

## **Sustainable human resource management practices in small and medium enterprises: A strategic imperative for achieving sustainable development in Zimbabwe**

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### **ABSTRACT**

With the quest for sustainable development increasingly becoming a persistent concern for countries and organisations both globally and locally, sustainable human resource management (SHRM) has emerged as a vital strategy for achieving sustainable development. The study underscores the imperative of integrating SHRM practices in Small and Medium Enterprises (SMEs) for the achievement of sustainable development goals in Zimbabwe. With SMEs in Zimbabwe facing a myriad of challenges, the study was aimed at understanding how SMEs may integrate SHRM practices into their businesses. Grounded in the Resource Based View (RBV) theory and the Sustainable HRM framework, the study contributes to the existing literature by providing insights into the ways of integrating sustainable HRM practices into Zimbabwean SMEs. A qualitative research approach was employed, where semi-structured interviews were used to gather data from 10 Human Resource Management practitioners and 12 Small and Medium Enterprise owners. Thematic analysis of data was done and the findings revealed that SMEs in Zimbabwe were aware of the importance of implementing SHRM practices, however, they faced several challenges. The study concluded that while SMEs face various challenges and have not done much in integrating SHRM practices into the business, they can gain significant economic, social and environmental outcomes from such an integration. The study recommends SMEs to develop sustainability strategies, align SHRM practices with business goals, prioritise

and focus on key areas, seek external expertise and support; capacitate SMEs owners and employees to be key players in implementing SHRM practices; and prioritise stakeholder engagement and partnerships in order to effectively integrate HRM practices into their businesses. The study underscores the potential of SHRM practices in enhancing the achievement of sustainable development where priority is given to the well-being of both people and the planet.

**Key words:** SHRM, sustainable development, SMEs, environmental sustainability, social sustainability; economic sustainability.

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## 1. Introduction

The pursuit for sustainable development has become a pressing concern for organisations globally (UN, 2020). As the world grapples with challenges of climate change, social inequality and economic stability, organisations are increasingly recognising the need to adopt sustainable practices that minimise their negative impact on the environment and the society (Baumgartner & Rauter, 2020).

In Zimbabwe where the economy has been facing significant challenges in recent years, the need for sustainable development is particularly acute (Mugova, 2020). Zimbabwe, like many other developing countries, is faced with numerous challenges that hinder its socio-economic development. The country has been experiencing economic instability, poverty, and inequality, which negatively impacted the lives of its citizens (Government of Zimbabwe, 2020). In order to address these challenges, Zimbabwe has committed to achieving the Sustainable Development Goals (SDGs), which are a set of 17 goals adopted by the United Nations (UN) in 2015 (UN, 2020).

The SDGs are aimed at promoting sustainable development. Sustainable development is defined as development that meets the needs of the present without compromising the ability of the future generations to meet their own needs (World Commission on Environment and Development, 1987). In order to achieve the SDGs, Zimbabwe has developed its own national development strategy, known as the National Development Strategy (NDS) 1, which outlines the country's development priorities and goals for the period 2021- 2025 (Government of Zimbabwe, 2021). One of the key areas of focus in the NDS 1 is the development of human capital, which is recognised as a critical factor in driving economic growth and development (Government of Zimbabwe, 2021). In order to develop human capital, organisations in

Zimbabwe need to adopt SHRM practices that prioritise the well-being and development of employees, while also promoting the sustainability of the organisation (Ehnert, 2009). SHRM has emerged as a vital strategy for enhancing environmental, social, and economic sustainability and organisations that adopt SHRM practices contribute to the attainment of sustainable goals (Ehnert, 2009). At the heart of an organisation's ability to contribute to sustainable development is its approach to human resource management (HRM). The way an organisation manages its human resources has a significant impact on its ability to achieve sustainable goals. This is because HRM practices influence employee behaviour, motivation, and productivity, all of which are critical factors in driving sustainability outcomes.

With SMEs constituting more than 80 percent of businesses in Zimbabwe (Mhlanga, 2024) and creating over 60 percent of employment opportunities (Tinarwo, 2016), SMEs are now recognized as fundamental components of the national economy. In many cases, these enterprises constitute a larger portion of the economic landscape than the more visible larger corporations, representing a critical element of economic development. (Jindal, Arora, Singla & Kaushal, 2024).

Despite the prevalence of SMEs in the economic landscape, the role of SHRM in these smaller businesses has not been comprehensively studied compared to their larger counterparts. Disregard in HRM research regarding SMEs is being countered by recent studies highlighting the crucial nature of effective HRM in ensuring the survival and success of these entities. Effective HRM in SMEs has been linked to significant organizational outcomes such as enhanced profitability, increased productivity, innovation rates, market share expansion, and improved environmental performance (Joseph & Shrivastava, 2024). These outcomes underscore the strategic value of HRM in contributing to the competitive advantage and sustainable development.

