THE ROLE OF HUMAN RESOURCES MANAGEMENT IN ACHIEVING SUSTAINABLE DEVELOPMENT GOALS IN THE COMPANY

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Abstract: In today's business world Human Resources Management (HRM) has expanded beyond its role. Now it plays a crucial part in guiding companies towards achieving Sustainable Development Goals (SDGs). This analysis explores the connection between HRM practices and the pursuit of objectives within organizations. HRM serves as a pillar in fostering a corporate culture where social responsibility and environmental awareness seamlessly integrate into everyday operations. By aligning HRM strategies with SDGs companies can effectively utilize their resources to make contributions to society and the environment. A key element in this collaboration is employee engagement. Committed and motivated staff members actively contribute to achieving sustainability targets. HRM practices that prioritize skill development, diversity and inclusion and employee well-being not improve performance but also lay the foundation for a socially responsible workforce. Through training programs HRM ensures that employees have the knowledge and skills to address sustainability challenges promoting a culture of continuous learning and innovation. Additionally, strategic HRM plays a role in integrating sustainability considerations throughout an employee's journey within the organization. From recruitment processes that emphasize alignment with company values to performance evaluations incorporating sustainability metrics HRM

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guides employee behavior and attitudes towards practices. The integration of HRM, with SDGs extends beyond boundaries. Human resource management (HRM) experts are playing a growing role, in fostering supply chains guaranteeing sourcing methods and working together with external partners to enhance the company's positive influence, on the broader community. In addition, HRM becomes a driver of collective action towards shared sustainability goals through partnerships with educational institutions, NGOs and industry peers. As such, this implies that there exists possible trans formative power within human capital embedded in how these two concepts interact with each other. This means that HRM as a functional requirement but also a strategic enabler for sustainable development is not just part of it but also a significant factor for any company operating in this era of raised environmental and social consciousness. Considering the given factors, the objective of this article is to explore the role of Human Resource Management (HRM) in aligning organizational practices with Sustainable Development Goals (SDGs) and to identify specific HRM strategies that foster sustainable growth within companies.

Keywords: HRM, SDG, Company, Goals.

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Introduction

The transition to a new innovative level of economic development is, on the one hand, a rather challenging task for entrepreneurs in the field of human resources management (Gryshova et al., 2019; Petrova et al., 2020; Azimov & Petrova, 2022; Jarmusevica et al., 2019). This challenge particularly pertains to aspects such as personnel selection, the introduction of new forms of employment, and the development of human capital (Katamadze et al., 2024; Petrova & Tairov, 2022; Kazbekova et al., 2024; Labunska et al., 2017; Abuseridze et al., 2023; Homidov et al., 2024; Penev et al., 2024; Khussainova et al., 2024). On the other hand, it imposes new requirements on employees. The path of sustainable development will also alter the criteria for evaluating business success (Muratova et al., 2023; Abuseridze, 2020; Popova et al., 2023; Popova et al., 2024). An entrepreneur who aims to remain successful and competitive must take into account sustainable development standards in organizing their activities and create a positive image corresponding to these standards when interacting with stakeholders (Ibragimov & Adova, 2019). The objective of this study is to identify primary strategies in human resources management that contribute to achieving sustainable growth within organizations.

A business guided by the principles of sustainable development is not solely focused on social issues. It primarily promotes the sustainable development of the enterprise (Zaytsev, 2017; Kadnikova & Lobkov, 2018; Kravtsova & Matveeva, 2016; Pavlov, 2019). For sustainable development,

the satisfaction with the work processes of employees is also crucial. This is because the company develops and achieves its set goals through the work, efforts, personal skills, and dedication of each employee.

There is a plethora of publications addressing human resources and human capital (Drobot et al., 2019; Kruglov, 2018; Masalova, 2019; Melnikov & Chibisova, 2016; Melnikov & Chibisova, 2017; Petrenko et al., 2019; Esaulova, 2018). However, despite the abundance of articles available through Google Scholar on these topics, insufficient attention is directed towards the management of human resources, which can effectively achieve the objectives of entrepreneurial activities and realize the principles of sustainable development. This gap in literature motivates our research. The scientific novelty of this study lies in the identification of the primary directions of human resources management aimed at achieving sustainable growth.

The author's hypothesis is as follows: Human resource management based on sustainable development principles contributes to enhancing the effectiveness of organizations.

