

## **ROLE OF SUSTAINABLE HR PRACTICES IN EMPLOYEE WELL- BEING AND ENGAGEMENT: A LITERATURE REVIEW**

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### **ABSTRACT**

*In recent years, organizations around the world have started to realize the importance of creating a balance between employee wellbeing, environmental concerns, and business success. One approach that helps achieve this balance is the adoption of sustainable human resource (HR) practices. These practices aim to promote not just productivity and profit, but also the health, happiness, and engagement of employees. This literature review explores the role of sustainable HR practices in improving employee wellbeing and work engagement. It focuses on strategies such as promoting work-life balance, reducing workplace stress, encouraging eco-friendly behaviour, and providing meaningful work experiences.*

*The review includes studies from reliable academic databases. It finds that sustainable HR practices are linked to positive employee outcomes, including higher job satisfaction, stronger commitment to the organization, and greater motivation. These practices also help reduce absenteeism, turnover, and mental health issues. At the same time, they support the organization in meeting its environmental and social goals, aligning with the broader agenda of Sustainable Development Goals (SDGs).*

*The findings highlight that when employees feel their organization cares about their wellbeing and the environment, they are more likely to stay engaged and perform better. This review recommends that organizations adopt sustainable HR strategies not only to improve employee outcomes but also to build long-term organizational resilience. The paper also identifies gaps in the current research and suggests future directions for studying sustainable HRM in various industries and cultural settings.*

## INTRODUCTION

The world of work is changing rapidly. Alongside technological advances and globalization, there is a growing concern for sustainability and employee wellbeing. Organizations today are not only expected to deliver profits but also to operate responsibly—socially, economically, and environmentally. In this changing landscape, Human Resource Management (HRM) plays a critical role. Traditionally, HR focused on tasks like hiring, training, and performance management. However, modern HR practices are evolving to support broader organizational goals, including sustainability and employee wellbeing.

Sustainable Human Resource Management (Sustainable HRM) is an emerging concept that goes beyond traditional HR functions. It includes practices that ensure long-term business success while taking care of employees' health, happiness, and career growth, and also promoting environmental responsibility. Examples of such practices include flexible work arrangements, mental health support, employee involvement in green initiatives, and fair compensation systems. These sustainable HR practices help create a positive workplace culture where employees feel valued, motivated, and engaged.

Employee wellbeing and engagement have become central issues in today's workplace. Wellbeing includes physical, emotional, and mental health, while engagement refers to the level of enthusiasm and commitment employees show towards their work. Studies have shown that when organizations prioritize sustainability and employee wellbeing, it leads to improved job satisfaction, stronger organizational commitment, and higher performance levels.

This literature review aims to explore how sustainable HR practices influence employee wellbeing and engagement. By analysing existing studies, this paper provides insights into effective HR strategies that benefit both employees and the organization. It also discusses key findings, practical implications, and areas where more research is needed. Understanding the connection between sustainable HR practices and employee outcomes is crucial for organizations that want to thrive in a responsible and people-focused manner.

## RESEARCH METHODOLOGY

This study looks at how sustainable human resource management (HRM) practices can improve employee well-being and engagement. It is based on a detailed

review of research papers, journal articles, and other reliable sources. The main goal is to bring together existing ideas, highlight key findings, and understand new trends in the area of sustainable HRM.

The research focuses on three key areas: (1) how Green HRM is linked to employee well-being, (2) driving employee engagement with sustainable HR practices and (3) sustainable HR practices that support both well-being and engagement. A step-by-step method was used to choose and study the literature to make sure it matches the purpose of the study.

Each selected paper was carefully examined to find common ideas, and real-life practices related to sustainable HRM. Special focus was given to studies that talked about how psychological, workplace, and environmental factors affect employees. Recent studies that talk about the use of technology, personalized HR approaches, and eco-friendly practices were also included to show how HR is becoming more sustainable.

By reviewing a wide variety of studies, this research gives a clear and complete picture of how sustainable HR practices help in improving both employee well-being and engagement. Including modern strategies also helps show how companies can move toward more future ready HR practices. This method supports better understanding of the topic and offers useful suggestions for HR professionals and decision-makers.

## LITERATURE REVIEW

The idea of sustainable human resource management (HRM) has gained considerable attention over the past decade, especially in connection with how it affects employee wellbeing and engagement. Traditional HRM focused mostly on hiring, training, and retaining employees to boost performance. But in today's world, organizations are expected to also care about long-term sustainability—both environmental and social. This shift has led to the rise of sustainable HR practices that aim to create healthier, more supportive work environments. These include wellness programs, green initiatives, flexible working arrangements, and policies that promote mental health and work-life balance. Research shows that when organizations implement such practices, employees tend to feel more valued, safe, and psychologically secure. This kind of positive work environment reduces burnout and anxiety, which in turn leads to improved morale and better mental and emotional wellbeing. When employees know their company supports their overall wellbeing—not just their work performance—they are more likely to stay loyal and become more productive contributors to the

organization. Studies also point out that sustainable HRM is particularly helpful in reducing the negative effects of job stress and work overload, especially when paired with empowerment and supportive leadership.

