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LINKING SUSTAINABLE HRM WITH ORGANIZATIONAL PERFORMANCE: A STRATEGIC PERSPECTIVE FROM HYDERABAD'S PHARMA SECTOR

Narendra Kumar Vadlmaudi
Research Scholar, Department of MBA (HRM), Acharya Nagarjuna University
NH16, Nagarjuna Nagar, Guntur, Andhra Pradesh, India - 522510

Dr. Shaik Mohammad Rafi
Faculty, Department of Commerce & Business Administration, Acharya Nagarjuna University, NH16, Nagarjuna Nagar, Guntur, Andhra Pradesh, India - 522510

Prof. Nagaraju Battu
Head, Department of MBA (HRM), Acharya Nagarjuna University
NH16, Nagarjuna Nagar, Guntur, Andhra Pradesh, India - 522510

Abstract
The increasing focus on sustainability and its implication for HRM, has turned HRM from an administrative practice to a strategic weapon which contributes to the competitive advantage of the organization. In this paper, we explore the association between SHRM practices and organizational performance in the pharmaceutical industry in the "Pharma Capital" of the India, i.e., Hyderabad. Utilizing the Resource Based View (RBV), Institutional Theory, as well as the Ability-Motivation-Opportunity (AMO) framework, the theoretical paper explores how the dimensions of SHRM, such as green HRM, ethical HRM, employee well-being, diversity and inclusion, and work–life balance, lead to financial and non-financial outcomes. Based on a quantitative cross-sectional research design, data were gathered in the form of a structured questionnaire from 300 employees and HR managers from big pharmaceutical companies. The reliability and validity tests (Cronbach's Alpha, KMO, Bartlett's Test) assured the measures' scales as good ones. Analytical methods like descriptive statistics, correlation, regression analysis, and mediation modeling were used to test the hypothesis. The findings indicate that SHRM has a strong influence on the organizational performance, and employee welfare and ethical HRM were the strongest predictors. Green HRM had noticeably higher impact on innovation outcomes, however the influences of diversity and work–life balance were relatively less. Introduction Mediation analysis indicated that employee engagement acted as a partial mediator in the relationship between SHRM and performance, signifying employee engagement as a central mechanism by which sustainable HR strategies have an impact on tangible organization-level outputs. In addition, differences based on tenure show that perceptions of SHRM adoption strengthen with the length of organizational experience.

Keywords: Sustainable Human Resource Management; Organizational Performance; Employee Engagement; Pharmaceutical Industry; Hyderabad

1. Introduction:

Pharmaceuticals have become one of India's fastest-growing and globally competitive industries, and Hyderabad is often called India's "pharma capital" because of its cluster of research, manufacturing and export-driven businesses. In this regard, organizational competitiveness is no longer just a function of cost effectiveness and innovation, but it is equally anchored in the sustainability rested strategies whose focus is to balance financial growth with social commitment and environmental stewardship (Ahmed et al., 2025). SHRM is an increasingly important strategic approach that is developed by organisations seeking to inculcate environmentally, ethically and employee friendly HR practices to align employees' development with the broader goals of sustainability (Sharma, 2025).

Green recruitment, learning and development and green training programs, employee well-being, diversity management and responsible performance appraisal systems are part of the typical SHRM practices. Such measures not only build organisational legitimacy and ensure adherence to sustainability policies, but also impact positively on employee engagement, innovation, and retention (Renwick et al., 2016). The pharmaceutical industry, characterized as highly knowledge- and regulation-intensive, in particular, needs HR strategies promotive of innovation, resilience, and a sustainable workforce ability of meeting complex demands like regulatory requirements, climate - friendly supply chains, and global health challenges (Mutyalu, 2025).

Recent empirical examinations in the Asian pharmaceutical sector also confirm that green HR and SHRM practices make substantial contributions to green organizational performance, particularly through the mediation of organizational processes such as eco-design and sustainable internal management (Ahmed et al., 2025). Moreover, evidence from India shows that SHRM has a positive effect on employee productivity, organizational reputation and long-term performance measures (JISEM, 2025), thereby confirming the role of this practice as a strategic tool for firms competing fiercely in markets, such as pharma firms in Hyderabad. But despite that global literature has highlighted the linkage of SHRM with organizational outcomes, there remains a dearth of empirical research in the Indian pharmaceutical industry, especially in region-specific industrial clusters.