Despite the critical role that HRM plays in driving organisational success and contributing to sustainable development, many organisations in Zimbabwe face challenges in implementing SHRM practices that align with the principles of sustainable development and support the achievement of the SDGS and the NDS 1 goals (Government of Zimbabwe, 2021). Zimbabwe's economic instability, brain drain, and skills gap have further exacerbated the challenges faced by organisations in implementing effective HRM practices (Mlambo, 2018). Moreover, research has shown that Zimbabwean organisations have limited capacity to implement SHRM practices due to limited resources, inadequate infrastructure, and lack of expertise (Chiwunze, 2017). This is even more so for SMEs which are at a more disadvantage in terms of challenges compared to larger organisations.

Research has acknowledged that SMEs face unique challenges that are specific to them, and should therefore be considered separately from large organisations (Ndlovu & Ndhlovu, 2024). This study seeks to address the knowledge gap on how SHRM practices can be implemented and integrated into the overall business of Zimbabwean SMEs so as to achieve sustainability and support the achievement of SDGs and NDS 1 goals. This paper therefore explores how SMEs are integrating and implementing SHRM practices in driving environmental, social and economic sustainability to support sustainability goals in Zimbabwe.

In addressing the aim of the study, the key research question is: How can SHRM practices be integrated into the strategies of Zimbabwean SMEs to support the achievement of sustainable development? Sub questions are:

- 1) How are Zimbabwean SMEs integrating SHRM practices into their overall business strategy?
- 2) What are the key challenges that Zimbabwean SMEs face in implementing SHRM practices to achieve SDGs and NDS 1 goals?

- 3) What strategies can SMEs adopt to integrate and implement SHRM practices to achieve sustainable development?

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The structure of this paper is organized as follows: Section 2 reviews the relevant literature, section 3 outlines the methodology that has been used to conduct this study, with section 4 presenting the results of the study, offering insights into the findings from the data gathered. Section 5 discusses these results, interpreting their implications in the context of existing literature. Section 6 concludes the paper by summarizing the key outcomes, sharing the limitations of this research, and suggesting recommendations and potential avenues for future research, with section 7 providing references of the sources used.

## **2. Literature Review**

The concept of SHRM has gained significant attention in recent years, particularly in the context of achieving SDGs (Kramar, 2020). SHRM involves the adoption of HRM practices that support the organisation's sustainability goals, while also promoting the well-being and development of employees (Ehnert, 2009). This literature review provides an overview of the existing literature on SHRM and its implications to achievement of sustainable development in Zimbabwe. To have a better understanding of the concepts involved, the theoretical lenses from which the study was carried out is outlined first, then moving on to explain the concepts of the study.

### **2.1 Theoretical background**

SHRM has been addressed from various perspectives, such as institutional (Freeman, 1984), theory (Scott, 1987), stakeholder theory, a resource-based view (RBV) theory (Barney, 1991), the ability, motivation, and opportunity (AMO) theory (Appelbaum et al., 2000), and the Sustainable HRM framework (Ehnert, 2009). This study integrates the Sustainable HRM framework (Ehnert, 2009) and the (RBV) Theory (Barney, 1991). The framework explains how SHRM practices can contribute to the achievement of SDGs and NDS 1 goals in Zimbabwe, creating an imperative need for SMEs to integrate SHRM practices into their businesses.