One of the most consistently reported findings across the literature is the strong connection between sustainable HRM and employee engagement. Engagement goes beyond job satisfaction—it includes emotional involvement, energy, and a personal sense of purpose in one's work. Employees are more likely to be engaged when they believe their workplace respects their personal needs and values, and when they see that the organization operates in a fair and ethical manner. HR practices that involve employees in decision-making, provide learning and development opportunities, and promote diversity and inclusion have been linked to higher levels of work engagement. Additionally, green HR initiatives—such as sustainability training, environmental awareness programs, and eco-friendly workspaces—can align employee values with organizational goals. This alignment often creates a sense of shared purpose, which boosts motivation and commitment. Some researchers also note that psychological empowerment plays a key role in this process. When employees feel they have control over their work, understand their responsibilities, and are trusted by their leaders, their engagement levels rise significantly. Furthermore, workplace trust is a critical factor. A culture where employees trust their leaders and co-workers leads to better communication, stronger collaboration, and a deeper emotional connection to the job. All these elements are made stronger when organizations follow sustainable HRM principles.

Another important theme in the literature is that sustainable HR practices not only benefit employees individually, but also help organizations achieve broader goals such as innovation, retention, and long-term success. Research highlights that organizations with sustainable HR policies tend to perform better in areas like employee retention, organizational citizenship behaviour, and even financial outcomes. When employees are happy and engaged, they are more likely to stay with the company, reducing turnover and the costs that come with it. Moreover, sustainable HRM encourages continuous learning, adaptability, and creative thinking—all of which are important in today's changing work environments. Some studies show that sustainability-driven HR strategies lead to higher organizational trust, which acts as a bridge between wellbeing and performance. This means that when companies support their employees' holistic wellbeing—through fair treatment, flexible policies, recognition programs, and ethical leadership—they not only create a better

workplace but also build a stronger, more resilient organization. It's also interesting that some research finds individual values, like concern for the environment or social responsibility, can amplify the effects of sustainable HR practices. For instance, employees who personally care about the environment may feel even more committed and engaged in companies that adopt green HRM practices. This interaction between personal values and organizational practices is seen as a key to creating meaningful work experiences and a sense of fulfilment among employees.

Overall, the literature makes it clear that sustainable HR practices play a vital role in promoting employee wellbeing and engagement. These practices not only improve mental, physical, and emotional health but also help in building a motivated and loyal workforce. In turn, this leads to better job performance, reduced absenteeism, and a stronger organizational culture. Sustainable HRM creates a win-win situation for both employees and employers. It goes beyond short-term gains and focuses on creating a positive, healthy, and ethical workplace for the long run. In a world where workplace stress, burnout, and dissatisfaction are growing concerns, sustainable HRM offers a powerful way to support employees and strengthen the overall functioning of the organization. As businesses continue to adapt to global challenges and evolving employee expectations, adopting sustainable HR practices is not just a trend—it is a necessary strategy for achieving long-term success and employee satisfaction.

### **Symbiotic relationship between Green HRM and Employee Well-being**

Green Human Resource Management (Green HRM) is all about including environmentally friendly practices in the way a company manages its people. It goes beyond saving energy or reducing waste—it also creates a positive impact on how employees feel at work. When companies show concern for the environment, employees often feel more connected to their organization. They believe their work has a meaningful purpose, which improves their mood, motivation, and overall well-being.

Green HRM practices like using digital documents instead of paper, encouraging carpooling or remote work, and reducing energy usage create a healthier and more relaxed work atmosphere. Employees who work in such settings feel less stressed and more valued. In many cases, green initiatives come along with wellness programs, flexible working hours, and mental health support, which directly improve the emotional and physical health of employees. This helps them manage work pressure better and feel more satisfied in their roles.

When employees notice that the company cares not only about profits but also about people and the planet, they feel more respected and involved. This sense of involvement boosts their self-worth and emotional balance. Additionally, a workplace that promotes green habits encourages employees to adopt healthy routines in their personal lives as well, which further strengthens their well-being. Green HRM also encourages teamwork and participation, making employees feel like they're part of a bigger mission.

In short, Green HRM isn't just good for the environment—it's great for people too. By making employees feel safe, supported, and connected to a cause, these practices build a strong foundation for happiness, good health, and productivity in the workplace.

### **Driving Employee Engagement with Sustainable Human Resource Practices**

Sustainable HR practices are designed to support employees in the long run while also meeting the organization's goals. These practices focus on fairness, personal growth, job satisfaction, and creating a healthy workplace. When employees feel supported through such systems, they tend to stay motivated, give their best, and show higher levels of engagement in their work.

One of the key goals of sustainable HR is to create a secure and trusting environment. When employees feel safe, respected, and recognized, they become more connected to their jobs. This emotional connection encourages them to go beyond their basic responsibilities and contribute more actively. Supportive workplace policies—such as regular feedback, wellness programs, and opportunities to learn new skills—play a big part in making employees feel included and valued.