Methodology

The research methodology is determined based on the research objectives and includes the following methods: Statistical analysis method - based on the official information of the National Statistical Service of Georgia, statistical data were processed and dynamics and trends were determined; Comparison method - using this method, a comparative analysis of existing data was carried out within identical categories to determine trends and by analyzing the official documents we examined the decisions related to the economic policy of the government, comparison and grouping are used. A bibliographic review of scientific papers and organizational reports was carried out.

The comparison and statistical analysis methods allowed for a comprehensive understanding of sustainable HR practices' impact on organizational success, highlighting significant correlations with employee engagement and productivity.

Results and Discussion

In this paper, we will not delve into the history and theory of sustainable development. However, we believe it is important to discuss the primary goals established at the international level in the field of sustainable development.

It is evident that global and local environmental, social, political and demographic factors are interconnected. Their interplay underscores the organizational imperative of sustainable development, which applies to leaders, managers, and rank-and-file employees alike. The primary mission of sustainable development is to preserve the Earth and its inhabitants, addressing environmental and social issues by harnessing the potential of the free market and the private sector. However, achieving this goal necessitates coordinated action from governmental bodies and non-profit organizations. Sustainable development engenders fundamental changes, yet it represents the optimal approach to managing any organization, offering benefits to customers, employees, and shareholders alike. Highlighting the advantages of sustainable development for a profit-oriented organization underscores its potential benefits across various sectors. Here's an overview of the six advantages:

Improvement of financial indicators: Sustainable practices often lead to cost savings through resource efficiency, waste reduction, and increased operational efficiency. This can translate into improved financial performance, including higher profits and margins.

New clients and business partners: Embracing sustainability can attract environmentally conscious consumers and socially responsible business partners who prioritize ethical and sustainable practices. This expands the organization's customer base and opens up new business opportunities.

New opportunities for business growth: Sustainable development fosters innovation and creativity, enabling organizations to develop new products, services, and business models that address emerging environmental and social needs. This creates opportunities for diversification and expansion into new markets. Improving relations with stakeholders: Adopting sustainable practices demonstrates a commitment to environmental and social responsibility, enhancing the organization's reputation and credibility among stakeholders such as customers, investors, regulators, and communities. This strengthens trust and fosters long-term relationships.

Better workforce: Sustainable organizations are often viewed as attractive employers, attracting and retaining the best talent who are motivated by a sense of purpose and alignment with the organization's values. This results in higher employee engagement, productivity, and loyalty.

Raising individual and organizational potential: Sustainable development initiatives promote continuous learning, skill development and personal growth among employees, unlocking their full potential. Additionally, organizations that prioritize sustainability cultivate a culture of innovation,

adaptability, and resilience, enabling them to thrive in a rapidly changing business environment.

Sustainable development requires the company to identify a wide circle of interested parties (stakeholders) who pay attention to the results of the company's work, based on mutual benefit - promoting stable relationships and exploring ways of collaboration. Such a transparent, systematic, and cooperative approach to management ultimately yields greater profits for companies and more social, economic, and environmental benefits for society (Ibragimov & Adova, 2019).

It should be emphasized that sustainable development is neither altruism nor philanthropy. With sustainable development, companies gain the opportunity to transform environmental and social challenges into business opportunities.

Let's consider the peculiarities of realizing the principles of sustainable development within the framework of General Electric's Ecomagination concept.

Ecomagination was launched by General Electric in 2005 and stood as one of the company's initial major environmental initiatives. This initiative emerged in response to customer demands. General Electric's customers expressed concerns about environmental business risks, such as climate change and water scarcity, which they perceived as generating various business challenges. The uncertainty surrounding the availability of vital resources led to volatile price fluctuations, the introduction of new regulations by governmental bodies, and increased pressure from non-governmental organizations advocating for environmental issues. Consequently, ecological indicators and the reputation of raw material suppliers gained significant importance. Therefore, General Electric embarked on developing an ecomagination strategy, aiming to adapt to new requirements and realities for the benefit of the company.

Let's focus on the four main elements of General Electric's environmental initiative, Ecomagination:

Increasing investments in scientific research and test construction works in the field of clean technologies that entail minimal harmful effects on the environment and moderate use of scarce natural resources.