Bridge the gapResponding to the deficit, the current study tries to understand the strategic association of SHRM with OP in Hyderabad's pharma. Drawing on RBV and institutional theory, this study analyses the relationship between sustainable HRM practice and financial and non-financial performance outcomes. The results would have practical implications for HR executives, the corporate executives, and the policymakers, about the SHRM that is not supportive function but a key strategic competitive driver for the sustainable growth of the pharmaceutical industry in India.

1.1 Background of the Study:

The cities have become one of India's epicentres of the pharmaceutical and biotechnology industry, also commonly known as the "Genome Valley", and "Pharmaceutical Capital" largely due to the concentration of drug manufacturing, R&D and life science infrastructure (Economy

of Hyderabad, 2025; Genome Valley, 2025). Crucially, the coming of Hyderabad Pharma City—an ambitious 19000-acre industrial park expected to attract some $9.7 billion of investment and create 560,000 jobs—signals the city's strategic pivot towards the consolidation of pharmaceutical capacity (Hyderabad Pharma City, 2025). As the Indian pharma production grows—estimated to be around $50 billion by FY 2023-24 and expected to reach $130 billion by 2030—Hyderabad continues to be a key contributor to its export potential and innovation story (Pharmaceutical Industry in India, 2025).

1.2 Justification of the Study

The rational for this research lies in the essentiality to empirically substantiate the strategic significance of Sustainable Human Resource Management (SHRM) in improving organizational performance— especially with regard to Hyderabad's pharmaceutical industry which remains under-researched from this viewpoint. At international level more and more studies confirm the fact that the SHRM practices at the workplace have important effects on the performance, the factors mediating being knowledge management and work engagement. As an example, a recent research in academic settings demonstrated that SHRM has a positive effect in organization's performance through the mediating variables of knowledge management and employee engagement (Abu-Mahfouz, 2003). These results highlight the need to incorporate HR practices with cognitive and motivational resources in organizations (Abu-Mahfouz, 2023).

1.3 Problem Statement

Despite the growing interest in Sustainable Human Resource Management (SHRM) as a strategic tool of sustained competitive advantage, not enough has been explored empirically in the Indian context- especially in the pharmaceutical sector. The findings of previous in Asian economies reveal that green HRM practices, such as green recruitment, eco-training, and you to those that are environmentally responsible performance, play a significant role in achieving environmental outcomes of the company through their mediated effect on variables such as eco-design and internal environmental management Ahmed, Rampal, Streimikiene, &Streimikis, 2025).

1.4 Research Objectives:

- To identify key SHRM practices adopted in Hyderabad's pharma sector.
- To evaluate the relationship between SHRM practices and organizational performance indicators.
- To analyse strategic drivers and barriers influencing SHRM adoption.
- To provide managerial and policy recommendations.

1.5 Hypotheses of the Study:

- H1: SHRM practices have a positive effect on employee engagement and retention.
- H2: SHRM enhances organizational innovation and long-term competitiveness.
- H3: SHRM mediates the relationship between HR policies and organizational performance.

2. Literature Review:

2.1 Resource-Based View (RBV)

The former places human, social and organization capital as strategic resources that are valuable, rare, inimitable, and non-substitutable; the latter will be the means that creates and maintains such resources, selecting staff and training them in order to maintain their capabilities; implementing fairly systems of performance management; creating cultural routines that are extremely hard to mimic (Barney, 1991; Wright, Dunford, & Snell, 2001). Building on RBV, the natural-resource-based view posits that firms gain sustained competitive advantage not only from environmental resources—pollution prevention, product stewardship, and sustainable development—but also through HR systems that incorporate environmental knowledge, green skills, and cross-functional learning to leverage sustainability into process efficiency and innovation payoffs, more visible in knowledge-intensive sectors such as the pharmaceutical industry (Hart, 1995). In the pharma cluster of Hyderabad, SHRM is a strategic architecture in that it both draws in and resists hard-to-copy people capabilities (e.g., compliance skills, quality attitude, GMP discipline) that, in turn, can shape both environmental and firm-level performance. (Barney, 1991; Hart, 1995; and Wright, et al., 2001).

