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MASTER'S THESIS

THE IMPACT OF HUMAN RESOURCE MANAGEMENT ON CORPORATE SUSTAINABILITY

Ljubljana, February 2022   DRITA ZEKJIRI

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LIST OF ABBREVIATIONS

sl. – Slovene

EU – (sl. Evropska unija); European Union

EIB – (sl. Evropska investicijska banka); European Investment Bank

HRM - Human Resource Management

HR - Management Resource

HPWPs - High-performance work practices;

AMO - Ability-Motivation-Opportunity

HRD - Human Resource Development

WCED - World Commission on Environment and Development

ROI - Financial Return on Investment

CSR - Corporate Social Responsibility

CSP - Corporate Social Performance

ESG - Environmental, Social and Governance

FSSD - Framework for Strategic Sustainable Development

CS - Corporate Sustainability

QWL - Quality of Work-Life

WLB - Work and Life Balance

ES - Environmental Sustainability

INTRODUCTION

The primary purpose of this master's thesis stems from the field of Human Resource Management. HRM's role in corporate sustainability nowadays attracts more and more attention in the context of accomplishment of the business activities of the companies. (Taylor, Osland, & Egri, 2012) Due to the high degree of constant changes in the external and internal factors, globalization, dynamic nature of technology improvement, where there are so many things to do while so little time, there is a need to constantly invest in HR in professional and personal improvement for creating a healthy and happy work environment. Concerning the political, social, and economic environment, taking into account that this thesis has been written in the period of the global pandemic Covid-19, many companies are being challenged with economic, social, and human difficulties, in the same time while the challenge of modern business circumstances is even more obvious the process of how HRM indicates sustainability is enormous to be understood.

The role of HRM in supporting corporate sustainability is bidirectional. (Biggemann, Kowalkowski, Maley, & Brege, 2013) First, HRM should ensure that the approach to sustainability aims for making employees part of a strategy that relates to employee well-being, health and safety, work-life balance, diversity and completeness, gender equality, employment and firing practices, reward system, a career development plan, positive internal communication, open dialogue and involvement in the community. (Cohen, Taylor, & Muller-Camen, 2012) Sustainability begins at home, and the task of HRM is to corroborate that the company manages employees in a sustainable manner. True corporate sustainable business is created when all employees are aware of their role and contribution to the actualization of the company's sustainable development program. (Kushner-Lenhoff, 2018)

The purpose of this thesis is to confirm the necessity of a comprehensive engagement of HR, as a key element in achieving the development of corporate sustainable businesses. This can be achieved by establishing an appropriate model of HRM that will be engaged and committed to achieving corporate goals in an effective and efficient manner.

The questions that need to be answered with this thesis are as follows:

- What are the strategic goals of HRM in achieving the development of corporate sustainability of the company?

- What do companies need in order to ensure adequate HRM?

- How to use the employees' capabilities to ensure the realization of the development of company sustainability?

- What method should be used, to rate the effectiveness of the employees' performance of tasks, regarding the actualization of corporate sustainability?

- What measures should be taken in order to motivate employees to achieve corporate sustainability goals?

- How to use the accumulated knowledge and the appropriate relevant managerial skills, in order to achieve the development of corporate sustainability?

The methods used during the development of the subject matter were literature review from the field of HRM, sustainability in general, and corporate sustainability in particular, data analysis from secondary sources, such as official statistics and scientific publications, and exploration of the role of human resource management in achieving corporate sustainability.

The research methodology consists of theoretical and practical research.

The **theoretical research** is based on a study of data and information from books, magazines, publications, collections of papers on human resources management and corporate sustainability, and other materials. Based on the theoretical research, an analysis was performed on the key role that HRM has in achieving corporate sustainability, which later was the basis for developing the theoretical framework of the research. The **practical research** was realized through the implementation and conduction of specifically prepared interviews with managers of the HRM departments in five (5) companies in the Republic of North Macedonia. The interviews were conducted to answer questions concerning the role of HR in carrying out business activities related to the sustainable development of companies, and their impact on corporate sustainability.

The first chapter deals with the notion and definition of HRM, emphasizing the importance and necessity of the HRM in companies, highlighting the importance of HRM goals, observing the effects of implementing HRM and addressing the issues of to-date HRM.

The second chapter proceeds with the explanation of the concept of corporate business sustainability, attempting to demonstrate how important it is to support corporate sustainability, taking into consideration issues that can be faced while achieving corporate sustainability, and analysing the desired steps of building corporate sustainability mission, vision, values, and strategies.

The third chapter attempts to correlate those two terms and understand their synergy describing how HRM influences corporate sustainability, the readiness of companies in managing sustainability, considering key human resources skills required to promote and build corporate sustainability. Furthermore, this chapter elaborates the importance of health and well-being, attracting, engaging, and retaining the right people for the actualization of

corporate sustainability. As well as the importance of new business challenges as financial security and 'going green' are the topics that cannot be overlooked.

In chapter four, we will be able to see how all the items discussed above are implemented in practice within the companies in North Macedonia. Interviews were conducted based on prepared questions, which were designed to enable managers of HR departments in companies to answer questions concerning the philosophy of their operations, human resource policies, and human resource practices (evaluating, developing, and organizing).

1 BASIC CHARACTERISTICS OF HUMAN RESOURCE MANAGEMENT

1.1 The notion and definition of human resource management

People play an important role in organizational success, and we can use many notions to refer to this, such as *human resources, human capital, intellectual assets, and talent management*. Despite other important resources such as finances, information's and materials, people are those who drive the performance of the organizations. This is the core of **human resource management.** (Bohlander & Snell, 2013)

Although the nature of HRM has been discussed for around two decades, yet there are many obstacles in the practical and theoretical elements. This issue is an important starting point to understand the barriers of this field. As Blyton and Turnbull (1992, p. 2) note, 'The ways in which the term is used by academics and practitioners indicates both variations in meaning and significantly different emphases on what constitutes its core components'. On the other hand, HRM may be also described as an action that incorporates all the actions of managing people and the response to these actions as a team or as a person in one organization. (Collings & Wood, 2009) It is important to expand the superior knowledge, experiences, and abilities within the workforce, as well as to support top performances in order to produce human capital in the organization. (Mourtada, 2008)

Based on all the existing definitions, the focus of HRM is to support the company's success, retaining the attention on the human element in which HRM is a part of organizational management. Within this, we should think of HRM as a field that embraces all the activities of the workers related to the structure of the organization, improvement of the workers and organization itself, the relation of the organization with the public, and as well the importance of creating suitable proper reward systems for each employee. (Kusuma & Kautsar, 2020)

HRM is a field that consists of continuous evolution and change. Therefore, in human resources management one cannot find an 'ideal type' or a model, which is used to ensure success. Based on this, there are different models to explain the evolution and management

of HRM. (Gratton & Truss, 2003) Referring to Jamrog and Overholt (2004), known as one of the biggest HRM influencers through history, which beginnings were back primarily to scientific management (1903), introduced the basis for modern HRM, divided into three concepts:

- While selecting people for the given position, the person must meet the requirements intellectually and physically and people that don' must be eliminated.
- The employee of each position must attend different training in accordance with their job position.
- Workers must be encouraged to comply with the procedures (Freitas, Jabbour, & Santos, 2011).

Today, HRM can be defined as the management of people in an organization, including all aspects of it, considering the evaluation of process how an organization responds to the needs of their employees, as an individual or as a collective as an important factor. Here, we can provide a wide range of activities, starting with the process of hiring, keeping the employees satisfied and motivated, helping them grow, to contribute even more to the organization while staying committed and satisfied. Now, the term human resources have been part of many discussions and likewise in other disciplines, the paradigm of sustainability is also emerging in human resource management (Jabbour & Santos, 2008). Sustainability is becoming an especially important part of the evolution of human resources, and it is considered that through the support of economic, social, and environmental dimensions (at the same time) human resources sustainability can be achieved. However, to achieve this sustainability, it is particularly important to strengthen the policies, strategies, and practices of human resources and to meet their needs. (Freitas, Jabbour, & Santos, 2011)

As globalization has been one of the main discussions of today, the rising of competitiveness as the main result of globalizations has caused the companies to invest increasingly for staying competitive on the market. Regardless of these, determinants of business performance are a key stream of study and the main interest of management. As a result, researchers around the world, have developed certain HRM methods to achieve higher performance and productivity (Khan, Zhang, & Salik, 2020).

1.2 Importance and necessity for human resource management in companies

HRM aims to establish the success of the company through people. By considering diversity across the employees, either as individuals or groups, different personal needs, diverse ambitions, and work styles, and by trying to provide them equal opportunities, HRM requires taking the effort to develop and implement different policies, while at the same time adjust this to the demand of its stakeholders. The focus of HRM is particularly on achieving organizational effectiveness, as experience has shown that methods alike play an important role in the company's performance. Promoting policies in talent management

and knowledge management is a strategy of HRM, creating programs to improve organizational effectiveness in order to make the organization **'a great place to work'**. Referring to this, one of the matters of HRM is a continuous improvement. (Armstrong, 2006)

As the Human Resource Excellence article points out, 'a good and professional team cannot be built without a good HRM, while the tasks of HRM include recruitment and training, performance appraisal, maintaining work atmosphere, managing disputes, developing public relations, etc. (Human resource excellence, 2020). The assumption is that people are the crucial resource of the organization, and they play an incredibly important role in an organization's performance (Armstrong, 2006). Another important investment in what we call human capital or human resource is **the role of education.** (Vokoun, Caha, Straková, Stellner, & Váchal, 2018)

When human resource department has completed the planning process, the recruitment process should start; this process is defined as a process of selecting people from a chosen group of candidates, which means attracting, identifying, and selecting the right employee for the right position. At the same time the role of education has a particularly important impact on human capital and should not be excluded. Figuring out training activities is an important factor for the growth of individuals which as a result contributes to company's performance and sustainability. (Vokoun, Caha, Straková, Stellner, & Váchal, 2018)

While using the term performance appraisal we refer to measuring employees' performance and based on the quality of their job performance, it is necessary to provide them with feedback to be aware of where they stand. (DeNisi & Pritchard, 2006)

Through different innovative practices and initiatives managers are trying harder to make their organizations 'a good place to work' with the belief that this is an important point for improving corporate performance. As Jain and Shauran (2019, p. 148) mention, "It is especially important that employees of the organization experience a sense of renewal, regeneration, and re-energizing. The employees can be woken up from the slumber to create, build and foster a work culture that they can be proud of".

The responsibility of management as the part of the leadership of HRM is to create and manage conflict-decision programs, to find solutions and create policies before tensions develop into huge problems, to manage conflicts within the organization in the most proper way. Whenever conflicts exist in a company, it doesn't mean disagreements are always related to the wages, working conditions or the strife between the management and the employees, usually they are a result of differs in people's beliefs, interests, or values. (Lipsky, Avgar, & Lamare, 2016).

In modern business conditions where people have become a critical business condition, duties as organizing, managing, and controlling have become of high importance of the managers duty. (Klepić, 2019)

'*We all sense it – something big is going on*' (Friedman, Thank you for being late, 2016)

As the quote states, globalization challenges along with technologies have made the workplace a more complex, dynamic, and stressful place to work. While this era of big changes and challenges, the war for talents, major technology innovations, supported by artificial intelligence and globalization (Friedman, 2016), prove us even more the importance and necessity of HRM to build justice, commitment, trust, and ethical behaviour into the organization. (Vokoun, Caha, Straková, Stellner, & Váchal, 2018) Building trust and connection between the employees is another important key role of HRM, especially in this era of dynamic standards and markets because 'treating people right is hard'. (Holland, 2019)

HRM evolved over the years, with the demand to adapt to changes, to different needs and responsibilities. The term HRM for the first time appeared in the mid-1960s, but only a few decades later took roots due to the matching model framework developed by Paauwe and Richardson (1997) (peopleHum, 2020) known as the **Harvard framework** (see Figure 1) (Marchington, 2015). This model consists of beliefs that changing the classical way of personal management and the viewpoint of the managers where they can see their employees involving and advancing in the company, taking into consideration the policies and methods needed to achieve these goals. (Armstrong, 2006)

Figure 1: The Harvard framework for HRM
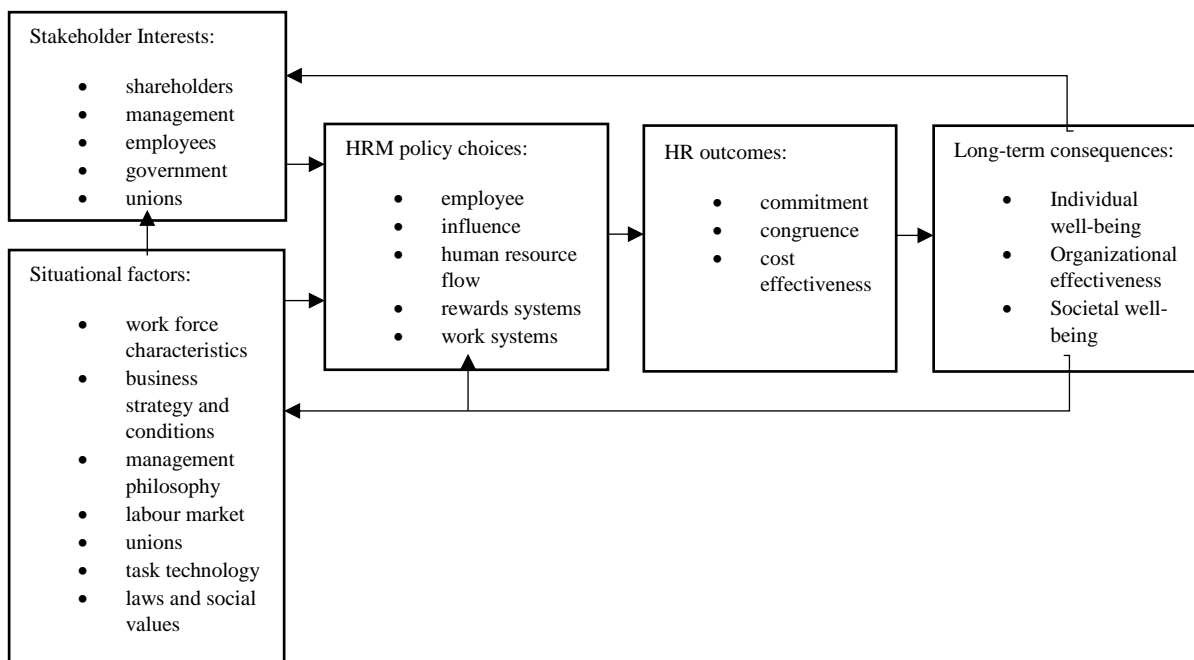
Source: Armstrong, (2006)

Personal and industrial relations earlier were seen as a cost, short-term in nature, control needed and reactive, while the HRM is seen as an asset, long-term, proactive, part of employee perspective, acknowledging the role of the influence of employee in the

sustainability of the company. (Marchington, 2015) As Allan and Wright (2006, p. 91) acclaimed "This led to a focus on how the different HRM sub-functions could be aligned and work together to accomplish the goals of HRM".

Some of the best HRM practices known include the employees' security, hiring procedures, decision making processes through the company, training and promotion possibilities, appraisal system based on the company's performance, etc. Mostly, all the research related to HRM practices, consider that the relation between the "high performance", "high commitment" and "high involvement" of work procedures is correlated to **the company's performance.**

The relationship between company outcomes and HRM is one of the goals of macro research of HRM. The HRM relations with company performance are divided into two perspectives: macro focus and strategic perspective. (Saridakis, Lai, & Cooper, 2016) The influence of HR on financial or operational performance is achieved either through motivation-related variables or through human-capital variables; either way both are important to understand the relationship between HRM and outcomes. (Jiang, Lepak, Hu, & Baer, 2012)

The theory of human resource management is related to organizational outcomes based on meta-analysis. Therefore, three dimensions of HRM systems, the improvement of skills, motivation and opportunity are associated positively with human capital and motivation of the employees. At the same time, skill improvement was more positively correlated to human capital, while les positively correlated to the motivation. Meanwhile, human capital and employee motivation negotiate the link between the three HRM dimensions, voluntary turnover, and operational outcomes, linked to financial outcomes. In the end, all of this interferes with the relationship between HRM and organizational outcomes. (Jiang, Lepak, Hu, & Baer, 2012)

It is considered that some of the HRM practices lead to a better firm performance, also known as high-performance work practices (hereinafter: HPWPs) which affect developing employees in aspects of knowledge, skills, responsibilities, productivity and similar. HPWPs are a group of separate policies and practices, but at the same time interconnected policies and practices, intending to achieve and maximize the firm's performance. (Saridakis, Lai, & Cooper, 2016)

Strategic HRM takes into consideration this practice known as HPWS, which manifest the results of HRM in organizational outcomes and employees. Investing in employees has shown positive impact on employees' commitment, higher productivity, and higher company performance. (Jiang, Lepak, Hu, & Baer, 2012)

The trichotomy **Ability-Motivation-Opportunity** (hereinafter: AMO) shows that high performance systems include three components in their framework: 1) the employee chance to participate in the organizations and their engagement; 2) the opportunity for

trainings and development in order to increase the employees' skills; 3) the motivation of the employees to be in line with the objectives of the organization (Collings & Wood, 2009). Taking in consideration this, it is also well known that the motivation has a direct impact upon behaviour, while the behaviour is indicated by both opportunity and motivation (see Figure 1) (Hughes, 2007).