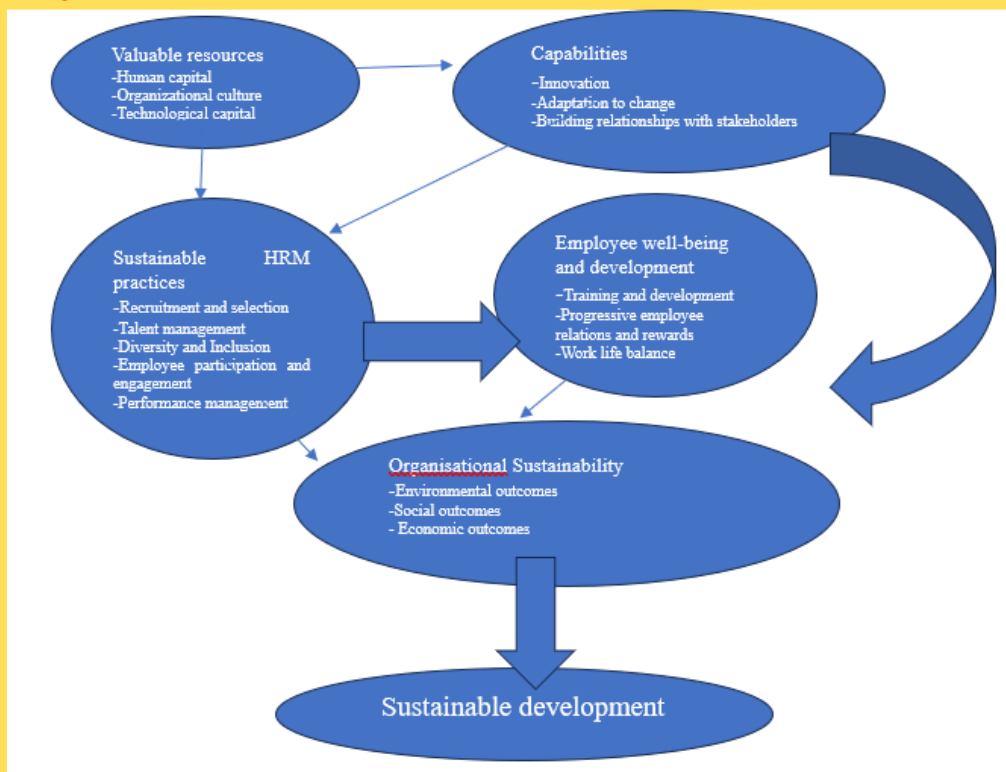
The sustainable framework developed by Ehnert (2009), proposes that SHRM involves the adoption of HRM practices that support the organisation's sustainability goals, while also promoting the well-being and development of employees. The framework consists of three key components which are sustainable HRM practices; employee well-being and development; and organisational sustainability.

SHRM practices are those HRM practices that support sustainability goals, such as talent management; diversity and inclusion; employee engagement; and performance management (Ehnert, 2009). Employee well-being and development is the component that refers to the promotion of employee well-being and development through HRM practices such as training and development programmes, employee recognition and rewards systems; and work life balance initiatives (Ehnert, 2009). Organisational sustainability component refers to the organisation's ability to achieve its sustainability goals, such as reducing its environmental impact, promoting social responsibility, and ensuring economic viability (Ehnert, 2009).

The RBV of the firm (Barney, 1991), suggests that organisations can achieve sustainable competitive advantage by leveraging their internal resources and capabilities. The theory consists of two key components which are: valuable resources and capabilities. Valuable resources refer to resources that are valuable, rare, and difficult to imitate, such as human capital, organisational culture, and technology (Barney, 1991). Capabilities refer to the ability to utilise its resources effectively, such as its ability to innovate, adapt to change, and build relationships with stakeholders (Barney, 1991).

### 2.1.1 The Integrated Theoretical framework

The integrated theoretical framework proposes that SHRM practices can contribute to the achievement of sustainable development by leveraging the organisation's internal resources and capabilities. Thus, SHRM practices lead to employee well-being and development, which in turn contribute to organizational sustainability. Valuable resources (such as human capital, organizational culture, and technological capabilities) enable capabilities (such as innovation, adaptation to change, and building relationships with stakeholders), which in turn support sustainable HRM practices. Employee well-being and development contribute to organizational sustainability, which is enabled by capabilities. Organizational sustainability ultimately contributes to sustainable development (see figure 1 below).



**Figure 1: Conceptual framework (adapted from Barney, 1991; Ehnert, 2009)**



## 2.2 Sustainable development

Sustainable development is now a globally recognized concern for societies and businesses (Ehnert, Harry, & Zink, 2014). It is a broader concept that not only encompasses environmental sustainability but also social and economic stability (UN, 2015). It involves balancing the economic, social and environmental dimensions of development to ensure that human well-being is improved while protecting the environment and the natural resources (Hopwood, Mellor, & O'Brien, 2005). The term sustainability, which is closely linked to, and sometimes used interchangeably with the term sustainable development is defined as the ability to meet current social, environmental and economic needs without negatively impacting the ability of future generations to meet their social, environmental and economic needs' (Brundtland Report for the World Commission on Environment and Development [WCED], 1987; Gachie, 2019; Sustainability is therefore a key aspect of sustainable development, with sustainable development being a more comprehensive and integrated concept that addresses the complex relationships between economic, social, and environmental factors. Although there is no universally accepted definition of sustainability (Ridsdale & Noble, 2016) to sustain' reflects that sustainability involves the management of the continuous existence of something over a long period (Burger & Middelberg, 2018; Dignen, 2000), with Purgał-Popiela (2024) contenting that sustainability concerns prolonging and protecting resources.

