

SHRM PRACTICES, ORGANIZATIONAL RESILIENCE, AND SUSTAINABILITY PERFORMANCE

Preecha Khammadee^{1*}

Received 25 February 2022

Revised 29 June 2022

Accepted 30 June 2022

ABSTRACT

In turbulent times, organizational resilience is considered as an important factor on sustainability performance. Organizational resilience needs to develop within organizations under challenging conditions from SHRM practices to gain competitive advantage and successful sustainability performance. This study aims to propose a conceptual model of SHRM practices, organizational resilience, and sustainability performance. The study found that the integration of SHRM practices, organizational resilience, and sustainability performance. The relationship between these three variables seems to clarify these conceptualizations. The study highlights that SHRM practices have a significant chance to develop an organization's capacity for resilience that enables sustainability performance.

Keywords: SHRM Practices, Organizational Resilience, Sustainability Performance

¹ College of Innovative Management, Valaya Alongkorn Rajabhat University under the Royal Patronage, Thailand
^{*}Corresponding author email: preecha.kham@vru.ac.th

Introduction

Organizational crises are an increasingly complex world and an unpredictable business environment. Unstable environments create challenges for business opportunities in the period of economic recovery after the disruption of the COVID-19 pandemic (Ichsan, Santosa, Shara, & Liriwati, 2020; Ulmer, Sellnow, & Seeger, 2015; Vogus & Sutcliffe, 2007; Lengnick-Hall, Beck, & Lengnick-Hall, 2011). From a business perspective, human resource management practices have gone beyond traditional function to a more strategic role that contributes to business sustainability (Ichsan et al., 2020; Naznin & Hussain, 2016; Bustinza et al., 2019). Employee performance and long-term sustainability can be improved through strategic human resource management practices (Chams & Garca-Blandón, 2019).

Recently, the concept of resilience has focused on a firm's capability to survive and adapt in a dynamic and uncertain environment (Hillmann & Guenther, 2021; Sawik, 2013; Williams, Gruber, Sutcliffe, Shepherd, & Zhao, 2017; Chowdhury & Quaddus, 2017; Folke, 2006). Organizations need to develop a capacity for resilience and it is one of the most important factors to success in the world today (Bouaziz & Hachicha, 2018; Britt, Shen, Sinclair, Grossman, & Klieger, 2016). Sustainable organizations and effectiveness depend on the ability of organizations resilience from strategic human resource management practices that enable their performance and sustainability in the turbulent business environment (El Dessouky & Al-Ghareeb, 2020; Thaiprayoon, Mitprasat, & Jermstittiparsert, 2019; Rauter, Globocnik, Perl-Vorbach, & Baumgartner, 2019).

Therefore, this study aims to propose a conceptual model of SHRM practices, organizational resilience, and sustainability performance. Likewise, the study hopes to create awareness among HR managers and employees about SHRM practices and organizational resilience that can enhance sustainability performance and survive in the long run. The next sections of this article outline the literature review and hypotheses development, methodology, discussion, and conclusion.

Literature review and hypotheses development

1. SHRM practices and sustainability performance

The emergence of new issues in human resource management is always dynamic and brings in a difference while fulfilling the organizational goals while increasing productivity and performance. The activities at the strategic level are the best priority for the companies. This takes HRM practices to a much higher strategic level. The issues are related to gender diversity, developing global leaders, recruitment and training, and equal work opportunities for all (Huselid, Jackson, & Schuler, 1997; Meier et al., 2007; Kumar, 2019). However, organizational sustainability is not only dependent on effectively managing finances. It is also linked with other strategic aspects like leadership and human resource management in organizations (Ehnert, Harry, & Zink, 2013). Human resource management practices such as recruitment and selection, training and development, performance appraisal, and compensation systems can directly and indirectly impact on organizational performance. Strategic human resource

management (SHRM) is contributing to business sustainability and organizational success (Jackson, Schuler, & Jiang, 2014; Bustinza et al., 2019; Aycan, Al-Hamadi, Davis, & Budhwar, 2007; Katou & Budhwar, 2006). Organizations need to develop a set of strategic human resource management practices that include knowledge, attitude, and behavior, help the organization achieve sustainability in the long run (Chams & García-Blandón, 2019; Thaiprayoon et al., 2019). SHRM practices were discovered to have significant value, putting any organization on the path to competitive advantage and sustainability (Rockwell, 2019). Many studies have been conducted to examine the antecedents of SHRM practices' working mechanisms for better relationship with sustainability performance (Hamadamin & Atan, 2019; Kramar, 2014; Qureshi, Pillai, & Singh, 2018).