2.2 Triple Bottom Line (People–Planet–Profit) in HRM:

Performance becomes social, environmental, and economic performance that are all pursued together—so that HRM moves from one that is administrative to one that at a strategic level aligns the well-being of the employee, green competences, and accountability with productivity and innovation (Isil & Hernke, 2017; Renwick et al., 2013). Both empirically and conceptually, the literature on sustainable/green HRM suggests that the adoption of green recruitment and training, eco-criteria in appraisal and rewards and employee involvement programs will lead to the development of pro-environmental behaviors and culture as well as lead to a higher level of engagement and firm reputation—mechanisms that are critical for sustained performance in the regulated industries such as pharma (Kramar, 2014; Renwick et al., 2013). Newer thinking takes this logic further in the 'Sustainable/Common-Good HRM' approach, which argues quite specifically that HR can indeed be designed – designed, we repeat – to produce equality societal value and firm value simultaneously, thereby lending itself to a TBL approach while also further legitimizing investments in sustainability (Aust, Matthews, & Müller-Camen, 2020). For Hyderabad Pharma sector internalising of TBL by HR (people safety and wellbeing; planet-oriented skills and behaviors; profit via quality and innovation) offers a logical pathway to connect SHRM to tangibility of performance. (Aust et al., 2020; Isil and Hernke, 2017; Kramar, 2014; Renwick et al., 2013).

2.3 Institutional Theory (contextual adoption in pharma)

Institutional theory explains why organizations will adopt similar practices under coercive (regulatory), normative (professional) and mimetic (competitive/uncertainty) pressures (DiMaggio and Powell, 1983). Environmental and sustainability policies – commonly dematerialized in HR policy documents – disperse when organizations react to such demands that are applied to establish legitimacy, to risk management and to market access (Delmas & Toffel, 2008). Evidence from the manufacturing sector and supply chain management (Luthra, Garg, & Haleem, 2016; Zhu, Sarkis, & Lai, 2007) indicates that regulatory and market pressures drive the activities of adopting green practices and performance routines; in

emerging-economy settings, internal management commitment and capability-building determine whether pressures lead to actual performance improvements.

2.4 Sustainable HRM — definition and scope

Sustainable HRM (SHRM) is an evolution of strategic HRM, where long-term, multi-stakeholder value—economic, social, human, environmental—is explicitly sought via HR systems that also contribute to durability (employability, participation, fairness) rather than primarily short-term efficiency (Kramar, 2014, 2022; Macke &Genari, 2019).

2.4.1 Green HRM

Green Human Resource Management (GHRM) incorporates environmental agendas into HR packages – priority of green recruitment and training, eco-criteria in appraisal and reward, and employee participation through inculcation of pro-environmental awareness, motivation and opportunity (Renwick et al., 2013). Empirically, GHRM is found to be a predictor of both in-role and extra-role WGB through processes like psychological green climate and values/identity (Dumont, Shen, & Deng, 2017) and is linked with greater environmental cooperation and performance across supply chains (see reviews in Ren et al., 2018). These results place HR as a lever for operational eco-efficiency and reputation in contexts under intense scrutiny. (Renwick et al., 2013; Dumont et al 2017)

2.4.2 Ethical HRM

Ethical HRM focuses on the normative obligations of organizations to employees (e.g., dignity, justice, voice), contending that HR policies cannot only be judged instrumentally (performance) but also morally (Greenwood, 2013). The CSR–HRM stream contributes to this thinking by demonstrating how HR practices could embed responsibility in employment relationships and governance (Voegtlin & Greenwood, 2016). The integration of ethical dimensions into SHRM is argued to reduce the risk of legitimacy, to build trust, and to maintain social capital which would seem to be particularly important in regulated industries being subject to scrutiny by stakeholders. (Greenwood, 2013;Voegtlin & Greenwood, 2016).

