Evaluation of the Sustainability of Organizational Welfare and Human Resources to Improving Long-Term Performance

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Abstract

This study evaluates the sustainability of organizational welfare and human resource (HR) management in enhancing long-term corporate performance. It explores how sustainable HRM strategies and employee welfare policies contribute to workforce stability, engagement, and corporate resilience while aligning with Environmental, Social, and Governance (ESG) standards. This research adopts a Systematic Literature Review (SLR) approach to synthesize existing studies on HR sustainability, employee well-being, and corporate performance. The study systematically reviews academic literature from leading databases, focusing on theoretical perspectives, empirical findings, and best practices in HR sustainability and organizational welfare. The analysis identifies critical themes, trends, and research gaps to understand the topic comprehensively. The findings suggest that sustainable HR policies positively impact employee productivity, innovation, and corporate reputation. Organizations that integrate HR sustainability within their business strategies experience higher workforce engagement, lower turnover rates, and improved adaptability to industry disruptions. However, challenges persist, including the trade-off between cost efficiency and long-term workforce investment and difficulties in aligning HR sustainability with ESG frameworks and digital transformation. This study underscores the need for strategic HR investments, emphasizing continuous learning, workforce well-being, and ethical leadership. The findings provide business leaders, policymakers, and HR professionals with actionable insights to develop sustainable workforce policies that drive corporate growth, employee satisfaction, and competitive advantage.

Keywords: *Sustainable HRM, Organizational Welfare, Employee Well-being, Corporate Sustainability, ESG Standards.*

Introduction

The sustainability of organizational welfare and human resource management has emerged as a fundamental pillar in ensuring long-term corporate success, particularly in an era marked by rapid economic, technological, and regulatory transformations. In today's highly competitive global business environment, organizations face mounting pressures to enhance operational efficiency, maintain workforce stability, and uphold sustainability principles while driving innovation and profitability. Traditional views on organizational welfare, primarily emphasizing financial compensation and employee benefits, have evolved into a more comprehensive framework encompassing psychological, social, and professional well-being (Ampong, 2024). This expanded approach acknowledges that employee welfare is not merely a discretionary initiative but a strategic investment that fosters enhanced engagement, job satisfaction, and long-term productivity. Numerous studies have demonstrated that organizations prioritizing employee well-being are more likely to achieve higher retention rates, improved performance metrics, and greater adaptability to market fluctuations. However, despite these well-documented benefits, many businesses struggle to integrate human resource sustainability into their broader corporate frameworks effectively. Historically, human resource management (HRM) has been perceived as an administrative function rather than a strategic driver of corporate sustainability. This outdated perspective has led to the underutilization of HR to enhance long-term performance. As businesses navigate pressing challenges—including economic volatility, digital disruptions, and heightened expectations surrounding environmental, social, and governance (ESG) criteria—there is a growing imperative to shift HRM from a peripheral function to a core component of sustainable business strategy (Kandpal et al., 2024). The failure to address this shift may hinder an organization's ability to maintain workforce stability, foster innovation, and sustain long-term growth in an increasingly complex and competitive corporate landscape.

The critical challenge necessitating this research is the persistent misalignment between organizational welfare policies, human resource sustainability, and their tangible impact on long-term corporate performance. While many organizations implement well-being initiatives, these programs often lack systematic evaluation frameworks, making it difficult to assess their long-term effectiveness or align them with broader corporate sustainability goals (Bilderback, 2024). Furthermore, the rapid acceleration of digital transformation and automation has significantly altered workforce dynamics, shifting strategic priorities toward adaptability, continuous skill development, and enhanced workforce resilience (Ononiwu et al., 2024). The increasing reliance on artificial intelligence, data-driven decision-making, and automated systems has created opportunities and risks for human resource sustainability. On one hand, digital transformation enables organizations to enhance efficiency and streamline HR processes. On the other hand, it poses challenges related to job displacement, skill obsolescence, and the erosion of traditional workforce structures. This complex interplay raises a pressing research question: How can organizations effectively balance digital innovation with human-centric sustainability to foster long-term corporate performance? A central tension exists between short-term financial imperatives and the long-term investment to sustain employee well-being. Organizations prioritizing immediate cost reductions over sustainable HRM risk undermining employee engagement, reducing overall job satisfaction, and diminishing corporate resilience (Bilad et al., 2024). This study addresses these critical concerns by systematically examining existing literature to identify patterns, challenges, and best practices in integrating organizational welfare and human resource sustainability into corporate strategy. By conducting an in-depth analysis of prior research on corporate sustainability, human capital development, and workforce engagement, this study seeks to bridge the existing gaps in understanding how organizations can create a well-balanced, sustainable framework that ensures employee well-being while securing long-term business success.