Hypothesis 1. *SHRM practices have positive relationship with the sustainability performance.*

2. SHRM practices and organizational resilience

In today's world, organizations are increasingly challenged by dynamic and changing environments such as natural disasters, terrorist attacks, or technical malfunctions that threaten an organization's competitiveness and survival. To successfully overcome these conditions, organizations must develop a capacity for resilience to find new business opportunities (Duchek, 2020; Bouaziz & Hachicha, 2018; Acs, Autio, & Szerb, 2014). Meanwhile, Lengnick-Hall et al. (2011) and Ho, Teo, Bentley, Verreyne, and Galvin (2014) suggest that human resource management (HRM) can be a greater part in the development and analysis of organizational resilience analysis. To achieve organizational resilience, the HRM system should develop individual knowledge, skills, and abilities to provide organizational capabilities. The HRM system that keeps the core of the organization aligned to corporate strategy in dynamic environments contributes to organizational resilience development. SHRM practices aim to generate the capacity from employees that is the most important part of a resilient organization by ensuring their skills, abilities, and behaviors are committed and motivated to achieve a sustainable competitive advantage (Kuntz, Malinen, & Näswall, 2017; Armstrong & Talor, 2020). Uncertain and challenging environmental conditions have a significant impact on business. Hence, the organizational ability to adopt and implement an effective strategic plan becomes necessary to execute it successfully (Thierry, 2018; Dimba, 2010; Rodríguez-Sánchez, Guinot, Chiva, & López-Cabrales, 2021). Some previous studies have shown the link between SHRM practices and organizational resilience (Rehman et al., 2021; Lengnick-Hall et al., 2011). In addition, SHRM practices have an effect on organizational resilience (Bouaziz & Hachicha, 2018; Al-Ayed., 2019). Based on these argument, the hypothesized that:

Hypothesis 2. *SHRM practices have positive relationship with the organizational resilience.*

3. Organizational resilience and sustainability performance

Organizational resilience is considered as an important factor for organizations' success during the turbulent and uncertain development of firms in an increasingly volatile, complex, and uncertain

business world (Näswall, Kuntz, Hodliffe, & Malinen, 2013; McCann, Selsky, & Lee, 2009). Nowadays, Organizational resilience are critical dynamic capabilities that enable successful sustainability performance, especially in times of crisis such as the COVID-19 pandemic. Businesses need to be prepared for the competitive environment's challenges in sustainability and resilience (Corrales-Estrada, Gómez-Santos, Bernal-Torres, & Rodríguez-López, 2021; (Miceli et al., 2021; Arend, 2014). Sustainability performance has a long-term positive outcome, such as economic, social, and environmental performance (Chams & García-Blandón, 2019; Jamali, 2006). Resilience and sustainability are multifaceted paradigms that can enhance the resilience of a firm, and support its growth (Balugani, Butturi, Chevers, Parker, & Rimini, 2020; Feil, Schreiber, Haetinger, Strasburg, & Barkert, 2019). Previous studies have likewise found that organizational resilience has a positive effect on both the social and economic aspects of sustainability performance (Rai, Rai, & Singh, 2021). Organizational resilience emphasizes the adaptive capacity for renewal after crisis and enhanced sustainability (Larsson, Milestad, Hahn, & Von Oelreich, 2016). Organizational resilience has been identified as a critical factor in delivering sustainability and allowing businesses to thrive (Winnard, Adcroft, Lee, & Skipp, 2014).

