

## 1. Sustainable HRM and employee well-being: an empirical agenda

### 1.1 Introduction

Sustainable HRM represents a valiant attempt to grapple with the relationship between actual or perceived HRM practices and outcomes beyond predominantly economic and financial outcomes (Kramar, 2014). This change in outlook provides an alternative to the analytical focus of strategic HRM we have grown accustomed to. Sustainable HRM reflects upon the changing environment in which companies operate. Putting matters bluntly, the notion of “business as usual” is outdated and faces a legitimacy crisis as the traditional purpose of maximising profits or shareholder value for businesses is deemed insufficient for current times. Sustainable HRM – and within it the notion of well-being of stakeholders – can become an alternative business purpose; one that legitimises business activity within society and with other stakeholders, including investors.

To this end, sustainable HRM represents a paradigm shift in how we think about the purpose of business in general and HRM in particular. Serving the common good requires firms to ensure that they can balance a multitude of stakeholders’ interests – not only in financial terms but also in psychological and social terms.

This agenda is appealing in many ways, emotionally, morally and intellectually, but moving beyond a merely conceptual thought process remains a challenge and requires an empirical focus. Put differently, sustainable HRM requires an extended number of metrics, including proxies for shared social realities, health-related measures in a workplace context, HR practice perceptions, and employee well-being via the notions of work-life balance, job satisfaction or “happiness in the workplace”, alongside traditionally psychologically motivated antecedents and mediating avenues.

Surprised? We should not be. Employee well-being is an important outcome of sustainable HRM, not least since the latter attempts to provide answers to the question of how organisations can attract, develop and retain highly qualified staff over time (Ehnert *et al.*, 2014). Lately, well-being has occupied a central role not only in the popular press but also in the statistical and policy agenda of many countries of the world. Historically and in relative terms, most of the efforts to provide better measures of well-being, not merely as health-related constructs but also as broader societal phenomena, were confined to academic and policy circles, while the corporate sector has arguably been less involved in this discussion. However, there is now growing evidence that interests are changing rapidly. This too is not an altogether surprising development.

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This special issue brings together novel empirical contributions, earlier versions of which were presented at an International Research Symposium on “Sustainable HRM and Employee Well-being” in Sydney, Australia. The event was sponsored by the *International Journal of Manpower (IJM)*, took place on 4-5 November 2015 and was hosted by the Peter Faber Business School’s Centre for Sustainable HRM and Well-being at Australian Catholic University (ACU). The generous support by both, ACU and the *IJM* is hereby gratefully acknowledged. Gratitude is also extended to a variety of reviewers whose expert advice and guidance helped authors improve their papers during the double-blind, peer review process. Finally, the author owes a debt of gratitude to Professor Adrian Ziderman, Editor-in-Chief of the *IJM*, who supported a dedicated special issue in this increasingly important scholarly arena.

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After all, firms have a key role in shaping people's well-being, as they produce most of the goods and services that individuals enjoy. Firms provide the social environment for many employees and the quality of the working environment has an influential impact on people's perceptions and quality of life. Job-life and life-job spill-over effects are commonplace – an observation which has already attracted substantial empirical support (e.g. Georgellis and Lange, 2012; Agarwala *et al.*, 2014; Guzi and de Pedraza Garcia, 2015; Le Fevre *et al.*, 2015). What is more, a renewed focus on employee well-being serves as an attractive business proposition. Studies found that the average correlation between job satisfaction and job performance is about 0.30, with even higher correlations for more complex jobs (Georgellis and Lange, 2007). A large literature in the social sciences has linked employees' job satisfaction also to observable workplace behaviours, including absenteeism, organisational commitment, productivity and intentions to quit (e.g. Sagie, 1998; Böckerman and Ilmakunnas, 2012; Hofmans *et al.*, 2013).

It is thus easy to discern why research on sustainability and the well-being of employees provides powerful incentives for academicians and practitioners alike. But what exactly are we measuring?