Figure 2: Ability-Motivation-Opportunity (AMO)
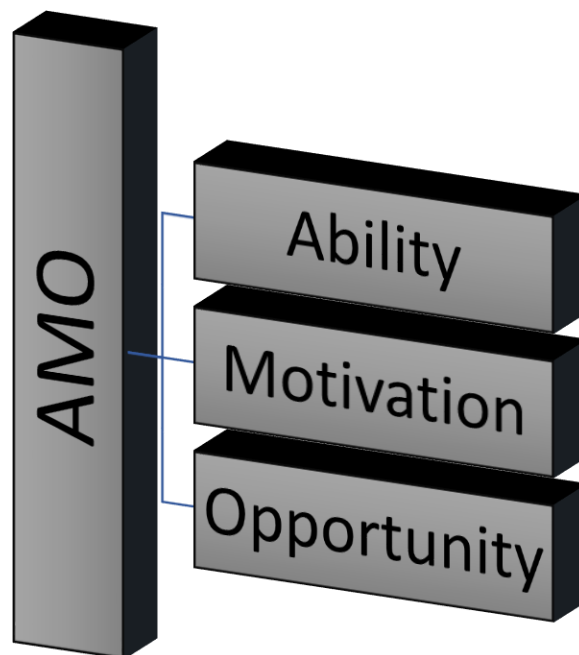
Source: Hughes, (2007)

1.3 Goals of human resource management

For the HRM of a company, setting goals has a long history because of goal setting as an essential variable for evaluating the performance of the organization, as well as considering evaluation of high importance in education, training, transfer of knowledge, and self-management. (Shantz & Latham, 2011) The source of the organizational capabilities lies in HRM systems, which instructs organizations to learn and take advantage of new opportunities. (Ulrich & Lake, 1990) The goal-setting theory says that conscious goals are the immediate regulators of behaviour in an organization. Given the commitment of purpose, the goal commitment, employees put effort and continue to follow the goal until the objectives are achieved. (Shantz & Latham, 2011)

Therefore often, when HRM is asked about the goals of the company, the issue are often related with the readiness of the company to clearly define their goals (Purcell & Ahlstrand, 1994), while it's considered that only large companies define their goals formally in a way that they have explicit goal statements for the strategies connected with

HR. (Kersley, et al., 2006) Depending on the organization, the duration of the goals can be short-term or long-term goals.

Until there appears a crisis connected with the growth of the firm and its performance often goals are not seriously analysed in the organizations, after which it forces the organization to reconsider and reconstruct their goals. The goals of HRM are analysed in two broad categories: economic and socio-politic goals. (Boxall, 2013)

Models of today's human resource management promote mutuality, considering mutual respect between the employees, mutual responsibilities, mutual obligations, mutual rewards, and above all these, mutual goals in order to achieve the company's purpose. Established by the belief that mutuality will bring out commitment, as a result will positively affect greater human development and for sure economic performance (of course, if it is managed well) (Walton, 1985). Commitment also implies to loyalty, as an important objective for the company, which produces higher productivity, more satisfied employees, and flexible workforce.

The achievement of high commitment is one of the HRM policy goals, to follow established goals is an important behavioural commitment, while attitudinal commitment helps identifying employees with the organization. (Guest D. E., 1987a)

Another important task in order to achieve company goals is that **Human Resource Development** (hereinafter: HRD) indicates to the employees' encouragement to self-develop, while creating a good relationship between the organizational staff, which is an important factor for the acquisition of knowledge, skills and attitudes, so that the organization can extend its influence on a different social dimension.

Policies and practices represent key initiatives of HRD**,** providing a framework that requires a necessity of achieving company goals in ethically, socially, and environmentally responsible ways, the purpose of which is to create social awareness (Agrawal, 2007). One of the biggest issues of companies (HR departments), was the demand to encourage the employees to be environmentally friendly, as the most frequent HRM practice.

HRM aims to help the organization to build and achieve long-term goals, to establish a sustainable organization, not just focusing on short-term business goals. Thus, the importance of HRM practices is to integrate organizational performance while not losing the sensibility for social responsibility. The main objective of implementing these practices investing in human resources, considering them as a valuable resource that will help the company to achieve **Corporate Social Responsibility, Corporate Responsibility**, and **Ethical Objectives**, working on cross-functional teams and work satisfaction. (Garavan & McGuire, 2010)

1.4 Effects of human resource management

In today's world it has already been ascertained that investing in production is not enough but investing in human capital is an extra important plan for organizations. While searching for the best solutions for measuring the outputs in the organization, professionals such as economists and academics in the professional literature of this topic often elaborate the topic of **HRM effectiveness.** (Hoffmann, 2014)

Many studies implicate the discussion about HRM effectiveness, demonstrating the importance of HR as a firm asset, and how the practices of HRM indicate the intended outcomes of the company. Demonstrating the effectiveness of HRM is not possible by relying upon one area; it is important to be focused on several areas. (Wright, McMahan, Snell, & Gerhart, 2001) Although the leaders of the companies are aware of the HRM effectiveness, still there is not a known mathematical way of measuring the outputs. However, based on Coreaxis (2019), there are three indicators of HRM effectiveness: employee retention, employee satisfaction, and organizational culture. These three pillars are put together to determine the effectiveness of the company in a way.

Performance is often related to HRM effectiveness; especially in the last decade, HRM literature insists that the progression in practices of HRM increases the performance of the firm (Haile, Farndale, & Truss, 2005) The discussion of which practices to include in HR systems in order to be effective leads to mentioning six of them as the most important and which lead to the highest effectiveness: training and development; the right of decision making; compensation initiatives; evaluation of performance; selection process; and job design. (Boon, Hartog, & Lepak, 2019)

Based on research, the expectations of HRM duties or as can be called 'traditional' HRM activities are similar in all the organizations. (Wright, McMahan, Snell, & Gerhart, 2001) The degree of how effective the implementation is will depend on the number of characteristics of the broader organizational context. (Guest & Bos-Nehles, 2013) On the other hand, the 'strategic' activities of HRM are those that are considered innovations in HRM, thus, there is a widespread acceptance that strategic HRM involves the development and implementation of harmonized business policies with strategies. (Ruel, Bondarouk, & Velde, 2007)

Nevertheless, not always the effects of HRM positively affect the performance of the company. When employees expect to be appreciated and the firm promotes this kind of policy, while it does not fulfil the expectations of the employees, the effects of HRM practices may be ineffective and counterproductive. Similarly, if the measures designed are not implemented successfully, like the ones for improving skills, or the communication of the information is not appropriately spread and did not correctly affect the employees, in this situation the effects of HRM are ineffective. (Jones , Kalmi , & Kauhanen, 2006)

Thus, good strategies in HRM based on chief executives' philosophy, are the ones, which make the employees feel valuable and aware about the vision, mission, performance, and its goals in general. They must be aware that working as a team is important, and whatever they do together or independently, should fit into the strategy of the organization. It is particularly important that they are aware of the reward systems, and this should motivate them to be rewarded for the contribution they make, as well as the awareness that individual contribution and as a team is a part of organizational development and achievement. A further discussion is that the involvement of line managers as well as the cooperation and commitment of the employees in general lead to the effective application of the company's strategies. (Armstrong, 2006)

Professionals of this area consider that managers are those who play an essential role in the implementation of strategies and have an integral role in the formulation of strategies to achieve the company's performance and its goals through HRM (Becker & Huselid, 2006). Answers to the questions of how the performance of the organization is measured, are general, while there are different statements, saying that HRM is an extensive construction which summarises different needs from different levels of the organization (all the employees and its stakeholders in general). (Chen & Yip, 2011)

In order to explain HRM effects, first the concept of the word measurement should be defined. The ratio between the effects and costs of these effects is a general are the most used definition to explain effectiveness in management. Whichever of these two quotients exceeds, the result shows, which strategy is effective or ineffective, as a relation between the two categories mentioned above. (Hoffmann, 2014)

Lately, experts consider that a framework that measures organizational performance covers three dimensions: accounting returns, organization's growth, and stock market (Hamann, Schiemann, Bellora, & Guenther, 2016). Others emphasizes that the outcome of the activities within the organization represents the effectiveness of the organization while the measurements are used to measure these outcomes. (Henri, 2004)

To sum up, there are different definitions of effectiveness, follows (Talebnia & Dehkordi, 2012):

- Effectiveness measures the degree and level of the implementation of the goals, i.e. how much the pre-determined goals are achieved;
- Effectiveness is supposed to predict the goals and employees' needs and interests, based on the performance of the company's achievement.

1.5 Issues influencing human resource management

"It's been a long time coming. But I know a change is gonna come." (Cook, 1963)

Even though this is just a song, whose text was written in 1963, this change has arrived, and it has affected HRM in many ways. Since the necessity of HRM was realised, the responsibilities of HR managers have become wider and more operative. Globalization has affected the reversal of the cultures, it has installed a new way of functioning, while producing indigents in one country, gathering products in another country, yet trading those products in the third country, and so on, putting entire world together as a **'global village'**. People from different countries manage people with different skills and cultures with various needs and knowledge. (Narkhede & Joshi, 2007)

Differences in globalization, economic insecurity, technology, expect grasped labour market, are some of the issues that will architecture workplaces and HRM duties according to the Society for Human Resource Management (SHRM). SHRM professional members notified that there is a wide string of visible trends and challenges but most of them are in the areas of ethics, global procedures, HRM disciplines, labour relations, and developments in technology. (SHRM, 2016) Based on SHRM some of the past decade challenges are:

- Increased talent competition. For organizations, it is becoming harder and harder to find the right employees for the positions they are looking for, this is as a result of improved labour market conditions The need for the educated and prepared talents is growing faster and more every day, while the employees should be aware of how the changes in their job activities can help to achieve companies' goals and help the company to reach sustainability (Langwell & Heaton, 2016). According to columnist Friedman (2005), in order to find a job, we will have to learn very hard much harder than before, because somewhere in China or India, or another continent, someone is learning hard, and tomorrow it is possible we will compete for the same.
- Technology development. The challenge is to make technology a sustainable and productive part of organizational work. The challenge is that companies should establish compatibilities for finding talented employees who will encourage a global organization that will be able to respond to its customers and in the meantime which can follow the technology opportunities in progress (Armstrong, 2006).

The employee recognition report (2015) has shown that some of the challenges of HRM have caused innovation within the HRM departments. Many organizations use social network profiles such as Twitter, Linked In, Facebook, Instagram, and others, to find the right employees for the positions they are looking for. This implies that companies use Social Intelligence to create the portrait of "real you" based not only on the resume. (Bohlander & Snell, 2013) What is more, **92%** of recruits use the media mentioned above to identify the chosen candidates (Bodi, 2016).

Furthermore, for organizations that will want to increase their job activities, it is important to superimpose digital information to physical reality. (Bodi, 2016) "May My Avatar Speak with Your Avatar? is a digital platform, a virtual world envisioning that individual will be represented by digitals, which will do daily jobs done by people today like conversations, doing business, and similar stuff. Corporations like IBM, HP, even have created locations where individuals can go and take information for career opportunities (SHRM/Globoforce Survey, 2015).

Demographic changes. The challenge of HRM has to do with the ability to manage different skills of employees and to build their potentials in order to achieve company goals. Since companies started to expand beyond national borders, cross-cultural communication turned up as an important core of the organizations. Differences like the ones in cultures, beliefs, needs, and principles increased the communication problems (Narkhede & Joshi, 2007).The age of people engaged in labour force is increasing rapidly and this percentage is expected to go on. This growth in the working-age population is a challenge for the new generations, affects creation of workplaces and opportunities, but at the same time it has an impact on economic growth and it affects decreasing pension funds (ILOSTAT, 2020).

- The rising sense of insecurity. With the technology possession, companies are feeling insecure about their data. In addition, the change from manufacturing to the knowledge-based economy, which is characterized by the decrease in manufactory and increase in knowledge, adds to the employees' insecurity considering how long they will be able to keep their workplace. (Stone & Deadrick, 2015) Workers, more and more are feeling insecure in their workplace, the reason is mainly the increased number of violent incidents and social or political instability in the workplace.
- Rise in globalization and diversity. According to Stone and Deadrick (2015), the expansion of globalization is the second invocation of factors that affect changes in HR, while the first one is changed from a manufacturing to a service or knowledge economy. Referring to globalization in this context attributes to organizations that act on an international scale. Economies and cultures around the world became similar to one another, as the result of the large and multinational organization that impact the overall economies. (Oxford University Press, 2020) While operating in global environments companies must deal with challenges, related to different needs and believes, differences in language, in legal systems, etc. Companies that operate in different countries or known as 'Multinational corporations' (MNCs) are compelled to be flexible and prepared for facing the external needs and changes designing prepared managers for working in different cultural environment, while taking into consideration the importance of creating consistent HR practices in different locations. (Sparrow P. R., 2007)

The companies today are provided with user-friendly and easy way of reaching the information regardless to the improvement of the technology, being easily and fast

informed, while taking the opportunities of the advantage of the *information explosion*. With the technology it is easier to interface and share the information from anywhere anytime, also unlimited data can be saved and used in different ways for different needs. These opportunities have enabled lowered costs for the companies. Therefore, social media also has a big influence on HRM of today. Many organizations use social network profiles such as Twitter, Linked In, Facebook, Instagram and others, to find the right employees for the positions they are looking for. This implies that companies use Social Intelligence to create the portrait of "real you". (Bohlander & Snell, 2013)

Now, let us think of the term *"going global"*. Apart from the opportunities of being an international business, managers are required to find a balance between the issues that emerge along the way. Being an international business implies also in differences related to geography, laws, procedures, cultures, mentalities, and safety of employees abroad. Human resource management of today deals with all these concerns.

Coach, business strategist, consultant, manager, line manager, chief manager, sales manager…all these terms are used for managers, implying that as the business world changes so does the function of the managers change. As business is transforming rapidly, the role of HRM will obviously face challenges that will continue through the years.

An important trend appeared at the beginning of 2020, which generally affected entire institutions worldwide or individuals particularly, engaging the economy, health, and all the other aspects of human beings changing the entire way of living, called the **Covid-19 pandemic.**

The rapid spread of the virus, followed with the high rate of contamination (over 63.191.334 cases, 1.467.245 deaths around the world until 30th November (2020)), have affected the global economic activities. To deal with economic consequences, different programs were created, the unemployment rate showed growth (Feldman, 2020), and thus there was an extended need for new frameworks guiding how to deal with this consequence.

The European Commission (2020) considers that as the result of pandemic there are created new working environments; thus, businesses are required being resilient and obligated to create new skills for surviving those challenges. Based on Sustainability Leader Survey (2020), the Covid-19 will harm the sustainability agenda, and most of the experts consider that due to pandemic, sustainability will not be as important priority as it was.

Because of the Covid-19, the Republic of North Macedonia was forced to create its economic and monetary policies considering these measures important for ensuring the implementation and evaluation of economic, social, and environmental measures, to support small and medium business, as well as the self-employed, affected mostly from the Covid-19 crisis. (European Commission, 2020)

The World Economic Forum (2020), launched the Covid-19 Action Platform putting the priorities into three pillars: encouraging global business community for joint activities; reliving the continuity of business and protecting people's health; mobilizing business corporation and creating business support in response to the pandemic.

2 CORPORATE SUSTAINABILITY

2.1 The notion of corporate business sustainability

Past 20 years, especially the last decade, over the executives of the companies the term sustainability has taken a special place and is considered as a silent factor of the company goals. (Chouinard, Ellison, & Ridgeway, 2011)

Sustainable development defined by the World Commission on Environment and Development (hereinafter: WCED) (1987, p. 34) implies "development that meets the needs of the present without compromising the ability of future generations to meet their own need". Except this, referring to the (WCED, 1987), sustainability "emphasizes the long-term nature on the benefit that business is expected to provide to society" (2008, p. 163). For the concept of sustainability to be significant, it should utilize, innovate, or restore something specific, but in the meantime, it must take care of fairness of the trade without damaging the future needs and providing justice between generations. (Wilkinson, Hill, & Gollan, 2001)

The concept 'sustainability' is relatively lately developed, and thus it is interpreted in diverse approaches. One approach considers it as an approach of corporate, state, and civil society (Bansal, 2002), while other look at it as a diverse need for diverse corporations and diverse people. Generally, sustainability consists of a long-term perspective of environmental and social outcomes. (Garavan & McGuire, 2010)

Sustainable development has shown increased interest in the professional literature of today's world as an approach taking the attention of the managers, with the desire of drawing the paths, which the company aims to achieve. Companies are those who play the key role in sustainable development because they represent the productive resource of the organization. (Bansal, 2002)

Three dimensions as economic, environmental, and social are linked to the term sustainability but still not related to each other. It is widely agreed that most of the companies that consist of these three pillars should be independent and interconnected with one another at different levels (Bansal, 2002).

Elkington (1997) argued that sustainability refers to a perspective that is called "triple bottom line" which focuses on environmental performance, social performance, and

economic performance. Triple bottom line or 3Ps represent People, Planet, and Profit; as a measurement of sustainability (Kanjia & Choprab, 2010):

- People: referring to fair work practices for the employees in the field that they operate.
- Planet: referring to sustainable environmental practices.
- Profit: referring to the value of the organization, considering the difference between the amount earned and the amount spent including the capital costs of the company.