With the growing expectations and global awareness of sustainable development, the significance of sustainability therefore lies in three dimensions that support sustainable development at the firm level, namely, the economic, environmental and social dimensions (Yadav, Gupta, Rani, & Rawat, 2018). Research reveals that businesses that invest in sustainable practices have advantages of lowering risks, lowering costs, and possibly gain a competitive edge as the market for sustainable goods and services expands (Antonio et al., 2018; Hermundsdottir & Aspelund, 2021). Sustainability has also been found to attract human talent, reduce costs, and ultimately boost profits (Bodhanwala & Bodhanwala, 2018).

It should however be noted that it is those organisations with better resources that are at an advantage to tap into these benefits of sustainability. Therefore, large firms have been argued to have more resources and can therefore go further to protect and support sustainability goals, whereas small firms face constraints due to limited available resources. Large businesses have a variety of strategies to utilise resources and were the first to realise the issues of sustainability and start taking action (Yeganeh, McCoy, & Schenk, 2020). However, due to resource constraints, SMEs face challenges in protecting against economic, social, and environmental problems. If sustainability becomes an integral aspect of SMEs, these challenges can be resolved to a certain extent, enhancing sustainable development in Zimbabwe.

### **2.3 Sustainable Human Resource magement (SHRM)**

SHRM can be defined as “the adoption of HRM strategies and practices that enable the achievement of financial, social, and ecological goals, with an impact inside and outside of the organization and over a long-term time horizon while controlling for unintended side effects and negative feedback” (Ehnert, Parsa, Roper, Wagner, & Muller-Camen, 2016, p. 90). SHRM is therefore a strategic approach in managing human resources paying attention to economic, social and environmental aspects. SHRM is a key component of an organisation’s sustainability strategy as it enables organisations to manage their human resource in a way that supports their sustainability goals (Ehnert, 2009).

According to Kramar (2020), it also involves the adoption of people management practices that support the organisation sustainability goals, while also promoting the well-being and development of employees. These practices include talent management, diversity and inclusion, employee engagement, performance management, well-being and health, learning and development, and employee voice (Clarke, 2020). Baumgart and Rauter (2020) argue that SHRM is an approach that recognises the critical role that employees play in driving sustainability outcomes.

SHRM therefore builds on strategic HRM and is seen as an extension of strategic HRM (Stankevičiūtė & Savanevičienė, 2018). It presents a new approach to people management with the focus on long-term human resource development, regeneration, and renewal. Its main characteristics being long-term orientation, care of employees, care of environment, profitability, employee participation and social dialogue, employee development, external partnership, flexibility, compliance beyond labour regulations, employee cooperation, fairness, and equality (Stankevičiūtė & Savanevičienė, 2018). Just as strategic HRM included personnel management activities, SHRM includes strategic HRM (Krama, 2020).

The recognition of sustainability as an inherent aspect of development across all domains, has therefore ignited the growing research interest in SHRM (Ehnert, Parsa, Roper, Wagner, & Muller-Camen, 2016; Kramar, 2022). SHRM approach has evolved over the past decade and is among the current embryonic topics (Esfahani et al., 2017). Thus, SHRM remains a forthcoming theme (Mazur, 2017) and is still in its developing stages (Stankevičiūtė & Savanevičienė, 2018), implying that it has not been widely researched yet (Mazur, 2017). The concept of HRM was predominantly associated with large corporations, implying that SHRM practices adopted by small and medium-sized enterprises (SMEs) has not yet been fully researched. Despite their acknowledged economic significance, the understanding of HR practices within SMEs remains surprisingly limited (Biea, Dinu, Bunica, & Jerdea, 2024).

Scholars have therefore revealed a chronic underrepresentation of SMEs in HRM research as noted by Biea et al. (2024), Khan and Mohiya (2020), Heneman et al. (2000), and Chandler and McEvoy (2000). These studies suggest that SMEs often lack dedicated HR departments, which complicates the implementation of sophisticated HR policies and practices. The absence of specialized HR personnel is a significant hindrance, limiting the strategic HRM that is crucial and a forerunner of SHRM. Key issues like employee turnover, job satisfaction, employee development, reward management, and organizational compliance needs specialised skills of HR practitioners.

The studies therefore suggest that enhancing effective HR practices can lead to prolonged employment and reduced turnover, which are critical for the stability and growth of SMEs. The attainable of SHRM in SMEs can therefore happen if HRM practices by are first and foremost strategic, and then also linked to sustainability goals.