Over the years, research on the empirical determinants of employee well-being has moved beyond demographic variables and characteristics of the job itself. The predictive power of age, gender, marital status, health and income has certainly continued to be reaffirmed in numerous studies. However, increasing attempts have become evident to disentangle the direct and indirect impact of institutional and cultural context, social networks, social values, and personal and societal belief systems on employees' satisfaction measures. Social, interpersonal and organisational trust, personality traits, socio-cultural norms, life events and social interactions with family members and professional peers (including workplace superiors) have grown in prominence as direct determinants of subjective well-being at work (e.g. Georgellis *et al.*, 2012; Lange, 2015; Pacheco *et al.*, 2016). In a similar vein, trust, traits, expectations and inducements, and general psychological contract perspectives have proven to be crucial in shaping employees' attitudes and behaviours, which, in turn, have been shown to impact on well-being measures (e.g. De Cuyper and De Witte, 2006; Irving and Montes, 2009).

These social and psychological influences also feature prominently in the emerging sustainable HRM literature. It is against this background that the present special issue wishes to make a further contribution in this field.

### *1.2 Papers in this issue*

At the outset, we have raised the importance of suitable metrics for sustainable HRM. We thus commence our collection with a contribution by Mariappanadar who constructs and empirically validates a new scale for health harm of work, which promises to be one of the main tools that HR practitioners can use to promote health and well-being at work. Specifically, Mariappanadar proposes a three-dimensional model for a health harm of work scale, validated by utilising a five-part study of item generation, item reduction, convergent, construct and discriminant validity. The three dimensions – restrictions for positive health, the risk factors for psychological health and the side effect harm of work – simultaneously tap into different aspects of the health harm of work construct. The results reveal that health harm of work as a phenomenon has manifested itself in different facets of health harm of work intensification. The proposed measure provides powerful practical implications and can be used as a potential leading indicator for negative occupational health to prevent

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or delay the onset of work-related illness manifestation or health consequences. Building on these observations, organisations can introduce planned interventions to improve occupational well-being to promote sustainable HRM.

Many of the following contributions provide specific applications in the employee well-being space. The paper by Le, Zheng and Fujimoto addresses the relationship between employee perceived well-being and the four dimensions of organisational justice (procedural, distributive, interpersonal and informational justice), and how dimensions of organisational justice affect employee well-being in the Australian tourism industry. The results support the established view that organisational justice is associated with employee well-being. Specifically, informational justice is shown to provide the strongest influence on tourism employee well-being, followed by procedural justice, interpersonal justice and distributive justice. This work highlights the potential for managers' strategies to increase levels of organisational justice in the tourism sector, such as workgroup interactions, a consultation process, team culture and social support.

The paper by Boddy and Taplin investigates the relationship between job satisfaction and a less commonly examined phenomenon in the empirical well-being research arena: workplace psychopathy. Specifically, the authors' work recognises that job satisfaction has previously been seen as a function of various constructs. They take one step back from this literature to re-examine the relationship not just between job satisfaction, workplace conflict, organisational constraints, withdrawal from the workplace, and perceived levels of corporate social responsibility, but also between all of these constructs and the presence of corporate psychopaths. A direct link is established between corporate psychopaths and job satisfaction. There are also indirect links through variables such as conflict, since corporate psychopaths influence conflict and other variables.

In a further under-researched realm, the investigation by Treuren and Halvorsen acknowledge that the impact of the employee's relationship with their employer on the experience of customers and clients is well-understood. In contrast, however, relatively little is known about the reverse relationship: does the employee-client relationship impact on the relationship between the employee and employer? Applying regression and ANOVA analyses of a two wave sample of employees working for an aged care provider, the authors focus on the notion of client embeddedness and uncover that client embeddedness at time 1 predicts employee quality of life at time 2. This relationship is seemingly unaffected by gender, age and length of service. High levels of psychological contract breach weaken the relationship between client embeddedness and job satisfaction. Limitations notwithstanding, the paper concludes that organisations can substantially benefit from encouraging appropriate client-employee relationships. By adopting HR practices aimed at acquiring and cultivating client embeddedness through recruitment, performance management and training practices, organisations may increase employee quality of working life, and reduce employee turnover.