Therefore, with the term business sustainability we can refer to the success of the company which is not defined only from the financial return on investment (ROI), but also referring to the environmental and social citizenship as an important factor for the overall success of the organization. (Gardberg & Fombrun, 2006)

The term sustainability is an imprecise term that has appeared in the contexts of environmental and population growth. The sustainability discussion was encouraged from the Brundtland Commission of the United Nations (WCED, 1987). This Commission analysed sustainable development, which appeared to be global, long term, and took into consideration many stakeholders. They claimed that sustainability development consists of three pillars divided into economic, social, and environmental dimensions. The idea of promoting sustainability was launched not only because of the environmental concern, but also the concern for the social impact, and the need of HRs. (Commission, 1987)

As the term social responsibility is faced in all-time activities organizations today are stimulated to *behave* socially responsible (Welford & Frost, 2006).

The benefits of forming 'Green teams' within the organization are not only for reducing the costs and the impacts of the environment but also it encourages the employees to contribute to their workplace and to be engaged in activities with positive impact. Practicing those activities may also contribute to society, by which individuals' similar practices can apply in their homes also as in the workplace. (Linda , 2013)

Business as Usual (BAU) organizations work not taking in consideration that the number of resources is limited. (Meadows, Meadows, Randers, & Behrens Ill, 1972) This approach considers that resources are created for taking and reshaping into usable products (Willard, 2012), because mostly after the resources are returned to the planet in negative aspect in forms of waste or pollution, and thus this is threatening the ecological systems and health of our and future generations. (Robèrt, et al., 2001)

In the meantime, as the human population is increasing there is a growing need for resources to satisfy those demands (Johnson & Onwuegbuzie, 2004), as a result the socio-ecological system is under pressure. (Meadows, Randers, & Meadows , 2004) If companies want to be ready for the future market conditions and sustainability challenges there is recognized an urgency of adapting to BAU approach. (Holmberg & Robèrt, 2000)

Framework for Strategic Sustainable Development (hereinafter: FSSD) is a framework that helps the sustainability challenge to facilitate a shift toward sustainability, while recognizing the urgency for responding to this challenge. (Robèrt K.-H. , 2000) This framework empowers businesses to create strategic business plans through the understating of sustainability principles. (Holmberg & Robèrt, 2000)

One of the main principles of sustainability is the vision of success, and thus these actions are designed to bridge the gap between today and the future. (Holmberg & Robèrt, 2000)

However, 'How a company implements sustainability', is extremely hard to measure, since as mentioned above, there is not an exact definition of sustainability. Companies are trying with fewer resources to produce as many as possible products, this is known also as the eco-efficiency approach (WBCSD, 2016), but still this single concept it's not sufficient, causing incremental changes. (Dyllick & Hockerts, 2002)

Based on Forbes (2019): "What's good for the planet its good for the business", the company's response to going green is increasing around the world. According to international survey more than 80% of people value much more companies and brands which endorse eco-friendly practices. While going green, provides also other benefits for the organizations as the creation of healthier workplaces, creating the culture of minimizing costs, increasing efficiency, and other. To achieve sustainability, according to Hart and Milestein (2003), organizations should:

- Improve the skills to increase the profit while preventing pollution risk.
- Use clean technology while innovating.
- Have vision for the future.
- Discuss with few stakeholders.

The concept of sustainability entered the organization's agenda on behalf of the UN World Commission on Environment and Development (the Bruntland Commission). In 1983, it was recognized by this commission that this issue is global and requires a worldwide solution. The attention on economic growth enabled companies to take into consideration the damage they are doing to the environment, like for example the Union Carbide Factory in Bhopal India, which took so many lives, and the consequences are recognized even today. Therefore, the truth is the companies are created from the natural resources overall (human capital) as well they exist from costumers, it becomes important to rethink and redesign their priorities. (The Economist , 2009)

The Brountlad Commission's (1987) view on sustainability is related to different concepts of responsibility in organization. Corporate Social Responsibility (hereinafter: CSR) and Corporate Social Performance (hereinafter: CSP) are included in these concepts. Having a philanthropic responsibility is also an important point of organizations; the concern for society should be same as for economic performance and legal responsibility. The concept CSP is an extension of the CSR, for measuring the impact of the organizations in social

spheres while evaluating performance in terms of measuring the social goals of organizations. (Carroll, 2008) The 2030 Agenda for Sustainable Development is a plan of action for people, the planet, and prosperity shaping and stimulating the policy and actions of sustainable development for the next fifteen years (2015). Considering education is necessary for achieving Agenda 2030, still questions discussed in this agenda are related to the need of what is important to learn in this century, the education role in social transformation, and similar. (Agbedahin, 2018) The 2030 Agenda is constructed of 17 goals, 195 countries agreed with United Nations to change the world for the better and in this agenda, violence is recognized as a threat to sustainability (Leea, et al., 2016). Considered of critical importance for the planet and humanity are five pillars, and are in the spotlight of this agenda (2015):

- People: eliminating poverty and hunger;
- Planet: protecting the planet, acting consciousness to protect the present and future generations;
- Prosperity: the right to equally enjoy the possibilities of prosperity;
- Peace: sustainable development is necessary for peace, and peace cannot be implemented without sustainable development;
- Partnership: this agenda is implemented through Global Partnership for Sustainable Development with aim to strengthen the solidarity of the companies toward the planet.

The notion Corporate Social Responsibility (CSR), also known as a sustainable business, corporate sustainability, corporate citizenship, responsible business (Wood, 1991), can be considered as a kind of self-regulation for private business which operate internationally (Dahlsrud, 2008). Earlier, CSR was considered as an internal organizational policy, or as the ethical rule of behaviour, but when organizations started to globalize, to operate internationally, and thus with this have developed many international laws, organizations used their authority to push it beyond individual initiatives or even industry-wide initiatives.

In a recent study of "Sustainability Effects", according to GlobeScan (2020), there are some findings related to sustainability:

- The private sector's contribution to sustainability has decreased compared with 2019. For the first time in many years, the contribution of the UN in sustainability has also declined.
- Sustainability as a core part of business models proceeds to be the key to sustainable leadership. The global pandemic situation as an indication of economic hardship has put a highlight in some other important criteria like human rights, health, social commitment, as well as the communication importance.
- Experts on a range of pre-defined leadership attributes as an answer to corporate sustainability show that they have a clear sustainability plan or strategy. However, the results to advocate systematic changes are low.

- To increase the stability of the future shocks, experts advise the private sector to strengthen their ESG (Environmental, Social and Governance) commitment, and to redesign their business models taking care of sustainability and long-term priorities.

Organizations today are stimulated to *behave socially responsible* because the corporate world of today is facing with word social responsibility in all-time activities (Welford & Frost, 2006).

2.2 Supporting corporate sustainability

"If it's a good idea, go ahead and do it. It is much easier to apologize than it is to get permission"—Admiral Grace Hopper"

According to Hall (1984) 'strategic human resource' was defined as: "The identification of needed skills and active management of learning for the long-range future concerning explicit corporate and business strategy". (Armstrong, 2006, p. 528)

Strategic sustainability is linked to business benefits and environmental impacts, while human resources play a significant role in this success. Based on studies, many employees cope with how to properly incorporate sustainability in a strategic way in their organizations. For those who successfully incorporate these strategies, the results are often substantial and lead to brand image, increase in sales, improved recruitment process, and overall increased efficiency of the company. (Schroeder, 2012) However, on the other hand, if the strategies are not adopted properly, it can be seen as a cost or financial burden, and as a result, due to economic pressures, they can be dismissed. (Kruschwitz & Haanaes, 2011)

Another definition by Walton (1999) indicates that: "Strategic human resource development involves introducing, eliminating, modifying, directing and guiding processes in such a way that all individuals and teams are equipped with the skills, knowledge and competencies they require to undertake current and future tasks required by the organization". (Armstrong, 2006, p. 528)

There are plenty of definitions of sustainability in the literature however, this concept is still broad, it describes various ways of sustainability, and thus its concept is elusive.

Nowadays, it is important for HRM to support sustainable organizations, toward achieving better economic, social, and environmental performance. According to Jabbour and Santos (2008), there exists a multidimensional model for achieving higher performance combining the three pillars mentioned above while staying socially responsible, being innovative, and engaging HRM in central organizational sustainability. To create a sustainable mindset in organizations, HRM plays a decisive element. (Vickers, 2005)

Taking into consideration sustainability based on Freitas, Jaboour and Santon (2011), the HRM evolution in this field has passed through four stages:

- Conception
- Personal department
- Strategic human resources
- Human resource as a basis for organizational sustainability

Human Resource Development (HRD) is a development that has a clear vision for the existing potentials, people abilities, and operates within the strategic framework of the organization, to achieve business goals. Learning and development are part of HRD strategies, business-led to achieve the goals of the organization. (Harrison, 2000)

HRD aims to build in the belief that to take a competitive advantage the strategies must consider human resources as the most valuable asset of the company, with the purpose that the right people are capable of meeting present and future needs. For increasing employability outside the company, at same time not neglecting the inside needs for development, a learning culture is a must in a company. (Armstrong, 2006)

In order to achieve HRD, there is a list of factors for achieving development, and thus the results of engaging this factor and achieving development leads to corporate sustainability. According to Armstrong (2006), there are four basic pillars that lead to HRD, and they are as follows: organizational learning, individual learning and development, blended learning, training, and management development. HRD management is related closely to the aspect of HRM, which invests in learning, and development of human resources.

Harrison (2005) argues that to develop learning and development strategies, companies should satisfy the following steps:

- Creating strategy team on which will be agreed.
- Clarify the mission of the organization.
- Define the core values.
- Define strategic issues, which the company is facing.
- Creating a strategy and strategic plan agreed upon by all.

2.3 Key issues for achieving corporate sustainability

To respond to the sustainability pressures, which has shown a raise as a response to unstable growth of economies and organizations, has put the world through economic social, and environmental challenges such as inequalities, damage, and decrees of natural resources, demand for transparent policies, etc. (Wijethilake, 2017) To overcome these sustainable pressures, companies should create sustainable strategies for how organizations will respond to these pressures which impact the sustainable performance of the organization itself.

Researchers, trying to implement corporate sustainability, have encountered many issues and challenges. However, despite that, many businesses have put their trust in the 'use of sustainability' and the rhetoric of CSR, for which many claim that in changing organizational practices not very much has been achieved. (Daly, Cobb, & Cobb, 1989)

A wide number of issues have been identified in this contest, and it is important to recognize the possible role of HRM while promoting the theory and practice of CSR. While some claim that the role and responsibility of the organization are to create profits for shareholders (Hinkely, 2002), meanwhile some others claim that CSR should serve to the public goods and not the shareholder interests. (Husted & Salazar, 2006)

At the same time, many agree that CSR doctrines have yet to manifest approaches for understanding, prioritizing, and classifying the drivers, which are important to the shareholders. (Fenwick & Bierema, 2008)

There is a growing need to install ethics for future generations of managers. According to The Economist (2018), businesspeople of today often repeat these three different words: "Corporate Social Responsibility or CSR", with the intention of raising the awareness of the companies for the society and the world.

That is why MBA programs and Business Schools are meant to create good and responsible managers, to take into consideration ethical dilemmas while they make decisions. This shows the need to be ready for the complex and dynamic world full of challenges today. (C.S-W, 2018)

2.4 Creating a corporate sustainability mission, vision, values, and strategy

Organizations which have passed through the implementation of the so-called **The Fifth Discipline,** paying attention to vision, mission and values can be seen as an "old hat" or an ineffective practice passed through. But on another hand, some practices have testified that mission, vision, and values can be a guide for business, and it can ensure meaning, motivation and loyalty for its employees, as the result the companies can be long-lasting as the examples of: Shell Oil Co, Nestle, Matsushita Electric Industrial Co, etc. (Mirvis, Googins, & Kinnicutt, 2010).

The purpose of the **vision** is to manifest the desired future for the organization. (Tanković, 2013) Often companies present the vision through their slogans to present the company outside, but vision is a detailed framework for the companies' strategies, and vision is often used as a strategic direction to the future desired state, or a road to how and where the organization wants to be.

While, vision is the future desired state, **mission** deals with the purpose of the company. (Tanković, 2013) Often mission is used as a sketch of how to deal with quality issues and

economic pressures. The mission statements describe specific details about the organization, they should be unique, and they should describe the organization's aspiration, the achievement expectance, desirable size, and areas in which it will be unique, or it would like to operate. (Alkhafaji, 2003)

Studies show that individual values are the mover and indicate to personal sustainability. The question is if this is the same with companies. Rokeach states that **values** represent a specific way of behaviour or end-state. It is '*a cognition about the desirable'*, '*affective in the sense that we can feel emotional about it'* or '*be affectively for or against it',* and it '*has a behavioural component in the sense that it…leads to action when activated'*. (Rokeach, 1973, p. 7)

Senge (Senge, 1990) combines these three ideas, putting mission, vision, and values together in a model called "governing ideas", adapting for organizations as follows:

- Vision is considered the "WHAT": the image we want to create for the future.
- The mission takes the role of the "WHY": why the organization exists.
- Values are the answer to the "HOW": how or what we do to achieve our vision. (Mirvis, Googins, & Kinnicutt, 2010)

Figure 3: A model of the strategic management process
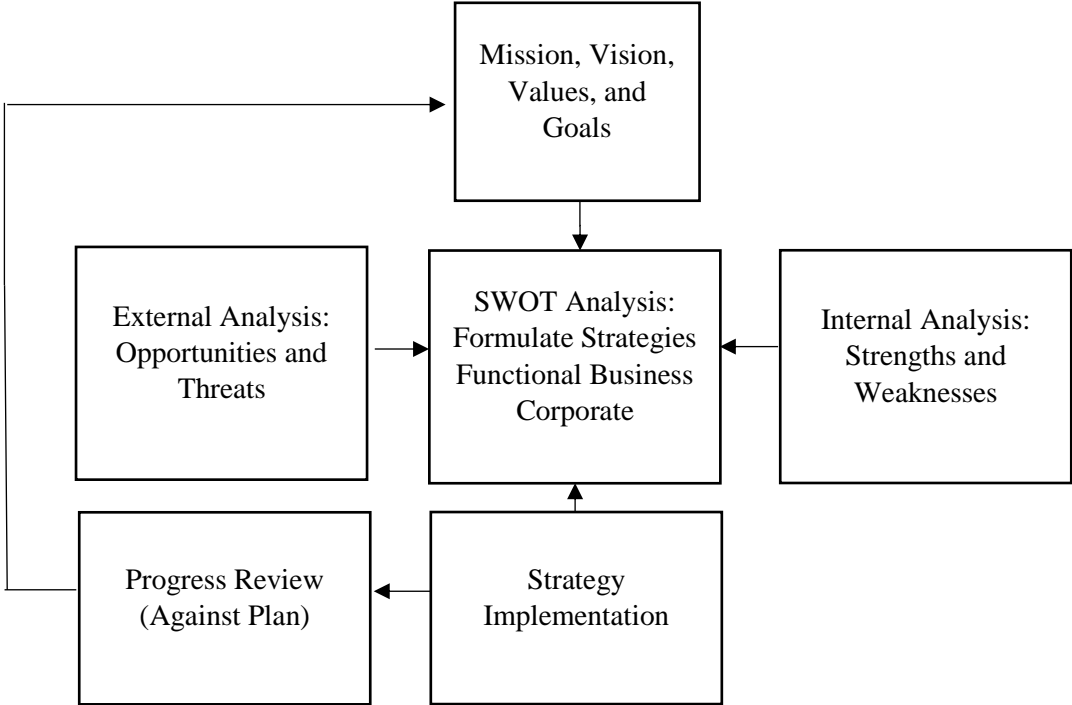
Source: C.W.L. Hill and G. R. Jones, (2012)

The corporation management **strategy** is led by the mission and vision statements, as one of the leading tools in strategic planning. The strategy of the organization is often kept as a

secret while the mission and vision of the corporate are firstly defined. This gives the company the priority for choosing guidelines for strategic selection. Based on Mullane (2002), in existing organizations, there are possible two distinct situations: the first scenario is when the organization implements values from current mission statements to define the behaviour through the organization, and the other is when the organization defines new mission statements, which the organization desires to have in future. Vision and mission statements are defined as tools of strategic importance (see Figure 3).

The HRM can create the connection between employees' activities and sustainability only by adjusting workers' **key result areas** or **workers' key performance areas** know as **(**hereinafter: KRAs**)** and (hereinafter: KPIs**)** to the objective of sustainability. (Gonzalez, 2018)

There is an expanding volume of literature where the importance of sustainability is highlighted, and the positive influence sustainability has over the company's performance. The terms sustainability, going green, corporate social responsibility, and corporate social performance refer to the organization's goals to achieve long-term economic, social, and environmental performance.

A well-established mission statement will support the organization to scan their external and internal environment to retain its sustainability, and to have a faster response to the environmental changes, technology advancement, to avoid the risk and use the opportunities.