### **2.3.1 Integrating and implementing SHRM in SMEs**

The integration and application of SHRM is a strategic process that integrates economic, social and environmental principles into HRM as a way of dealing with the sustainability demands by the business 's external environment (Farida, 2023). There are therefore key actions that should be taken if the integration is to be effective. Baumgartner & Rauter, 2020) opined that it is key to develop a sustainability strategy, which helps in defining sustainability goals. The SHRM practices would then be aligned with the organization's overall sustainability strategy. Sustainability audit is also done to identify areas for improvement and develop a plan to address them (Klewitz & Hansen, 2020). The reviewing and revising of SHRM practices should also be done to ensure policies align with sustainability goals and promote SHRM practices (Ehnert, 2009). It is also key to communicate sustainability expectations and responsibilities to employees (Renwick et al., 2020). Awareness encourages SMEs players to understand and internalize sustainability values, including environmental protection, social responsibility and employee welfare.

Several authors also proffered different ways of integrating and implementing SHRM. Kramar (2020), opined that integration of SHRM practices requires the implementation of sustainable recruitment and selection practices which allows for the development of a diversity and inclusion strategy that foster a diverse and inclusive workplace culture. Some authors argue that it is essential to foster a culture of sustainability by providing sustainability training and development opportunities; educating employees on sustainability principles and practices (Sharma & Sharma, 2020); and encouraging employee participation and engagement by fostering a culture of

sustainability through employee involvement and feedback (Aragon-Correa et al., 2020).

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SHRM practices should also embed sustainability into performance management by integrating sustainability goals into performance management. This then allows employee performance to be aligned with sustainability objectives (Ehnert, 2009). Sustainability performance can then be evaluated by measuring and tracking sustainability performance (Klewitz & Hansen, 2020).

Other authors suggested the provision of incentives for sustainable behaviour where SMEs can recognize and reward employees for their contributions to sustainability (Renwick et al., 2020). Sustainable employee benefits and well-being programs that promote sustainable living, such as public transportation reimbursement or on-site fitness classes (Hahn et al., 2020) can also be offered. It is also crucial to engage with stakeholders and communicate sustainability progress by sharing sustainability achievements and progress with employees, customers, suppliers, and the wider community (Aragon-Correa et al., 2020). These different ways can help SMEs integrate sustainable human resource management practices into their businesses, contributing to a more sustainable future.

In Zimbabwe, the adoption of SHRM practices by SMEs is critical for achieving the SDGs and the NDS 1 goals. This is because SHRM practices can help SMEs to develop the human capital needed to drive economic growth and development, while also promoting the well-being and development of employees (Ehnert, 2009). Wang (2016) notes, in emerging and developing economies, owners of small and medium-sized enterprises (SMEs) are an integral part of economic development. This makes SMEs key players in the implementation of SHRM practices in these economies.

#### **2.4 Challenges that SMEs face in implementing SHRM practices**

In as much as SMEs are considered to be key in enhancing sustainable development, studies suggest that SMEs face a lot of challenges in implementing SHRM practices. SMEs often lack dedicated HR departments, which makes the implementation of sustainable HR policies and

practices difficult (Biea et al., 2024; Khan & Mohiya, 2020).

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The absence of specialized HR personnel is a significant limitation, obstructing the strategic HRM that is crucial for the integration on sustainability into HRM practices. Another key challenge is the need to balance the organisation's sustainability goals with the needs and interests of the employees (Ehnert, 2009; Kramar, 2020). This can be difficult to achieve in practice, especially in organisations where there may be conflicting priorities and interests. Thus, the need to develop HRM practices that support sustainability goals; while also promoting the well-being and development of employees requires HR practitioners to have a deep understanding of the organisation's sustainability goals, as well as the needs and interest of employees.

Additionally, implementing SHRM practices can be challenging due to lack of resources and support (Gollan, 2000). Many SMEs may not have the necessary resources or support to implement SHRM practices, particularly in developing countries where resources may be scarce (Hartel, Fujimoto & Strybosch, 2020). Furthermore, implementing SHRM can be challenging due to the need to change the organisational culture (Clarke, 2020). Accordingly, Baumgart and Rauter (2020) argue that this would require a fundamental shift in the way that organisations think and manage their human resources.

Other challenges that organisations may face when implementing SHRM practices include resistance from employees and managers (Ehnert, 2009); lack of awareness and understanding of sustainability issues (Kramar, 2020); difficulties in measuring and evaluating the impact of sustainable HRM practices (Gollan, 2000); limited availability of training and development programmes that focus on sustainability (Hartel et al. 2020); and the difficulties in integrating sustainability into performance management systems (Clarke, 2020). These challenges therefore need to be dealt with, if SHRM practices are to be integrated and implemented in SMEs to enhance sustainable development.

