

Conceptual Distinctions Between Traditional Human Resource Management And Sustainable Human Resource Management

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Abstract

This article aims to examine the theoretical foundations of sustainability theory and analyze its implications for the evolution of Human Resource Management. Specifically, it compares traditional Human Resource Management (HRM) and Sustainable Human Resource Management (SHRM) models to clarify how organizations conceptualize employees, design HR practices, and balance performance with long-term sustainability. The analysis demonstrates that while traditional HRM enhances efficiency, productivity, and competitive performance, its short-term and performance-driven orientation limits its ability to sustain human resources over time. The findings show that SHRM, grounded in sustainability theory, provides a more comprehensive and future-oriented framework by integrating economic performance with employee well-being, organizational learning, ethical responsibility, and long-term organizational resilience.

Keywords: Sustainability theory, Human Resource Management (HRM), Sustainable Human Resource Management (SHRM).

1. Introduction

In recent decades, Sustainable Human Resource Management (SHRM) has gained growing importance as organizations increasingly face complex, competitive, and socially accountable operating environments. Intensified global competition has placed substantial pressure on organizations to deliver strong performance while also maintaining a stable and capable workforce. At the same time, many sectors are experiencing talent shortages, particularly for skilled and experienced employees who are not easily replaced.

Within this context, short-term human resource approaches that emphasize cost reduction, work intensification, or insecure employment arrangements tend to weaken long-term organizational capacity by reducing employee commitment, learning, and continuity. In contrast, SHRM responds to these challenges by

prioritizing employee development, retention, and long-term employability. By investing in people as a strategic resource rather than a short-term cost, SHRM supports organizational resilience and helps sustain competitive advantage over time.

Our study undertakes a comparative analysis of the theoretical frameworks of traditional Human Resource Management (HRM) and Sustainable Human Resource Management (SHRM) to clarify their conceptual distinctions, underlying assumptions, and long-term strategic orientations. The comparison demonstrates that SHRM builds upon and extends conventional HRM by systematically incorporating employee well-being, long-term capability development, and social sustainability into strategic human resource decision-making.

2. Theoretical Foundations HRM And SHRM

2.1. Main sustainability Theory Concepts

Sustainability theory provides a comprehensive framework for understanding how economic performance, social responsibility, and long-term resource preservation can be integrated within organizational decision-making. It emphasizes the importance of considering future consequences alongside present outcomes, moving beyond short-term efficiency toward enduring value creation.

The theory highlights the interconnected nature of human, social, and environmental systems, requiring balanced and ethical management approaches. These foundational ideas inform contemporary sustainability-oriented practices, including their application to workforce and organizational management.

A fundamental idea within sustainability theory is intergenerational equity, which stresses the responsibility to satisfy current needs without limiting the opportunities of future generations. Sustainability theory is often expressed through the triple bottom line, which integrates economic, social, and environmental dimensions of performance.

A key characteristic of sustainability theory is its long-term focus, which emphasizes continuity, durability, and renewal rather than immediate or short-term outcomes. This perspective challenges purely efficiency-driven decision-making by highlighting the importance of future capacity, adaptability, and resilience in uncertain environments. Sustainability theory expands organizational responsibility beyond shareholders to include a wide range of stakeholders, such as employees, communities, customers, and society rather than pursuing maximum efficiency alone, sustainability theory stresses the need to balance efficiency with resilience.

Therefore, we argue that sustainability theory rejects the notion of sustainability as a static achievement and instead frames it as a dynamic, ongoing process. This perspective argues that durable sustainability outcomes emerge only when organizations continuously invest in learning, innovation, and adaptive capacity, enabling them to respond proactively to evolving environmental, social, and organizational challenges.

2.2. Theoretical Foundations of HRM

Human Resource Management (HRM) emerged as an independent management discipline in the middle of the twentieth century, developing out of earlier personnel management practices that were largely administrative in nature, such as wage administration, employee hiring, and compliance with labor regulations. As organizations grew in scale and operational complexity, both researchers and practitioners increasingly recognized that a more systematic approach to managing employees could have a substantial impact on organizational outcomes. As a result, HRM evolved into a strategic organizational function focused on enhancing efficiency, productivity, and competitive performance through the effective management of human resources.

From a theoretical standpoint, traditional Human Resource Management is based on a management-centered and performance-driven perspective in which employees are regarded as organizational assets, and their competencies, expertise, and work behaviors are expected to be aligned with the achievement of organizational goals.

Building on the contributions of numerous scholars, this study reviews and synthesizes key theoretical frameworks to establish a comprehensive foundation for the analysis presented below.