Organizations with vision, mission, values, and strategies can demonstrate their external and as well internal stakeholders about their focus and the direction of company's aims (see Figure 3). The organization must create its own culture as a set of beliefs and values (Schein, 2004), to influence the behaviour of its members, and to its context in ways of communication in the company, training, reward system established, recruiting and others support to the creation of sustainable culture in organizations. Without the creation of an infrastructure, which supports the development of sustainability strategies, the organizational effort to implement sustainability will be useless. (Aris, Othman, Chik, & Rahman, 2016)

Corporate sustainability management must focus on innovation, efficiency, and effectiveness of the organization's productivity, while adjusting this with stakeholder requests and taking care of **Framework for Strategic Sustainable Development** (hereinafter: FSSD) principles. A condition for the success of the company is to incorporate sustainability activities and strategies into the organizational culture, thus this is a strategic task. (Baumgartner, 2009)

Frameworks for corporate sustainability and CSR are used in different management levels to support the organization in its sustainability activities. While the normative level duties are improvement of the legitimacy of corporate activities by stockholders and society; and

the strategic management levels, define the long-term goals, staying efficient and implementing these goals to the corporate activities. (Baumgartner, 2014)

Based on Baumgartner (2014), there are three basic organizational variables included in the framework:

- Organizational culture,
- Management instruments (the formal ones)
- A unified view of corporate sustainability management.

This framework, uses instruments for identifying, implementing, and controlling activities, to control sustainability aspects.

3 THE ROLE OF HUMAN RESOURCE MANAGEMENT IN CORPORATE SUSTAINABILITY

3.1 Human resource management and impact on corporate sustainability

"*Most of the real problems we face every day on this planet are human created, and they are subject to human solution*" John Kerry. (Forbes, 2020)

Last two decades, the link between HRM and corporate sustainability (hereinafter: CS) or CSR has gained special scholarly attention. (Ehnert, Harry, & Zink, 2013) In order to understand the role of HRM in CS and CSR, it is important to review the theoretical literature of HRM and CSR, as well the literature addressing HRM and sustainability. (Wright & Snell, 2005) Voegtlin and Greenwood (2016), in their literature research of the relationship between HRM and CSR/CS, identified two dominant trends:

- HRM seen as a driver or part of CSR/CS or,
- CSR/CS is seen as a part or facilitator of HRM.

On one hand, literature questions the limits to where economic growth and sustainability can coexist (Nyberg & Wright, 2013), claiming: "*In effect, HRM colluded with managers and ignored the wider stakeholder perspective*" (Beer, Boselie, & Brewster, 2015, p. 431), while on the other hand, the literature researches the extent to which economic profitability and the sustainability of natural and social resources can be unified. (Boudreau & Ramstad, 2005)

Two dimensions appeared as key characteristics interpreting the role of HRM in CSR: the dominant orientation of activities of HRM, which are people versus processes; and the dominant orientation of activities of CSR/sustainability, which are internal versus eternal. (Stefano, Bagdadli, & Camuffo, 2017) The internal element signifies the way the employees are treated, while the external element enables the importance of the needs and

expectations of external stakeholders to be realized. (Stahl, Brewster, Collings, & Hajro, 2019)

This contrast, between processes and people, captures the degree of HRM activities oriented to CSR and sustainability, the focus is on the role of HRM and how it performs its functions. HRM practices are included here used as an instrument to contribute to sustainability, like training, recruiting, communication, appraisal, employee empowerment, etc. (Lam & Kahre, 2010), this results with an impact on the role of HRM managing human resources for achieving CSR/sustainability.

The term "people" involves the role of HRM to the social sustainability by installing these values in organizations and keeping sustainable relations within the employees (Spooner & Kaine, 2010), employee' care which is grounded in psychology, well-being, work-life balance, organizational behaviour, quality in terms of health, safety, job security. (Ehnert & Harry, 2010) In contrast, the term "process" implies functions of HRM, which are related to policies, practices, contributing to the achievement of all sustainability initiatives through the organization and employees. (Stefano, Bagdadli, & Camuffo, 2017)

HRM is not an instrument for achieving sustainable HRM, but it is embedded in CSR/sustainability. Therefore, the goal is not to facilitate CSR, but to make social sustainability part of the HRM field. The internal orientation is focused on business ethics, and the role of the HRM in the implementation of the ethical principles within the organization; treating people as human beings, in a human way, while minimizing the stress derives from work managing ethical dilemmas for HR managers. (Foote , 2001)

However, within the HRM sustainability framework, topics like well-being, health, diversity, lifelong learning, quality of work-life (hereinafter: QWL), work and life balance (hereinafter: WLB), safety, and others, are rather isolated than integrated in the framework, understanding that HR in this field is dealing with "employee champion" rather than sustainability, but this reduces the main stressor which negatively affects employees' well-being. (Stefano, Bagdadli, & Camuffo, 2017)

How to design and implement practices oriented toward sustainability, performing the role of "CSR champion, and how to find the mutual strategy between HRM and sustainability remains an unsolved and unanswered question. (Stefano, Bagdadli, & Camuffo, 2017)

3.2 Company readiness for corporate sustainability

How ready a company is for corporate sustainability is often related with company's readiness for change. We cannot assume that every company is ready for change; it is not something automatic that exists in all institutions. Organization, and people must be ready for change, and if they are not then the risk of failure is high. (Smith, 2005)

The motivation to invest in CSR and to integrate this with the strategies of the organization stands in the belief that it will secure long-term survival on the market. Soon for the management, the topic of sustainability, the aspects to which HRM and sustainability refers, how to implement sustainable HRM, and the aspects of sustainability in the social and ethical parts of HRM, will become a core topic. (Ehnert & Wes, 2012)

On the other hand, individual motivation is affected by social resources, therefore sometimes the low performance of the employees implies on the organization as a result of the lack of communication in the company, the need for an adequate appraisal system for evaluating their effort, and similar that effect on employees performance and productivity. (Pfeffer, 2007)

These systems are costly to implement for HRM, thus there are many economic arguments for its need. The need for new skills for employees and managers both and implementing these high-performance management practices in the system are included in the costs (Shaw, 2006). For example, if now-trained employees do not use the knowledge for decision-making processes and control over the processes of work, then the cost was useless.

"Change management requires careful planning, implementing the concrete action plan and involving everyone in the organization who are affected by these changes". (Laurentiu, 2016, p. 210)

There is a correlation between change readiness and change management. If the willingness for change increases within the organization, the systematic change will occur (Kotnour, Al-Haddad, & Camci, 2015). There are different types of change readiness, some of them happen in a time of crisis, but there are changes that happen in continuous form, these changes are called **maintenances** (Armenakis & Harris, 1993)**.** Today, in order companies to remain sustainable, they need to go through changes, and these procedures affect all the organization members.

The readiness for change is analysed in different levels of the company, but for sure it affects two levels, organizational and individual level, and this two together affect the collective change. (Rafferty, Jimmieson, & Armenakis, 2013)

Based on Smith (Smith, 2005), change readiness is the art of going through changes while stressing the following areas:

- Creating understanding for urgent responses, and the need for specific change
- The process of communication, sharing the point of change with the whole organization
- Ensuring knowledge and making the organization a source of providing change

Change readiness is a complex issue, it engages more factors, and it is influenced by individual readiness. Since individual expectations differ from one another, they differ

from person to person. Based on Vanluchene and Jonsson (2019, p. 14) some of the factors that have an impact on change readiness: vision and goals, sense of urgency, leadership, communication, external help, transformational leadership, feedback, organizational structure, beliefs, values, trust, and support, and least but not last education and training. These are also considered as change readiness factors and thus indicate positive change.

Based on European Company Survey (2020), there are some key findings of the way work practices can be indelicate in revealing the potential of employees:

- To generate higher outcomes, companies must design their workplace practices, from which workers and employers will benefit together. Thus, while companies improve the workers 'job quality by linking the practices which indicate the employees' autonomy, promote training and learning, a business can advance.
- In the EU, average a one in five workplaces implement these useful practice packages. Based on country successful examples can be found, in strategies, in the field of business, competitive strategies, etc.
- Most of the successful examples show that it is not only about facilitating practices but also about their impact on supportive management.
- To achieve positive outcomes, training is an important factor in the company. Based on research most of the EU organizations offer at least some training for at least some employees, only a few of them provide comprehensive opportunities for learning and training.
- Companies with social dialogue result better in the field of wellbeing and overall performance. Companies that install trust and social dialogue, with the direct participation of employees are the ones that make difference.

As Eurofound and Cedefop (2020) report, in the European organizations, there is an extensive range of strategies and practices, which are implemented in the field of HRM, employees' rights, skills use, and skills development. In order to achieve this development, the managers should be offered support as the ones holding the key role for achieving workplace change, therefore being a crucial factor to success.

3.3 Developing key human resources skills needed to promote and create corporate sustainability

The establishment of skills begins from the early period of childhood and the bases for development of the basic skills are formed from the educational system. It is considered that from early years we are developing abilities, which in the future are valued on the job market: the socio-emotional skills, the discipline, the persistence, team-working skills, and some other technical skills, which make the individual differ through their careers on the job market. These skills are improved during life, allowing the development of these abilities to adapt to the demands of the workplace. (Heckman, Lochner, & Todd, 2006)

While deciding for the company's strategies and goals, the managers who hold leading positions, are expected to act as agents of change, to develop strategies, ways of working, and personal values to support sustainable development, encouraging others to act the same way and promote change. The resource–based view of the organization is most dominant in today's HRM (Boxall, Purcell, & Wright, 2007), therefore the interest for the workers has shifted toward those whose contribution is critically important, meaning to those who have unique skills and add more to the value of the organization (Lepak & Snell, 2008). This group is comprised of the **"rainmakers'**, who are considered as the employees who make the shift in the organizational performance, so they have a special treatment; this is a strategy of the management to show their appreciation, but on the other hand, the side effects are that other employees are not feeling valued enough (Marchington, 2015) which is a great risk for the sustainability of human capital.

Identifying the nature, the progress, the rewarding, and the retention of the individuals who can support the development of the organization's sustainability make the purpose of talent management (Sparrow, Hird, & Cooper, 2009). As Collings and Mellahi (2009, p. 304) claim, talent management includes: "the systematic identification of key positions which differently contribute to organization's sustainable advantage, the development of talent pool of high potential and high performing incumbents to fill these roles, and the development of differentiated human resource architecture to facilitate."

The 2020 HR statistics (Turczynski, 2020) shows that:

- 90% of job seekers see transparency as an important tool they will want to possess the company the company they will want to work for.
- 87% see the opportunities for growth and development important for them.
- Nearly 80% look to fit into the culture and people of the organization.
- 50% of the candidates' state that they would not work for a company with a bad reputation, even if they offer them a higher salary.
- 69% of people looking for a job would apply for the position in the company in which the brand is professionally managed.
- 97% of the 2017 generation consider they will need on-the-job training to raise in their career.

According to Beaumont (1993), activities required to promote and create sustainability are organizational culture and change; the selection decision; appraising employees; reward and compensation system; career management and development; employee-management communication; and employee participation.

3.4 Employee health and well-being

In modern life cycles, 24 hours per day are still not enough for finishing all the duties. In a society where people are full of commitments, WLB has become a predominant issue'.

(Lockwood, 2003) The conflict people face trying to build a career while finding time for their private life is one of the most significant concerns of today's issues in society. Many companies invest in various programs to ensure that these qualities do not lessen the quality of their work. (Anderson, Coffey, & Byerly, 2002)

While financial security is one of the most important factors indicating individual happiness, recent research shows that millennials of today have some other resources of happiness which they appreciate, like spending time with family and friends, helping others, having time for recreation and hobbies, and developing in their intellectual life. (Landrum, 2017)

WLB indicates to the need to reduce the impact of the work carried in the family, while this reduces the impact of stress level and as a result increases the motivation at work and work commitment. (Shah & Asad, 2018)

The issues concerning the employees related to the WLB differ; everyone is facing different needs, varying from the personal need or type. However, based on Eurofound (2020) some of the most common issues are working outside the working hours; being too tired for private life after the work hours; demanding job, which affects private time; private obligations affecting job; and preferences for working more or fewer hours.

Well-being as a term is conceptualized in different ways, but it can be defined and measured with the level of employee engagement, or their job satisfaction. Historically, well-being was more focused on 'health' and 'safety in the workplace but now, is much more than that, thus the government-led imitative has grown the interest of well-being in terms of employees' physical and psychological aspects of life (Suff, 2016). To improve and support well-being in workplaces, it is necessary to understand and design the practices and policies of HRM, but at the same time take into consideration how these practices are designed, implemented, and evaluated. (Kowalski & Loretto, 2017)

Quantitative studies indicate that happiness, employee relationship, and health at the workplace are important measurements of employee's well-being, but still, there is an absence of an agreement for the relationship between HRM, well-being, and performance. On the other hand, the more optimistic model of "mutual gains' considers that HRM can support increasing in both employee well-being and organizational performance. (Kowalski & Loretto, 2017)

The Eurofound report (2020) notes that in 2018, job satisfaction in the European countries is 7.2. Compared to 2013 it has not changed much, then it was 7.1. However, job satisfaction among European employees is much higher than financial satisfaction (more than a half of a point).

Furthermore, organizations started to realize that on well-being there is a negative impact from people with ill health, while there is a positive impact from people with good health.

Therefore, the link between health-wellbeing-engagement demonstrates that companies need to invest in the well-being of their employees to increase engagement and furthermore company performance. (Suff, 2016)

New technology, as a must-have in every business, made considerable changes in processes and systems (Armstrong, 2006). Various skills are required to keep job positions, which include multi-tasking and being multi-skilled, flexible, and working in teams. Key human resource processes are transformed in the organizations because of technology implementation, thus the use of the internet has adjusted the relationship between people and the organizations, while also the nature of work has changed (Kiesler, Siege, & McGuire, 1984). This trend obesely continued because number of jobs worldwide is reduced as a result of advanced technology used in workplace, thus jobs that require considerable skills are increasing while those with little skills required are decreasing, and as a result the nature of work is changed. (Srivastava & Agarwal, 2012)

People can nowadays check the nature of business or products online, even the job applications are more and more each day realized online. Considering the changes technology has made in the labour market, we cannot hide the threat presented to the employees with technology development. Technology today can be a substitute for people, and it can be considered as a threat for many existing jobs.

3.5 Attracting, engaging and retaining the right people for the actualization of corporate sustainability

Designing "Green" HRM departments that will invest in green HRM activities to support environment friendly employee behaviour will lead to improving promoting sustainability. Based on Langwell and Heaton (2016, p. 653), these HRM activities should include communication, engagement of employees, training, and development, hiring and selection, also the reward system.

Communication is the ability to exchange information with stakeholders effectively. This tool provides the top management to communicate to all the levels of the company's employees the initiative to encourage sustainability. (DuBois & DuBois, 2012)

The purpose is to communicate sustainable goals through the company, and how these goals are related, how they influence every employee in that company.. (Andersson, Shivarajan, & Blau, 2005) Using the term sustainability in everyday language creates the possibility to better explain to the employee's sustainability mission, creating an understanding for processes and goals. (Langwell & Heaton, 2016)

Based on The Employee Engagement Report (2019), the findings show that:

- Employee loyalty is decreasing: 43% of employees are willing to leave current jobs for 10% higher incomes in other company; the fault stands on organizational culture established.
- Lack of self-awareness in leadership: 39% of management consists there is transparency in the organization, but only 22% feel that way.
- Better direction for workers: 44% of employees do not see the space for development and promotion within their company.
- Employees do not get the recognition they deserve only a third of employees got the reward for the extra mile last time, and just a quarter of them feels valued at the workplace.

For employees to be engaged in achieving sustainability change, the HR department must align with the overall sustainability goals of the organization. This can be achieved with the strategy of creating a positive attitude within the employees, getting employees emotionally connected with the mission of the company, engaging employees with a cause of the organization to create and support good in society (Langwell & Heaton, 2016).

Only **two of five people** consider that their manager has clearly defined the role and responsibility for them in the organization, and their contribution to the success of that company. Thus, based on research, only **one in four people** feel like their opinion and contribution in the organization is valued or taken seriously. On the other hand, on the question of how transparent the employees feel their management is, the research has shown that, **only 22% of the company** feels the management is transparent, **while 40% of managers** consider it as transparent. (TINYpulse, 2019)

Training and development department play an important role for implementing sustainable programs in an organization. (DuBois & DuBois, 2012; Ahmad, 2016). Employees need to understand that changes in the process of work help the company reach sustainable goals, and as well, their performance can help achieve those goals. (Langwell & Heaton, 2016)

Workers possessing high skills are remarkably hard to get in ECA countries, even if the level of education is relatively high. (World Bank, 2015) Based on World Bank (2015), Armenia, Georgia, North Macedonia, and Ukraine are stuck in a low-value equilibrium where to take any move the approval of the government is required, private and public sectors, companies, workers, students are involved altogether in other to make the changes improve. The failure of the political system, educational systems, and information systems settled to the position of losing the direction.

However, employees are expected to be proactive and to take initiatives for their promotion but looking from the other perspective the responsibility of the manager is to manage these attempts. The surveys show that **54%** of people are confused about their

promotion and career path, while **only one of three** people considered company offers them the opportunity to reach the full potential. (TINYpulse, 2019)

Moreover, programs for training and development should directly contribute to the knowledge on the department the employee operates on purpose to add their job description. (Langwell & Heaton, 2016)

Based on **Global Talent Competitiveness Index (GTCI) 2020**, North Macedonia is found on 89th place on GTCI rank for growing, attracting, and retaining talents. As a country with upper-middle incomes, North Macedonia is lower on this rank compared with neighbour countries with a similar income level: Albania is 76th on this rank, while Serbia 58th. See chart 1.