### **3. Methodology**

This study employed a qualitative research approach, involving semi- structured interviews with human resource (HR) practitioners in SMEs and owners of SMEs in Zimbabwe. The interviews were conducted over a period of three months and were designed to gather data on how SMEs are integrating and implementing sustainable HRM practices to support their sustainable goals. A total of 20 semi- structured interviews involving 10 HR practitioners working in SMEs and 10 business owners were conducted, some in person and others using video, calls lasting approximately 45-60 minutes each. The interviews were recorded and transcribed, and the data was then analysed using thematic analysis. Pseudo names were then used to protect and maintain the respondents' anonymity, where HR 1-10 was used to represent HR practitioners with SMEO 1-10 also used to represent views from the SME owners. The analysis revealed several key themes related to SHRM practices in Zimbabwe.

### **4. Results**

This report presents findings on SHRM practices in SMEs in Zimbabwe, based on interviews with 10 HR practitioners and 10 SME owners (who run as de-facto human resource practitioners in their business). The study aims to identify the current state of sustainable HR practices in SMEs, challenges faced, and strategies for achieving sustainability, which ultimately leads to sustainable development.

#### **4.1 SHRM Practices being integrated and implemented in SMEs**

The study revealed that most SMEs in Zimbabwe are not integrating SHRM practices into their businesses. While there is some awareness of the importance of integrating SHRM practices into



their business, the findings revealed that most SMEs implement HRM practices to fulfil their operational needs.

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The most common HRM practices being implemented included recruitment and selection; employee well-being and development, training and employee wellness programs and safe working practices. These were found to be mainly practiced to ensure employee safety and productivity. The findings also revealed that some few SMEs were now making efforts to integrating sustainable business practices such as reducing environmental impact, and promoting sustainability. Some of the respondents had this to say:

*We are mainly implementing HR practices for productivity and survival reasons (SMEO 5).*

*We're integrating HRM practices by adopting safe working practices and providing employees with training and development opportunities (HR 2).*

*We're integrating SHRM practices by adopting sustainable energy practices and providing employees with training and development opportunities (SMEO 3).*

While most respondents were in agreement that they do not focus mainly on sustainability but productivity and profitability, the findings revealed that the few that alluded to implementing some SHRM practices came from medium enterprises, which may imply that medium enterprises are in a better position to integrate and implement SHRM practices than the smaller enterprises.

Responding to how SHRM are being integrated into SMEs, most respondents revealed that most SMEs in Zimbabwe were not yet integrating SHRM practices into their business operations. They argued that SHRM is still a new management approach, and mainly implemented by large organisations. However, these SMEs highlighted some of the areas that they can integrate SHRM into their businesses. The findings revealed that SMEs may provide training and development programs that focus on sustainability, such as environmental awareness and social responsibility.



The findings further revealed that SMEs may integrate workforce diversity into their businesses by fostering a diverse workforce through recruiting employees from diverse backgrounds, ages, and abilities. The encouragement of employee participation in sustainability initiatives, such as environmental conservation, community development, and social responsibility projects; and communication of SHRM practices were also found to be ways of integrating sustainable HRM practices into the SMEs. Some of the respondents highlighted that:

*The concept is still new but we can recruit people from a diverse background to try to have a mix of different people. (HR 10).*

*We may re- focus our training and development programs to focus on sustainability by looking at both environmental issues and economic sustainability. We may also do diversity training programmes to promote diversity and inclusion (HR 7).*

*As an owner, I can regularly solicit employee feedback on sustainability initiatives, using this feedback to improve and refine sustainability strategies (SMEO 8).*

#### **4.2 Benefits of SHRM practices**

The findings of this study highlighted several benefits of integrating SHRM practices into SMEs. Most respondents mentioned improved employee engagement; enhanced organizational reputation; and increased productivity as the main benefits of integrating sustainable HRM practices into their businesses. Some of the respondents alluded that:

*We're gaining improved employee engagement, retention, and productivity (HR 1).*

*We're gaining a competitive edge, improved brand reputation, and enhanced employee experience (SMEO 1).*

*We're gaining improved employee safety and productivity, and enhanced organizational reputation. (SMEO 7).*

The findings also highlighted better talent attraction and retention and improved environmental performance as benefits of integrating practices. It is interesting to also note that most respondents who reported improved employee engagement as a benefit also reported enhanced organizational reputation and increased productivity as major benefits of SHRM practices. Improved environmental performance was mostly reported by HR practitioners, who mainly argued that well-motivated and engaged employees go an extra mile to improve the business's environmental goals. It is important to note that the responses pointed to economic, social and environmental outcomes as benefits of implementing SHRM practices.

