

Sustainable Human Resource Practices: Analyzing Their Impact on Organizational Resilience and Employee Retention

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ABSTRACT

Human resources (HR) are a critical asset for organizations, and sustainable HR management is essential to fostering organizational resilience and retaining high-quality employees. Sustainable HR practices focus on maintaining the long-term well-being of the workforce while meeting the evolving needs of the organization. This study aims to analyze the impact of sustainable human resource management (HRM) practices on organizational resilience and employee retention, particularly in the Medan area. This study used a quantitative approach using a survey questionnaire distributed to 40 employees from various companies in Medan. The questionnaire assessed aspects of welfare policy, career development, and organizational culture. Data were analyzed using descriptive statistics and simple linear regression. The findings show that sustainable HRM practices significantly positively impact organizational resilience and employee retention. Specifically, an increase in sustainable HR policies was associated with an increase in organizational resilience by 0.45 and employee retention by 0.38. The study concludes that implementing sustainable HRM practices can strengthen organizational stability and improve employee retention in the long run. These insights provide valuable guidance for organizations in designing effective HRM policies that support resilience and retention.

Keywords: sustainable HRM, organizational resilience, employee retention, HRM policies, career development.

INTRODUCTION

Human resources (HR) are one of the most crucial assets for any organization. Sustainability in HR management is a key factor in fostering organizational resilience and retaining high-quality employees (D'Agostino, 2017). In this context, sustainable HR practices refer to the efforts and policies designed to maintain the long-term well-being and development of the workforce while addressing the evolving needs of the organization. Sustainable HR management not only focuses on employee welfare but also emphasizes how employees can contribute effectively in the long run to achieve organizational goals (Stahl et al., 2020).

Organizational resilience is the ability of an organization to withstand and thrive amidst external and internal challenges (Lestari et al., 2025). Organizations with strong resilience are better equipped to adapt to market changes, competition, and technological innovations (Chandratreya, 2025). One critical element in building organizational resilience is having a competent and loyal workforce. Thus, employee retention plays a vital role in ensuring organizational continuity and competitiveness (Stor, 2024).

Previous research shows that sustainable human resource management practices have a significant impact on organizational performance and employee satisfaction. (Stor, 2024) revealed that the implementation of sustainable HR practices not only improves employee

well-being, but also creates a more adaptive organizational culture. Additionally, research by Shuck and Reio (2014) highlighted the positive relationship between employee engagement and organizational success in the face of challenges. While these findings emphasize the importance of sustainable HR practices, there is still a need to explore the specific impact of such practices on organizational resilience and employee retention in the Indonesian context (Iskandar et al., 2023).

This research presents an innovative approach by focusing on the local context in Medan, Indonesia, which is underrepresented in previous studies. Unlike research that often focuses on large or multinational companies, this study involves employees from various companies in Medan, thus providing a more relevant perspective on sustainable HR practices in the local cultural and economic context. In addition, this study applies an in-depth quantitative methodology to analyse the relationship between sustainable HR practices, organizational resilience, and employee retention, which makes a novel contribution to the human resource management literature.

This research aims to analyze the impact of sustainable HR practices on organizational resilience and employee retention, involving 40 respondents who are employees in the Medan region. This analysis is expected to uncover significant relationships between the implementation of sustainable HR strategies, organizational resilience, and employee retention levels.

RESEARCH METHOD

Research Design

This study employs a quantitative research design with a descriptive-analytical approach. The approach aims to describe and analyze the impact of sustainable human resource management (HRM) practices on organizational resilience and employee retention. The study examines the relationships among the variables of interest—sustainable HRM practices, organizational resilience, and employee retention. This research utilizes a cross-sectional design, where data are collected at a single point in time to analyze these variables.

Population and Sample

The population of this study includes all employees working in companies located in the Medan area. The sample comprises 40 employees selected using purposive sampling based on specific criteria relevant to the research objectives. These criteria include employees who have worked for at least one year and actively participate in organizational activities. This sample is considered representative for providing insights into the influence of sustainable HRM practices on organizational resilience and employee retention.

Research Instrument

The research instrument used is a questionnaire designed to measure three main variables:

- a. **Sustainable HRM Practices:** Measures the extent to which sustainable HRM policies and programs are implemented, encompassing aspects such as employee well-being, training, career development, and job satisfaction.
- b. **Organizational Resilience:** Measures the organization's resilience to external changes and challenges, including adaptability, competitiveness, and innovation capabilities.

- c. **Employee Retention:** Measures employees' willingness to remain in the organization and their satisfaction with the current work conditions. The questionnaire consists of closed-ended questions using a Likert scale (1–5) to facilitate measuring respondents' level of agreement with the given statements.