Figure 4: GTCI survey comparing North Macedonia with countries in the region, all of them compared with Switzerland
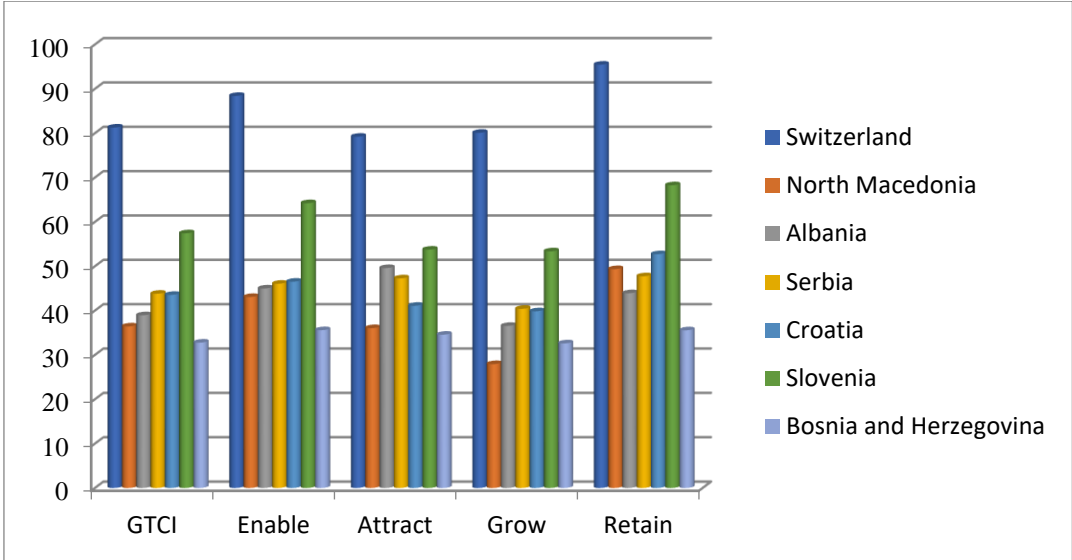
Note. * This survey is based on the Global Talent Competitiveness Index (https://gtcistudy.com/)

Source: (2020), Growing attracting and retaining talents within countries and cities

Compared with other countries in region as Croatia 59th, Slovenia 31st place, North Macedonia is much lower in the rank, while it is higher ranked compared to Bosnia and Herzegovina standing on 101st place.

A reward system indicates strengthening the link with sustainable behaviour when it is designed properly and when it is measured with measurable outcomes. (Gross & Friedman , 2004) Not always the appreciation needs a monetary reward, sometimes even a quick note of "thank you can make a big difference to an employee's mood. For instance, 'Cheers for Peers; is an easy but effective method to make employees feel appreciated. (TINYpulse, 2019)

3.6 Financial security as a new business challenge

To understand the link between financial security with organizational performance and employees' well-being there remain much more tasks to be completed. Tens of millions of vulnerable workers have said that financial tensions affect their performance. (Commonwealth, 2017)

Commonwealth studies of the impact of financial security on employees' stress and productivity always show that financial security decreases stress and increases productivity at the workplace. However, the concern of the Covid-19 situation has caused many impacts on wealth and the economy as well, as a result different financial security strategy are required to build employee engagement. (Gopnik, 2020)

Researchers find that low-income consumers in the USA, especially the young group, are more stressed than those with middle or higher incomes. (Anderson, et al., 2015) This stress does not decrease when they start working indicating their work performance, and thus as a result this indicates in the company's net income. (Bierschenk, Intern, & Atkinson, 2015)

The initiatives to advance the employees, thus, to ensure financial security will make the workplace a happier place with increasing financial security and improving well-being. (Commonwealth, 2017) These initiatives do not necessarily have to be expensive and hard to implement, good strategies and appropriate ways of implementing them can lead to satisfying results for everyone.

Earnings, one of the core components of the job and life quality, are an important factor affecting employees' happiness, motivation, productivity, and as most important their health. Monetary rewards are a decisive element of working life. While the highest motivation for work is the salary for the employees and for the founders the profit, however salary should always be in proportion or valued as much as an effort from the person is put on the work, not as how much is desired from the same.

Research reveals that financial satisfaction is positively correlated with income. (Medgyesi & Zólyomi, 2016) The Forbes (2017) research points that Millennials (20-36) connect financial stability with satisfaction and happiness, in the meantime, only a third of the survey participants are satisfied with their actual financial status.

3.7 Environment focus makes HRM going green

The call to understand the organizational corporate culture is of high importance in the recruitment process of today, and because of this, the development issues are integrated into the recruitment processes. This process engages the long-term vision of the company, providing the employee's' crucial information about sustainable development

commitments, taking into consideration the process of recruitment, gender, age, ethnicity, religion, disabled people, and other similar elements. (Mandip, 2012)

HRM is seen as a partner of **environmental sustainability** (hereinafter: ES). With the sustainability vision and strategy, the need for ES is shown. To be in step with this, some of the basic competencies of HRM have changed, while the need for training, talent management, organizational development, and similar have increased. (Elaine, 2010)

4 RESEARCH ON THE IMPACT OF HRM ON CORPORATE SUSTAINABILITY IN NORTH MACEDONIA

4.1 Methodology

The main research objective of the thesis is a qualitative research method to explore and discover more about the implementation of Human Resource Management with a focus on sustainability in companies in the Republic of North Macedonia. The goal is to discover insights into how effective HRM, and the level of impact it has on these companies and their corporate sustainability. Throughout phenomenology as the most common philosophy of qualitative research, we will try to understand the general atmosphere of HRM in the companies chosen for observation. The sample is small, but we believe that it will successfully represent the whole phenomena. The reason for that is the lack of large companies in North Macedonia that are more likely to engage both in sustainability and HRM. Data were mainly gathered by interviewing the responsible person, as we will represent in the next section.

The following chapter includes information based on the researched business environment, some of the basic information for the profile of the companies interviewed, and as well the questions, which were used to collect the needed information in order to represent the opinion about the topic of concern.

Of course, one of the main concerns was to choose companies that are aware of the importance of HRM as mentioned in chapter 1, and as well the importance of the impact of HRM in corporate sustainability. As mentioned in Chapter 1, 'HRM intends to establish success through the people'. The purpose of this thesis is to establish a detailed understanding of the corporate environment, how they operate, how they use their resources (people), how much they invest in them, and the main goal is to understand a realistic picture of the current situation. The awareness of the rapid environmental changes, particularly in this current situation of world pandemic Covid-19, it is necessary to be aware of changes to adapt to them, to take the opportunities, and to accomplish the goals without harming the environment and the people.

The number of chosen corporations interviewed was five (5), three (3) of them are private companies, international and private (some of the biggest in R.N.M.), while two (2) of

them are public, still two of the biggest and most influential institutions in this country. All the chosen companies and institutions operate in diverse fields and industries. The aim is to do comparative research of the importance of HRM and its impact on corporate sustainability on the overall business environment in R.N.M. The research was not done in homogeneous industry intently to analyse the possibilities of the HRM on the market in different areas of business, but the institutions and business were chosen based on poverty and influence purposely to analyse how important is the HRM impact on corporate sustainability when companies have financial opportunities to realize it. The purpose is to analyse the willingness to do it when it can be done, not the wish to do it when it cannot be done.

North Macedonia is considered one of the most attractive countries to do business for domestic and foreign investors as well, and the main reason for this is the cheap workforce. North Macedonia is recognized as one of the most attractive countries for direct foreign investments, the main purpose because business is outsourcing their work in North Macedonia is the exceptionally low cost of the labour. The unemployment rate in North Macedonia in 2020 was approximately 16.44%, while the average monthly salary remained lower than 500€ (State Statistical Office of North Macedonia). Based on the statistics above, the percentage shows that while the unemployment rate is high, the wages are low, and the poverty data of 2019 shows that 41.7% of all the unemployed are extremely poor. How all these indicators affect employee satisfaction and well-being, considering the environment as well, is of high importance for the companies, to achieve their goals but not threaten the current and future generations.

North Macedonia is seen as a socialist country, most of the public institutions are owned by the government, so professionalism and education are not appreciated as needed, but as the country insists on being part of the EU, the criteria are starting to change, even if the transition is still going on and this is seen most in the migration of the youth.

The Covid-19 pandemic, in North Macedonia arrived in February 2020, caused panic, lockdown, limitations in gathering and movement, and a drastic change in the way of living. Many businesses until the end of 2020 were either closed or remarkably close to bankruptcy. The economy of North Macedonia was ranked as 30th in the world regarding total cases of Covid-19 for 100.000 inhabitants (OECD). The deficit has reached MKD 56.6 million, which is 8.49% of GDP, the economy shrinks by 3.5% (according to the National Bank of North Macedonia), while in March the industrial production index has a decrease of 18.8%. 2020 was indeed a challenging year for all the corporations and institutions, individuals as well!

Background of the companies and their profiles

The total number of corporates chosen for this research is five (5), all the companies operate in different fields, some are public institution other are private (see Table 1). The

purpose is to analyse both, to compare the importance between HRM in both, and to analyse is there a connection of HRM and corporate sustainability based on the field of the company operates, or it is independent and of the same importance in all of them.

All the five companies and institutions that are chosen are with influence and impact in the Republic of North Macedonia, they operate successfully on the market and are brand established.

- Company Alpha operates within energy and environmental-related services. It has more than 2000 employees, and it is a private-public institution, including more than 33 locations around the country. The company invested more than 360mill€ in the improvement of the overall quality of the energy, its distribution, and costume service. This company represents a large family of companies that share and meet the same values of supreme customer service and sustainability in every sense. This is an international company, that has been operating in the market of North Macedonia since 2006. The company observes the 10 principles of the Global Compact concerning human rights, environmental protection, and the fight against corruption. The company incorporates principles for social responsibility in all the activities to improve the quality of life, these activities engage the four most important areas like customers, employees, environment, and society. They state: "*We are fully committed to the building of sustainable development in all segments of our operations in order to provide for a better quality of life of all our customers, employees, as well as nature and society*".

- Company Beta is a retail company with 658 employees. This company from the start until now is in continuous growth, operating with over 41 markets in different locations around the Republic of North Macedonia. During the campaign "Hard Discount – Always Low Price" operating model, the company offers nearly 2000 types of products, including well-known branded goods and Private Label – Own Brands. The company aims is to reduce performing costs through professional and qualitative management and to reflect on the prices of products that consumers save every day. The company claims that focuses on educating staff by raising employees' awareness to provide the highest quality services and increase the credibility of its customers and suppliers. Answering the question of how they do it, they claim that they follow several key principles: avoiding unnecessary sales that can be reflected in product prices; decoration, transportation, marketing, quality, etc.; it provides effective logistics from the central warehouse; the portfolio holds the level of products with approximately 2000 and with its purchasing power company drives the suppliers and manufacturers you offer the most prices.

- Company Gamma is a public institution with 460 employees, and it operates in the field of finances. The main objective of this institution is to achieve and maintain price stability. Another objective of the institution is to contribute to the maintenance of a stable, competitive, and market-based financial system.

- Company Delta a public institution that operates in fields of economy, tourism, energy, mineral resources, international trade, internal trade, SME-s, entrepreneurship, and others, with around 160 employees. the aim of this institution is to work on the creation of conditions for the development of the industry, clustering, and the involvement of the North Macedonian companies in the network of global supply chains, developed entrepreneurial sector, creation, and integration of a single market in the EU, securing energy stability and safety, research, exploitation and sustainable use of mineral resources, development of tourism by improving the standards of the tourist offer.
- Company Epsilon is a public institution founded in 1994, as an initiative of Albanian intellectuals, various non-political affiliations, and a wide spectrum of supporters of higher education from inside and outside North Macedonia. It is an educational institution and consists of 13 faculties, 65 study programs, 115 departments, and 3 research centres and institutions. The current academic staff comprises 273 full-time teachers and 355 part-time teachers. They claim: "*While we take pride in the achievements of recent years, we are also accepting responsibility for future actions that need to be taken for us to match the trends of contemporary academic institutions. To achieve this, the management and academic staff of the institution are taking full responsibility for creating new values, especially in education, science, and culture, which are the pillars of the prosperity of new generations.*"

Table 1: Summary of the key profile information from the researched corporations

	Age	Gender	Working position	Size of the organization/employees	Public or private	Industry it operates
Company Alpha	31	M	Financial Manager	2000+	Private	Energy
Company Beta	34	M	HR Director	658	Private	Retail (FMCG)
Company Gamma	46	F	HR Manager	460	Public	Finance
Company Delta	43	F	State Counsellor for HR and Legal Affairs	160	Public	Economy
Company Epsilon	28	F	Head, Department for Scientific Research, and Innovation	up to 1000 employees	Public	Education

Source: Own work

The area of focus and research question

The purpose of the research question and their design was created based on the purpose to gain qualitative insight of HRM in a company and its impact on corporate sustainability, to recognize how much companies invest in the HRM considering it as an essential matter for corporate sustainability and environmental sustainability. The qualitative research with open-question interviews is chosen since each of the five selected companies has a different way of managing HR and it would have been counterproductive if the answers were obtained through the close format questionnaire. The purpose of this thesis is to establish the necessity of a comprehensive engagement of people through HRM as a fundamental element in achieving the development of corporate sustainable businesses. This can be accomplished by establishing an appropriate model of HRM that will be engaged and committed to achieving corporate goals effectively and efficiently.

The interviews were conducted based on prepared questions which were designed to enable the managers of HRM departments in selected companies to answer questions concerning the philosophy of their operations, HRM policies, and HRM practices (evaluating, developing, and organizing). The topics of the interview are oriented towards the assessment of the environment, defining the specifics of the environment, and recognizing the contribution of HRM in the allocation of resources, employee satisfaction, motivating and rewarding, development opportunities, and payment systems. Qualitative analysis is made on the collected answers from the conducted interviews.

Table 2: Research question

Number	Research Question
1.	What are the strategic goals of HRM in achieving the development of the corporate sustainability of the company?
2.	What do companies need, to ensure adequate HRM?
3.	How to use the employee's capabilities to ensure the realization of the development of company sustainability?
4.	What method should be used, to rate the effectiveness of the employees' performance of tasks, regarding the actualization of corporate sustainability?
5.	What measures to take to motivate employees to achieve corporate sustainable goals?
6.	How to use the accumulated knowledge and the appropriate relevant managerial skills, to achieve the development of corporate sustainability?

Source: Own work

4.2 Results

All the conclusions below are based on the answers of the companies interviewed with the designed research questions (see Table 2).

Strategic goals of HRM toward achieving the development of corporate sustainability.

The strategic HRM approach is particularly important to **company Alpha** since promotes the development of the entire organizational structure. The main strategic goals of this company's HRM are to ensure the development of an organizational culture that supports innovation, flexibility, and corporate responsibility.

As one of the leading companies in the FMCG sector in NMK (see Table 1), **company Beta** strives to create a workforce that will suit their organization's goals/mission, which indicates excellence in service, professionalism, and respect, besides the professional background depending on a certain job title they adjust their needs. Their goals as Humans Resources Department can be defined as:

- Designing policies. This includes all policies concerning employees (Behaviour, Disciplinary, Promotion, Recruitment, etc)
- Recruitment and Selection of employees
- Designing channels of communication for employees to solve problems of various nature if they cannot obtain a solution in their chain of command
- Processing payments, benefits, sick leaves, absences
- Engaging in the creation of company structure pay scales
- Defining job descriptions for more than 40 job titles within the organization
- Training and development programs for employees (provided by the HRM team and outsourcing professional companies)
- In company Alpha, the motivation comes from the core values of the company itself which are focused on ensuring a socially responsible and sustainable way of doing business. Of course, there are also external influences as well such as the company shareholders and the social/political environment where the company operates.

For **company Gamma** the strategic goals of HRM in achieving the development of corporate sustainability are people's development (professionally and personally) and HRM practices. While harmonizing the individual with organizational values.

It is important to be fulfilled, creating awards, formulation of 5 to 7 awarding level consisting of the monetary award, promotion, increasing of a salary, business trips, appointing of some of the employees as a member of some organizational structure, commission, joint-stock companies with adequate compensation are the strategic goal of **company Delta** in order to achieve the development indicator of corporate sustainability.

Company Epsilon operates in a very fragile environment. Their service directly affects the next generation - the students, who are of high importance for future initiatives and the key for the same. Hence, the ones who they serve are the driving force for the sustainability of their processes. Of course, the organization has a long-term strategy to which they look after, but meanwhile, external pressures sometimes can change the strategy halfway. Company Epsilon is considering external factors as a profoundly serious part of their work even that sometimes they can appear as threats, moreover, they can also serve as motivation sometime.

- The driving force behind the initiative to implement sustainability within the company's processes.

In **company Alpha**, the motivation comes from the core values of the company itself which are focused on ensuring a socially responsible and sustainable way of doing business. Of course, there are also external influences such as the company shareholders and the social/political environment where the company operates.

In the sector **company Beta** operates, everything is extremely sensitive, and moving forward with innovation at an enormous pace, standardizing the processes in each department, not just HR, is an essential factor for the organization. Thus, the answer to the driving force behind the initiative to implement sustainability into company Beta's processes is a conglomerate of companies' will and external pressures.

The driving force behind the initiative to implement sustainability in **company Gamma** is the consciousness that they could do everything together, with their inner resources and inventiveness to move forward. While motivation is the belief that people are always important, so the investment in people inevitably gives the return on investment (new projects, new processes, improvements, satisfaction, promotion, etc).