Recent studies have increasingly examined the intersection of digital transformation (DT), sustainability, and corporate governance, highlighting both opportunities and challenges. DT has been shown to enhance environmental, social, and governance (ESG) performance through energy efficiency and improved risk management (Chen et al., 2024). However, despite these advantages, it may also impede green innovation by exacerbating financial constraints, though strong ESG performance can mitigate these drawbacks (Wu et al., 2025). In manufacturing, DT fosters productivity and ESG compliance through innovation and efficiency, with institutional environments playing a crucial role (Cheng, 2024). The emerging field of Digital ESG (DESG) has also gained momentum, particularly in China, Malaysia, and the United States, emphasizing the complex relationship between DT and sustainability (Tan et al., 2025). Further research highlights how DT and ESG strategies collectively shape corporate sustainability. DT significantly improves ESG performance, particularly in state-owned enterprises and non-high-tech firms (Zhang et al., 2024). Institutional pressures further drive ESG adoption, mediating its relationship with triple-bottom-line performance (Lee et al., 2024). Digital innovation enhances ESG outcomes by strengthening internal controls and human capital, with more significant effects in smaller, non-state-owned enterprises (Feng & Nie, 2024). Integrating ESG with DT in healthcare is essential for addressing global challenges and achieving sustainable development goals (Sepetis et al., 2024). These findings underscore the dynamic interplay between DT, ESG compliance, and corporate governance, providing critical insights for organizations that leverage digital capabilities to enhance long-term sustainability and performance across industries.

While recent studies have provided valuable insights into the relationship between digital transformation (DT), environmental, social, and governance (ESG) performance, and corporate sustainability, significant research gaps remain. Most existing literature focuses primarily on the technological and institutional dimensions of DT and ESG, often overlooking the human-centric aspects essential for long-term organizational sustainability. Studies such as those by Chen et al. (2024) and Wu et al. (2025) emphasize the role of DT in enhancing ESG performance through efficiency improvements and risk management. However, they do not sufficiently explore how human resource sustainability factors are included in this equation. Similarly, research by Zhang et al. (2024) and Lee et al. (2024) highlights the impact of institutional pressures on ESG adoption. Still, there is limited discussion on how these pressures shape HR policies and organizational welfare practices. While DT can drive innovation and operational efficiency, its implications for workforce well-being, job security, and long-term HR strategies remain underexplored. Empirical studies have yet to fully integrate HR sustainability into the broader corporate sustainability framework, leaving a gap in understanding how investments in workforce well-being contribute to long-term performance. The literature also lacks a comprehensive evaluation of the potential tensions between digital innovation and human resource welfare, particularly regarding job displacement, skill development, and workplace adaptability. This study addresses these gaps by systematically reviewing how organizations can balance DT advancements with sustainable HR practices, ensuring that digital transformation does not come at the cost of workforce well-being but enhances long-term corporate resilience and employee engagement.

Building upon the identified research gaps, this study provides a systematic literature review (SLR) to comprehensively evaluate the sustainability of organizational welfare and human resources (HR) in enhancing long-term corporate performance. Unlike prior studies focusing on digital transformation and ESG compliance as separate components, this research integrates these dimensions to assess how sustainable HR policies contribute to overall corporate resilience. Existing literature has broadly examined ESG and digital innovation from an operational and financial perspective. However, the role of employee well-being and HR sustainability as strategic enablers of long-term performance remains underexplored. This study seeks to bridge that gap by systematically analyzing previous research to establish a clear relationship between sustainable HR practices and corporate sustainability outcomes. The research is particularly relevant in today's evolving business environment, where companies must balance digital advancements with workforce stability, well-being, and adaptability. The primary research question guiding this study is: How does the sustainability of organizational welfare and HR policies influence long-term corporate performance? The study also supports this inquiry: What strategies effectively align HR sustainability with corporate sustainability goals? What challenges and opportunities arise when implementing sustainable HR and welfare practices amid digital transformation? By addressing these questions, this research aims to provide theoretical insights and practical recommendations for organizations seeking to integrate sustainable HR policies with corporate governance frameworks, ensuring long-term success in an era of continuous change.