Developing environmentally friendly products and services in accordance with new, high-standard certification systems.

Committing to sustainable development by minimizing environmental impact, ranging from reducing greenhouse gas emissions to using fewer

natural resources. This involves making changes in internal policies, processes, and procedures.

Ensuring more transparency and active participation in an open dialogue with a wide range of stakeholders, including public and non-governmental organizations and advisory councils created to understand the requirements, interests, and values of General Electric and conduct the company's business properly. Consider the impact of ecomagination on General Electric's performance.

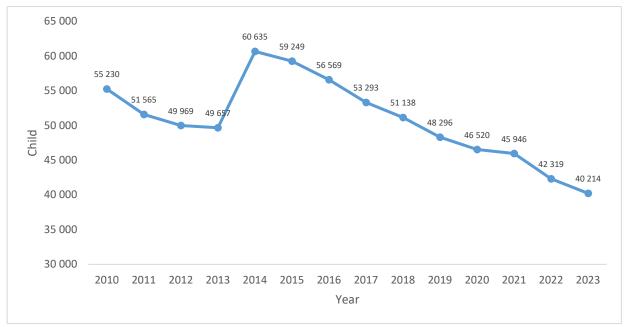
Sustainable development, for many companies, is the defining element of their image. It determines the specifics, rules, and priorities for the company's employees. These companies significantly differ from those whose actions primarily target customers or potential customers. A commitment to sustainable development can provide a significant advantage to a company in an era where the global battle for talent is increasingly intense. For the majority of prominent businessmen, one of the dominant megatrends of the last three decades has been globalization. Today, organizations and their employees can easily work remotely from anywhere in the world. In the near future, the career growth of many companies located in North America and Europe will be influenced by the utilization of the open markets of developing giants like China and India, as well as the former Soviet bloc and the southern hemisphere.

These new capabilities hold great importance in human resource management. In the near future, talented graduates from universities and business schools in Brazil, Pakistan, Egypt and China may become more sought after than young specialists from universities in the USA, Europe or Japan. The global struggle for talent is directly linked to the concept of sustainable development. Companies with a strong culture of sustainable development and a positive employer image will be preferred by professionals of all ages. As mentioned earlier, companies committed to environmental, social and economic policies and practices are not limited to specialists from developed countries. Organizations whose activities are based on the principles of sustainable development have more opportunities to attract talented specialists from developing countries.

In a world where reputation in the field of sustainable development is a powerful asset, human resources specialists will use special tools in the personnel selection process in line with sustainable development standards to find, motivate and attract associates and necessary personnel for the organization's important projects. Additionally, during public introductions to

potential employees, they share profiles of existing employees, photos of their work and quotes about their experiences in the organization.

When analyzing challenges in the direction of human resources, we should first focus on demographic factors. In this respect, the situation in Georgia is deplorable. For example, we can consider some important statistical data that will help us analyze the problems in this area.



Source: Statistical Service of Georgia

Diagram 1. Number of live births in Georgia (2010 – 2023)

Georgia also has a high population concentration. At the national level, the population is mainly concentrated in Tbilisi and Batumi. At the regional level, the population is predominantly concentrated in the city of Batumi. Consequently, this reduces the potentially available workforce in individual municipalities. As a result, we lack the necessary human resources for economic growth.

Career development and sustainable development are closely related concepts that intersect in various ways within organizations.

Career growth typically begins with the onboarding and adaptation of new employees to the organization's mission, goals, and strategy. This process involves providing comprehensive information about programs, processes, policies and challenges that will impact their work. Adaptation also includes the development of knowledge, skills and corporate culture necessary for activity and career advancement. Sustainable development is integrated into the entire spectrum of training and career development programs within organizations, starting from the moment a new employee joins the organization.

Many companies are incorporating sustainable development into their training programs, offering specialized theoretical and practical courses and seminars on topics such as environmental protection, public relations, stakeholder interaction and intercultural diversity. These training seminars aim to clarify the organization's policies and business areas, as well as to acquire and improve the necessary competencies for specific job roles.

For example, British Telecom's online training program called "Sustainability Matters" is designed for sales and marketing professionals to understand how sustainability influences their work. This training includes product and sales development tools and is accessible through the company's corporate portal for sustainable development, which was launched in 2011 and quickly gained traction among employees.