Improving the working conditions and environment from time to time as organizing of work meetings on a weekly level, detection of communication problems, organization of out of building seminars (teambuilding's), regular meeting with a supervisor for better identification of a person of an employee are the driving force of **company Delta.**

Company Epsilon as mentioned above is considering external factors as a profoundly serious part of their work even that sometimes they can appear as threats, they can be a motivation or a push to implement the sustainability with the processes of the company.

- Green Teams

Company Alpha owns a team of five employees in the environmental protection group. The task of the team is to make sure that all business organizational units are following and respecting the appropriate sustainable environmental protection standards when conducting

business activities. **Company Beta, Gamma, and Delta** have not formed such a team as the 'GREEN team' yet, because they are still working on strengthening the HR team.

Company Epsilon has a group of people who are appointed to be part of that 'GREEN team'. If you analyse the profiles of the people in the team it seems that they are as different as they are similar. The common thing is that they are graduated in social sciences in general, they have the perfect sense of communication, and most of them are in the organization for an exceedingly long time - meaning that they know many details about the organization and employees in general.

- **Specific HR sustainability policies in the organization**

The main HR sustainability action in **company Alpha** is to promote the health and well-being of its employees. To accomplish the aforementioned, the company usually organizes coaching sessions for stress management or invites guest speakers to lecture employees in various workplace healthcare practices. Added focus is to ensure a healthy work-life balance by developing a flexible working schedule. Employees have the option to organize their own working time in coordination with their team leaders.

As **company Beta** strive to create a workforce that will suit their organization's goals/mission, which consist of excellence of their services, professionalism attained from investing in education depending on the needs of each sector.

The specific actions **company Gamma** is practicing in order to implement sustainability in their organization are the Code of Ethics, HRM Policy, as well as HRM practices.

The strategy for safety and health at work of the Republic of North Macedonia is maintaining the health of workers remains one of the basic human rights and a prerequisite for successful work and optimal productivity in institutions, and the police or agenda the **company Delta** guides. According to the law on safety and health at work, Company Delta is obliged to provide employees with favourable conditions during their work, such as light, noise, medical checks, etc. Improving the working conditions and environment from time to time like organizing of work meetings on a weekly level, detection of communication problems, teambuilding's, regular meeting with a supervisor for better identification of a person of an employee.

Providing employees information about work-life balance is a start point for the policies of **company Epsilon**. "While simple, just the act of providing information about WLB to employees can cultivate a greater culture. This idea can result in employees taking better care to ensure this balance exists. Giving guidance to employees to get everyday tasks completed. This could occur in the form of on-site or nearby benefits that allow employees to get more of their persona and household responsibilities handled during work hours. Employers could even offer a discount in some cases. This lessens stress and allows more leisure time at home".

- **Requirements for ensuring adequate HRM in companies.**

The main requirements to implement an adequate HRM system in **company Alpha** are quality staff recruitment so that the accurate profile of employees is hired, successful training and development so that the necessary skills are being developed, ensuring a system of fair and competitive compensation that is performance-based. These key HRM functions are strongly supported by the company management by providing all the necessary resources for successful implementation.

The need to ensure a satisfactory team with a work force who has a professional suitable background and who adjusts to the corporate philosophy is a highlight of **company Beta** related to the adequate HRM in their company.

The demand of **company Gamma** for an adequate HRM lies exactly in human resources because 'We need more HR professionals in our team" is the statement on this issue from the HRM manager.

The representative of **company Delta** didn't answer this question, considering they are a public institution maybe the public speaking of the shortages of the institution in not comfortable.

Increasing the knowledge, skills, and employability of workers is crucial to ensuring a positive impact from a sustainable HRM system in **company Epsilon**. Providing a work environment inside which employees thrive through training, promotion opportunities, or enriching lateral moves, and adequate supervisory support and recognition can lead to positive impacts from the sustainable HRM system created.

- **Readiness of companies to adjust to external and internal changes.**

Company Alpha strives to achieve a high degree of flexibility that allows seamless transitions and adaptations, especially to external influences. Since the current business is a dynamic environment reliant on price changes and global trends, the organization needs to be capable to adjust to constant changes to remain successful.

Operating in the sector **company Beta** operates makes the company always ready for changes (e.g., physical growth in new retail points in 2020 by 43%).

For **company Delta** it depends on the nature of the changes, mostly the employees of this institutions are not willing to accept changes, or the period needed for accepting is much longer.

Company Gamma comforts to changes, they try as much as possible. However, an absence of people is identified in the HR unit.

Being a large organization indicates that there are differences whether in vertical spread (employees of different ages and different experiences) or in horizontal spread (different professions and passions). Basically, in types of **companies as Epsilon** with different entities, changes are a big challenge, even if employees are interested in changes and show readiness for it, those changes usually happen in a slow wave.

- Employee's readiness to change.

The employee mentality is shifting and is more open to changes in **company Alpha**. There has been significant improvement regarding this however, additional effort is required in order to achieve flexible and adaptable workplace. The readiness of adjustment varies between different organizational segments, but the overall adaptability factor is quite high due to the nature of the industry in which the company operates.

Company Beta has 50-60% workforce turnover per year (employees on retail points), so as the changes happen in the sector and within the organization, only team members who are willing and are open to changes remain part of the team. How much company Beta is adjustable for changes, shows the fact that 2+ years back, to fully implement HR processes, SOPs, it took up to 8 months to fully put in track every process of the policy.

In **company Gamma** is a different situation, HR people are willing for changes, but still this process proceeds slowly. Required period is demanded as well as information and a lot of discussions and communication. The systems are not ready and able to adapt rapidly to changes in this company.

It depends what kind of changes for **company Delta**. In general, employees are not always willing to change. This is probably due to their usual work habits. However, if they are consulted in advance and prepared in time, they slowly adapt to the changes.

Basically, in these types of companies with different entities the changes are a big challenge as **company Epsilon** consists, employees show interest for change, but changes go through slow steps.

- Employee's compatibilities in the realization of the development of company sustainability

Through the development of a sustainable mindset based on the constant motivation of employees to use their skills to not only reach company objectives but to also be learning-oriented, provide a social benefit, care about customer needs, and focus on innovative approaches is how **company Alpha** uses employees' compatibilities in achieving corporate sustainability.

There are dozens of KPIs for measuring employee performance in **company Beta**, serving their effectiveness and thus the development of company sustainability.

The annual program, as well as the creation of strategic goals for 3 years is a tool used by **company Gamma.** Motivating employees, keeping in line with the ongoing faculty programs, using all measures for involving the employees in the specialized or master studies on national or international faculties, organizing language learning courses, are only some of the tools used from **company Delta** in order to achieve corporate sustainability. Supported with organizing, and attending trainings for the employees, valuing their work by giving them feedback, rewards at the end of the year, are employee's compatibilities in the realization of the development of company's Delta sustainability.

Improving employee personal skills that can contribute to enhanced personal skills, including leadership, coaching, listening, and handling conflict. These skills are relevant in the **company Epsilon's** workplace and contribute to improved performance and productivity.

- **Organizational culture in recruiting new and diverse people**

The culture of **company Alpha** aims to treating employees with respect, valuing employees based on their strengths, and ensuring appropriate leadership. In **company Beta** the greatest principal and most important is to approach with RESPECT to each applying candidate, no DISCRIMINATORY policies towards gender, ethnic or religious group, and selection based on MERIT is what will make the company's employee portfolio more diverse.

After the employment, company Beta is actively looking to fully implement (or revise when necessary), compensation programs (salaries, bonuses, overtime) to ensure that employees get what they deserve. Therefore, in short, the Kipper HR Team is led by these principles, which are also part of the company's mission

Very flexible and common values are shared in **company Gamma** among people. In their case, the Code of Ethics contains provisions about rising awareness concerning diversity.

Maintaining of positive spirit and creating values that every employee knows by heart is the organizational culture implemented in **company Delta**. To support their involvement and provide positive, fun ways for the employees to get together for personal and professional development activities, both within and outside ministry

Market-oriented cultures are results oriented, focused on competition, and getting the job done. In **company Epsilon** there are required recruit software, employee engagement tools and payroll service.

- **Ensuring the right culture**

The answer to developing a diverse and inclusive culture in **company Alpha** lies in the hands of HRM. Building diverse teams must be part of the HRM policy, which should

target, attract, and maintain a diverse workforce. An effective HRM needs to be implemented with sufficient data stored related to various employee profiles. This data can be used in identifying the organization units where diversification of the workforce is needed, or to build up the necessary profile of employees that need to be recruited in order to increase the current level of diversification.

Ethics and Behaviour policy (which defines the way an employee should interact with customers, colleagues, and supervisors), Dress Code policy (which defines the way we present ourselves to the public as the Kipper employees), different training modules for soft skills about communication, negotiation, teambuilding…all these are key elements that will build and define identity as Kipper (**company Beta**) employees and they have a unique look and impression towards third parties (suppliers, customers, and public agencies). The most important part in building and keeping a corporate culture is the way that chain of command oversees and implements it. You can have the most perfect policies and training but if the chain of command starting from the Head of a Department does not oversee how the corporate culture is implemented by the employees he manages; it will sooner or later fade away or eventually disappear.

Many discussions for raising awareness, many workshops where managers and employees together would discuss this issue of ensuring the right culture in the **company Gamma**. In **company Delta** for ensuring the right culture in their organization they train managers to lead diverse team; make the path to growth transparent; create mentorship opportunities; and develop a formal retention plan.

As mentioned above focused on competition, usually market-oriented cultures are results-oriented, oriented toward achievement, and getting the job done is the organizational culture **Company Epsilon** establishes.

- **The method used to rate the effectiveness of the employees' performance.**

Quarterly Performance evaluation meetings, during which employee performance is regularly evaluated, are methods used by **company Alpha** in order to rate the effectiveness of the employees. These regular performance reviews are used to formulate goals for individual employees and to ensure that the realization of those goals is in line with the company's strategic developments and objective realisation.

Company Beta has dozen of KPIs that uses to evaluate employee performance. They base their evaluations on the effectiveness of transactions made within an hour, mystery shoppers that evaluate their behaviour and service they provide, labour productivity KPIs, KPIs on hygiene standards, etc. These are the methods used for employees at the sales department, in the warehouse there are other KPIs for pickers (how fast they prepare an order), for drivers (how fast they deliver the orders). The rest of the departments such as Supply, Finance, BD, HR all have standardized KPIs which are being measured to evaluate their effectiveness.

A similar case is detected in the **company Gamma,** which evaluates the effectiveness of the employees with the performance management system.

Company Delta evaluates employees once a year. They apply 360-degree assessments. At the beginning of the year, employees list their goals and activities that they plan for the current year. In addition to monitor their activities, the company interviews them in the middle of the year. At this semi-annual interview, employees can comment on feedback from their superiors. It depends on their conversation what will be the next steps for the realization of their activities and goals. In addition, in this interview, if the supervisor deems that he needs additional support, employees can appoint a mentor from the employees of the ministry. In enhancement to the assessments by colleagues from the ministry and outside the ministry, at the end of the year, the final assessment is given by the supervisor. In the end, based on some calculations (according to law) 5% of employees are rewarded with a plus one salary.

Peer review is one of the strategies that **company Epsilon** and employee evaluation software use to enhance the traditional evaluation process. It presents an opportunity to consider the skills of the employees and capabilities to help identify individual's networking, leadership, occupational, and collaboration skills within an organization. Given the intricate nature of working relationships, this process provides a unique chance to identify each employee's strengths and weaknesses and then this valuable data is used from the company to make decisions regarding succession planning, building teams, and job rotations.

- The feedback the reward system and training

Employees are ranked based on jointly defined tasks in **company Alpha** related to department objectives that need to be reached within the year. The employee knows from beforehand what requires to be achieved and by involving him in the planning, the ease of providing feedback is ensured. In this company, rewards are offered in the form of a bonus if pre-defined targets are reached. If the realization of certain tasks is met with difficulties, then together with the employee, the necessity for training is identified in Company Alpha afterwards the feedback is forwarded to HR. The main rewards are based on bonuses for the employees working at retail points at **company Beta**, and thus it is based on two main columns, the inventory results, and the service excellence. Pickers have an optimum number of orders, if exceeded, some rewards follow. Supplies department has a rewards system in the meaning of discounts they get from suppliers, in/out products they find for weekly discounts. The marketing department has rewards set in the growth of sales, door-to-door actions they make, TV ads that influence sales, etc.

The PMS in **company Gamma** implies 2 key phases. Establishing SMART goals at the beginning of the year, and discussion and evaluation at the end of the year. On a semi-annual level, there is a short briefing between the manager and the employee. During the

first phase, the manager and employee discuss SMART goals, additional competencies, and behaviour. Thus, they agree which trainings are needed, and what competencies support the achievement of goals. Through the third phase, the manager does the evaluation and gives feedback to the employee.

Company Delta has appeared with lack of information for this question, they work according to the "Law on Law on Administrative Servants" of RNM, and at the end, based on some calculations (according to law) 5% of employees are rewarded with a plus one salary.

Continuous feedback, in essence, is a method of ongoing feedback in **company Epsilon**. The intent is to take the place of the annual performance evaluation. Continuous feedback is not simply ongoing feedback, and it is necessary to be noted. It is not a form-filling operation that focuses on retrospective ratings; it is the day-to-day commitment between managers and subordinates.

- **The motivation of the employees through continual improvement of the skills**

Relevant training and skill development are particularly important in strengthening the skills required for required job positions in **company Alpha**. This increases employee productivity and in turn contributes to better overall performance. Company employees are incredibly open to participating in various training programs and even have an ongoing open possibility to apply or request specific training possibilities.

Continual trainings are crucial for **company Beta**, because in the long-term, the absence of training and refresher training let alone that employees tend to not put in practice the things they have learned but it is also a discouraging factor concerning the feeling they get that no one invests in them and that they are not important. The same goes for promoting the employees. In the Sales Department, company uses a practice that they do not recruit externally positions such as Retail Point Managers or Deputy Managers and Regional Managers. All these positions and many others from other departments are being recruited internally (promotions) based on merit and performance.

Each leader (manager, head of the office, team leader) must be committed to motivating its employees (teams) in **company Gamma**. Therefore, they organize training for manager's soft skills which are on a mandatory basis. The employees should be also aware (to be eager) to develop and sustain their self-motivation. Thus, primarily internal and at the same time, external motivators are the key factors for someone's motivation. Moreover, each person should discover which are the internal factors that motivate him/her to achieve agreed goals in the workplace (and wider).

Training is especially important to gain competencies, knowledge, therefore at the beginning of each year; **company Delta** sends a training plan to the Ministry of Information Society and Administration. Each employee is required to undergo five

generic training, which are selected from the catalogue offered by the Ministry of Information Society and Administration. In general, these training are more for improving the soft skills of the employees. Anyhow, there are other professional trainings, organized from other institutions, companies, covered by the company Delta in order to achieve determined goals as well as to establish new goals.

Increase loyalty and motivation: Employees realize great personal satisfaction and a sense of well-being at the opportunity to give back and help others. This satisfaction is potentially transformational for individuals and increases loyalty and motivation in the **company Epsilon**. Furthermore, gaining work experience: meeting different organizational environments through volunteering, various leadership styles, and different work content. Such new skills are useful for individuals' personal development and can enrich their abilities when opportunities to do so within a workplace are limited.

Training is crucial for the company Epsilon. The employees who get the required training are more efficient in the performance of their job. The responsibilities of employees in their roles can be provided through training, which leads to building their confidence. This confidence will enhance their overall performance, and hence from this can only benefit the company. Responsible employees who are on top of changing industry standards support the company to act as a strong competitor inside the industry and take the position of a leader. Creativity can be promoted through on-going training and up-skilling. The outcome of the training and development can lead to new ideas.

- **Importance of wellbeing and work-life balance**

Employee wellbeing is especially important considering it directly influences job satisfaction, attitude towards the company as well as the performance. The psychological well-being of employees needs to be regularly ensured in **company Alpha**. In this company, the well-being is promoted through constant communication and feedback sessions. It is important to provide the employees with the opportunity to approach if they are having certain difficulties or issues that need to be addressed or acted upon.

Paying attention to the WLB in company Alpha is inalienable, since only with an effective work-life balance can the employees truly feel satisfied and as a result be even more productive in the fulfilment of their work tasks. Flexibility in work time management, ensuring appropriate vacation time in requested/proffered time intervals, ensuring appropriate workload, reducing workplace stress through appropriate coordination/communication. Through appropriate planning and delegation of work, activities are implemented for work-life balance so that the workload remains manageable in the company Alpha.

The well-being of employees is crucial to create an optimum WLB so that they can give their best regarding the effectiveness. Training, rewards, bonuses, promotions are a way to motivate, but for protecting employees from being mistreated, discouraged, insulted by

their supervisors or colleagues, **company Beta** has established channels of communication where employees can pronounce a case indiscretion and HRM is obligated to investigate that case to verify if the claim is true or false. If true, the necessary disciplinary actions are being taken for the ones that do not follow the Ethics policy thus, ensuring that the actual employee who pronounces the case has a safe and non-discriminatory workplace. The essential factor to WLB is eliminating overtime as much as possible. Overtime is compensation for extra working hours, but if those extra working hours are repeatedly going on, it will create a misbalance in work-life and thus apparently discouraging the employee in the long term. To avoid these situations company Beta has a good workforce management policy, which should be followed, to determine seasonality of the business based on like for like statistics of previous years and intervene with seasonal employees that will back up the permanent ones so that everyone keeps the WLB. Transferring employees within a city from a retail point to another for a short period of times to cover up the extra intensity (example: before Eid, the retail points that are in Muslim neighbourhoods get the extra intensity of work, transferring an employee per shift from a less intensity point will create the balance on that point and employees working there will probably not need to stay overtime to clean, to furnish the shelves or other operational aspects.