Job Characteristics Model (JCM)

Since its introduction by Hackman & Oldham (1976), the Job Characteristics Model (JCM) has remained one of the most influential theories in understanding how job design influences motivation, job satisfaction, and employee performance. The model posits that specific job characteristics shape employees' psychological states, directly impacting workplace behavior and satisfaction. A well-structured job enhances productivity and fosters a more meaningful and engaging work experience (Parker & Knight, 2024). Within this framework, JCM identifies five core job characteristics that influence employees' perceptions of their work. First, Skill Variety refers to the degree to which a job requires diverse skills, increasing employee competence and engagement (Yusof, 2022). Jobs that incorporate a range of tasks allow employees to develop professionally, fostering higher intrinsic motivation. Second, Task Identity reflects the extent to which an employee completes an identifiable, meaningful piece of work, thereby enhancing the sense of accomplishment and fulfillment (Morgeson et al., 2019). Third, Task Significance highlights the impact of a job on others within or outside the organization, strengthening employee commitment and purpose (Nazir & Islam, 2017). Fourth, Autonomy grants employees the freedom to make decisions and control their workflow, which has been linked to higher levels of creativity and accountability (Parker & Knight, 2024). Finally, Feedback provides direct and precise information regarding performance, ensuring that employees understand their effectiveness and areas for improvement (Tiem et al., 2012). By optimizing these five elements, organizations can design jobs that enhance employee well-being, motivation, and overall job satisfaction while fostering long-term engagement and organizational success.

The Job Characteristics Model (JCM) proposes that five core job characteristics—skill variety, task identity, task significance, Autonomy, and Feedback—directly shape three essential psychological states that enhance employee motivation, job satisfaction, and overall performance (Hackman & Oldham, 1976). Research has consistently demonstrated that these psychological states determine workplace engagement and well-being. For instance, skill variety and task significance have increased employees' sense of meaningfulness at work, leading to higher engagement and motivation (Zito et al., 2019). When employees perceive their tasks as impactful and diverse, they are more likely to develop intrinsic motivation, contributing to higher productivity and long-term commitment to their organizations. Autonomy and Feedback play a significant role in fostering employees' sense of responsibility and performance clarity. Slemp et al. (2015) indicate that when employees have greater control over their work, they exhibit higher levels of innovation, creativity, and accountability, reinforcing their connection to the organization's goals. Transparent and timely Feedback has been linked to improved job performance and satisfaction, as it provides employees with a concrete understanding of their contributions and areas for improvement (Morgeson et al., 2019). Task identity, another critical characteristic, contributes to a stronger sense of accomplishment, further enhancing intrinsic motivation (Van den Broeck et al., 2021). Collectively, these findings highlight that well-designed jobs incorporating JCM's core principles improve employee satisfaction and strengthen organizational stability and long-term success.

Sustainability of Organizational Welfare

In contemporary business settings, organizational welfare has evolved into a holistic concept encompassing employees' physical, mental, social, and professional well-being. Traditional approaches focusing solely on compensation and essential benefits are now deemed insufficient to meet the diverse needs of the modern workforce. Research indicates that employees who perceive robust support from their organizations exhibit higher productivity and motivation levels. For instance, a study by Guest (2017) highlights that effective human resource management practices significantly enhance employee well-being and organizational performance. Similarly, Page & Vella-Brodrick (2009) emphasize the critical role of mental health in determining employee performance and overall organizational success. Integrating comprehensive welfare policies into business strategies boosts employee satisfaction and loyalty and contributes to business stability. Investing in employee welfare fosters trust between employers and employees, improving retention rates and strengthening corporate reputation among stakeholders. Barton (2017) found that supportive and inclusive work environments enhance employee engagement while reducing turnover rates. Furthermore, Gubler et al. (2018) established a positive correlation between employee well-being, loyalty, and productivity, collectively enhancing company profitability. As modern employees increasingly expect comprehensive well-being initiatives, organizations that fail to adapt risk losing top talent and may experience decreased productivity due to diminished employee engagement.

Sustainable organizational welfare has become a fundamental pillar in modern business strategies, incorporating financial, psychological, social, and work-life balance dimensions to enhance employee well-being and corporate stability. Economic well-being, which includes fair compensation, performance-based incentives, and sustainable pension schemes, remains key to securing long-term employee motivation and retention (Fitri, 2024). Employees who feel financially secure are more engaged and less likely to seek alternative job opportunities, ensuring workforce stability. However, financial incentives alone are insufficient to maintain a highly productive workforce. Equally important is psychological and emotional well-being, which entails corporate policies on mental health, access to psychological support, and fostering a positive, inclusive work culture (Richards, 2022). Companies that integrate psychological well-being initiatives report higher employee engagement and lower absenteeism, ultimately enhancing productivity. Social well-being and workplace environment are crucial to employee satisfaction, as inclusive and diverse workplaces promote stronger collaboration and innovation (Ren et al., 2023). Organizations that invest in diversity and workplace safety benefit from a more committed and cohesive workforce. Lastly, work-life balance policies, including remote work flexibility and wellness programs, significantly reduce stress levels and increase job satisfaction (Qamar et al., 2024). Employees who maintain a healthy balance between professional and personal responsibilities demonstrate higher motivation and job performance. Ultimately, businesses prioritizing sustainable organizational welfare improve employee well-being, enhance corporate reputation, strengthen workforce retention, and achieve long-term financial resilience.