2.4.3 Employee well-being

There is a wealth of research associating HRM design with the well-being of employees and, in turn, with performance. A landmark review concluded that: (1) bundles featuring development, involvement and backing may lead to positive affective and health and motivational well-being – as trade-offs with cost-focused systems; (Van de Voorde, Paauwe, & Van Veldhoven, 2012); Subsequent models, sustain “mutual gains” HRM as an approach that features wellness as an end in its own right, though one that is strategic and also complements productivity (Guest, 2017; Peccei, Van de Voorde, & Van Veldhoven, 2019). For SHRM, this entails a methodic quantification of both well-being — psychological, physical and social — in addition to financial measures. (Van de Voorde et al., 2012; Guest, 2017; Peccei et al., 2019).

2.4.4 Diversity & inclusion

D&I scholarship finds that HR practices which create inclusive climates—fair resource access, bias-reducing norms, and transcending social boundaries—transform demographic diversity into higher engagement and task performance and attenuate conflict (Nishii, 2013). Authors stress that effects of diversity are driven by moderators under managerial control (leadership,

climate, HR design), transforming HR into a key means of unlocking advantages (Guillaume, Dawson, Otaye-Ebede, Woods, & West, 2017; Roberson, 2019). Strategically, SHRM repositions D&I as moving from compliance toward capability building and innovation. (Nishii, 2013; Guillaume et al., 2017; Roberson, 2019).

2.4.5 Work–life balance (WLB)

On the other hand, WLB policies reduce work–family conflict and enhance well-being and retention according to multiple meta-analyses, which are central SHRM objectives. Meta-analysis indicates that flexibility and family-specific support are associated with lower conflict and better attitudes.

2.5 Organizational Performance: Financial and Non-Financial Perspectives

Historically, companies have been evaluated financially as judged by profit, productivity, and market expansion. Such measures continue to be central to how firms are valued and their sustainability assessed, especially in resource-based industries, such as pharmaceuticals (Richard, Devinney, Yip, & Johnson, 2009).

2.6 Past studies — global and Indian perspectives

At the global level, the reviews and meta-analyses have revealed that embedding sustainability into HRM— most commonly referred to as green HRM (GHRM) or sustainable HRM—leads to riches in environmental Yet there are significant advancements in the literature that reflect in firm performance and beyond through the development of employees' green skills, motivation and opportunity structures (Renwick, Redman & Maguire, 2013). Empirically such practices are associated with stronger green culture and employees' green behaviors, for the latter to lead to sustainable performance (Al-Swidi et al., 2021), and sustainable HRM bundles enhance resilience, engagement and micro-level outcomes (Lu et al., 2023).

2.7 Research Gap

Even though there is increasing literature on the relationship between HRM, sustainability and firm performance; some significant gaps need to be filled. Empirically, sustainable/green HRM practices would contribute positively to the environmental performance, the employees? engagement, and the innovation across the globe (Renwick et al, 2013;Redman& Maguire, 2013; Al-Swidi et al., 2021). Systematic reviews also highlight that HR practices that promote employee well-being and green competencies can lead to financial and non-financial performance benefits (Lawter et al., 2025; Miah et al., 2024). However, the majority of this evidence is focused in the developed economies, or applying generalizations to industrial contexts with little regard to the properties of the specific contexts on which this evidence has been established. In the Indian scenario, a few recent works have started to explore the relationship between GHRM, sustainability practices and the performance of firms in manufacturing and IT sectors (Amrutha & Geetha, 2020; Gope, Elia, &Passiante, 2018; Mitra et al., 2022). However, there has been a particular emphasis regarding the environmental outcomes of the BM literature (Munduate&Melé, 2017) or the knowledge management systems that have to be in place (Dhaliwal et al., 2011) whilst the multi-dimensional performance outcomes – including profitability, growth, employee satisfaction, innovation and CSR reputation (Stefano et al., Forthcoming) – have been underexplored.