HR policy and the Code of Ethics prescribe and stimulate wellbeing, WLB, etc in **company Gamma**. They do not have kindergarten, but on the other hand, they have sports activities, the possibility to take short-term credit, paid sick leave, days for faculty exams, solidarity help, etc. The company's Gamma manager appreciates the WLB, especially for employees (to work during the working hours, not after the work time, or during the weekend. Also, a company cares about the scope of work. Sometimes the manager is involved in operational activities, as a part of the team). Company Gamma always does brainstorm, and we get the best ideas.

Although **Company Delta** aims for the safety, health of employees, and their motivation, maintaining a healthy work environment, unfortunately in the topic of the WLB they are still not committed enough. However, they consider that they will certainly work on this issue next year toward the well-being of their employees. The plan is, as a start, to hold several trainings for the top management, and then with all employees. Later, probably implement it, through a rulebook or some preliminary created strategy.

A lack of recognition of the necessity to promote workers' well-being may give rise to workplace problems, such as stress, bullying, conflict, alcohol, and drug abuse, or mental health disorders. For anyone committed to making the workplace a satisfying and pleasant place required are the solutions such as leadership, communication, and a focus on learning and development. **Company Epsilon** supports well-being by giving free eating programs and free usage of physical requisites and gyms of the organization. This method has been highly effective in cases like this.

Yes, company Epsilon through different strategies pays attention to the WLB of its employees, for example, allowing work from home, even for part of the time; restricting hours worked: this implies having a culture within which employees are not required to work after they leave the workplace. It can also mean restricting how many hours are expected of any employee each week, offering maternity/childcare leave to new parents and providing childcare benefits.

- Use of the accumulated knowledge and the appropriate relevant managerial skills to achieve the development of corporate sustainability.

In **company Alpha**, communication as a leadership skill is crucial when trying to ensure the development of CS. The company employees need to have a clear understanding of the mission and vision of the company to work sustainably and thus to have a clear understanding of what the future should hold.

The accumulated knowledge from past experiences in **company Beta** helps to the improvement processes within company, however, the constant development, following innovations, is the key to achieve development in corporate sustainability.

On the other hand, **company Gamma** organizes many workshops with managers, intently to hear the perception of the employees, and then follows the implementation of these experiences in the company practices.

When it comes to accumulated knowledge, employees of the **company Delta** share it with colleagues but there are no written procedures. Unfortunately, there is a problem when employees retire. They share their knowledge with the co-workers of the department, but not with the employees who are hired in their places, afterward. This is a problem that this institution faces now and requires closer analysis and solution.

We set up a quote and it says: "Team-work is what makes the Dream-work" declares **company Epsilon**. Build team skills: employees become immersed in new working groups. In many cases, this method brings employees from different departments in the same company together, creating an improved basis for teamwork and collaboration. Additionally, new contacts gained through engagement with external organizations empower employees to hone teamwork skills in a range of circumstances. Improving personal employability: employees gain personal benefits that contribute to their potential employability. Employees who have demonstrated social consciousness and experienced involvement with non-profit organizations are more attractive to potential future employers.

- Key obstacles to developing sustainable HRM in organizations.

The lack of employee empowerment and the development of core competencies are the key obstacles in **company Alpha** for developing sustainable HRM. The organization needs

to find a way to continue supporting the development of the employee mindset that allows them to participate in goal setting and decision-making. The company needs to support its employees in nurturing their abilities so that they become unique and un-inimitable strengths of an organization. Only in such a way a sustainable business can be built and provide successful results in the long term.

"The key obstacle is always the mentality. The mentality in people within the organization who have found their comfort zones and an active defensive mechanism to changes."- **company Beta.**

Company Gamma requires more HR professionals in their HR team; thus, they would be more powerful to act as HR business partners to all organizational units. And the team would have the opportunity to be closer to managers and employees to hear their needs and to harmonize with the organizational needs, trends, best practices, etc.

Planning and communicating is a vital aspect within the Ministry of Economy (**company Delta**). Besides planning, managers delegate the tasks to their colleagues. They are responsible to solve problems as well as motivate the employees.

As a public organization, **Company Epsilon** is committed to following the Laws and Regulation set by the government, which not always are complementary to the Laws set by the organization itself, as well as the so-called "Management Changes" - on each other mandate of 4 years, the organization meets new criteria set by the new establishment and some employees have a hard time coping these changes that often happen in a short period. Saying that sustainability is hard to be the synonym of the organization.

4.3 Discussion of the results

Based on the theoretical part as described in previous chapters, we will treat the results basically in two different approaches:

- Comparative: On a very rudimentary level, to compare means to examine more than one event, object, outcome, or process with a view to discovering the similarities and/or differences between them. Comparative studies share a commitment to describing, explaining, and developing theories about sociocultural phenomena as they occur in and across social units (cities, groups, regions, nations, societies, tribes). This is not about research into two or more cases, as this is argued not in and of itself to constitute comparative research puts it, 'comparative analysis is best defined as the collection of data on two or more situations, followed by an attempt to make sense of them by use of one or more explanatory models' (Ward, 2009, p. 3).
- Holistic: "Having a holistic approach means looking at something as a whole interconnected entity; understanding the bigger picture, not only thinking outside the box but removing the box completely" (Beyo Global, 2019). This approach allows

companies to recognize which sections are weaker than others; thus, this offers many opportunities to the company.

- **Comparative approach**

Most of the corporations interviewed claim that they are oriented toward HRM and consider it a tool for achieving CS. While company Alpha claims that the motivation comes from the core values of the company itself, encouraged by some external factors as well, a comparable result has shown in company Beta pronouncing that implementation of sustainability into the company's processes is an essential factor conglomerate of companies will and external factors. On the other hand, companies such as Gama, Delta, and Epsilon consider people as an important asset of the company's achievement and motivating people with rewards, promotion (company Delta precisely), the knowledge that everything can be done together (company Gamma), sharing details about the organization and the employees (company Epsilon), are important assets of achieving CS which comes from the HRM department. The goal-setting theory says that conscious goals are the immediate regulators of behaviour in an organization. These confirm the Shantz and Latham (2011) theory about the given commitment of purpose, the goal commitment, employees put effort and continue to follow the goal until the objectives are achieved.

Based on Forbes (2019): "What's good for the planet its good for the business", the number of companies respond to going green is increasing around the world, hence according to an international survey more than 80% of people value much more companies and brands which endorse eco-friendly practices. Apparently, the most interesting answer found in first question is linked with the 'GREEN teams'. In the results it was found that from five companies/institutions interviewed only two of them (one private institution company Alpha, and other public institution company Epsilon) have invested in green teams making sure business organization units are following the environmental protection standards while accomplishing their activities. The findings in this topic are tempting since these two corporations operate in different areas, one of them is international another local, one private one public, but both are willing to invest in 'GREEN teams'. From the other three interviewed companies only company Gamma claims that they are still working on strengthening the HR team.

All the corporations surveyed have declared that they support health and well-being of their employees. As stated in this article earlier, the struggle people face while attempting to build a career, obtaining time for their private life, is one of the most significant concerns of today's issues in society. Numerous companies invest in complex programs to ensure that these qualities do not decrease the quality of their work (Anderson, Coffey, & Byerly, 2002).

Company Gamma performs this through the: Code of Ethics, HRM policy, and as well HRM practices, relevant findings are noticed in company Beta, the use of policies that

concern employees' discipline, recruitments, promotions, behaviour, etc. Company Epsilon gives information to their employees regarding well-being, WLB offering support to gain more time for their families and household responsibilities. Therefore, only company Alpha highlights flexible working schedules for their employees to organize their working time following their personal activities. The results show that only three of the companies mentioned above use training and development programs for stress management (emphasized from company Alpha) for lecturing their employees' healthcare practices in the workplace. Furthermore, this supports the theory that organizations started to recognise that exist a negative impact from people with ill health on well-being, while there is a positive impact from people with good health. Therefore, the link between health-wellbeing-engagement demonstrates business more and more are investing in the well-being of their employees (Suff, 2016).

Historically, well-being was focused on 'health' and 'safety in the workplace but today, is much more than that, thus the government-led imitative has grown the importance of well-being in terms of employees' physical and psychological aspects of life (Suff, 2016). On the other hand, company Delta claims that according to safety and health policy as the law of the Republic of North Macedonia requires, they are obligated to provide the employees with favourable conditions in their workplace, building seminars as one of the essential terms for human rights.

Only **two of five people** consider that their manager has established the position and responsibility for them in the organization and their contribution to the achievements of that company. Thus, based on research, only **one in four people** feel like their opinion and contribution to the organization are appreciated or taken seriously. Therefore, on the topic of how transparent the employees feel their management is, the research has revealed that **only 22% of the company** feels the management is transparent, **while 40% of managers** consider it is (TINYpulse, 2019). The requirements of the company to ensure adequate HRM, most of the answers lead to the lack of HR professionals in the team. Company Gamma demands more HR professionals in their team as they noticed the lack of employees in this sector, and the result of the company Beta are related with a need for professional team with a suitable background in that area, matched with the philosophy of the company supported by the adequate team are essential for the company. The answers of the company Epsilon and Alpha according to their needs is alike, both of them consider that appropriate management which will indicate to strengthening the knowledge, skills, and employability implementing adequate HRM systems, as the more optimistic model "mutual gains' considers that HRM indicates in increasing of both employee well-being and organizational performance (Kowalski & Loretto, 2017). Although, company Alpha highlights, the staff recruitments, successful training, and development, while ensuring a system of fair and competitive compensation performance-based are the solutions to adequate HRM.

As quote related to changes states, in this paper was considered that globalization challenge along with technologies has made the workplace more complex, dynamic, and stressful place to work. In this era of big changes, the war for talents, major technology innovation supported by artificial intelligence, and globalization rises the issues of the HRM of today faces (Friedman, 2016). In the results of the companies regarding to changes, willingness to change, and how rapidly the organization and the people change we notice two divided and very separated thoughts which come from different sectors. An essential role for implementing sustainable programs in an organization performs the training and development department. (DuBois & DuBois, 2012; Ahmad, 2016). Employees require noting that changes in the process of work help the company to reach sustainable goals, and as well that their performance can also help achieve those goals (Langwell & Heaton, 2016).

Coincidence or not, private companies due to public institutions are much more prepared for changes, and much more willing to change. We recognize that from five interviewed companies only two of them (both private, Alpha and Beta) are prepared to change, and they claim that their employees are willing to change rapidly adjusted to the market demands, while the company as Gamma, Delta, and Epsilon claim that their employees are not willing to change rapidly, they are used with their usual work habits, for them to change presents a big challenge and usually, it happens in a slow wave. Building trust and connection between the employees is another important key role of HRM, especially in this era of dynamic standards and markets because 'treating people right is hard' (Holland, 2019).

Addressing employees' capabilities is used to ensure company sustainability development; all the answers lead to one major tool used: the **"motivation"** of the employees. Even if all of them motivate them in different ways but in the end, all of them lead to one. As discussed in the paper above demonstrating the effectiveness of HRM is not feasible by relying on one area, it is important to be focused on several areas (Wright, McMahan, Snell, & Gerhart, 2001). While company Gamma has an Annual Program setting goals for three years' period, company Beta uses KPIs to measure the performance of the employees and their effectiveness. Companies as Alpha, Delta, and Epsilon are more mind-set-oriented learning-oriented, which means they use methods techniques which lead to increased performance and productivity. Performance is often related to HRM effectiveness; especially this last decade, the literature of HRM insists that the progression in practices of HR increases the performance of the firm (Haile, Farndale, & Truss, 2005). For example, company Alpha is focused on innovative approaches and social benefits, while company Epsilon is more oriented toward enhanced personal skills like leadership, coaching, handling conflict, and similar. HRM is seen as a partner of **environmental sustainability (hereinafter: ES),** from different corners. With the sustainability vision and strategy, the need for ES is conferred. To be in step with this, some of the basic competencies of HRM have changed, and the need for training, talent management, organizational development, and similar have been shown (Elaine, 2010). Even if learning

oriented as well, but still the most interesting and distinct from the other surveyed companies, are the methods used in the company Delta. They maintain that they keep in line with their employees with faculty programs, master studies (national and international), they organize language courses and ofc at the end of the year according to their employee's feedback and rewards based on their activities. The discussion of which practices to include in HR systems to be effective there are mention six of them as most important and which lead to the highest effectiveness: training and development; the right of decision making; compensation initiatives; evaluation of performance; selection process; and job design (Boon, Hartog, & Lepak, 2019).

As Jain and Shauran (2019, p. 148) claim, "It is particularly important that employees of the organization experience a sense of renewal, regeneration, and re-energizing. The employees can be woken up from the slumber to create, build and foster a work culture that they can be proud of".

When the organizational culture is the subject of the topic three of five companies agree that the code of ethics about rising the awareness of diversity is important in the corporate culture, we cannot assume that every company is ready for change, it is not something mechanical that exists in all institutions. Booth, organization, and people must be ready for change, and if they are not then the risk of failure is high (Smith, 2005).

Alpha and Beta (again private sector), which emphasize the importance of treating the employees with respect, no discriminatory policies based on nationality, religion gender, ethnic and other, as well as valuing the employees based on their strengths and merit, as the key of building the diverse and inclusive culture lies in the HR department. As stated in this research, individual motivation is affected by social resources, therefore sometimes the low performance of the employees implies on the organization, low communication in the company, an adequate appraisal system, therefore the resources the company provides for the individuals (Pfeffer, 2007). While company Alpha uses data for identifying organizational units building profiles of the employees to the recruiter and increasing the level of diversification, company Beta invests in different training to improve the team building and communication through the company, but for them, the most important part is building the organizational culture toward the function of the chain of command as one of the most powerful assets in the company.

Other companies as Gamma, increase awareness while addressing the issues on various workshops of managers and employees together, company Epsilon is concentrated more on the competition, as more market-oriented and focused on job-done! Company Delta is focused on positivity; they use positive spirit and create values to get the employees together for both professional and personal development, also by generating opportunities as mentorship, creating a way to growth, are the recognized skills used from company Alpha and Beta. As stated in this research, motivation, is affected by social resources, therefore sometimes the low performance of the employees implies on the organization and

low communication in the company, therefore the companies are forced to create an adequate appraisal system (Pfeffer, 2007).

Performance is often related to HRM effectiveness; especially in the last two decades, the literature of HRM insists that the improvement in HRM practices increases the performance of the firm (Haile, Farndale, & Truss, 2005). The corporations interviewed use different methods to rate employee's performance. Company Alpha holds quarterly performance meetings in which the employees formulate goals and ensure that the goals are in line with the strategic goals of the company itself. Similarly acts company Gamma, they use a performance management system as an evaluation tool of the employees and company as well, on the other hand, company Epsilon, uses similar method but still not the same, the strategy called 'peer review' attempts to recognize employee's strength and weaknesses, while using this data are made decisions based on planning, team building and identifying appropriate jobs where each employee can deliver best. Using the term sustainability in everyday language creates the possibility to better explain to the employee's sustainability goal purpose, creating an understanding for processes and goals (Langwell & Heaton, 2016).

Not always the appreciation demand is a monetary reward, sometimes even a quick note of "thank you" can make a big difference to an employee's mood. For instance, 'Cheers for Pears' is an easy but effective method to make employees feel appreciated (TINYpulse, 2019).

Based on Zupan and Kaše (Zupan & Kaše, 2007), HRM plays an essential role in competitive advantage. Company Beta uses various KPIs based on the sectors for evaluating employee performance and effectiveness, depending on the department they work. While company Delta is different from all others and implements standard and old-school methods based on the "Law on Law on Administrative Servants" evaluating the employees once a year, creating plans and goals for the next year, then expecting feedbacks while interviewing them asking for reports in the middle of the process.

Global Talent Competitiveness Index (GTCI) 2020, North Macedonia is found on 89th place on the GTCI rank for growing, attracting, and retaining talents. As a country with upper-middle-income, North Macedonia on this rank was compared with neighbouring countries with a similar income level: Albania is 76th on this rank, while Serbia 58th is below, and found North Macedonia was higher on the list than neighbour countries mehntioned above.

The goals are usually set at the beginning of the year in all the four corporations (expect the Beta), and usually based on feedback from the settled goals the evaluation is done. The managers must follow the work intensity and offer support on the way to the employees. In this case, company Beta differs, but apparently, they are a retail business, so the measures

of effectiveness and productivity are easily measured based on inventory results and excellence in service.

All the interviewed companies agree that organizing training is a must in every company if the managers want their employees to feel appreciated in the company and position, they work, also to increases loyalty in the workplace. The study shows that to deliver positive outcomes, training is an influential factor in the company. Most of the EU organizations offer at least some training for at least some employees, but only few of them provide comprehensive opportunities for education and training (Gijs & Giovanni, 2020). Since company Alpha consists of the training in order to increase employee's productivity and as a result to provide better overall performance, while company Epsilon considers that during the periods of training employees get to know different environments and styles of leadership, so they can analyse the difference. On the other hand, company Beta states the importance of training in the employee's reflection about their workplace, which makes them feel valued and recognised. The importance of training is not excluded either in the company Delta where the employees are given a catalogue from which during the year, they can choose five of training related mostly with the soft skills, the similarity can be found in the institution Gamma. Training for soft skills is organized exclusively for managers but the diversity of company Gamma in contrast from the others is found in the way they emphasize that each employee should detect his motivation factors within itself and act on them. Yet, one thing is for sure, employees always welcome training. Furthermore, programs for training and development should directly contribute to the knowledge of the field in which the employee works, on purpose to add the sustainability futures to their job description (Langwell & Heaton, 2016).