Sustainability of Human Resources

Sustainable Human Resource Management (HRM) has evolved from a traditional administrative function to a strategic approach that integrates employee well-being with long-term business growth. The increasing complexity of global markets, digitalization, and workforce expectations has compelled organizations to rethink their HR strategies. Research suggests that companies adopting sustainable HRM practices achieve excellent workforce stability and adaptability (Cooke et al., 2022). By prioritizing long-term employee engagement, organizations enhance their resilience against economic uncertainties while fostering innovation. Employee development and continuous learning play a crucial role in HR sustainability. Companies implementing structured upskilling and reskilling programs empower employees to stay relevant in evolving industries. Saha et al. (2017) emphasize that continuous learning enhances individual career growth and strengthens organizational capabilities, ensuring competitiveness in volatile markets. Furthermore, effective HRM policies significantly impact employee retention and satisfaction. Organizations that offer career progression opportunities and fair compensation structures tend to experience lower turnover rates (Diaz-Carrion et al., 2020). In contrast, companies neglecting workforce development often face declining motivation and higher recruitment costs. Green HRM practices have also gained prominence, focusing on ethical and sustainable employment policies. Stefano et al. (2018) argue that integrating environmental and social sustainability into HR strategies fosters corporate responsibility and enhances employer reputation. Ultimately, businesses that invest in HR sustainability benefit from a highly engaged workforce, improved employer branding, and sustained long-term performance.

Employee retention and workforce stability are critical aspects of sustainable Human Resource Management (HRM), directly influencing organizational productivity and financial performance. High employee turnover leads to increased recruitment and training costs, disrupts operational efficiency, and weakens organizational culture (Almerri, 2023). To address this, companies must implement effective talent management strategies, such as internal promotions, mentorship programs, and performance-based incentives, all contributing to retaining high-potential employees. A supportive work environment that prioritizes employee well-being significantly enhances engagement and loyalty. Organizations that invest in workplace flexibility and equitable compensation structures report higher employee motivation and lower attrition rates (Kossek et al., 2015). Ethical and transparent HRM policies are pivotal in fostering long-term workforce sustainability. Policies that emphasize fair pay, anti-discrimination measures, and a positive workplace culture create a sense of belonging and commitment among employees (Kartolo & Kwantes, 2019). Sustainable HRM practices also align with broader corporate sustainability goals, where companies that integrate environmental and social responsibility into their HR strategies gain a competitive edge (Ren et al., 2018). Ultimately, firms prioritizing employee well-being as a core business strategy enhance workforce stability and build a resilient and future-ready organization capable of navigating the complexities of the modern business environment.

The Impact of Organizational Welfare and HR Sustainability on Long-Term Performance

Sustainable human resource management (HRM) has become a critical strategic component for organizations that enhance long-term business performance. Companies that integrate sustainability into HRM practices benefit from improved employee resilience, reduced turnover, and higher levels of engagement (Madero-Gómez et al., 2023). This shift underscores the growing recognition that employee well-being is not merely an operational cost but an essential investment in organizational stability and competitive advantage. Research highlights that green HRM initiatives contribute to employee well-being by fostering environmentally conscious workplace behaviors and reinforcing social sustainability and corporate responsibility (Amrutha & Geetha, 2020). Organizations that adopt sustainable HRM practices also experience increased innovation, as continuous learning and professional development empower employees to adapt to changing industry demands. Corporate sustainability is closely linked to managerial competencies in HRM. Leaders who effectively implement sustainability-driven HR policies create work environments that promote inclusivity, engagement, and ethical decision-making (De Stefano et al., 2018). These policies enhance internal workforce stability and strengthen external stakeholder trust, reinforcing the company's reputation as a socially responsible entity. Companies incorporating sustainability metrics in HR reporting demonstrate a long-term commitment to workforce well-being and environmental responsibility, positioning themselves favorably in competitive markets (Ehnert et al., 2016). Ultimately, sustainable HRM fosters a corporate culture that prioritizes human capital development and organizational longevity, ensuring resilience in economic and technological disruptions.