Sustainable development represents a new paradigm in business, necessitating changes in strategic, organizational and operational processes. It offers fresh perspectives and approaches to identifying high-potential employees and cultivating future leaders within organizations.

In the era of sustainable development, successful leaders require purposefulness, creativity and specific knowledge and skills tailored to their activities. Companies that excel in career development understand the importance of selecting and nurturing talented employees. They pioneer innovative approaches to training future leaders and offer compelling examples of career advancement.

A specific example of such innovative practices can be found in Mahindra & Mahindra, a leading Indian company in the automotive industry. Mahindra & Mahindra has established "Talent Councils" at various levels within the company. These councils are tasked with preparing young leaders for career advancement by providing diverse management experiences and opportunities for growth. In our view, talent councils can be likened to the quality control circles that emerged in Japan in the 1960s, which played a pivotal role in the development of Japanese enterprises.

The impact of compensation and incentives on sustainable development indicators is significant. Any organization striving for sustainability must ensure the enhancement of employees' knowledge, encourage them, and provide incentives for conducting their activities in line with the principles of sustainable development.

Consider the task: how to encourage employees to turn off the lights when leaving the office? Studies indicate a significant disparity between the proportion of employees who consistently turn off the lights when leaving the office (50%) and those who do the same when leaving home (93%) (Savitz & Weber, 2013). This difference presents a substantial opportunity for businesses to conserve natural resources and save millions of dollars.

Now let's address the question: why do people behave differently at home and at work? One reason is that they are more inclined to conserve energy and money at home due to personal financial incentives.

To motivate employees, companies establish overarching organizational goals related to sustainable development, such as energy savings per unit of output. To achieve these goals, companies engage employees in monitoring goal implementation, and those who excel are recognized and rewarded.

Thus, each employee must grasp the economic benefits derived from adhering to the principles of sustainable development and also comprehend the consequences if they act contrary to them. Personnel management plays a pivotal role in designing compensation and incentive systems to gauge and foster desired behaviour.

Financial incentives are not the sole method of influencing employee behaviour. The personal satisfaction and pride derived from aligning employee behaviour with organizational goals can often outweigh monetary rewards. However, new behaviour is more readily adopted when accompanied by financial motivation. When behaviour goes unrewarded and conflicts with values and desired behaviour, it can breed misunderstanding, cynicism and mistrust.

If employees do not receive support and compensation for performing their job duties in line with the principles of sustainable development, they may perceive the company's commitment to sustainable development as mere rhetoric. It should be noted that non-financial incentives also play a significant role in achieving sustainable development.

Responsible corporate behaviour cannot be achieved solely through performance compensation. For many individuals, sustainable development is tied to their emotions, identity, values and how organizational issues are addressed. Therefore, companies should utilize various forms of incentives to embed sustainable development as a fundamental aspect of organizational culture. One powerful tool in this regard is promotion at work. Additionally, non-financial forms of motivation can effectively shape employee relations and corporate behaviour. Incentive programs such as "Employee of

the Month," "Best Safety Indicator," "Greatest Contribution to Sustainable Development," and "Employee of the Year" can be easily implemented.

In this context, Starbucks serves as a prominent and intriguing example. For Starbucks, employees are paramount to financial success, and the company treats them as partners. Starbucks goes beyond merely selling coffee by investing in the development of its employees. The company offers comprehensive social benefits, including health insurance (including prescription drugs, dental care, and vision exams) for associates working twenty or more hours a week - an exceptionally generous social package. Additional benefits encompass a retirement savings plan, stock options, a stock purchase plan, adoption assistance, internal partner benefits, referral programs, child and elder care support and a weekly discount on Starbucks products, including a complimentary one-pound bag of coffee. These benefits, coupled with flexible work schedules and above-average entry-level pay, make Starbucks an appealing and financially robust employer.

Employee wellness programs significantly contribute to sustainable development by enhancing the health and morale of employees. These programs can range from offering a diverse selection of food products in company cafeterias to more ambitious initiatives such as smoking cessation programs, gym memberships, and comprehensive health programs with financial and non-financial incentives for employees. Health care programs offer numerous benefits: employees and their families become healthier and live longer, contributing to a more active, efficient, and motivated society, while companies experience reduced health care costs, lower absenteeism, and increased employee energy and morale.