Data Collection

Data were collected through both direct and online distribution of the questionnaires to 40 respondents. Each employee was asked to complete the questionnaire honestly and objectively. Completing the questionnaire was estimated to take approximately 20–30 minutes per respondent. Data collection was conducted over two weeks in the Medan area.

Data Analysis Techniques

The collected data were analyzed using descriptive statistics and simple linear regression analysis to determine the relationships among sustainable HRM practices, organizational resilience, and employee retention. The analysis steps include:

- a. **Validity and Reliability Tests:** Ensures the questionnaire accurately and consistently measures the intended variables.
- b. **Descriptive Analysis:** Describes the demographic characteristics of respondents and the levels of sustainable HRM practices, organizational resilience, and employee retention.
- c. **Regression Analysis:** Evaluates the impact of sustainable HRM practices on organizational resilience and employee retention.

Research Procedures

- d. **Preparation Stage:** Designing the questionnaire and selecting respondents who meet the criteria.
- e. **Data Collection Stage:** Distributing the questionnaires to the selected 40 employees, either online or in person.
- f. **Data Processing Stage:** Inputting the data into statistical software (e.g., SPSS or Excel) and performing descriptive and regression analyses to explore the relationships among the variables.
- g. **Reporting Stage:** Preparing the research report, including data analysis, conclusions, and recommendations for organizations to improve sustainable HRM practices.

Research Limitations

Several limitations of this study include:

- h. **Sample Size Limitation:** The limited sample size (40 respondents) may affect the generalizability of the findings. Therefore, the results apply specifically to organizations with similar characteristics in the Medan area.
- i. **Subjectivity of Respondents:** Respondents may provide answers influenced by personal bias or lack of honesty, despite efforts to ensure confidentiality and comfort during the questionnaire process.
- j. **Cross-Sectional Method:** Since data were collected at a single point in time, the study cannot deeply identify causal relationships but only describes correlations between variables at a specific time.

RESULT AND DISCUSSION

This study aims to analyze the impact of sustainable human resource management (HRM) practices on organizational resilience and employee retention in the Medan area, involving 40 employees as respondents. The following are the results of the data analysis conducted:

Respondent Demographics

Based on demographic data, the respondents of this study come from various age groups, genders, and lengths of employment. The majority of respondents are aged between 26 and 35 years (45%), with 60% being male. Most respondents have worked in their current organization for more than three years, indicating sufficient experience in understanding the implemented HRM practices.

Sustainable HRM Practices

The measurement results of sustainable HRM practices revealed that the majority of respondents (70%) believe their organizations have implemented good sustainable HRM policies. These policies include employee well-being programs, continuous training, and career development opportunities. However, around 30% of respondents feel that these policies still require improvement, particularly in providing clearer and more consistent career development opportunities.

Organizational Resilience

Organizational resilience was measured based on the organization's ability to withstand external and internal challenges. The analysis results indicate that 80% of respondents stated that their organization is sufficiently adaptive to market changes and has clear strategies to address these changes. However, 20% of respondents believe that their organization needs to enhance competitiveness and innovation to face increasingly complex challenges. While the organization has demonstrated strong resilience, there remains room for improvement.

Employee Retention

Regarding employee retention, most respondents (75%) reported being satisfied with their current work environment and plan to stay with the company in the long term. They cited factors such as good employee welfare policies, opportunities for growth, and positive relationships with supervisors as key reasons for their commitment. However, approximately 25% of respondents expressed uncertainty about their future in the organization due to insufficient recognition and limited promotion opportunities.

Analysis of Relationships Between Variables

A linear regression analysis revealed a significant positive relationship between sustainable HRM practices, organizational resilience, and employee retention. The regression results show that every improvement in the implementation of sustainable HRM policies increases organizational resilience by 0.45 and employee retention by 0.38. These findings highlight that sustainable HRM practices strengthen organizational resilience and enhance employee retention.

Table 1. Linear Regression Results

Independent Variable	Dependent Variable	Regression Coefficient	Significance Value
Sustainable HRM Practices	Organizational Resilience	0.45	0.002
Sustainable HRM Practices	Employee Retention	0.38	0.003

Based on these results, it can be concluded that sustainable HRM practices significantly impact organizational resilience and employee retention in the Medan area.

Research Limitations

Although this study provides valuable insights, it has several limitations:

- a. **Sample Size Limitation:** The sample consisted of only 40 respondents, which may not be representative enough to describe the conditions of all employees in the Medan area or across various industry sectors.
- b. **Cross-Sectional Research Design:** This research uses a cross-sectional design, providing only a snapshot of the relationships between variables at a specific point in time. It does not allow for a deeper exploration of causal relationships.
- c. **Respondent Subjectivity:** Despite the questionnaire being designed to minimize bias, subjective factors in respondents' answers may still influence the study's results.

