resources (labor) owned by individuals efficiently and effectively and can be used optimally so as to achieve the company's common goals (Pratama et al., 2023).

Triple Bottom Line

According to Andrew Savitz (2013) in (Slaper & Hall, 2011), TBL is the essence of sustainability by measuring the impact of organizational activities in the world, including profitability and shareholders, social, community, and environment. Meanwhile, (Smith & Sharicz, 2011) state that TBL is, "The result of the activities of an organization voluntary or governed by law, that demonstrate the ability of the organization to maintain its viable business operations (including financial viability as appropriate) while not negatively impacting any social or ecological systems." TBL is an important element that must be considered by companies. TBL can be a benchmark for companies, by not only paying attention to the economic side, but also the impacts that are both positive and negative on social and environmental.

The term Triple Bottom Line was popularized by John Elkington in 1997. Through his book entitled "Cannibals with Forks, the Triple Bottom Line of Twentieth Century Business", Elkington developed the Triple Bottom Line concept in terms of economic prosperity, environmental quality, and social justice. Companies that want to be sustainable must pay attention to the "3Ps". In addition to pursuing profit, companies must also pay attention and be involved in fulfilling the welfare of society (people) and actively contribute to preserving the environment (planet). The aspects contained in the Triple Bottom Line are as follows (Wibisono, 2007).

1. Profit

Profit is the most important element and the goal of every business activity. The main focus of all activities in the company is to pursue profit or boost the share price as high as possible, either directly or indirectly. Profit itself is additional income that can be used to ensure the survival of the company. Activities that can be taken to boost profits include increasing productivity and making cost efficiency. This will cause the company to have a competitive advantage that can provide added value as much as possible.

2. People

The community around the company is one of the important stakeholders that must be considered by the company. Support from the surrounding community is necessary for the existence, survival and development of the company so that the company will always strive to provide maximum benefits to the community. The company's operations have the potential to impact the surrounding community, so the company needs to carry out various activities that touch the needs of the community. In summary, if the company wants to maintain its business, the company must also include social responsibilities.

3. Planet

In addition to the people aspect, companies must also pay attention to their responsibility to the environment. Since profit is the core of the business world, most companies often do not pay much attention to matters related to the environment, because there is no direct benefit in it. By preserving the environment, companies will gain more benefits, especially in terms of comfort and availability of resources that ensure the survival of the company.

Research Methods

The research method used is to use the literature review research method and the systematic literature review (SLR) method on research articles that discuss the important role of Human Resource Management Management for company sustainability.

Data Analysis And Discussion

The following are the results of literature obtained from previous studies that are relevant to this research:

Table 1
The Literature Review Study

Author	Title	Method	Result
(Chams & García-Blandón, 2019)	The importance of sustainable human resource management for the adoption of sustainable development goals	literature review as an article-type review technique.	The outcome of this review is a reflection on two main dimensions: research and practice. In the research area, although sustainable development is increasingly articulated, agreement among scholars is still needed to further develop the SHRM paradigm. Various theoretical frameworks are presented in the literature, but there is still a lack of a "combined" theory that explains the whole phenomenon from socio-economic and behavioral perspectives. As for practical implications, the benefits of green organizations to governments, social communities, and customers are clearly defined; however, the added value of this transformation at the employee level is still not well established in the business world, especially for trade unions.
(Telaumbanua et al., 2023)	The Effect of Human Resources System Implementation on the Business Environment: A Review Article	literature review as an article-type review technique.	The aspect of human resources is getting wider and is mainly stated in the first previous studies where the aspect of human resources is fully the first tool owned by the activities that occur and at the same time provides a new perception especially on the business side. The conceptual or correlation of human resources fully has a relationship as well as the performance side on the business side.
(Pratama et al., 2023)	Impact Analysis of Human Resource Management on Organizational Entrepreneurship	literature review as an article-type review technique.	Human resource management partially mediates the relationship between human resource management policies and organizational performance.

The Important Role of Human Resource Management for Company Sustainability

Developed in the late 1970s and 1980s, the central role of strategic Human Resources Management focuses on the financial and economic outcomes of an organization's workforce, the implementation of HR practices, and the monitoring of human resources (Fombrun, 1984; Nikandrou & Papalexandris, 2007; Wright & Snell, 1991).

The conceptual or correlation of human resources fully has a relationship from the performance side and from the business side (Telaumbanua et al., 2023). Human resource management partially mediates the relationship between human resource management policies and

organizational performance (Pratama et al., 2023).. As for practical implications, the benefits of green organizations for governments, social communities, and customers are clear, but the added value of this transformation at the employee level is still not well established in the business world, especially for trade unions (Chams & García-Blandón, 2019).

Human resource management is a very important aspect in supporting the achievement of company goals. Several studies have proven a strong relationship between Human Resource Management practices and organizational performance. Performance or performance is every action taken by individuals or groups in an organizational account, based on their powers and responsibilities to achieve organizational goals that are legal, not against the law, and in accordance with morals and ethics (Amalia et al., 2022). One of the efforts to improve organizational performance can be realized with the Triple Bottom Line concept which is managed effectively and maximally by company resource management to support the achievement of company goals. The importance of socialization, education and ongoing training so that employees can support, play a role, and be directly involved in activities that support the Triple Bottom Line concept and can also feel the benefits directly. The Triple Bottom Line concept can improve the welfare of society, the better a company's social concern for its employees, the environment, and the surrounding environment will further improve the company's image and performance. Human Resources and TBL are two concepts that are becoming increasingly important to corporate strategy. (Tsauri, 2013) revealed the importance of Human Resource Management in improving performance and competitive position. In particular, Human Resource Management needs to develop a more strategic approach in their practices and establish a strong link between Human Resource Management strategies and policies will be able to create added value for Human Resources, for the company, and can affect the sustainability of the company.