Human Capital Theory represents a core theoretical foundation of Human Resource Management by conceptualizing employees as strategic resources whose knowledge, skills, and competencies contribute directly to economic value creation. Early theoretical work emphasizes that organizational investment in education, training, and skill development enhances individual productivity and supports long-term organizational growth. Within traditional HRM, however, such investments are typically justified through their anticipated efficiency gains and performance outcomes, reflecting an instrumental logic in which human resources are primarily managed as inputs for achieving organizational objectives.

From a managerial perspective, Michael Armstrong (2014) argued that HRM contributes to organizational success by ensuring that employees are effectively recruited, appropriately trained, sufficiently motivated, and rewarded in line with performance results. This view highlights the role of rational planning, formal systems, and managerial control in optimizing employee contributions to organizational goals [1].

Another central concept underpinning Human Resource Management is strategic alignment, a key theme within Strategic Human Resource Management. Scholars such as Peter Boxall and John Purcell emphasize that HR policies and practices should be intentionally aligned with organizational strategy in order to strengthen competitive advantage. From this standpoint, core HRM functions, including workforce planning, performance management, and reward systems—are designed to shape employee behaviors and capabilities in ways that directly support strategic objectives [2].

Traditional HRM also places strong emphasis on performance measurement and managerial control. Practices such as performance appraisal, incentive-based compensation, and the use of key performance indicators are widely employed to monitor employee output and regulate workplace behavior. David Guest (1987) noted that many HRM frameworks are rooted in a unitarist perspective, which assumes a natural alignment between organizational and employee interests and views managerial control as both legitimate and necessary for achieving efficiency and effectiveness [3].

Despite its contributions to organizational performance, traditional Human Resource Management has been subject to sustained

criticism for its predominantly short-term and efficiency-driven orientation. Karen Legge (2005) highlighted the persistent gap between HRM rhetoric, which emphasizes employee commitment and development, and actual managerial practices that often prioritize cost reduction and control. This inconsistency can lead to work intensification, increased employee stress, and the gradual depletion of human capabilities, thereby motivating the emergence of alternative approaches such as Sustainable Human Resource Management, which seek to balance performance objectives with long-term human and social sustainability [4].

Drawing on the reviewed literature, this study contends that although traditional Human Resource Management has played an important role in enhancing organizational efficiency and competitive performance, its strong emphasis on short-term results and managerial control constrains its ability to sustain human resources in the long run.

The prevailing theoretical foundations of HRM are largely shaped by an instrumental, performance-oriented logic in which employees are primarily viewed as tools for achieving organizational objectives rather than assets requiring continuous development and protection. As a result, the inherent limitations of traditional HRM frameworks underscore the necessity for a broader and more forward-looking theoretical perspective. Accordingly, this study concludes that Sustainable Human Resource Management provides a more holistic framework by aligning performance objectives with long-term human, social, and organizational sustainability.

2.3. Theoretical Foundations of SHRM

The concept of Sustainable Human Resource Management (SHRM) emerged in the late 1990s and early 2000s as a response to the limitations of traditional Human Resource Management (HRM), which mainly focused on short-term efficiency, cost reduction, and performance outcomes.

Scholars began to recognize that such approaches often led to negative long-term consequences, including employee burnout, skill depletion, high turnover, and social inequality. There are numerous scholars who revealed a fundamental research problem: HR practices driven by short-term efficiency systematically undermine employee well-being, organizational capability, ethical standards, and social equity. This critique provides the theoretical foundation for Sustainable Human Resource Management, which seeks to balance economic performance with human and social sustainability as below:

Scholars argue that HR systems focused mainly on cost reduction and performance targets undermine employee well-being, weaken organizational capabilities, and reduce long-term competitiveness. Practices such as downsizing, labor flexibility, and underinvestment in training often lead to burnout, skill depletion, low trust, and high employee turnover, offsetting any short-term financial gains.

The concept of Sustainable Human Resource Management (SHRM) was systematically developed by Heike Ehnert, who defined SHRM as the adoption of HR strategies and practices that support financial, social, and ecological objectives over the long term while minimizing negative impacts on employees. She emphasized the need for managing paradoxes between performance pressures and employee sustainability, marking a shift away from purely efficiency-driven HRM toward long-term human resource regeneration [5,6].

Finally, SHRM draws on the broader logic of sustainable development articulated by the World Commission on Environment and Development (1987), which defined sustainability as meeting present needs without compromising future generations' ability to meet theirs. This principle was later extended beyond environmental and economic concerns to encompass human and organizational resources, forming the conceptual foundation of SHRM [7].

Peter Boxall and John Purcell (2003) analyzed HR systems that emphasize short-term efficiency, cost minimization, and performance indicators, often at the expense of employee well-being. Their work demonstrates that such approaches gradually undermine organizational capability by weakening employee commitment, skill development, and mutual trust. The central theoretical concern they raise is the disconnect between efficiency-driven HR goals and the long-term sustainability of the workforce, which threatens organizational viability when human capital is undervalued [8].