Hypothesis 3. *Organizational resilience has positive relationship with the Sustainability performance*

4. Mediating role of organizational resilience

The meaning of resilience is traced back to the Latin word *resilire*, which means, "to jump back." The concept of resilience was introduced by Holling's (1973) paper in ecology and the environment. Holling (1973) defined it as the measure of its ability to absorb change and still exist. However, Bell (2019) and Hartmann et al. (2020) can be defined as organizational resilience reflecting an organization's ability to absorb, respond, and develop strategies to implement routines on disruptions originating from changes in the environment (Sanchez-Garcia, Nunez-Rios, & Lopez-Hernandez, 2020). Therefore, scanning the business environment can improve organizational resilience and make it way more competitive (YahiaMarzouk & Jin, 2022). Organizational resilience needs to develop under challenging conditions, which can enable effective business from crises, and even foster future success (Duchek, 2020; Cooper, Liu, & Tarba, 2014; Biggs, Hall, & Stoeckl, 2012; Cameron & Dutton, 2003). Organization resilience engage responses can build business transformative activities on disruptive surprises that are necessary for organizational survival (Lengnick-Hall et al., 2011). Organizational resilience has two dimensions—planned and adaptive (Prayag, Chowdhury, Spector, & Orchiston, 2018). Several past studies suggest that organizational resilience mediates the relationship between HRM practices and organizational performance (Lengnick-Hall et al., 2011; Aeknarajindawat, Aeknarajindawat, & Aswasuntrangkul, 2020; Nadeem, Riaz, & Danish, 2019; Cooke et al., 2021).

Hypothesis 4. *Organizational Resilience positively mediates the relationship between SHRM practices and Sustainability performance*

Methodology

The study adopted a qualitative approach, mainly based on extensive analysis of the existing literature on organizational resilience. Researchers have conducted an extensive review of the literature in various databases, such as Google Scholar, Scopus, Elsevier, Emerald, and ProQuest. A total of 50 articles from 1997 to 2022 on SHRM practices, organizational resilience, and sustainability performance were selected and analyzed.

Discussion and conclusion

This paper develops a conceptual model of SHRM practices, organizational resilience, and sustainability performance. According to the literature review, both SHRM practices and sustainability performance were found to have important value that puts any organization on the path to competitive advantage and sustainability (Rockwell, 2019). However, SHRM practice is the most important part of a resilient organization by ensuring their skills, abilities, and behaviors are committed and motivated to achieve a sustainable competitive advantage (Kuntz et al., 2017; Armstrong & Talor, 2020). Organizational resilience is an important challenge for the development of firms in an increasingly volatile, complex, and uncertain business world (Näswall et al., 2013). Organizational resilience emphasizes the adaptive capacity for renewal after crisis and enhanced sustainability (Larsson et al, 2016). Organizational resilience needs to develop under challenging conditions, which can enable effective business from crises, and even foster future success (Duchek, 2020; Cooper et al., 2014; Biggs et al., 2012; Cameron & Dutton, 2003). Organizational resilience is critical to HR managers and employees from strategic human resource management practices (e.g., recruitment and selection, training and development, performance appraisal, and compensation systems) that enhance a company's successful sustainability performance and allow it to survive in the long run.