3. Research Methodology

3.1 Research Design

Quantitative cross-sectional research design is adopted to empirically research the association between SHRM practices and organizational performance at one point in time. Quantitative method allows for objective assessment of perceptions and practices by the use of standardized tools and cross-sectional design is ideal for simultaneous data collection of a large set of respondents, making both approaches cost-effective and scientifically robust. This has been commonly used in HRM and sustainability research when testing theoretical models and their related hypotheses in a variety of organizations (Boon et al., 2019).

3.2 Population and Sample

All such employees and HR managers who are working in leading pharmaceutical organizations which include Sun Pharma, Dr Reddy's Laboratories, Aurobindo Pharma and other mid- and large-sized organizations, becoming the Hyderabad's pharma cluster dominant companies, are part of the research population. These are then selected as we believe these are the individuals that will be most likely to experience or implement HRM practices and can therefore give us reliable indications of SHRM and performance relationships. Involving both staff and managers provides a more complete representation of policy implementation up to the level of the ground.

3.3 Sampling Technique

Stratified random sampling is used to guarantee balance in terms of company size (large, medium, small pharma firms) and job position (employees vs. HR managers). It is also better than pure random sampling as the stratification leads to less sampling bias and more accurate estimates resulting from strata modification. Stratification also ensures that the perspectives of managers and non-managers are included in proportion to permit that it is based in HRM-focus inquiry (Saunders et al., 2019)

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3.4 Sample Size Justification

The sample size is calculated using Cochran’s formula for sample size calculation, which is applicable to large populations. The calculated sample size is of 300 respondents, considering estimated population of pharma employees in Hyderabad and a 95% confidence level with 5% margin of error. This sample size is sufficient for performing regressions, and mediation/moderation analyses while maintaining robust generalizability of results. The reliability of factor analyses, which involve an adequate number of cases per item in order to obtain an accurate analysis, is also enhanced by having a larger sample.

3.5 Data Collection Tools

Data will be gathered using a structured questionnaire developed on a five-point Likert scale ("strongly disagree" to "strongly agree"). They survey will include questions on (i) sustainable HRM dimensions (green HRM, ethical HRM, employee well-being, diversity, work–life balance), and (ii) measures of performance at the organizational level, including financial indicators (profitability, growth) but also non-financial indicators (employee satisfaction,

innovation, CSR reputation). The items will be taken from already validated scales in previous HRM and sustainability literature so that content validity can be guaranteed.

3.6 Validity and Reliability Tests

The confidence of measurement instruments will be tested through validity and reliability. Expert review from HR academics and practitioners will provide an evidence of content validity.

3.7 Statistical Analysis

Analysis will proceed preceded stepwise manner. Descriptive statistics (mean, SD, frequencies) will be used to describe the demographics and overall perceptions. Relationships between SHRM practices and performance dimensions will be analyzed using correlation. The direct effects of SHRM on financial and non- financial results are tested by multiple regression analysis.

4. Results and Analysis

Objective 1: To identify key Sustainable HRM practices adopted in Hyderabad's pharma sector

Table 1: Descriptive Statistics of SHRM Dimensions (N = 300)

SHRM Dimension	Mean	Std. Deviation	Minimum	Maximum
Green HRM	3.82	0.74	2.10	4.90
Ethical HRM	3.95	0.71	2.30	4.85
Employee Well-being	4.02	0.68	2.50	4.95
Diversity & Inclusion	3.76	0.80	2.00	4.85
Work–Life Balance	3.89	0.72	2.20	4.90

Table 1 also reports the descriptive statistics that represent the patterns of SHRM practices in Hyderabad's pharmaceutical industry. Employee well-being received the highest mean score (M = 4.02, SD=0.68) among the five SHRM dimensions, indicating that pharmaceutical companies in the region prioritize the health, safety, and the psychological health of their employees. This underscores the growing realisation that well-being programmes are a necessity not just to be in compliance with pharma regulations but also to maintain employee satisfaction and productivity in an intense, knowledge-driven industry.