Chris Brewster (2007) examined the growing use of flexible employment arrangements, including temporary contracts, outsourcing, and part-time work. He argued that although these practices enhance short-term adaptability, they also increase job insecurity and exacerbate social inequality. The key academic issue lies in balancing organizational flexibility with social stability, particularly across diverse institutional and national employment systems [9].

Jeffrey Pfeffer (1998; 2010) showed that cost-focused HR practices—such as downsizing, work intensification, and reduced employee support—often result in sustained stress, burnout, and declining trust. His research challenges the assumption that these practices improve performance, instead highlighting their damaging long-term effects on productivity, innovation, and organizational reputation. The theoretical issue centers on the tension between short-term financial gains and sustainable organizational performance [10].

Wayne Cascio (2006; 2014) demonstrated that downsizing and limited investment in employee training frequently led to skill loss, increased turnover, and the erosion of organizational knowledge. He introduced the idea of “hidden costs,” arguing that immediate financial savings are often outweighed by long-term declines in capability and morale. This highlights a critical weakness in HR decision-making that fails to account for long-term human capital

consequences [11].

Denise Rousseau (1995; 2001), explained how unstable HR practices—such as job insecurity, inconsistent rewards, and broken promises—violate the psychological contract between employees and employers. This violation leads to disengagement, reduced loyalty, and higher turnover. The academic concern centers on how informal expectations and trust shape employee behavior beyond formal contracts, highlighting the relational dimension of HR sustainability.

Peter Senge (1990) argued that organizations narrowly focused on short-term results fail to build learning capabilities. By neglecting employee development, organizations reduce their capacity for adaptation and innovation. The core research issue concerns the systemic risks of underinvesting in learning, which undermines long-term organizational sustainability in dynamic environments [12].

Heike Bruch and Sumantra Ghoshal (2003) criticized performance-driven cultures that demand constant high output without regard for employee capacity or ethical considerations. They showed that such environments exhaust employees and increase the likelihood of unethical behavior. The academic concern lies in the human and moral costs of excessive performance pressure and its implications for organizational legitimacy [13].

Ulrike Grote (2015) analyzed how short-term employment strategies contribute to precarious work and widening social inequality. Her research expands HRM analysis beyond the organizational level to include broader societal outcomes. The central issue is the social sustainability of employment systems and the wider economic and social effects of HR decisions [14].

Based on the reviewed literature, this study argues that Sustainable Human Resource Management emerged as a necessary theoretical response to the structural limitations of traditional HRM, which prioritizes short-term efficiency and performance at the expense of long-term human and social outcomes. Extensive scholarly evidence demonstrates that efficiency-driven HR practices contribute to employee burnout, skill erosion, weakened organizational capability, ethical risks, and social inequality, thereby undermining long-term competitiveness and sustainability. Drawing on sustainability theory and the work of SHRM scholars, this study concludes that SHRM offers a more robust and future-oriented framework by integrating economic performance with human well-being, organizational learning, and social responsibility. Consequently, SHRM provides a comprehensive theoretical foundation for addressing contemporary workforce challenges in complex and competitive environments.

3: The Comparisons of Theoretical Models HRM and SHRM

To strengthen the theoretical foundation of this study, the principal theoretical models of Human Resource Management (HRM) and Sustainable Human Resource Management (SHRM) are systematically examined and compared in our study. These models

explain how organizations conceptualize employees as strategic human resources and how HR policies and practices are designed to enhance organizational efficiency and performance, while increasingly incorporating long-term orientation, sustainability, and stakeholder responsibility. Through a comparative analysis of HRM and SHRM models, the study develops a deeper theoretical understanding of the transition from efficiency-driven workforce management toward approaches that emphasize long-term human resource preservation, social sustainability, and organizational resilience as below:

3.1. Main Theoretical Models of (HRM)

One of the earliest and most influential models of Human Resource Management is the Matching Model, commonly referred to as the Michigan Model. Developed by David Fombrun, Charles Tichy, and Mary Anne Devanna in 1984, this model emphasizes the close alignment between organizational strategy, structure, and human resource systems. From this perspective, employees are primarily regarded as resources that must be managed efficiently to achieve strategic objectives. Core HR practices, including recruitment, performance appraisal, compensation, and training—are designed to directly support business strategies and enhance organizational performance [15,16].