#### **4.3 Challenges faced by SMEs in Zimbabwe when integrating sustainable HR practices**

The findings revealed several challenges faced by SMEs in Zimbabwe in integrating sustainable HR practices. These challenges included limited resources where most respondents mentioned limited resources in the form of financial, human, and technological resources. The study further revealed the lack of expertise as another challenge with most respondents highlighting the lack of expertise and knowledge in SHRM practices as a major challenge. Thus, limited knowledge and understanding of SHRM practices, lack of training and development opportunities for employees and limited access to consultants and experts in SHRM practices resulted in this challenge. Some respondents outlined that:

*Challenges include limited resources, lack of expertise, and competing priorities. We usually put more emphasis on profitability (SMEO 9).*

*We are small business owners with minimum expertise in specialised HRM work, so we work with the limited knowledge in that area. If I am to be frank with you, I do not even understand what these sustainable practices actually entail (SMEO 6).*

Some respondents pointed to competing priorities as a challenge, citing the need to balance HRM practices with other business priorities. The findings revealed that it was difficult to balance short-term and long-term goals and at the same time managing trade-offs between different business priorities. One respondent argued that:

*We usually put more emphasis on profitability against the well-being of people (HR 3).*

Furthermore, resistance to change was also cited as another challenge with the findings revealing difficulties in changing the organizational culture and employee attitudes. Thus, resistance came mainly from employees, management and a rigid organisational culture. The findings further revealed difficulties in measuring the impact of SHRM practices on business outcomes as yet another challenge encountered by SMEs. Thus, limited access to data and metrics, difficulties in attributing business outcomes to SHRM practices; and limited understanding of how to measure the impact of sustainable HR resulted in most SMEs being reluctant to integrate SHRM practices into their businesses. Other challenges revealed by the findings also included limited support from government and regulatory bodies, limited access to funding and resources, and difficulties in finding and retaining employees with the necessary skills and expertise. Some of the responses were:

*Challenges included measuring the impact of sustainable HR practices, limited resources, and competing priorities (HRM, 6).*

*Given our resource strain, we cannot sustain fully specialised HR practitioners, so we do what is need to be done on our own. We use the minimum skills we have to keep the business going (SMEO 2).*

*Adopting sustainable HRM practices means that we need to be flexible and embrace some changes in the way we are used to do things. This is usually difficult as people are more*

*comfortable in their old comfort zones (HR 4).*

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It was also noted from the findings that most respondents who reported limited resources as a challenge also reported lack of expertise and competing priorities as challenges their challenge. Respondents who reported resistance to change as a challenge also reported difficulties in measuring the impact of SHRM practices. Furthermore, respondents from smaller enterprises (less than 50 employees) reflected more on limited resources and lack of expertise as challenges, whilst respondents from MEs (more than 50 employees) reported competing priorities and resistance to change as their main challenges. These findings therefore highlight the complex challenges faced by SMEs in Zimbabwe when integrating sustainable HR practices.

#### **4.4 Strategies for effectively integrating and implementing SHRM practices in SMEs**

The analysis of the findings revealed several ways of integrating SHRM effectively given the challenges facing SMEs. One of the recommendations was that SMEs have to align their HRM practices with organizational sustainability goals and objectives to enhance organizational performance and reputation. Another recommendation was for SME owners to seek external expertise and support, so as to reduce the skills gap. Furthermore, respondents recommended that SMEs should provide training and development opportunities for employees to enhance their skills and knowledge in sustainable HR practices.

It was also recommended that policymakers develop targeted policies and programs to support SMEs in integrating sustainable HR practices. Respondents also recommended that SMEs foster collaboration and partnerships with other organizations, including NGOs, government agencies, and industry associations, to support the integration of sustainable HRM practices into SMEs.

The findings therefore provide significant recommendations for supporting SMEs in integrating sustainable HR practices into their business. Some of the responses were:

*We need resources and some training on sustainability issues if change is to be seen. To some of us, these are new concepts coming into business, and we do not have the know-how of how it is done (SMEO 3.)*

*The first important thing is to align all our HRM strategies with the organisational sustainability goal (HR5).*

## **5. Discussion and findings**

Findings from this study highlighted the importance of SHRM practices in driving sustainability outcomes in SMEs. The data analysis revealed that SMEs in Zimbabwe are aware of the importance and benefits to be accrued in implementing SHRM practices. These findings are in support of previous studies that have opined that effective HRM in SMEs contributes to significant organizational outcomes such as enhanced profitability, increased productivity, innovation rates, market share expansion, and improved environmental performance (Joseph & Shrivastava, 2024). These outcomes underscore the strategic value of HRM in contributing to the competitive advantage of SMEs and ultimately to sustainable development.

The findings also pointed to the various SHRM practices that can be incorporated into SMEs for sustainable development. These included talent management, diversity and inclusion, employee engagement, performance management, well-being and health, learning and development; and employee voice. These findings are consistent with literature where (Kramar, 2020) highlighted the importance these sustainable HRM practices in driving sustainable outcomes.

