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SUSTAINABLE HUMAN RESOURCE MANAGEMENT PRACTICES IN
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Corresponding Author's Email:**ABSTRACT**

Stakeholders play a crucial role in shaping sustainable HRM practices in organizations. These HRM practices include policies and procedures for managing an organization's workforce (Armstrong & Taylor, 2023). Despite the recognized benefits, there are notable gaps in literature regarding the implementation of sustainable HRM practices in the multinational firms, particularly in developing countries. In Kenya, the agricultural sector still remains the backbone of the Kenyan economy despite its share to GDP declining over the years to 21.3% (Central Bank of Kenya, 2024). With such a small portion of the total national budget, there emerges a local investment insufficiency that is escalated by weak agricultural production factors and lack of advancement in farming techniques. To deal with this, the government encourages foreign investors, through the inflow of multinational companies and foreign direct investments, to fill in the insufficiency in local production. However, the question to address is whether the MNC embrace sustainable human resource management practices in search for their economic goals. To contribute to the understanding of the relationship between sustainability and human resource management practices, this study conducted a survey on employee development and employee engagement and analysed their impact on sustainability of human resource management practices in multinational firms. The study collected primary data through open ended questionnaires which were administered to 96 employees of Kakuzi Limited, out of which 60 questionnaires were filled and returned. The development of the questions in the questionnaire to measure employee engagement and employee development was based on a study by (Stankevičiute & Savanevičiene, 2018). In addition, the study adopted a measurement scale by (Yu et al., 2021) to measure sustainable human resource management practices. The correlation analysis results established that the sustainability of HR practices of multinationals operating in Kenya's Agricultural Sector was positive and significant with the employee development at 0.591. Thus, employee development was found to have a positive and significant impact on the sustainability of human resource practices in multinational firms. The study contributes to the debate on stakeholder's value as well as acts as a policy guide for multinational firms. The study recommends that multinationals operating in Kenya's Agricultural Sector prioritizes employee development by integrating it in their sustainable goals.

Keywords: Sustainable Human Resource, Multinational firms, Employee engagement, development

INTRODUCTION

The importance of sustainable HR practices is underscored by the increasing scrutiny and demands from various stakeholders, including consumers, investors, and regulatory

bodies. These stakeholders are increasingly holding companies accountable for their social and environmental impacts, making it imperative for multinational agricultural companies to adopt comprehensive HR sustainability practices (Stankevičiute & Savanevičiene, 2018). (Mariappandar, 2003) define Sustainable Human Resource as the management of human resources to meet the optimal needs of the company and community of the present without compromising the ability to meet the needs of the future. (Ehnert, 2006, 2009a) further defined Sustainable HRM as the pattern of planned or emerging human resource deployments and activities intended to enable a balance of organizational goal achievement and reproduction of the human resource base over a long-lasting calendar time and to control for negative impact on the human resource base. Though the discussion on sustainability is linked to scrutiny of scarce human resources, of aging workforces and of increasing work-related health problems the argument is that fostering the sustainability of the HRM system has evolved as a survival strategy for organizations dependent on high quality employees.

Ehnert (2006, 2009b) identified the main objectives of Sustainable HRM as (1) to balance the ambiguities and the duality of efficiency and sustainability over a long-lasting calendar time, (2) to sustain, develop, and reproduce an organization's human and social resource base for instance with the help of mutual exchange relationships, and (3) to evaluate and assess negative effects of HR activities on the HR base and on the sources for HR. (Carollo et al., 2020) in addition highlight the role of HR practices in supporting organizational sustainability through workforce diversity, employee engagement, and corporate social responsibility initiatives. (Westerman et al., 2020) shows that companies prioritizing sustainability in their HR practices can create a more engaged and motivated workforce, driving innovation and productivity. Despite the recognized benefits, implementing sustainable HR practices in the agricultural sector is proving to be a major challenge. This is due to factors such as the need to balance economic goals with social and environmental responsibilities, the complexity of managing a diverse and often dispersed workforce, and the necessity of adapting to different cultural and regulatory contexts (Kramar, 2014). Thus, this study evaluates the sustainability of human resource management practices in multinational firms operating in Kenya's Agricultural firms.

EMPIRICAL REVIEW

Employee engagement on Sustainability of Human Resource Practices

Empirical research on employee engagement and its impact on sustainability of human resource practices is relatively more abundant. (Razali & Vasudevan, 2024) evaluated the effect of implementing green human resource practices on employee engagement and sustainability. The analysis established the existence of a positive correlation between employee engagement and sustainability of human resource practices. The findings resonated with those of (Wang et al., 2023) evaluation of the effect of Green Human Resource Management Practices on employee engagement from the perspective of banking employees. According to the study, firms with sustainable human resource practices have managed to engender trust among their employees through continuous engagement. Employees are much more likely to be fully engaged in their job when they feel that their employer is truly committed to their well-being and long-term success. In other words, sustainable HR practices are a means to higher job satisfaction, value alignment, an

enhanced work environment, trust, and higher rates of employee engagement. On the other hand, Mishra (2020) investigated sustainable employee practices leading to high employee engagement in order to identify the priorities. The contra results of the analysis established that organisations are able to create an environment which promotes employee engagement which in return result in better organisational performance. In this regard, the study established that it is the sustainable business human resource practices which help the business to promote employee engagement and not the other way round. Based on this background, the following hypothesis was developed:

H1: Employee engagement has a positive and significant impact on sustainability of human resource practices