Creating optimal working conditions is a crucial incentive in the 21st century. Personnel management in many companies plays a pivotal role in shaping employees' work environments. We believe that there are numerous alternative methods of organizing work that significantly impact organizational efficiency, employee satisfaction, and the sustainable growth of the company.

Flexible work arrangements hold great promise for development, including remote work, well-structured working hours and tasks, shift divisions, and more. These arrangements facilitate a better balance between work and personal life for employees. Additionally, they offer other benefits such as effective utilization of company resources, particularly workspace, enabling the retention of employees who prefer part-time work or non-traditional working conditions like telecommuting.

Moreover, the utilization of new technologies facilitates discussions and meetings, including virtual meetings, teleconferences, webinars, and elearning platforms. Such alternatives to physical meetings are increasingly popular and can result in cost savings for companies by reducing the need for expensive business trips and other costly events.

Furthermore, workplace sustainability initiatives encompass a wide array of programs and strategies, including recycling and paper conservation, product and material reuse, water resource conservation, promotion of ecofriendly commuting methods such as cycling and carpooling, and the adoption of alternative energy sources like solar and wind power. These initiatives also aim to reduce emissions of carbon and other pollutants, contributing to environmental preservation.

In today's intricate world, successful companies place heightened demands on potential employees, requiring a diverse set of skills and experiences tailored to their specific industry. For instance, a high-tech company necessitates programming knowledge alongside other skills, while a car manufacturer seeks specialists with engineering expertise. Similarly, a film studio demands a multitude of crafts and techniques, from sound editing to computer-generated special effects. As industries evolve, so do the requirements for employee expertise. For example, as modern cars become increasingly computerized, manufacturers now seek talented specialists in digital electronics, a skill set previously associated with Silicon Valley alone. Likewise, animation studios like Pixar now prioritize expertise in computer image processing alongside digital storytelling and cinematography skills.

It's important to differentiate between two terms: capacity and capabilities. "Capacity" refers to general organizational traits that extend beyond technical skills, encompassing qualities such as leadership, communication and sustainable development. These components are vital for long-term success, akin to personal characteristics like intelligence, courage and self-discipline, which contribute to individual achievements.

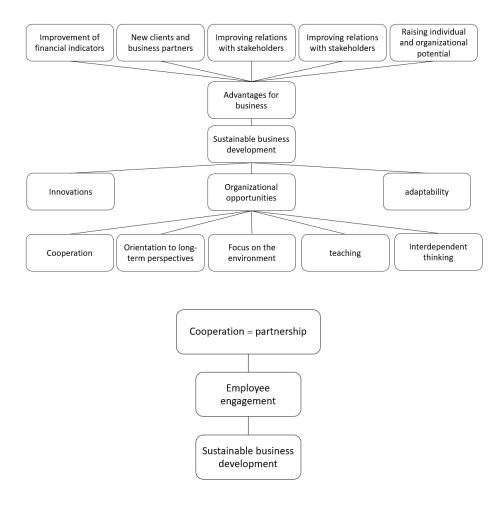
Andrew Savitz and Carl Weber propose seven essential organizational capabilities necessary for fostering sustainability: Innovation, Collaboration, Long-term focus, Environmental consciousness, Systems thinking, Education, Adaptability. These organizational capabilities are interrelated and crucial for sustainable development. Successful companies and their HR professionals must prioritize the development of these capabilities through recruitment, hiring, training, education and other methods to address the

challenges of the modern era. Sustainable Development and Employee Engagement consider how the principles of sustainable development and employee engagement can transform business.

Let's begin with the concept of "employee engagement," which denotes the level of commitment of an organization's workforce to their work. It encompasses the degree of alignment with the organization's strategy, goals and values, as well as the willingness to exert extra effort beyond the scope of regular job responsibilities to contribute to the organization's success. Employee engagement also entails experiencing a strong emotional connection, sense of belonging, loyalty and pride in the organization.