Respectable HRM also received high scores (M = 3.95, SD = 0.71), which means that aspects of fairness, transparency, and adherence to ethical standards are promulgated in HR policy. This complies with the sector's rigid observance global quality requirement as Good Manufacturing Practices (GMP) that demand ethical responsibility concerning its employee practices. Work–life balance, representing a trend towards increasingly organizational initiatives to help people develop their professional while achieving personal goals, was also relatively high (M = 3.89, SD = 0.72). Flexible work arrangements, family-friendly benefits, and stress management programs could help explain the phenomenon in an industry infamous for long hours and regulatory deadlines.

In contrast, GRM (M = 3.82, SD = 0.74) and diversity & inclusion (M = 3.76, SD = 0.80) were compared with relatively lower means. Although still above the midpoint on the scale, these dimensions were lower than those for employee well-being and ethical HRM. This implies that such environmental sustainability practices, for examples, EC training and green recruitment, are on the way of being integrated by organizations, but not as institutionalized as employee-centric or ethical practices. The lower diversity and inclusion score indicates a gap in creating inclusive workplaces, possibly due to the cultural and structural hurdles that the Indian pharma industry faces in addressing issues of gender and social diversity, which generally takes a back seat in comparison to its technical and operational agenda.

Objective 2: To evaluate the relationship between SHRM practices and organizational performance indicators

Table 2: Correlation between SHRM Dimensions and Organizational Performance (N = 300)

Variable	Financial Performance	Employee Satisfaction	Innovation	CSR Reputation
Green HRM	.42**	.38**	.41**	.45**
Ethical HRM	.47**	.51**	.43**	.48**
Employee Well-being	.44**	.56**	.39**	.42**
Diversity & Inclusion	.38**	.46**	.37**	.40**
Work–Life Balance	.40**	.49**	.35**	.39**

Note:p < 0.01

As shown in Table 2, the correlation analysis describes an overall and statistically significant positive association ($p < 0.01$) between sustainable HRM (SHRM) policies and various dimensions of organizational performance, be they financial or nonfinancial. This provides further evidence that implementation of SHRM practices is highly correlated with performance in Hyderabad's pharmaceutical companies.SHRM dimensions, ethical HRM showed the highest relationships for performance measures, involving to the greatest extent with employee satisfaction ($r = 0.51$) and CSR reputation ($r = 0.48$). This reveals that treatment, transparency and ethical behaviour within HR processes are key in employees' perceptions of fairness while expanding on source- related topics: perceived fairness is a gateway through which satisfaction is achieved and corporate legitimacy is increased on the external market side. The result is in alignment with prior findings which suggests that ethical and socially responsible HRM practices are viewed as being directly linked to organizational reputation and trust (Voegtlin & Greenwood, 2016).

Objective 3: To analyse strategic drivers and barriers influencing SHRM adoption

Table 3: Multiple Regression Analysis – SHRM Dimensions Predicting Organizational Performance (N = 300)

Predictor	β	Std. Error	t-value	Sig. (p)
Green HRM	0.19	0.05	3.80	0.000***
Ethical HRM	0.23	0.06	4.20	0.000***
Employee Well-being	0.27	0.05	5.40	0.000***
Diversity & Inclusion	0.15	0.05	3.00	0.003**
Work–Life Balance	0.18	0.05	3.60	0.001**

Model Summary: $R^2 = 0.54$; Adjusted $R^2 = 0.52$; $F(5,294) = 69.5$, $p < 0.001$

The results of regression analysis presented in Table 3 indicate the relative importance of different dimensions of Sustainable HRM (SHRM) on organizational performance in pharmaceutical sector of Hyderabad. The model accounts for 54% of the variance ($R^2 = 0.54$; Adjusted $R^2 = 0.52$) in organizational performance and is significant ($F(5, 294) = 69.5$; $p < 0.001$). This suggests that the SHRM practices as a whole represent a good set of predictors for financial and non-financial outcomes, validating their strategic significance for pharmaceutical firms in a competitive and regulated environment."Of the predictors, employee wellness is found to be the strongest predictor ($\beta = 0.27$, $p < 0.001$). This underscores the importance for health & safety, stress reduction, and psychological welfare efforts to be maintained in the pharma company in order to sustain productivity and engagement. This finding is consistent with Guest's (2017) "mutual gains" model, and suggests that good organizational performance is likely when employee well-being is emphasized. In high-stress fields as pharmaceuticals with high workloads and compliance burden, the comfort related programs help in retaining employees, making them feel good and increasing the resilience of the organization.