Conclusions, Limitations, And Suggestions

Conclusions

According to Andrew Savitz (2006) in (Slaper & Hall, 2011), TBL is the essence of sustainability by measuring the impact of organizational activities in the world, including profitability and shareholders, social, community, and environment. The Triple Bottom Line (TBL) concept is a concept developed by John Elkington in 1997 through his book entitled "Cannibals with Fork, the Triple Bottom Line of Twentieth Century Business" (Yanti & Rasmini, 2015). Elkington states that in addition to pursuing profit, companies must pay attention to and be involved in fulfilling the welfare of society (people) and actively contribute to preserving the environment (planet). human resources in the company and the concentration of attention on the contribution of human resource functions to the successful achievement of corporate goals and company existence.

Limitations

Limitations remain in that when conducting a systematic literature review, there is always a risk that relevant publications may be missed, the scope of the study was too narrow, the small sample of articles included and the lack of a literature review.

Suggestions

The scope of this research is limited to studying the important role of human resource management for the existence of the company. Human Resource Management needs to develop a more strategic approach in their practices and establish a strong link between Human Resource Management strategies and policies. Further studies should be oriented towards the existence of human resource management for sustainable economic development along with global development and evaluating the current knowledge in the field can lead to a broader perspective.

Reference

- Amalia, A. R., Haliah, & Nirwana. (2022). Pengukuran Kinerja Sumber Daya Manusia Dengan Pendekatan Human Resources Scorecard. *Jurnal Ilmiah Akuntansi*, 3(2), 28–36.
- Chams, N., & García-Blandón, J. (2019). On the importance of sustainable human resource management for the adoption of sustainable development goals. *Resources, Conservation and Recycling*, 141(November 2017), 109–122. <https://doi.org/10.1016/j.resconrec.2018.10.006>
- Dharma Putra, Y., Sudarma, M., & Swamardika, I. B. A. (2021). Clustering History Data Penjualan Menggunakan Algoritma K-Means. *Majalah Ilmiah Teknologi Elektro*, 20(2), 195. <https://doi.org/10.24843/mite.2021.v20i02.p03>
- Fombrun, C. J. (1984). *The structure of organizational governance*. *Human Relations*, 37(3), 207–223.
- Kiron, D., Kruschwitz, N., Haanaes, K., & Velken, I. von S. (2012). *Sustainability Nears a Tipping Point*. MIT Sloan Management Review.
- Kozulj, R. (2011). Development, Poverty and Energy, in the 21st Century. *Modern Economy*, 02(04), 483–497. <https://doi.org/10.4236/me.2011.24054>
- Nawawi, H. (2001). *Human Resource Management for Competitive Business (4th cet.)*. Gadjah Mada University Press.
- Nikandrou, I., & Papalexandris, N. (2007). The impact of M&A experience on strategic HRM practices and organisational effectiveness: Evidence from Greek firms. *Human Resource Management Journal*, 17(2), 155–177. <https://doi.org/10.1111/j.1748-8583.2007.00031.x>
- Pfeffer, J. (2010). Building Sustainable Organizations: The Human Factor. *Academy of Management Perspectives*, 24(1), 34–45.
- Prasetyo, I., Mansur, M., Khalikussabir, K. (2022). The Effect of Reward, Punishment and Work Motivation on Employee Productivity at PT. Juragan 99 Trans at Abdul Rahman Shaleh Malang. *E-JRM: Electronic Journal of Management Research*, 11(20).
- Pratama, S. H., Junanto, T., Suminar, A., & Milani, I. (2023). *Analysis Of Impact The Human Resource Management On Entrepreneur Organizations*. 1(1).
- Slaper, T. F., & Hall, T. J. (2011). *The triple bottom line: What it is and how it works*. *Indiana business review*. Indiana University.
- Smith, P. A., & Sharicz, C. (2011). *The shift needed for sustainability*. *The learning organization*, 18(1), 73–86.
- Telaumbanua, E. P., Rufianto, A., Junanto, T., & Suminar, A. (2023). *The Effect of Implementation of Human Resource System on The Business Environment : A Review of the Articles*. 1(1).
- Tsauri, S. (2013). *Human Resource Management*. In *Journal of Modern African Studies*. 35(17).
- Wibisono, Y. (2007). *Membedah Konsep & Aplikasi CSR (Corporate. SocialTanggung Jawab)*. PT Gramedia.
- Wright, P. M., & Snell, S. A. (1991). *Toward an integrative view of strategic human resource management*. *Human resource management review*, 1(3), 203–225.
- Yanti, F., & Rasmini, N. K. (2015). Analysis of Triple Bottom Line Disclosure and Influencing Factors: Studies in Indonesian and Singaporean Companies. *E-Ournal of Accounting, Udayana University*, 13(2), 4990512.