Traditionally, companies have regarded job satisfaction as the primary indicator of employees' attitudes toward the organization. The prevailing belief was that if employees were content with their wages, benefits and working conditions, then the organization was doing well. However, Andrew Savitz and Carl Weber argue that job satisfaction may not necessarily be the most indicative or useful measure of employee attitudes toward the organization. They contend that while some workers may be satisfied with their work, they may not exert much effort beyond what is required of them. Conversely, engaged employees are actively involved in their work, willingly exerting purposeful effort, and are highly motivated by personal and organizational success. This level of engagement is crucial for organizational and surpasses mere job satisfaction. Indeed, engagement, characterized by a deep commitment to organizational goals and values, goes hand in hand with sustainable development principles. Engaged employees are more likely to embrace and champion sustainability initiatives within the organization, leading to enhanced performance, and long-term success. Therefore, fostering engagement aligned with the principles of sustainable development can significantly transform businesses, driving them toward a more sustainable and prosperous future (See Diagram 2.).

Many organizations are recognizing the nexus between sustainability and employee engagement, prompting them to develop interaction programs in the realm of sustainable development. The formulation of such programs necessitates close collaboration among sustainability and HR leaders, heads of organizations, department heads and other key specialists across the organization.



Source: compiled by the author

Diagram 2. Sustainable business development: advantages, opportunities, personnel.

Various organizations pursue sustainable development for diverse reasons, often multiple ones. From our perspective, many are drawn to the business opportunities inherent in sustainable development, including potential cost savings, the exploration of new products and markets, revenue growth, the attraction of socially responsible investors and the mitigation of business risks. Others are motivated by the prospect of enhancing their product or brand, as well as their reputation. Some organizations prioritize sustainable development to meet the expectations of their customers or employees, while others do so simply because they perceive it as morally right. Forward-thinking companies view sustainable development as a strategy to maintain competitiveness in an ever-evolving world. The image depicted encapsulates the authors' perspective on the concept of sustainable

business development, considering its benefits, opportunities and the perceptions of employees.

Conclusions

This study demonstrates the integral role of human resources management (HRM) in advancing Sustainable Development Goals (SDGs) within organizations. Through a combination of statistical analysis, comparison, and literature review, we have identified that HRM practices aligned with sustainability not only foster a socially responsible workforce but also lead to enhanced organizational performance.

Human resources management professionals must play a leading role in assisting organizations in developing the culture, values, motivation, skills and talent necessary for achieving and sustaining success. Sustainable development significantly impacts personnel management practices, presenting new challenges while also facilitating traditional HR functions.

Eight lessons emerge for business leaders, sustainable development advocates, and human resource management professionals: integrating sustainable development principles into workforce management can elevate its role within the organization; implementing sustainable development principles can enhance the business life of employees; adoption of sustainable development principles can enhance the employer's image and attract talented specialists; sustainable development principles can bolster the organization's production capabilities and potential; sustainable development principles can facilitate necessary changes in organizational culture; human resources management can serve as the foundation for transitioning the organization to sustainable development principles; sustainable development principles can be leveraged by HR management to increase employee engagement; sustainable development can elevate the role of human resources within the company.

It is evident that we are in the century of sustainable development, with some companies and entrepreneurs leading the way in adaptation and reaping the benefits. HR professionals should embrace these revolutionary changes. Richard Branson's perspective resonates, emphasizing that the primary priority of any organization should be its employees, followed by customers and shareholders. Establishing the main directions of human resources management to achieve sustainable growth involves:

Prioritizing personnel selection and talent development.

Implementing incentives, both financial and non-financial, to enhance employee engagement.

Considering the three elements of organizational sustainability: economic, environmental, and social.

The ecomagination initiative, launched by General Electric in 2005, exemplifies the company's proactive response to customer concerns regarding environmental risks. This strategic initiative aimed to capitalize on emerging demands and realities, emphasizing the integration of ecology with imagination to drive sustainable business practices.

Organizations prioritizing sustainable HR practices see a notable increase in employee engagement, with employees more committed to contributing to the company's long-term goals. This engagement is strongly linked to productivity and retention, showing that sustainability positively impacts workforce stability. Sustainable HRM practices contribute to cost savings through resource efficiency and waste reduction, highlighting a link between sustainability and improved financial indicators. By adopting sustainable practices, companies attract business partners and customers who prioritize ethical standards, fostering growth opportunities. HRM serves as a strategic enabler, embedding sustainability into the employee lifecycle from recruitment to career development and training. Organizations that integrate sustainable practices throughout HR processes create a corporate culture that values long-term social and environmental impact, thereby enhancing both organizational resilience and reputation.

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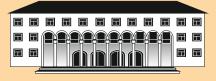
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