It should however be noted that in as much as the SMEs were aware of the value and contributing of SHRM practices to organisational sustainability and sustainable development, the study however revealed that little is being done to integrate these SHRM practices into SMEs. Thus, most HRM practices were implemented for short term gains with a short-term focus like profitability and survival without necessarily linking these practices with the sustainability principles. Contrary to these findings, Ehnert (2020) emphasised the importance of adopting a strategic approach to people management, one that recognises the crucial role of employees in driving sustainability outcomes.

It should however be noted that the findings of the study revealed that the major drawbacks in integrating SHRM into SMEs business were a series of challenges that SMEs were facing. These challenges included limited resources, resistance to change from employees and managers, lack of awareness and understanding of sustainability issues and the limited availability of training and development programmes that focus on sustainability.

These challenges made it difficult for SMEs to implement SHRM practices. The findings are consistent with the literature as argued by Chiwunze (2017) that SMEs have limited capacity to implement SHRM practices due to limited resources, inadequate infrastructure, and lack of expertise. Biea et al. (2024) also contented that SMEs often lack dedicated HR departments, which makes the implementation of SHRM policies and practices difficult. Furthermore, previous studies have acknowledged that SMEs face unique challenges that are specific to them (Ndlovu & Ndhlovu, 2024), highlighting the importance of addressing these challenges in order to successfully implement SHRM practices in SMEs.

As mitigatory measures to these challenges and to pave a way for the integration of sustainable HRM practices in SMEs, the findings of the study brought forth several ways of supporting SMEs in integrating sustainable HRM practices. These recommendations included providing training and development opportunities on sustainability and SHRM, develop sustainability strategy and aligning HRM practices with organizational sustainability goals, and fostering collaboration and partnerships. These recommendations are consistent with recent literature, which emphasizes the importance of policy and regulatory support for SMEs (Klewitz et al., 2020) and the need for HRM practices to be aligned with organizational sustainability goals (Ehnert et al., 2020).

The findings of this study highlight the challenges and benefits associated with the integration of SHRM practices in SMEs in Zimbabwe. The study's findings are consistent with recent literature on SHRM and provide insights into the complexities of integrating and implementing SHRM practices in SMEs. The study's recommendations for supporting SMEs in integrating SHRM practices are also consistent with recent literature and provide a framework for policymakers, practitioners, and researchers seeking to support SMEs in integrating sustainable HRM practices.

## **6. Conclusions, recommendations and limitations**

### **6.1 Conclusions**

The study highlighted the importance of SHRM practices in SMEs for the achievement of sustainable development goals in Zimbabwe. Thus, practices such as talent management, diversity and inclusion, employee engagement, performance management, well-being and health, learning and development, and reward management are believed to enhance employee well-being and development, which are key to organisational sustainability in the form of economic, social and environmental outcomes.

Thus, organisational sustainability has been found to enhance the achievement of sustainable development goals. The study also concluded that while SMEs face various challenges and have not done much in integrating SHRM practices into the business, they can develop sustainability strategies, align SHRM with business goals, prioritise and focus on key areas, seek external expertise and support; and prioritise stakeholder engagement so as to gain significant benefits from SHRM integration with business.

## **6.2 Recommendations**

6.2.1. SMEs should develop sustainability strategies that align with their business goals and objectives, and then align SHRM practices with these sustainability goals.

6.2.2. Given their limited resources, SMEs may prioritize and focus on key areas that align with business objectives. They may therefore develop a phased implementation plan that prioritizes sustainable HRM practices based on available resources and competing priorities.

6.2.3. To alleviate the limited expertise in HRM and sustainability, SMEs can seek external expertise and support from HR consultants, sustainability specialists, or industry associations to develop and implement sustainable HRM practices. Furthermore, they may also develop internal HR capacity by providing owners with basic HR training to equip them with essential HR knowledge.

6.2.4. SMEs to prioritize stakeholder engagement and partnerships. Universities through community service can help these SMEs with the needed training and development capacitation, businesses and NGOs may provide assistance with the needed financial resources, and the government can intervene through providing programmes and policies that support sustainability in SMEs.

6.2.5. To deal with resistance to change, SMEs can engage employees in sustainability efforts through training and development programs to raise awareness and promote behaviour change.



### **6.3 Limitations and further research**

The study had some limitations, including the sample size which was limited to 20 participants, which may not be representative of all SMEs in Zimbabwe. The qualitative research approach employed may not provide generalizable results. Also, the study focused on sustainable HRM practices in SMEs in Zimbabwe, which may not be applicable to other contexts or industries. Similar research can be done using a different methodology. Also, further research can be done to explore the impact of SHRM on SMEs in Zimbabwe, including the development of metrics and benchmarks to measure sustainability.

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