According to Langwell and Heaton (2016, p. 653), HRM activities include communication, employees' commitment, training, and development, hiring and selection, and the reward system. Researches show that communication skills are important in employability and thus they contribute to it (Žnidaršič & Zupan, 2019) All the four companies interviewed expect Delta, which claims that their institution is not committed enough into this topic, other four consider that well-being is critical for creating WLB, company Alpha and Beta link the well-being of their employees mostly with the safety of non-physiological stress at the workplace, like keeping them safe from being mistreated, discouraged or insulted by the supervisors, since this affects job satisfaction, as well as employee and company performance in general. These two companies mentioned above, together with company Epsilon consider that for overcoming this kind of issues the most important thing in a company is **communication**! **Communication** is the ability to effectively exchange information with stakeholders. This tool enables the top management to communicate to all the levels of the company's employees the initiative to support sustainability (DuBois & DuBois, 2012). This is compatible with the research made above where the communication is highlighted as: "Communication is the ability to effectively exchange the information with stakeholders. This tool enables the top management to communicate to all the levels of company's employee the initiative to support sustainability (DuBois & DuBois, 2012)."

On the other side, companies Gamma and Epsilon link the wellbeing of their employees, more with the possibilities of sick leave, days for faculty exams, avoiding stress at work, bullying, conflicts, and mental health disorders. Still, all four of them consider wellbeing as an especially significant part of HRM. To understand the link between financial security with organizational performance and employee's well-being there are many tasks to be done. Tens of millions of vulnerable workers have said that financial tensions affect their performance (Commonwealth, 2017).

Companies as Beta, Gamma, and Epsilon contribute to work-life balance eliminating overtimes and working during the weekend, also company Gamma takes into consideration the scope of work during work time and gives the employees the opportunity to express themselves, while company Epsilon supports working from home. Company Alpha on the other hand offers flexible working time, which can be managed from the employee himself in incompliance with their supervisors, while same is implemented with the vacations. Promoting policies in talent management, knowledge management, is a strategy of HRM, elaborating programs for improving organizational effectiveness becoming **'a great place to work'**. Referring to this, one of the subjects of HRM is a continuous improvement (Armstrong, 2006).

Building trust and connection between the employees is another major key role of HRM, especially in this era of dynamic standards and demands because 'treating people right is hard' (Holland, 2019). While company Epsilon operates with the belief that: 'Teamwork makes the Dream work', they use this ideology for the knowledge to be shared in their company, and the partnership with the non-profitable organizations are a way for gaining knowledge. they claim that employees who have experiences like this make better co-workers. On the other hand, company Alpha considers communication as one of the most important assets of sharing knowledge in the company, while making sure all the employees are aware of the mission and vision, this will lead to the will of sharing knowledge for the goals to be accomplished. Similar is seen in company Delta, they consider that planning and communication are crucial in order knowledge to be received since there is a gap of sharing knowledge between the retired and new generation. As well as company Delta, company Gamma considers that the managers are the ones who delegate work, and it is important to see their perception deliberately to implement this in working duties. Company Beta has a different approach, they consider accumulating knowledge is taken from previous experiences but still, it is particularly important to be followed with innovations if the company wants to achieve sustainable development. Furthermore, for organizations that will want to increase their job activities, it is important to superimpose digital information to physical reality (Bodi, 2016).

The disclosures related to the obstacles HRM faces in its implementation of sustainability show obviously that the public institution face issues regarding bureaucratic procedures, and as company Gamma states, the absence of HR professionals in the team, as well as the difficult communication within the management and the other departments, while in the

company Delta exists lack of communication and transparency regarding the goals of the institution and feedbacks, similar as in company Epsilon where because of the laws and regulation imposed by the government it is hard to build a long-term sustainable development goal. As Jain and Shauran (2019, p. 148) claim "It is especially important that employees of the organization experience a sense of renewal, regeneration, and re-energizing. The employees can be woken up from the slumber to create, build and foster a work culture that they can be proud of".

The additional two, private sector companies consider the obstacle they face is mostly in the employee's mentality, the comfort zone fit rates company Beta, while on the other hand company Alpha faces concerns regarding to the employees right of being a part of the companies' bigger decisions and participating in the goals settings and the development of core competences of the employees would improve the sustainability process. Probably these two companies differ from in the areas they operate and the issues they face, are obvious because of the company requirements and diversity in the employees' interests. Particularly significant impact on human capital the role of education, figuring out training activities are today's important factor for the growth of individuals which as a result contributes to company's performance and sustainability. (Vokoun, Caha, Straková, Stellner, & Váchal, 2018)

- **Holistic approach**

"A holistic approach starts when you identify an obstacle, then take a step back to understand the whole situation. Responding to other people can be tough" (6 ways to approach problems holistically, 2017).

"SWOT Analysis is a simple but powerful tool for sizing up an organization's resource capabilities and deficiencies, its market opportunities, and the external threats to its future" (2007, p. 97; Gürel & Tat, 2017).

The human resource management system in the above-mentioned organizations, given the constantly changing and dynamic environment, cannot be a static and fixed phenomenon. Strategic human resource management could serve organizations in acquiring competitive advantages. Under the strategic human resource framework, organizations can optimize their utilization of opportunities. Strategic management of human resources brings the necessary coordination between various activities. Based on the observation in companies: Alpha, Beta, Gamma, Delta, and Epsilon, we highlighted the 4 elements of SWOT analyse as presented in Table 3.

Table 3: SWOT Analyse

Strengths	Weaknesses
1. Clear awareness of health and well-being importance. 2. Harmonisation of personal values with organizational 3. Human resources and goals of the organization are convenient for the staff. 4. The employees understand their duties related to sustainability and are aware of their role in the organization. 5. A clear framework for the importance of personal and professional development. 6. Corporates are willing to invest in the employees **.**	1. The mentality of the employees not willing to move out of their zone of comfort. 2. Lack of support to change the employees' mindset to participate in goal setting. 3. Weak Position of HR Team. 4. HR teams lack capacity and competence. 5. Absence of 'GREEN teams' 6. Poor feedback system 7. Inability to recruit the right people for the right position.
Opportunities	**Threats**
1. External influence and support due to environmental sustainability agenda. promoted by international organizations. **2.** Availability of best practices for benchmarking purposes.	1. Because of the laws and regulations imposed by the government, it is hard to create a long-term sustainable development goal. 2. Government regulations related to staff. 3. Youth migration- Brain Drain. 4. Deficit of qualified staff in the country.

Source: Own work

The importance of SWOT analyses lays in the process of clearly identifying internal and external threats and opportunities while recognizing the inner strength and weaknesses to be aware of where we stand. The purpose was to identify favourable and unfavourable circumstance, which may indicate in HRM and impact on corporate sustainability. There were recognized similar factors in all the examined institutions/companies, to identify the

overall problem and to help the research. We see similarities in all four categories, which indicate the problem institutions face because of the market regulations and opportunities.

4.4 Limitations and proposals for future research

HRM as a field, which constantly faces changes and operates in an environment where to accommodate to the dynamic outside is more than necessary, the need to encourage all the employees in order to keep their health and well-being satisfied is a challenging element, whereas globalization increasingly indicates in every person. The attention to strengthen the psychological capital is increasing so various practices like mindfulness, wingwave, and similar are more and more supported by individual, and more and more favoured from companies. Are the companies in North Macedonia conscious of this (because certainly it is not implemented) it is left for some next scientific research.

Additional issue corporate face today, although in North Macedonia still not so loudly expressed, is the need to take care of the environment not to endanger future generations. While this study attention was not particularly on that part, the reason is most companies are still attempting to firstly design internal strategies and goals, considering they are still facing a transition in all the elements of living, the demand to develop personally and professionally is still the issue we are facing.

The employee job satisfaction, related to the HRM, obviously is a different story, remaining aware that North Macedonia is a small market, government-imposed, where the private sector is still indicated from the laws and rules of government, while based on corruption index Macedonia in 2020 stands in 111 places near to Bosna and Hercegovina, Mongolia, Panama, which makes North Macedonia as the most eminent corruption country in the Region (traidingeconomics, 2020).

It is particularly important to state that this study has been done in time of world Pandemic Covid-19 when most of the concerns and the attention go to health; many of countries are facing financial pressures and loss of human lives. The Covid-19 state has affected the economy, certainly has negatively impacted the national budget, where is recognized a decrease in GDP in the second quarter of 2020 for 12.7%, while only in manufacture the decrease has reached 29.4%. (UNDP, 2021). The IMF forecast is that economy of R.N. Macedonia will shrink by 5.5%.

The aforementioned situation has caused the government to support businesses. In North Macedonia in September the government has announced the 4th package of measures (470mil euro), linked with other previous three measures, altogether will cost the state around 1bilion euro (Fair Wear, 2020). Each of this policy is implemented in order to encourage businesses especially in human recourse, to protect the employees; meanwhile, the point is avoiding the increase of unemployment (which is already too high). How will

the pandemic situation indicate the HRM, and how much will the government assistance indicate in this sector, it is let to be seen. (Fair Wear, 2020)

4.5 Proposals for improving the impact of HRM on corporate sustainability in North Macedonia

Based on this scientific research I have reached an opinion that in R.N. Macedonia businesses and institutions are government-oriented, while the government is still the cross in every employment and steps the organization wants to make. To strengthen the HRM department, freedom of choice must be established especially in human resources. Moreover, the brain vanish of the youth has been noted as one of the biggest challenges the country is facing, apparently the circumstances are of executive nature, where in order to get employed, there is still a need of 'having an acquaintance'. Another element being shown in the research is the low motivation of employees, especially the young group, in the field of offering the possibility of training as the need of personal and professional advancement. As specified above, however another issue regarding the workforce in North Macedonia is facing are low wages and standard of living, this supports the research done in the theoretical part approves the Commonwealth (2017) report: 'Tens of millions of vulnerable workers have said that financial tensions affect their performance".

As mentioned earlier, globalization challenges along with technologies have made the workplace a more complex, dynamic, and stressful place to work. Not to forget to mention the health and well-being, as the world takes many steps forward in the field of innovation and technology, North Macedonia is still taking its time becoming aware that people are the driving force of every business or institution, and their psychological health in today's world is way more important than financial, their satisfaction can only improve the overall condition of the corporate, while their dissatisfaction can indicate otherwise. Like discussed in this research Friedman (2016) stated that in this era of big changes, the war for talents, major technology innovation supported by artificial intelligence and globalization, the need of obtaining the right employees is harsh, and from the research above 'these challenges prove us, even more the importance and necessity of HRM which builds justice into the organization, commitment, trust, and ethical behaviour' (Vokoun, Caha, Straková, Stellner, & Váchal, 2018).

The importance of creating a cultural set of values (Schein, 2004) is seen as of great significance in the companies of North Macedonia, which corresponds with the theory developed in this study. Clear mission, vision, and the strategy, while sharing it with the employees indicates to get attached the employees with the company, the company to sustainability, thus the suitability is positively related to company's performance. While in the companies interviewed it is recognized a lack of importance in sharing goals with all the level of employees, this indicates in the productivity and motivation because 'without

the creation of an infrastructure, which supports the development of sustainability strategies, the organizational effort to implement sustainability will be useless (Aris, Othman, Chik, & Rahman, 2016)'-discussed in this research.

Finally, even if companies of North Macedonia are not determined to 'going green', the pretext is that they are planning to, but surely still there is not known corporation that cares loudly and formally about the environment (excluding nongovernmental organizations). In this research it was stated that 'Organizations today are stimulated to behave socially responsible, because the corporate environment of today is facing with the word social responsibility in any all-time activities (Welford & Frost, 2006)'; but, lack of motivation is encountered in North Macedonia correlated with the part of environmental sustainability, so there is still a lot of work in this field.

CONCLUSION

HRM is a field that consists of continuous evolution and change. Therefore, in HRM there is not an 'ideal type' or a model, which on the other hand is used to guarantee success. Based on this, there are different models to explain the evolution and management of HRM. (Gratton & Truss, 2003) Referring to Jamrog and Overholt (2004) one of the biggest HRM influencers through history which dates back primarily to scientific management (1903), introduced the basis for modern HRM divided into three concepts: 1. While selecting people for the given position, the person should intellectually and physically meet the requirements and those who don't should be eliminated. 2. The employee of each position should attend different training in accordance with his/her job position. 3. Workers should be encouraged to comply with the procedures. (Freitas, Jabbour, & Santos, 2011)

This thesis confirmed that the companies chosen are completely aware of the importance of HRM and investment in this field. The outcome of this research showed that all five interviewed companies have a proactive approach toward the people as one of the most important assets managed by HR in achieving CS. Each of the interviewed companies has established a department of Human Resource Management, at the same time in one way or another they are willing to invest in the employees. The need for training has been confirmed as one of the most important tools in achieving the effectiveness of this unit, but still, the nature of the trainings offered is a bit old-fashioned and not so much related to the nature of the training used worldwide, concerning the personal improvement. Even if most of the interviewed companies had responded positively about investing in their employees, practice shows different thing, most of the people particularly youngsters, are not satisfied from their workplaces and what is offered to them to improve personally, professionally, not excluding financially. What we have reached to conclude, based on the companies interviewed is the negation of the importance of environmental sustainability correlation with corporate sustainability. The thesis has shown that HRM is seen as a partner of **ES,** from different corners "with the sustainability vision and strategy, the need of ES is shown.

To be in step with this, some of the basic competencies of HRM have evolved, and the necessity for training, talent management, organizational development, and alike have shown (Elaine, 2010, p. 30)', interviewed organizations have excluded this kind of correlation, showing less interest about ES in R.N. Macedonia.

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APPENDICES

Appendix 1: Povzetek (Summary in Slovene language)

Glede na politično, družbeno in gospodarsko okolje, glede na to, da je diplomsko delo nastalo v času globalne pandemije Covid-19, ko se številne družbe soočajo tudi z različnimi gospodarskimi, socialnimi in človeškimi težavami, postaja izziv sodobnih poslovnih razmer še bolj očiten. Zato je treba proces upravljanja človeških virov zelo dobro razumeti. Pravo korporativno trajnostno poslovanje nastane, ko se vsi zaposleni zavedajo svoje vloge in prispevka k aktualizaciji programa trajnostnega razvoja družbe (Kushner-Lenhoff, 2018).

Primarni cilj magistrskega dela izhaja iz področja upravljanja s človeškimi viri, potrebe po potrditvi potrebe po celovitem vključevanju človeških virov, kot ključnega elementa pri doseganju razvoja korporativnega trajnostnega poslovanja. Raziskovalna vprašanja so bila naslednja: kakšni so strateški cilji upravljanja s človeškimi viri pri doseganju razvoja korporativne vzdržnosti podjetja, katera podjetja morajo zagotoviti ustrezno upravljanje s človeškimi viri, kako uporabiti veščine zaposlenih za zagotavljanje realizacije trajnostnega razvoja podjetja; katere metode se uporabljajo za ocenjevanje učinkovitosti opravljanja nalog zaposlenih in s kakšnimi ukrepi motiviramo zaposlene za doseganje korporativnih trajnostnih ciljev, glede na to, kako uporabiti zbrano znanje in ustrezne vodstvene veščine za doseganje razvoja korporativne trajnosti.

Metodologija raziskovanja je sestavljena iz teoretičnih in praktičnih raziskav. Metode, uporabljene v tej raziskavi, so analitično, primerjalno in kvalitativno vrednotenje obstoječe literature s področja upravljanja s človeškimi viri, splošne trajnosti in trajnosti podjetja. Analiza podatkov iz sekundarnih virov, kot so uradna statistika in znanstvene publikacije, je raziskala vlogo upravljanja s človeškimi viri pri doseganju korporativne trajnosti. Za primarno raziskavo so bili podatki zbrani s kvalitativno metodo s strukturiranim intervjujem s petimi kadrovskimi vodji iz izbranih podjetij z aktivnim kadrovskim oddelkom..

Na podlagi intervjujev, opravljenih v podjetjih, smo prišli do zaključka, da se pomen korelacije okoljske trajnosti s korporativno trajnostjo zanika. Raziskave so pokazale, da je upravljanje človeških virov obravnavano kot partner za **okoljsko trajnost (EO)** z različnih zornih kotov z vizijo in trajnostno strategijo, ki priznava potrebo po EO. Anketirane organizacije so tovrstno korelacijo izključile, izkazujoč manjše zanimanje za trajnost okolja v Republiki S. Makedoniji. Diplomsko delo je potrdilo, da se izbrana podjetja v

celoti zavedajo pomena upravljanja s človeškimi viri in naložb na tem področju. Vseh pet anketiranih podjetij ima proaktiven pristop do ljudi kot enega najpomembnejših načinov upravljanja s človeškimi viri za doseganje korporativne trajnosti. Vsako od anketiranih podjetij ima ustanovljeno kadrovsko službo; hkrati pa so tako ali drugače pripravljeni vlagati v zaposlene.