DISCUSSION

This study aims to analyze the impact of sustainable human resource (HR) practices on organizational resilience and employee retention in the Medan area, involving 40 employees as respondents. Based on the findings, several key points are worth discussing in-depth regarding the relationship between sustainable HR practices, organizational resilience, and employee retention.

The Role of Sustainable HR Practices in Organizations

Sustainable HR practices implemented by organizations play a vital role in enhancing organizational resilience. This aligns with findings that sustainable HR policies, such as career development opportunities, employee welfare policies, and ongoing training and education, positively influence employee motivation and satisfaction (Bilderback, 2024). Most respondents noted that these policies improve the work environment and support their professional growth. Therefore, effective sustainable HR policies can strengthen organizational resilience in navigating both external and internal challenges (Georgescu et al., 2024).

Organizational Resilience in Facing Challenges

Organizational resilience, defined as the ability to withstand and thrive amidst external and internal challenges, is influenced by various factors (Hillmann & Guenther, 2021). The study reveals that while most respondents believe their organization is sufficiently resilient, a minority highlight deficiencies in innovation and competitiveness. This indicates that although sustainable HR policies contribute positively to organizational resilience, there remains room for improvement, particularly in addressing the fast-paced and complex market

changes. Organizations must therefore continually innovate and develop more adaptive strategies, including in the realm of HR management (Azizi et al., 2021).

The Impact of Sustainable HR Practices on Employee Retention

Sustainable HR practices are closely related to employee retention. Most respondents expressed satisfaction with company policies, citing factors such as recognition of employee achievements, career development opportunities, and positive relationships between supervisors and subordinates as primary reasons for staying with their organization (Ashraf, 2019). However, a portion of respondents reported dissatisfaction, particularly concerning limited promotion opportunities and insufficient recognition. These findings highlight the need for companies to enhance reward systems and career advancement opportunities to maintain strong employee retention (Urme, 2023).

The Relationship Between Sustainable HR Practices, Organizational Resilience, and Employee Retention

Regression analysis indicates that sustainable HR practices have a significantly positive impact on organizational resilience and employee retention. The regression coefficients suggest that improvements in sustainable HR policies increase organizational resilience and employee retention. This supports the idea that organizations prioritizing employee development and welfare benefit from increased employee loyalty and improved organizational adaptability and performance (Davidescu et al., 2020). Sustainable HR practices not only influence individual employee performance but also bolster the organization's ability to navigate challenges and adapt in a dynamic environment (Ahsan & Khawaja, 2024).

Practical Implications for Organizations

This study underscores the importance of viewing sustainable HR practices as a long-term investment yielding significant benefits for organizational resilience and employee retention (Rean et al., 2024). Organizations must ensure that HR policies address not only short-term objectives but also the long-term needs of employees and the organization. Employees who feel valued and have opportunities for growth are more likely to remain loyal and contribute positively to the organization. Consequently, companies should reassess their existing policies and strengthen sustainable HR practices to enhance competitiveness and long-term stability.

CONCLUSION

Based on the results of a study conducted on 40 employees in the Medan area, it can be concluded that sustainable human resource (HR) practices have a significant impact on organizational resilience and employee retention. Key findings from this study show that sustainable HR practices, such as welfare policies, continuous training, and career development, contribute positively to organizational resilience. Most respondents stated that such policies help organizations deal with external and internal challenges. In addition, sustainable HR practices also play an important role in improving employee retention rates. Factors such as career development opportunities, employee recognition, and positive relationships between superiors and subordinates are the main reasons employees choose to stay with the company. However, a small number of respondents felt that the existing policies still needed improvement, especially regarding promotion and recognition. Regression

analysis revealed significant positive relationships between sustainable HR practices, organizational resilience and employee retention. The implementation of sustainable policies strengthens these two aspects, which in turn contributes to the overall stability and sustainability of the organization.

Based on these findings, there are several recommendations for future research. First, expanding the sample size as this study was limited to 40 respondents; future researchers are advised to increase the sample size to ensure more representative results and provide a broader picture of conditions in different types of organizations. Second, conduct a longitudinal study to observe the long-term effects of sustainable HR practices on organizational resilience and employee retention, given the cross-sectional nature of this study. Third, more in-depth research on promotion and recognition, given the shortcomings identified in these policies that could improve employee satisfaction and motivation, is beneficial for developing more sustainable HR practices. Fourth, investigate external factors affecting sustainable HR practices, such as changes in the economy or government regulations, which may affect the implementation of such practices in organizations.

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