Sustainable HRM and organizational welfare have become essential drivers of corporate reputation and stakeholder trust in modern business environments. Companies implementing employee-centric HRM strategies enhance their credibility among investors, customers, and business partners (Cooke et al., 2022). Järlström et al. (2018) suggests that organizations prioritizing long-term employee well-being are more likely to secure sustainable investment, as stakeholders increasingly assess businesses based on their social and governance commitments rather than just financial performance. The role of sustainable HRM extends beyond internal workforce management. It fosters engagement and retention by creating a work environment that values diversity, inclusivity, and ethical practices (Adegoke et al., 2024). This approach aligns closely with the principles of Environmental, Social, and Governance (ESG), reinforcing the notion that companies with strong sustainability frameworks gain a competitive edge in global markets. Integrating Green HRM initiatives strengthens corporate social responsibility efforts, positioning organizations as ethical employers who actively contribute to societal well-being (Martínez-Falcó et al., 2024). Leadership also plays a crucial role in embedding sustainability into HR policies. Organizations led by sustainability-oriented leaders cultivate workplace cultures that emphasize ethical decision-making, workforce development, and innovation, ultimately driving long-term business resilience (Zafar & Akhtar, 2020). By embedding HR sustainability into corporate governance, businesses enhance operational efficiency and build lasting relationships with stakeholders, ensuring continued growth and industry leadership.

Analysis Method

Study Design

This research employs a qualitative systematic literature review (SLR) approach to analyze the impact of organizational welfare and HR sustainability on long-term corporate performance. A systematic review method is used to critically assess and synthesize existing literature on the subject, ensuring a comprehensive understanding of previous findings and identifying research gaps. This approach allows for a structured evaluation of theoretical frameworks, empirical studies, and trends in sustainable human resource management (HRM) and corporate sustainability. The study follows a rigorous selection process, ensuring that only high-quality and relevant research articles contribute to the analysis.

Sample Population or Research Subject

The study focuses on peer-reviewed journal articles, books, and conference proceedings published within the last five years from reputable academic publishers such as Elsevier, Emerald, Wiley, and Springer. The inclusion criteria prioritize research that discusses organizational welfare, HR sustainability, ESG-related HR policies, corporate governance, and long-term business performance. Only studies published in English are considered to ensure consistency in data interpretation. Research from various industries and global contexts is included to provide a broad and comparative perspective on HR sustainability and corporate outcomes.

Data Collection Techniques and Instrument Development

The data collection process involves database searches in Scopus, Web of Science, and Google Scholar, using a combination of keywords such as "sustainable HRM," "organizational welfare," "corporate sustainability," "long-term performance," and "HR policies." Boolean operators and filtering tools refine search results, ensuring relevance. Duplicates, irrelevant studies, and non-peer-reviewed sources are excluded. Selected studies undergo an in-depth content analysis to extract critical insights about HR sustainability strategies, employee well-being, and their impact on business performance.

Data Analysis Techniques

A thematic analysis is conducted to identify patterns, recurring themes, and emerging trends in the selected literature. The qualitative data synthesis process includes categorization, comparison, and integration of findings from various studies. Key themes such as HR sustainability strategies, employee engagement, corporate reputation, and long-term performance metrics are analyzed to understand how sustainable HR practices influence organizational success comprehensively. Findings are interpreted about existing theoretical frameworks, highlighting practical implications and future research directions.

Results and Discussion

Results

Sustainable organizational welfare is crucial in shaping long-term corporate performance by fostering employee engagement, enhancing productivity, and improving workforce stability. Historically, organizational welfare was viewed as an administrative function focused on compliance and regulatory requirements. However, it has evolved into a strategic initiative that aligns with business sustainability goals, emphasizing the importance of employee well-being in driving corporate success (Ampong, 2024). Research shows that organizations prioritizing employee well-being experience higher innovation, efficiency, and customer satisfaction, ultimately leading to long-term profitability (Bilad et al., 2024). Companies implementing welfare programs such as mental health support, flexible work policies, and career development opportunities benefit from reduced absenteeism and higher employee morale (Madero-Gómez et al., 2023). Organizational welfare contributes to financial performance by lowering turnover rates and strengthening employer-employee relationships (Chen et al., 2024). In industries where employee engagement and innovation are critical, sustainable welfare practices become a key differentiator, giving businesses a competitive advantage in talent acquisition and retention. Studies indicate that businesses integrating employee welfare into their core strategy are more resilient in economic downturns and industry disruptions (Almerri, 2023). Best practices in sustainable organizational welfare highlight companies' need to view welfare investments not as an expense but as a driver of business sustainability (De Stefano et al., 2018). Therefore, long-term corporate success depends on shifting from short-term cost-cutting measures to embedding employee welfare into the strategic framework, ensuring continued growth and stability.