The role of perceived HR Practices is at the heart of the analysis by Bui, Liu and Footer. Based on regulatory focus theory and social exchange theory, the study explains how care service workers' job attitudes, such as job satisfaction, organisational commitment and perceived organisational support, help form their promotion-focus or prevention-focus perceptions of firms' HR practices. Utilising survey responses from residential care service workers, the empirical results demonstrate that the perceptions of HR practices in the British care service sector can simultaneously enhance workers' job motivation and help correct their work-life

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imbalance, which have different effects on workers' job attitudes. Perceptions of HR practices can create both promotion- and prevention-focused perceptions from the workers' perspective. The mixed perceptions about HR practices trigger both perceptions of job motivation and perceptions of work-life imbalance that can then lead to different outcomes with regard to job attitudes.

Drawing further on the importance of perceptions, the paper by Audenaert, Decramer, Lange and Vanderstraeten builds on previous work, which reports that employee perceptions of HRM practices matter beyond the intended HRM consequences for employee performance. Affected by HRM procedures, practices and social interactions with their peers, employees form collective perceptions on what the organisation expects from them. Drawing on climate theory and social exchange theory, the authors examine Belgian data on whether and how the strength of the expectation climate, defined as the degree of agreement amongst job incumbents on what is expected from them, affects their job performance. To explain this relationship, mediating trust-in-the-organisation effects are utilised as an explanatory avenue. The empirical analysis provides support for the arguments. Specifically, the significant association of the expectation climate strength with trust suggests that the perceived consensus about the expectations among different job incumbents demonstrates an organisation's trustworthiness and reliability to pursue intentions that are deemed favourable for employees. The authors conjecture that expectation climate strength breeds trust which strengthens employees' job performance.

Still within the perception realm, Malik, Rosenburger III, Fitzgerald and Houlcroft examine data from Australia's New South Wales Government's Pilot Programme of establishing smart work hubs (SWHs) for enabling teleworking in two busy commuter corridors. The paper analyses the relationships between various firm, job and personal factors and the perceived value, attitudes and expected usage by users of the SWHs. Empirical results reveal four factors that significantly influenced the perception of family benefits (age, income, hub commute distance, work commute distance) and two factors that significantly influenced the perception of work benefits (age, income). While younger users with higher income, longer work commute and shorter hub commute all seemingly perceive greater family-related value in using the SWH, the findings suggest that firm, job and personal factors were not as effective in explaining variation in the work-related value dimension.

Turning our attention to important contextual consideration of the debate, society's implicit stakeholder interest in what constitutes appropriate workplace behaviour serves as further testament to the HRM obligation to facilitate sustainable workforces. In this context, the paper by Southey examines the level of "judicial" tolerance for offences committed by employees across Australian workplaces that culminated in an arbitration hearing before the country's federal industrial tribunal. The empirical results suggest that an arbitrator's gender, experience and background have influence on his or her decision. Significance tests also verified that personal aggression, production deviance, political deviance and property deviance were all considered unacceptable in Australian workplaces. Importantly, the results enable the ordering of the range of tolerance. From this ordering, a picture emerged as to what factor may be framing the extremities of the arbitrators' tolerance for the misbehaviours: the target (or victim) of the behaviour. It follows that management should consider whether dismissing a misbehaving employee is a reactionary approach to broader organisational issues associated with employee well-being and cultural norms. In order to contribute to sustainable workforces, HRM policies and actions should focus

on limiting triggers that drive misbehaviour, particularly behaviours that result in harm to individuals as a matter of priority, followed closely by triggers to behaviours that result in harm to organisational profitability.

The final contribution to this special issue introduces an alternative analytical framework to the sustainable HRM discussion. After an initial inductive, computer-assisted text analysis, the paper by McKenna, Verreynne and Wardell innovatively moves to deductively analyse data from focus group and semi-structured interviews of 18 female and 19 male Australian managers in the financial and government sectors. With unequal workplace gender outcomes as a motivational focus and using the prism of work-life-(im)balance, the authors show how identity salience and motivation contribute to a subject position that for many reproduces socially gendered practices of workplaces. A gendered sense of reflexivity is found to be virtually non-existent among the female Australian managers and professionals interviewed in this research. The inductive stage of critical discourse analysis revealed a substantial difference between men and women in two concepts: responsibility and choice. These form the axes of a typological model to better explain how non-reflexive gendered workplace practices are “performed”. The study thus provides a foundation for understanding the role of choice and responsibility in work-home patterns for women. The absence of a reflexive gender-based understanding of women’s work-home choice is explained in Bourdieusian terms.

**Thomas Lange**

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