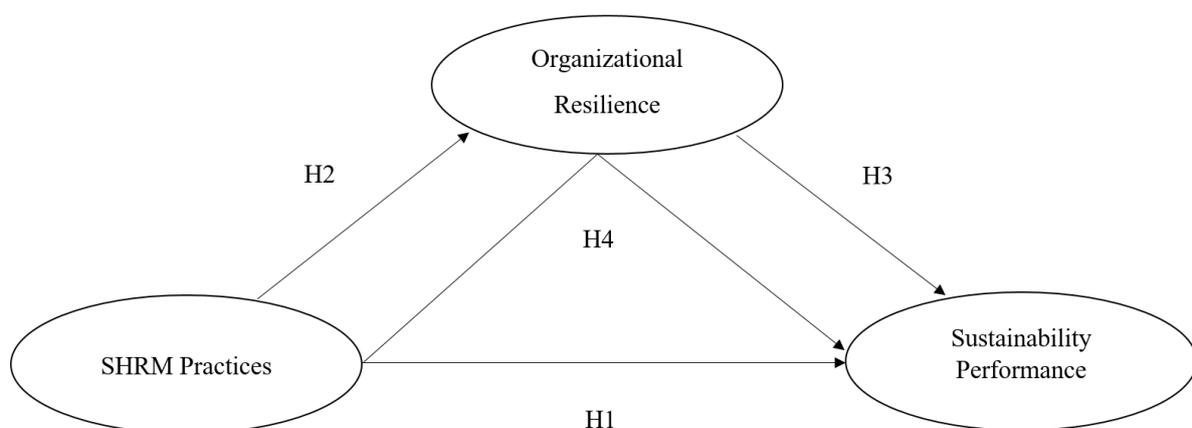


Figure 1 Proposed conceptual model

References

- Acs, Z. J., Autio, E., & Szerb, L. (2014). National systems of entrepreneurship: measurement issues and policy implications. *Research Policy*, 43(3), 476-494.
- Aeknarajindawat, N., Aeknarajindawat, N., & Aswasunrangkul, D. (2020). Role of wellbeing oriented HRM practices towards the employee performance: Mediating role of employee resilience and social climate. *Systematic Reviews in Pharmacy*, 11(3), 115-124.
- Al-Ayed, S. I. (2019). The impact of strategic human resource management on organizational resilience: an empirical study on hospitals. *Verslas: teorija ir praktika*, 20(1), 179-186.
- Arend, R. J. (2014). Social and environmental performance at SMEs: Considering motivations, capabilities, and instrumentalism. *Journal of Business Ethics*, 125(4), 541-561.
- Armstrong, M., & Taylor, S. (2020). *Armstrong's handbook of human resource management practice*, British Library Cataloguing-in-Publication Data, 15th ed., Kogan Page.
- Aycan, Z., Al-Hamadi, A. B., Davis, A., & Budhwar, P. (2007). Cultural orientations and preferences for HRM policies and practices: the case of Oman. *The international journal of human resource management*, 18(1), 11-32.
- Balugani, E., Butturi, M. A., Chevers, D., Parker, D., & Rimini, B. (2020). Empirical Evaluation of the Impact of Resilience and Sustainability on Firms' Performance. *Sustainability*, 12(5), 1742.
- Bell, S. (2019). Organisational resilience: a matter of organisational life and death. *Continuity and Resilience Review*, 1(1), 5-16.
- Biggs, D., Hall, C. M., & Stoeckl, N. (2012). The resilience of formal and informal tourism enterprises to disasters: reef tourism in Phuket, Thailand. *Journal of Sustainable Tourism*, 20(5), 645-665.
- Bouaziz, F., & Hachicha, Z. S. (2018). Strategic human resource management practices and organizational resilience. *Journal of Management Development*, 3(7), 537-551.
- Britt, T. W., Shen, W., Sinclair, R. R., Grossman, M. R., & Klieger, D. M. (2016). How much do we really know about employee resilience?. *Industrial and Organizational Psychology*, 9(2), 378-404.
- Bustinza, O. F., Vendrell-Herrero, F., Perez-Arostegui, M., & Parry, G. (2019). Technological capabilities, resilience capabilities and organizational effectiveness. *The International Journal of Human Resource Management*, 30(8), 1370-1392.
- Cameron, K., & Dutton, J. (Eds.). (2003). *Positive organizational scholarship: Foundations of a new discipline*. Berrett-Koehler Publishers.
- Chams, N. & García-Blandón, J. (2019). On the importance of sustainable human resource management for the adoption of sustainable development goals. *Resources Conservation & Recycling*, 141, 109-122.