Sustainable human resource management (HRM) is critical in enabling organizations to remain competitive and adaptable in a rapidly evolving digital and economic landscape. Implementing sustainable HR strategies, including continuous learning, upskilling, and leadership development programs, ensures that employees remain relevant amid technological disruptions and industry changes (Feng & Nie, 2024). Companies that invest in employee development through structured learning programs enhance their workforce capabilities and foster a culture of resilience and innovation (Bilderback, 2024). Employees in organizations that emphasize sustainable HR practices exhibit higher levels of engagement, leading to improved productivity, lower turnover rates, and enhanced corporate agility (Cooke et al., 2022). Furthermore, sustainable HRM strengthens long-term workforce stability, reducing the costs associated with talent acquisition and training (Gubler et al., 2018). Companies with effective retention strategies, including competitive compensation, career progression opportunities, and mentorship programs, are more likely to attract and retain top talent (Fitri, 2024). The relationship between sustainable HRM and corporate performance extends beyond operational efficiency, contributing to business sustainability and industry leadership (Järlström et al., 2018). Organizations that integrate sustainability into HR policies also demonstrate more substantial corporate social responsibility (CSR) initiatives, reinforcing their reputational standing among stakeholders and investors (Kandpal et al., 2024). As businesses navigate an increasingly complex labor market, incorporating sustainability into HRM ensures long-term workforce adaptability. This enables organizations to maintain a skilled and motivated workforce while addressing evolving business challenges.

Despite sustainable organizational welfare and HRM benefits, several challenges hinder its implementation. The conflict between short-term financial goals and long-term workforce sustainability investments is a primary obstacle. Many organizations prioritize immediate profitability over employee well-being, resulting in reduced investments in training, career development, and welfare programs (Diaz-Carrion et al., 2020). Additionally, while digital transformation enhances HR efficiency, it raises concerns about workforce displacement, automation, and job security, which can negatively impact employee morale and engagement (Cheng, 2024). Balancing technological advancements with workforce sustainability remains a critical challenge for HR leaders (Ehnert et al., 2016). Another barrier is the integration of Environmental, Social, and Governance (ESG) principles into HRM. While many organizations recognize the importance of ESG, aligning these principles with sustainable HRM policies requires a fundamental shift in corporate strategy, often met with resistance from leadership and middle management (Ren et al., 2023). Regulatory complexities further complicate the adoption of sustainable HRM. Variations in labor laws, corporate governance regulations, and workplace cultural expectations across different regions create inconsistencies in HR sustainability efforts (Kossek et al., 2015). Organizational culture plays a significant role in enabling or hindering the adoption of HR sustainability. In some companies, entrenched hierarchies and resistance to change slow down the integration of welfare-focused HR policies, limiting their effectiveness (Kartolo & Kwantes, 2019). Addressing these barriers requires a strategic approach that aligns sustainability initiatives with corporate priorities, ensuring that employee welfare is not seen as a cost but as an investment in long-term business resilience.

Organizations must adopt strategic approaches that integrate HR sustainability with corporate objectives to overcome these challenges while ensuring employee-centric policies remain at the forefront of business decisions. One of the most effective strategies is embedding sustainable HRM within long-term corporate planning, shifting the perspective from cost-driven HR management to value-driven workforce investment (Guest, 2017). Leadership commitment plays a crucial role in ensuring the success of sustainability-driven HR initiatives. Executives and HR leaders must advocate for a workplace culture prioritizing well-being, professional growth, and ethical labor practices to foster a more engaged and productive workforce (Nazir & Islam, 2017). Implementing measurable HR sustainability metrics also helps organizations assess the impact of their workforce policies, allowing for continuous refinement and improvement (Van den Broeck et al., 2021). Transparency in HRM reporting further strengthens corporate governance by ensuring accountability in sustainability efforts (Ren et al., 2018). Leveraging technology to enhance HR sustainability—such as AI-driven HR analytics, digital wellness programs, and automated skill development platforms—can improve workforce efficiency while maintaining employee well-being (Ononiwu et al., 2024). Policymakers and business leaders must also collaborate to create a regulatory framework that supports HR sustainability, ensuring that best practices in workforce management are standardized across industries (Kandpal et al., 2024). Companies that successfully integrate HR sustainability into their corporate structure enhance employee well-being and engagement and build resilient and future-ready workforces capable of driving long-term business growth in an era of constant change.

Discussion

The findings of this study highlight the critical role of organizational welfare and human resource (HR) sustainability in driving long-term corporate performance. Companies implementing sustainable welfare policies experience improved workforce productivity and organizational stability. This reinforces that employee well-being is not merely an additional element in business strategy but a fundamental factor influencing employee loyalty, motivation, and engagement. A work environment that prioritizes employee welfare fosters a more motivated, creative, and committed workforce aligned with the organization's vision and objectives. Furthermore, organizations that integrate sustainable welfare policies tend to experience lower turnover rates, thereby reducing recruitment and training costs associated with replacing employees. This impact aligns with the principle that companies investing in workforce well-being are more competitive in dynamic markets, particularly in the era of rapid digital transformation and industry shifts. Sustainable welfare initiatives such as flexible work arrangements, mental health support programs, and career development opportunities contribute to a more resilient and engaged workforce. In addition, these policies enhance overall job satisfaction, reducing burnout and absenteeism while promoting long-term organizational loyalty. The growing recognition of employee welfare as a strategic imperative rather than a mere corporate obligation suggests that companies embracing these policies will sustain a more committed workforce, enabling them to navigate future challenges effectively.