Customized work arrangements, such as flexible hours or special project roles, also help increase job satisfaction. When employees are allowed to work in ways that suit their strengths and needs, they feel more in control and more motivated. This leads to better focus, more creativity, and stronger involvement in work activities. A culture that promotes personal growth and work-life balance makes employees feel that the organization cares about their future, not just their output.

Sustainable HR practices also promote fairness and equal opportunities, which boost trust in leadership. Employees are more likely to stay engaged when they believe their workplace is fair and transparent. Overall, these practices create a positive cycle—happy, healthy, and engaged employees perform better, and their performance drives organizational success.

summary, sustainable HR practices build a workplace where employees feel respected, supported, and encouraged to grow. This emotional and professional support helps create a more engaged, committed, and high-performing workforce.

## **Sustainable HR Practices**

### **1. Flexible and Remote Work Options**

Offering remote or hybrid work models enables employees to better manage their personal and professional lives. It also reduces carbon emissions from commuting and office energy use.

### **2. Green Recruitment and On boarding**

This involves using digital platforms to reduce paper usage, emphasizing sustainability in employer branding, and recruiting individuals aligned with environmental values.

### **3. Employee Well-being and Wellness Programs**

Initiatives like mental health support, gym memberships, and stress management training foster a healthy workforce, boosting morale and productivity while reducing absenteeism.

### **4. Diversity, Equity, and Inclusion (DEI) Initiatives**

Encouraging diverse hiring and inclusive workplace policies leads to increased innovation, better team collaboration, and a stronger employer brand.

### **5. Green Training and Development**

Training employees on sustainability topics (e.g., waste management, energy-saving practices) instills eco-conscious behavior across the organization.

### **6. Sustainable Performance Management**

Incorporating sustainability KPIs (e.g., resource savings, social impact) into performance reviews motivates employees to align their goals with long-term organizational sustainability.

### **7. Eco-friendly Workplace Initiatives**

Introducing recycling stations, energy-efficient lighting, and green spaces within the office can reduce environmental impact and improve employee morale.

### **8. Sustainable Commuting Practices**

Organizations can provide shuttle services, promote cycling or carpooling, or give incentives for using



public transport to reduce the carbon footprint of employee travel.

### **9. Paperless Operations and Digitalization**

Implementing digital systems for HR documentation, payroll, and communication reduces paper waste and increases operational efficiency.

### **10. Corporate Social Responsibility (CSR) Engagement**

Encouraging employees to participate in CSR activities like volunteering or donation drives creates a sense of purpose and connection to broader societal goals.

### **11. Climate Literacy and Sustainability Education**

Providing education on environmental issues, sustainable development goals (SDGs), and company policies enhances awareness and proactive behaviour.

### **12. Circular HR Practices (Green Exit Policies)**

Retrieving and recycling equipment and giving eco-friendly parting gifts (e.g., sapling planting certificates) at offboarding help reduce e-waste and promote brand goodwill.

### **13. Employee Volunteering Programs for Sustainability**

Allowing time off or creating programs for employees to engage in social/environmental projects builds community spirit and a sustainability culture.

### **14. Green Rewards and Recognition Programs**

Acknowledging eco-friendly initiatives by employees through sustainable gifts (e.g., solar chargers, donations in their name) reinforces desired behaviour.

## **RESULTS AND DISCUSSION**

The review clearly shows that sustainable HR practices have a strong impact on employee wellbeing and engagement. Organizations that focus on people-friendly policies, like work-life balance, mental health support, flexible working, and equal opportunities, tend to have happier and more committed employees. Many studies highlighted that when employees feel respected and supported by their workplace, they are more motivated and productive.

Sustainable HR practices also help employees find a sense of purpose at work. For example, when companies follow green initiatives or support social causes, employees feel proud to be part of the organization. This builds a deeper connection and improves engagement levels.

Another key point discussed in the review is how sustainable HRM creates a positive work culture. When employees trust their organization and see fair and ethical behaviour, they are more likely to stay loyal.

However, some gaps remain. There is limited research on how these practices work across different industries or regions. Also, the role of digital HR tools in supporting sustainable practices needs more attention.

Overall, the findings suggest that HR strategies focused on people and sustainability are important for building a healthier and more engaged workforce.

## **CONCLUSION**

In conclusion, sustainable HR practices are essential for creating a positive work environment where employees feel valued and supported. This review found that such practices not only improve employee well-being but also lead to higher engagement and performance. Organizations that care for their employees' mental and physical health, provide flexibility, and encourage fairness and inclusion are more likely to succeed in the long run.

Green HRM, in particular, helps employees feel part of a bigger cause, increasing their sense of purpose and job satisfaction. When employees feel connected to their company's values, they are more motivated and loyal.

The review also showed that sustainable HRM helps reduce stress, improves morale, and lowers turnover. It creates a workplace where employees want to stay and grow. This is especially important today, as companies face increasing pressure to be socially and environmentally responsible.

While the benefits are clear, more research is needed to understand how these practices work in different contexts. Future studies should also explore how technology can support sustainable HR goals.

Overall, sustainable HRM is not just good for employees—it also benefits the organization by building a strong, committed, and future-ready workforce.

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