- Chowdhury, M. M. H., & Quaddus, M. (2017). Supply chain resilience: Conceptualization and scale development using dynamic capability theory. *International Journal of Production Economics*, 188, 185-204.
- Cooke, F. L., Wood, G., Wang, M., & Li, A. S. (2021). Riding the tides of mergers and acquisitions by building a resilient workforce: A framework for studying the role of human resource management. *Human Resource Management Review*, 31(3), 100747.
- Cooper, C. L., Liu, Y., & Tarba, S. Y. (2014). Resilience, HRM practices and impact on organizational performance and employee well-being: *International Journal of Human Resource Management*, 25(17), 2466-2471.
- Corrales-Estrada, A. M., Gómez-Santos, L. L., Bernal-Torres, C. A., & Rodríguez-López, J. E. (2021). Sustainability and Resilience Organizational Capabilities to Enhance Business Continuity Management: A Literature Review. *Sustainability*, 13(15), 8196.
- Dimba, B. A. O. (2010). Strategic human resource management practices: effect on performance. *African journal of economic and management Studies*, 1(2), 128-137.
- Duchek, S. (2020). Organizational resilience: a capability-based conceptualization. *Business Research*, 13(1), 215-246.
- Ehnert, I., Harry, W. & Zink, K. J. (2013). Sustainability and Human Resource Management- Developing Sustainable Business Organizations. *Springer Sci. Bus. Media*, 6, 81-82.
- El Dessouky, N. F., & Al-Ghareeb, A. (2020, November). Human Resource Management and Organizational Resilience in The Era of COVID-19: Theoretical Insights, Challenges and Implications. In *2020 Second International Sustainability and Resilience Conference: Technology and Innovation in Building Designs* (51154) (pp. 1-6). Virtual, Bahrain.
- Feil, A. A., Schreiber, D., Haetinger, C., Strasburg, V. J., & Barkert, C. L. (2019). Sustainability indicators for industrial organizations: Systematic review of literature. *Sustainability*, 11(3), 854.
- Folke, C. (2006). Resilience: The emergence of a perspective for social–ecological systems analyses. *Global environmental change*, 16(3), 253-267.
- 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.
- Hartmann, S., Weiss, M., Newman, A., & Hoegl, M. (2020). Resilience in the workplace: a multilevel review and synthesis. *Appl. Psychol*, 69, 913–959.
- Hillmann, J., & Guenther, E. (2021). Organizational resilience: a valuable construct for management research?. *International Journal of Management Reviews*, 23(1), 7-44.
- Ho, M., Teo, S.T.T., Bentley, T., Verreyne, M.L., & Galvin, P. (2014). Organizational resilience and the challenge for human resource management: conceptualizations and frameworks for theory

- and practice. In *Proceedings of the 4th Annual International Conference on Human Resource Management and Professional Development for the Digital Age* (pp. 8-15). GSTF, Singapore.
- Holling, C. S. (1973). Resilience and stability of ecological systems. *Annual Review of Ecology and Systematics*, 4, 1-23.
- Huselid, M. A., Jackson, S. E., & Schuler, R. S. (1997). Technical and strategic human resources management effectiveness as determinants of firm performance. *Academy of Management Journal*, 40(1), 171-188.
- Ichsan, R. N., Santosa, S., Shara, Y., & Liriwati, F. Y. (2020). Investigation of Strategic Human Resource Management Practices in Business After Covid-19 Disruption. *Pal Arch's Journal of Archaeology of Egypt/Egyptology*, 17(7), 13098-13110.
- Jackson, S. E., Schuler, R. S., & Jiang, K. (2014). An aspirational framework for strategic human resource management. *The Academy of Management Annals*, 8(1), 1-56.
- Jamali, D., (2006). Insights into triple bottom line integration from a learning organization perspective. *Business Process Management Journal*, 12(6), 829-821.
- Katou, A. A., & Budhwar, P. S. (2006). Human resource management systems and organizational performance: a test of a mediating model in the Greek manufacturing context. *The international journal of human resource management*, 17(7), 1223-1253.
- 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.
- Kumar, M. (2019). Strategic HRM Practices to Deal with Gender Diversity Problems in organizations. *Journal of Strategic Human Resource Management*, 8(3), 74-79.
- Kuntz, J. R., Malinen, S., & Näswall, K. (2017). Employee resilience: Directions for resilience development. *Consulting Psychology Journal: Practice and Research*, 69(3), 223-242.
- Larsson, M., Milestad, R., Hahn, T., & Von Oelreich, J. (2016). The resilience of a sustainability entrepreneur in the Swedish food system. *Sustainability*, 8(6), 550.
- Lengnick-Hall, C. A., Beck, T. E., & Lengnick-Hall, M. L. (2011). Developing a capacity for organizational resilience through strategic human resource management. *Human resource management review*, 21(3), 243-255.
- McCann, J., Selsky, J., & Lee, J. (2009). Building agility, resilience and performance in turbulent environments. *People and Strategy*, 32(3), 45-51.
- Meier, K. J., O'Toole, L. J., Boyne, G. A., & Walker, R. M. (2007). Strategic management and the performance of public organizations: Testing venerable ideas against recent theories. *Journal of Public Administration Research and Theory*, 3(17), 357-377.
- Miceli, A., Hagen, B., Riccardi, M. P., Sotti, F., & Settembre-Blundo, D. (2021). Thriving, not just surviving in changing times: How sustainability, agility and digitalization intertwine with organizational resilience. *Sustainability*, 13(4), 2052.