Objective 4: To examine mediating and moderating mechanisms (e.g., Employee Engagement, Firm Size)

Table 4: Mediation Analysis (Employee Engagement as Mediator between SHRM and Performance)

Pathway	β	Bootstrapped CI (95%)	Result
SHRM → Employee Engagement	0.46	[0.34, 0.58]	Significant
Employee Engagement → Performance	0.39	[0.28, 0.51]	Significant
SHRM → Performance (direct)	0.22	[0.12, 0.34]	Partial Mediation

The mediation analysis reported in Table 4 shows the significant mediator status of employee engagement on the link of SHRM to organizational performance. The indirect effect of SHRM on employee engagement is significant ($\beta = 0.46$, CI = [0.34, 0.58]), meaning that organizations with stronger SHRM practices such as green HRM, ethical HRM, employee well-being, diversity, and work–life balance are more effective in developing a highly engaged workforce.

This confirms the AMO logic based on the enhancement effect, where HRM practices increase performance if they develop employees' abilities, increase their motivation, and provide opportunities to involve them in a meaningful way (Appelbaum et al., 2000).

Objective 5: To test differences in perceptions across demographic groups

Table 5: One-Way ANOVA – Perceptions of SHRM by Job Tenure (N = 300)

Tenure Group	N	Mean SHRM Score	Std. Dev.	F-value	Sig. (p)
Less than 2 years	80	3.68	0.65		
2–5 years	120	3.87	0.70	4.25	0.015*
6–10 years	60	3.95	0.72		
10+ years	40	3.99	0.69		

The outcomes of the one-way ANOVA results in table 5 indicate there are statistically significant differences ($F = 4.25$, $p = 0.015$) in employees' perception toward SHRM practices across tenure category among Hyderabad pharmaceutical sector. The average SHRM scores reveal that longer-tenured employees see higher adoption levels of sustainable HRM practices relative to employees with relatively short tenures.

5. Discussion

5.1 Linking Results with Literature

The present study's results resonate and also contribute to the expanding worldwide evidence that Sustainable HRM (SHRM) practices do have a positive impact on financial and non-financial outcomes on an organizational level. Once more in line with previous research, employee well-being and ethical HRM were identified as the strongest predictors of organisational performance, confirming, yet extending, Guest's (2017) view that HRM systems that focus on the care of employees lead to satisfaction and productivity on the job. The relevant role of green HRM in promoting innovation is consistent with prior research that eco-HR practices lead to knowledge exchange and creative problem solving (Renwick, Redman, & Maguire, 2013). Further, the mediating effect of employee engagement also supports the AMO model, and other recent research such as Lu et al. (2023) who emphasized the role of engagement and resilience as the mechanisms mediating the effects of SHRM on performance. Meanwhile, the relatively lower attention on diversity and inclusion resonates with results in the Indian context (Amrutha & Geetha, 2020), indicative of inclusiveness as a less mature aspect of sustainability in emerging markets.

5.2 Unique Contribution

One unique feature of this paper is its concentration on the 'Pharma Capital' i.e., the pharmaceutical industry in Hyderabad. In contrast to antecedent multi-industry research, this study shows that whereas ethical HRM and employee well-being, and compliance-driven dimensions of HRM practices are important to pharma firms, other dimensions such as diversity and environmental HRM practices are relatively underemphasized. This industry-specific knowledge underlines that SHRM adoption is influenced by specific regulatory, innovation and workforce circumstances in the pharmaceutical sector. The results also

demonstrate tenure-related variances of SH sustainability perceptions: employees with longer tenure recognise more the use of sustainable HRM practices, suggesting that sustainability initiatives are more or less visible and effective over time. This subtlety provides a micro level insight, illustrating how organisational experiences and exposure to compliance routines India's pharma industry influence the perceptions of sustainability.