Employee development on sustainability of human resource practices

Lu et al. (2023) analysed the relationship between sustainable human resource management practices, employee resilience and employee outcomes. The study established the existence of a positive two-way relationship between sustainable Human Resource practices and employee development. Thus, if an employee gets a chance for development through trainings and career advancements, employees get more engaged and committed to feeding the organization's goals. Thus, this better engagement and performance strongly support sustainable human resources practices. Cherian and Farouk (2017) investigated the relationship between sustainable Human Resource Practices and firm performance. The analysis indirectly established that employee training and development has a positive impact on sustainable Human Resource practices given that training and development were used as a proxy for sustainable Human Resource practices. In addition, Al-Tit et al. (2022) evaluated the effect of employee development practices on human capital and social capital therefore embracing The Triple Bottom Line Approach. The results of the analysis established that employee engagement has a positive and significant impact on human capital and an insignificant impact on social capital. In doing so, it helps to improve the sustainability of the human capital aspect while not addressing the social capital aspect. Based on this background, the following hypothesis was developed:

H2: Employee development has a positive and significant impact on sustainability of human resource practices

FINDINGS AND DISCUSSIONS

The descriptive statistics established that on average, employees of multinational firms operating in Kenya's Agricultural Sector have a work experience of 4.13 years. This is relatively high given that a majority of them are in the production department and are mainly casual workers. However, this would explain why there is a high standard deviation in the years of experience of 2.411. In addition, it was established that the sustainability levels of the firms' HR practices have a mean of 4.73 and a low standard deviation of 0.144. This means that the employees are in agreement about the high sustainability levels of HR practices of these firms. Moreover, employee engagement was established to have a mean score of 4.74 and a standard deviation of 0.204. As such, the firms were established to be engaging with the employees on almost all decisions made by the firm. Similarly, the level of employee development was established to be 4.73 with a standard deviation of 0.1512. This is an indication that all the employees are in agreement that the multinational firms invest in training their employees in the long run and this may

explain why the employees work on the firms for an average of 4.13 years which is relatively long for a firm which has so many casual labourers.

The model was established to have a p value of 0.000. Since it was less than the 0.05 significance level used in the model, the model was established to be significant and as a result, it was more ideal to be used in the analysis compared to other models such as the intercept only model. Employee engagement was established to have a positive impact on HRM sustainability practices as established by a positive regression coefficient of 0.023. However, the impact was established to be insignificant at 5% significance level given that it had a p value of 0.778 which was greater than the 0.05 significance level used in the model. Consequently, it was established that employee engagement had an insignificant impact on the sustainability of human resource practices in multinational firms operating in Kenya's Agricultural Sector.

The analysis also established that employee development has a positive impact on the sustainability of human resource practices in multinational firms operating in Kenya's Agricultural Sector as established by the positive regression coefficient of 0.571. This impact was also established to be significant at 5% significance level given that it had a lower p value of 0.000. Consequently, employee development was established to have a positive and significant impact on the sustainability of human resource practices in multinational firms operating in Kenya's Agricultural Sector such that a unit increase in employee development resulted in a 0.571 improvement in the sustainability of human resource practices in multinational firms operating in Kenya's Agricultural Sector.

The findings resonated with those of Saad et al. (2021) who established that employee engagement does not always result in an improvement in the sustainability levels of human resource management practices. As most often, engagement is focused on short-term productivity and job satisfaction; this does not result in improved sustainability in HR practices. While engaged employees do perform better and are more committed, it does not translate into sustainable practice unless the culture, leadership, and policies of the organization have innate sustainability. If the goals that engage are not oriented toward sustainability, they will enhance performance without really effecting changes in broader environmental, social, or economic impacts. However, the findings conflicted with The Stakeholder Theory which argues that the success of any venture by the firm, including implementing sustainable Human Resource practices, requires the input of all the stakeholders in order to guarantee its success. In this regard, the theory argues that employee engagement has a positive impact on the sustainability of the Human Resource practices given that they are responsible for implementing them. As a result, they tend to be more familiar about how realistic and practical the sustainability practices are and frequent engagements helps in addressing their various shortcomings resulting in their eventual success and sustainability.

The regression analysis established that employee development has a positive and significant impact on the sustainability of human resource practices in multinational firms operating in Kenya's Agricultural Sector. The findings however conflicted with those of Al-Tit et al. (2022) who established that employee development may have a zero-net effect on the sustainability of Human Resource practices. According to the study, where employee

development does not conform to the strategic sustainability of human resource practice, the impact can be less. Any such development programs that are likely to be poorly designed or implemented without focusing on sustainability prima facie neglect to address the larger needs of the system. The result is that while employee development is potentially very positive for sustainability, its impact can be very insignificant if not aligned with another organizational goal.

RECOMMENDATIONS

First, stakeholders in the Agricultural Sector of Kenya have to put more emphasis on employee development. In addition, the initiative on employee development has to align and link with the very sustainability goals of the organization. This would, therefore, create a competency in their training programs related to sustainability, provoking innovation that is less harming to the environment, and creating a work culture for sustainability. Lastly, stakeholders, in association with the industry associations and government bodies, should come up with employee development initiatives across the sector. There might be industry-specified trainings so that every organization in that sector is equipped with such talent; knowledge sharing can achieve this through platforms or associations when required with educational associations to ensure that the entire sector becomes a beneficiary of a skilful and sustainability conscious workforce.

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