- Nadeem, K., Riaz, A., & Danish, R. Q. (2019). Influence of high-performance work system on employee service performance and OCB: the mediating role of resilience. *Journal of Global Entrepreneurship Research*, 9(1), 1-13.
- Näswall, K., Kuntz, J., Hodliffe, M., & Malinen, S. (2013). *Employee resilience scale (EmpRes)*: Technical report.
- Naznin, H., & Hussain, M. A. (2016). Strategic value contribution role of HR. *Vision*, 20(2), 135-138.
- Prayag, G., Chowdhury, M., Spector, S., & Orchiston, C. (2018). Organizational resilience and financial performance. *Annals of Tourism Research*, 73(C), 193-196.
- Qureshi, T. M., Pillai, M. R., & Singh, A. (2018). Investing in Success: Role of HRM Strategies on Performance Sustainability in the UAE Banking Industry. *World Journal of Management*, 9(1), 21-32.
- Rai, S. S., Rai, S., & Singh, N. K. (2021). Organizational resilience and social-economic sustainability: COVID-19 perspective. *Environment, Development and Sustainability*, 23(8), 12006-12023.
- Rauter, R., Globocnik, D., Perl-Vorbach, E. & Baumgartner, R. J. (2019). Open innovation and its effects on economic and sustainability innovation performance. *Journal of Innovation & Knowledge*, 4(4), 226–233.
- Rehman, K. U., Mata, M. N., Martins, J. M., Mariam, S., Rita, J. X., & Correia, A. B. (2021). SHRM Practices Employee and Organizational Resilient Behavior: Implications for Open Innovation. *Journal of Open Innovation: Technology, Market, and Complexity*, 7(2), 159.
- Rockwell, S. (2019). A resource-based framework for strategically managing identity. *Journal of Organizational Change Management*, 32(1), 80–102.
- Rodríguez-Sánchez, A., Guinot, J., Chiva, R., & López-Cabrales, Á. (2021). How to emerge stronger: Antecedents and consequences of organizational resilience. *Journal of Management & Organization*, 27(3), 442-459.
- Sanchez-Garcia, J.Y., Nunez-Rios, J.E. & Lopez-Hernandez, C. (2020). Systemic complementarity, an integrative model of cooperation among small and medium-sized tourism enterprises in Mexico. *International Journal of Business Innovation and Research*, 23(3), 354.
- Sawik, T. (2013). Selection of resilient supply portfolio under disruption risks. *Omega*, 41, 259-269.
- Thaiprayoon, K., Mitprasat, M., & Jemsittiparsert, K. (2019). Sustainability consciousness dimensions for achieving sustainability performance in Thailand: Role of supply chain resilience. *International Journal of Supply Chain Management*, 8(5), 622-634.
- Thierry, L. (2018). *Crisis Communication*, Pearson France, Montreuil.
- Ulmer, R. R., Sellnow, T. L., & Seeger, M. W. (2015). *Effective crisis communication: Moving from crisis to opportunity* (3rd ed.). Sage.

- Vogus, T. J., & Sutcliffe, K. M. (2007, October). Organizational resilience: towards a theory and research agenda. In *2007 IEEE International Conference on Systems, Man and Cybernetics*, (pp. 3418-3422). Canada: Mihaela Ulieru of the University of New Brunswick.
- Williams, T. A., Gruber, D. A., Sutcliffe, K. M., Shepherd, D. A., & Zhao, E. Y. (2017). Organizational response to adversity: Fusing crisis management and resilience research streams. *Academy of Management Annals*, *11*(2), 1-70.
- Winnard, J., Adcroft, A., Lee, J., & Skipp, D. (2014). Surviving or flourishing? Integrating business resilience and sustainability. *Journal of Strategy and Management*, *7*(3), 303-315.
- YahiaMarzouk, Y., & Jin, J. (2022). Impact of environmental scanning on organizational resilience and competitive advantage: a study of Egyptian SMEs. *Continuity & Resilience Review*, (ahead-of-print).