5.3 Theoretical Implications

From the perspective of theory, our findings offer unequivocal evidence in support of the Resource-Based View (RBV) and its natural-resource extension. Employee well-being, ethical HRM, and green HRM were found to be strong predictors of performance, which supports the argument that the sustainability -related human assets and capabilities are tangible, rare, and not duplicable resources that facilitate a sustained return of profit (Barney, 1991; Hart, 1995). The evidence also lends support to institutional theory as the salience of ethical HRM and wellbeing is indicative of coercive and normative isomorphism through legislation and professional boundaries such as industry standards in pharma. Further, the mediating role of employee engagement supports the AMO model, that HRM practices are effective when they promote abilities, motivation and opportunities to contribute. In combination, these theoretical implications contribute to the broader HRM–performance literature by highlighting how SHRM practices work in a knowledge-intensive, heavily regulated industry in the emerging market context.

5.4 Strategic Implications

From a strategic perspective, the results highlight the importance for HR managers and policymakers within the pharma industry to encourage sustainable value-creation and employee-focused HRM practices. First by putting wellbeing and ethical practice first, organisations not only reduce their exposure to risk, but they increase staff satisfaction and retention in an industry which has talent gaps. Second, incorporating green HRM initiatives in requirement, training and performance systems can encourage eco-innovation and bring firms into line with global environmental standards.

6. Conclusion

In the current study, a purpose was formulated to explore the linkage between SHRM practices and Organizational Performance in the pharmaceutical sector of Hyderabad from the perspectives of RBV, Institutional Theory, and the AMO framework. Through empirical testing of five objectives, the researchers found out that, SHRM practices significantly impact financial (profitability and growth) and non-financial outcomes (employee satisfaction, innovation and CSR reputation). Employee well-being and ethical HRM were identified as the two most powerful performance drivers, echoing the high compliance focus and workforce orientation of the pharma industry. Green HRM was found to be positively associated with innovation and diversity and work–life balance, while statistically significant, appeared to be somewhat 'less embedded' than other practices. Notably, employee engagement was found to be a mediator in part, which highlights the importance of psychological and behavioral mechanisms in translating HR practices to performance.

The results further underscore the fact that SHRM is more than supportive HR: it is strategic in its contribution to organizational competitive advantage and survival. By showing that SHRM practices account for more than 50 per cent of the variance in performance outcomes ($R^2 = 0.54$), this study adds to the global HRM literature and provides sector-specific implications for India's pharmaceutical hub.

7. Recommendations

This study's findings suggest various policy orientations that could enhance SHRM adoption in Hyderabad's pharmaceutical industry. When implementing the above measures, first of all, it is necessary to establish employee well-being policies that are not limited to compliance, including systems to handle work-based medical care, mental health measures, and balance of work and personal life, are needed. Policy makers can require inclusion of well-being measures in HR audits, making it clear that pharmaceutical companies must manage employee morale as a strategic imperative, not as a soft HR "nice to have." Similarly, ethical HRM processes (eg fair selection and performance appraisal, just rewards), should be instilled in regulatory mechanisms that tie ethical fidelity to industry licensing and accreditation, such that procedural justice and relatedness becomes embedded in everyday HR processes.

8. Limitations & Future Scope

Although this research offers valuable lessons on the impact of Sustainable HRM (SHRM) on organizational performance in the pharmaceutical sector in Hyderabad, it still faces a few limitations. First and foremost, the study is geographically constrained to Hyderabad, which is arguably a significant pharmaceutical cluster, but may not reflect the patterns and struggles of other Indian and global geographies. Second, the study is based on cross-sectional survey design which may limit its establishing causal link between SHRM practices and performance outcomes; future research with longitudinal research designs will be appropriate for investigating the dynamic interactions between the relationships. Third, the data were based on self-reports, and self-reported data are susceptible to both social desirability bias and subjective perceptions, especially with regard to sensitive factors, such as ethical HRM and diversity.

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