This study also finds that HR sustainability is pivotal in building organizational resilience against industrial changes and external pressures. Organizations that adopt sustainable HR development strategies enhance workforce capabilities through upskilling and reskilling programs, ensuring that employees remain relevant amid evolving industry demands. The findings emphasize that companies prioritizing continuous learning and employee development are better positioned to adapt to technological disruptions, sustain operational efficiency, and maintain long-term competitiveness. A workforce with relevant skills and knowledge contributes significantly to innovation, problem-solving, and organizational agility. Additionally, leadership that fosters sustainable HR development is crucial in establishing a workplace culture conducive to innovation and employee growth. Visionary leadership that emphasizes employee well-being and skill development enables companies to retain a dedicated workforce committed to achieving organizational goals. A sustainable HR approach ensures that employees are equipped with the technical skills required for their roles and nurtured in an environment that promotes creativity, collaboration, and career advancement. This approach mitigates workforce stagnation and fosters an adaptable, highly engaged talent pool that drives organizational success. Moreover, companies that integrate sustainable HR practices with strategic workforce planning benefit from enhanced employee retention, greater job satisfaction, and higher overall performance.

The study reveals that sustainable organizational welfare significantly strengthens corporate reputation among key stakeholders. Companies that implement robust welfare policies and sustainable HR strategies gain higher trust from investors, customers, and business partners. Within the Environmental, Social, and Governance (ESG) framework, organizational welfare has become a key determinant in assessing corporate sustainability. Investors and other stakeholders are increasingly drawn to companies demonstrating a strong commitment to employee welfare, as it reflects corporate responsibility and long-term business sustainability. The growing emphasis on ESG compliance underscores the importance of integrating sustainable HR and welfare initiatives into broader corporate governance frameworks. By prioritizing workforce well-being, companies foster a more productive and loyal workforce and position themselves as socially responsible organizations capable of attracting sustainable investments. This underscores the broader implications of employee welfare beyond internal organizational benefits, extending its influence to market competitiveness, stakeholder confidence, and corporate reputation in the global business landscape. Companies that fail to align HR sustainability with ESG considerations risk reputational damage and reduced investor confidence, ultimately hindering long-term growth. Thus, integrating employee welfare with sustainable HR policies is necessary for internal workforce management and a crucial factor in maintaining business viability in an increasingly ESG-conscious corporate environment.

The findings of this study align closely with the Job Characteristics Model (JCM) proposed by Hackman and Oldham (1976), which emphasizes the critical role of job design in enhancing employee motivation, satisfaction, and performance. JCM identifies five core job characteristics—skill variety, task identity, task significance, autonomy, and feedback—that influence three key psychological states in employees: experienced meaningfulness of work, responsibility for outcomes, and knowledge of actual results. These psychological states, in turn, contribute to higher job satisfaction, increased motivation, and improved overall performance. The study's findings reinforce JCM's premise by demonstrating how sustainable organizational welfare and HR policies significantly impact employees' psychological states and, consequently, their engagement and commitment. For instance, organizations investing in skill development programs and continuous learning opportunities enable employees to experience greater skill variety, ensuring their work remains stimulating and fulfilling. Similarly, companies implementing precise performance feedback mechanisms and encouraging autonomy through flexible work arrangements enhance employees' sense of responsibility for their work outcomes. Welfare programs that emphasize employee well-being and work-life balance contribute to employees' perception of task significance, as they feel valued and supported by their organization. By integrating JCM's theoretical framework with sustainable HR strategies, companies can optimize workforce potential, foster an innovative and adaptive work environment, and ensure long-term corporate resilience. The alignment of sustainable HRM practices with JCM underscores the importance of job enrichment strategies in building a motivated and high-performing workforce.