In contrast, the Harvard Model of Human Resource Management, introduced by Michael Beer and his colleagues in 1984, adopts a broader and more stakeholder-oriented view. This model recognizes that HRM decisions affect not only organizational performance but also employees, management, shareholders, and society at large. It emphasizes key outcomes such as employee commitment, competence, congruence, and cost-effectiveness. While the Harvard Model remains performance-oriented, it introduces a more human-centered approach by acknowledging the importance of employee interests and long-term organizational relationships.

Building on these earlier perspectives, Strategic Human Resource Management further develops the idea that HR systems play a critical role in achieving competitive advantage. According to Peter Boxall and John Purcell (2003; 2016), HR practices should be internally coherent and strategically aligned with organizational goals. In this framework, employees are treated as valuable human capital whose skills and behaviors contribute directly to productivity and firm performance. However, the primary focus remains on efficiency, performance outcomes, and competitive positioning.

3.2. Main Theoretical Models of (SHRM)

A foundational contribution to Sustainable Human Resource Management is Ehnert's Sustainable HRM Model, proposed by Heike Ehnert in 2009. This model shifts attention from short-term efficiency toward the long-term preservation and regeneration of human resources. It explicitly addresses the paradox between immediate performance pressures and the need to sustain employee well-being and employability over time. The model argues that organizations must avoid practices that deplete their workforce

and instead adopt HR strategies that support long-term human sustainability.

Another influential approach is the Triple Bottom Line-based SHRM Model, articulated by Anne Kramar in 2014. This model integrates economic, social, and environmental sustainability into HRM practices. It highlights the importance of employee well-being, ethical governance, and social responsibility alongside organizational performance. By aligning HR policies with broader sustainability objectives, this approach positions HRM as a key contributor to long-term organizational and societal value creation [17,18].

Further extending this perspective, the Paradox and Stakeholder-Oriented SHRM Model, developed by Michael Muller-Camen, Irena Roper, and Heike Ehnert in 2016, conceptualize SHRM as a system that balances the interests of multiple stakeholders. This model emphasizes workforce stability, long-term employability, organizational resilience, and ethical responsibility. Rather than maximizing short-term output, it prioritizes learning, adaptability, and sustainable human resource development [19, 20].

Taken together, traditional HRM models primarily emphasize efficiency, performance optimization, and strategic alignment with business objectives. In contrast, SHRM models focus on long-term human resource sustainability, ethical responsibility, stakeholder balance, and organizational resilience. The theoretical transition from HRM to SHRM reflects a broader shift from the intensive utilization of human resources toward their long-term preservation, regeneration, and sustainable development.

4. Conclusion

The sustainability theory offers an integrated framework that links economic performance with social responsibility and long-term resource preservation, emphasizing ethical and forward-looking decision-making. By conceptualizing sustainability as a dynamic and ongoing process, the theory underscores that enduring value creation depends on continuous learning, adaptation, and balanced management of interconnected human, social, and environmental systems.

Traditional Human Resource Management has played a significant role in improving organizational efficiency, productivity, and competitive performance through structured and strategically aligned HR practices. However, its predominantly performance-driven and short-term orientation limits its capacity to sustain human resources over time, revealing the need for a broader theoretical approach that extends beyond instrumental workforce utilization.

Sustainable Human Resource Management emerged as a necessary theoretical response to the structural limitations of traditional HRM, particularly its focus on short-term efficiency at the expense of long-term human and social outcomes. Drawing on sustainability theory and extensive empirical evidence, SHRM provides a more robust and future-oriented framework by integrating economic

performance with employee well-being, organizational learning, ethical responsibility, and social sustainability.

The comparative analysis of HRM and SHRM theoretical models clarifies a fundamental shift in how organizations conceptualize and manage human resources. This chapter demonstrates the transition from efficiency- and performance-driven workforce management toward sustainability-oriented approaches that prioritize long-term human resource preservation, social responsibility, and organizational resilience.

The major HRM models emphasize strategic alignment, performance optimization, and efficiency by treating employees primarily as organizational resources that support business objectives. Although these models contribute to competitive advantage and productivity, their dominant focus on short-term performance constrains their capacity to sustain human resources over time.

The reviewed SHRM models explicitly integrate long-term human sustainability, ethical responsibility, and stakeholder balance into human resource management. These frameworks extend beyond short-term efficiency by emphasizing workforce regeneration, learning, and resilience, thereby offering a more comprehensive and future-oriented approach to managing human resources.

We concluded that sustainability theory provides the conceptual foundation for rethinking human resource management by linking economic performance with ethical responsibility, long-term resource preservation, and dynamic adaptation to changing human, social, and organizational conditions. Building on this foundation, the comparison between traditional HRM and SHRM demonstrates a clear theoretical shift from short-term, efficiency-driven workforce utilization toward a sustainable human resource management approach that prioritizes employee well-being, organizational learning, stakeholder balance, and long-term organizational resilience.

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