Compared to previous research, the findings of this study align with numerous studies that have highlighted the critical role of organizational welfare in enhancing business performance. For instance, Ampong (2024) demonstrated that employee welfare directly impacts productivity and job satisfaction, ultimately contributing to improved organizational financial performance. This study's results further reinforce the idea that companies investing in employee well-being experience higher efficiency, lower absenteeism, and more outstanding overall job commitment, all contributing to long-term corporate sustainability. These findings are consistent with those of Almerri (2023), who emphasized that an organizational culture prioritizes employee well-being is crucial in enhancing employee retention and reducing turnover rates. Employee turnover remains a significant challenge for many companies, often leading to high recruitment and training costs and affecting overall operational efficiency. By fostering a supportive work environment, companies can strengthen employee loyalty and engagement, ensuring excellent workforce stability and long-term success. Similarly, Bilderback (2024) found that continuous training and employee development programs significantly contribute to innovation and organizational competitiveness, underscoring the importance of sustainable human resource management (HRM) practices in today's evolving business landscape. However, despite these consistencies, this study's findings diverge slightly from those of De Stefano et al. (2018), who suggested that many companies still struggle to fully integrate HR sustainability with ESG policies. This indicates that while sustainable HRM is widely recognized for its organizational benefits, its practical implementation remains challenging, particularly regarding resource allocation and compliance with global sustainability standards. These challenges highlight the ongoing need for organizations to adopt strategic, well-structured approaches to embedding sustainable HR policies within their broader ESG commitments.

The practical implications of this study highlight the necessity for companies to adopt a holistic strategy in managing workforce welfare and HR sustainability. One critical step in achieving this is ensuring that welfare policies extend beyond financial compensation to psychological, social, and professional well-being. Organizations must develop comprehensive employee well-being programs that integrate flexible work arrangements, mental health initiatives, and continuous skill development opportunities to enhance employee engagement and productivity. These programs foster a positive workplace environment, leading to higher job satisfaction, reduced turnover rates, and improved organizational performance. Furthermore, as digital transformation continues to reshape industries, companies must embrace HRM strategies emphasizing talent management and innovation, enabling employees to adapt to technological advancements and evolving industry demands. This study underscores the importance of sustainability-oriented leadership in ensuring the effective implementation of workforce welfare policies. Business leaders must recognize that investing in employee well-being is not merely a social initiative but a fundamental component of long-term business strategy. Leadership commitment to HR sustainability and workforce welfare fosters a corporate culture that values employee well-being, innovation, and ethical management practices. Additionally, as global interest in ESG (Environmental, Social, and Governance) principles grows, organizations must align their HRM policies with international sustainability standards. By strategically integrating workforce welfare and HR sustainability initiatives, companies boost employee productivity and commitment, strengthen their global reputation, and enhance their competitive advantage in an increasingly dynamic and demanding business landscape.

Conclusion and Suggestion

This study has comprehensively evaluated the sustainability of organizational welfare and human resources (HR) in enhancing long-term corporate performance. The findings indicate that sustainable HRM strategies and employee welfare policies are pivotal in improving workforce stability, engagement, and adaptability, contributing to business resilience and long-term competitiveness. Companies can create a more motivated, productive, and committed workforce by integrating workforce well-being initiatives with corporate sustainability objectives. Additionally, the study highlights that HR sustainability enhances corporate reputation, aligning businesses with evolving Environmental, Social, and Governance (ESG) standards, making them more attractive to investors and stakeholders. These insights contribute to a deeper understanding of how sustainable HRM policies can bridge the gap between employee well-being and corporate success, ensuring that companies remain adaptable in an era of rapid industrial transformation and digital disruption.

This study contributes valuable knowledge to sustainable HRM and corporate governance from both theoretical and managerial perspectives. By emphasizing the integration of HR sustainability within long-term business strategies, this study underscores the necessity for organizations to prioritize workforce well-being not as a cost but as a strategic investment. The originality of this research lies in its holistic approach, which connects HR sustainability with corporate resilience, employee welfare, and ESG compliance. The practical implications of this study suggest that companies should develop more inclusive workforce policies, invest in continuous learning programs, and foster a work culture that prioritizes well-being. Furthermore, business leaders must actively align corporate strategies with sustainable HRM principles, ensuring that employee welfare initiatives translate into tangible organizational benefits such as increased innovation, enhanced productivity, and a strong employer brand in the competitive global market.

Despite the contributions of this study, certain limitations should be acknowledged. The research primarily relied on a systematic literature review (SLR) approach, which may limit its ability to capture emerging, real-time HR sustainability trends and corporate practices. Future research should incorporate empirical studies, qualitative interviews, and case studies to provide deeper insights into the actual implementation of sustainable HRM strategies across different industries and cultural contexts. Additionally, while this study emphasizes the positive outcomes of sustainable HRM, future research could explore the challenges and barriers organizations face when implementing such policies, particularly in small and medium enterprises (SMEs) with limited financial and human capital resources. Expanding the scope of research to different regions and economic sectors would also enhance the generalizability of findings and offer a more nuanced understanding of how HR sustainability can drive corporate success in diverse business environments.

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