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Exploring the Influence of Organizational Sustainability on Employee Performance: The Mediating Role of HRM Sustainability

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Abstract

The study explores the link between Human Resource Management (HRM) sustainability and employee performance within Higher Education Institutions (HEIs) in Pakistan. It investigates the mediation effect of HRM sustainability on various organizational factors including human resources, social factors, psychological factors, and employer branding. Additionally, it examines the moderating role of organizational culture on the relationship between these organizational factors and HRM sustainability. Drawing on theoretical frameworks such as social cognitive theory and prior literature on sustainability and HRM, this study posits and empirically tests thirteen hypotheses. The study was conducted using quantitative methodology and the data was collected from 458 faculty members across diverse regions of Pakistan using structured questionnaires, and analysis was conducted using IBM SPSS and measurement model and structural model were analyzed using AMOS software. The findings reveal significant positive relationships between human resource management and HRM sustainability, social factors and HRM sustainability, psychological factors and HRM sustainability, employer branding and HRM sustainability, and HRM sustainability and employee performance. Moreover, organizational culture was found to moderate these relationships. This study contributes to the existing literature by shedding light on the importance of HRM sustainability in promoting employee performance in the higher education sector. It provides valuable insights for HEIs in Pakistan to enhance their sustainable practices and organizational culture, ultimately fostering social responsibility and productivity. Despite some limitations, this research underscores the critical role of HRM sustainability in organizational effectiveness and sustainability, particularly in developing countries like Pakistan.

Keywords: *HRM Sustainability, Employee Performance, Organizational Culture, Higher Education Institutions, Pakistan.*

1. Introduction

Human resource (HR) is the backbone of an organization and to achieve a competitive edge, it is important to have HR with great potential to contribute to the organizational success (Bilgic, 2020). Educational institutions depend on the caliber of their personnel and the management of HR. Due to this, these institutions must prioritize the recruitment, development, and retention of their workforce. Research indicates that the implementation of effective human resource management (HRM) practices contributes to elevated levels of commitment and job performance among higher education faculty (Chen et al., 2009). The quality and sustainability of higher education institutions depends greatly upon the presence of a highly engaged and committed workforce (Aboramadan et al., 2020; Nazir & Islam, 2017). Sustainability in higher education involves integrating principles of environmental stewardship, social responsibility, and economic viability into the core functions of teaching, research, and campus operations. Discussions regarding the significance of education in fostering sustainability are increasingly focused on the role of Higher Education Institutions (HEIs) (Adomßent et al., 2014).

Human Resource Management (HRM) sustainability refers to the ability of an organization to effectively manage its human resources in a way that promotes long-term success and resilience. It involves the integration of sustainable practices and principles into HRM strategies, policies and operations (Mohiuddin et al., 2022). HRM sustainability can be divided into three conceptual approaches: sustainable resource management, sustainable work systems, and sustainable HRM. Sustainable resource management seeks to explain the relationship between organizations and the environment, proposing strategies to address resource scarcity. Work systems emphasize the social dimension of sustainability, aiming to broaden understanding of mechanisms that facilitate the implementation and enhancement of human resources. Ultimately, sustainability is viewed as a shared benefit for stakeholders, fostering long-term economic sustainability (Mohiuddin et al., 2022). HR sustainability encompasses a blend of skills, motivation, values, and trust crafted to mitigate adverse environmental impacts by embracing principles of fairness, development, and well-being (Jabbour & de Sousa Jabbour, 2016). Sustainable HRM practices enable organizations to fulfill the financial, social, and environmental objectives of both internal and external stakeholders (Cohen et al., 2012). Moreover, these practices can mitigate unintended consequences and negative feedback while striving for outcomes that align with stakeholder expectations, which may vary in significance across different organizations (Jabbour & de Sousa Jabbour, 2016).

Organizational sustainability encompasses various dimensions, including HR, social, psychological and employer branding. HR focuses on the effective management and development of employees, ensuring their well-being, engagement, and growth within the organization. This includes practices such as talent management, employee empowerment, and fostering a positive work environment (Gruman & Saks, 2011). Social factors in the HRM context involve creating a workplace that promotes inclusivity, diversity, and social responsibility. It encompasses practices such as fair and equitable treatment of employees, promoting work-life balance, and supporting employee well-being (Guest, 2017). The psychological factor focuses on promoting employee well-being and motivation in the organization which can enhance their performance (Huettermann & Bruch, 2019). Employer branding refers to how an organization is perceived as an employer and its ability to attract, retain, and engage talented employees. A positive employer brand, built on the organization's sustainable practices, can enhance its reputation, competitiveness, and employee commitment (Backhaus, 2016).

The current issues of the developing country include numerous sustainability challenges, making it imperative for Higher Education Institutions (HEIs) to take a proactive role in promoting sustainability practices (Nadeem & Nawaz, 2022). However, despite the increasing global emphasis on sustainability in higher education, the implementation and effectiveness of sustainability initiatives in Pakistani HEIs remain relatively unexplored (Shah Bukhari et al., 2022). Moreover, Higher Education Institutions (HEIs) can be viewed as incubators for future leaders, necessitating these establishments to advocate and share best practices within the academic community and their surrounding environs, while also promoting sustainable resource usage and responsible waste management (Aithal & Aithal, 2023). This knowledge gap highlights the importance of conducting research to gain a deeper understanding of the factors influencing the adoption and impact of sustainability practices in Pakistan HEIs.

The implications for both academic research and managerial practices within Higher Education Institutions (HEIs) in Pakistan are offered by this research, which aims to fill current knowledge gaps with fresh insights and empirical evidence. This contribution is particularly significant given the unique challenges and opportunities faced by HEIs in developing countries like Pakistan, where resource constraints and socio-economic factors play a critical role in shaping institutional practices.

This study aims to fill the gap by investigating the relationships among organizational sustainability i.e human resource practices, social factors, psychological factors, employer branding, and employee performance through the mediation of HRM sustainability. Furthermore, the study also bridge the gap in existig literature by investing the moderating role of organizational culture between organizational sustainability i.e human resource practices, social factors, psychological factors, employer branding, and HRM sustainability within the context of Higher Education Institutions (HEIs) in Pakistan using the theoritical perspective of social cognitive theory.

2. Literature Review

2.1 Theoritical perspective of Social cognitive theory (SCT)

Social cognitive theory (SCT) offers insights into behavior by highlighting psychosocial factors and how they interact with external influences (Beauchamp et al., 2019). Organizational culture, shaped by leaders, influences employee behavior (Bandura, 2002). Enhanced environmental awareness can lead to greater employee engagement in environmental issues (Darvishmotevali & Altinay, 2022). SCT suggests that while individuals are influenced by both internal and external factors, their motivation and behavior are also driven by personal participation and performance (Schunk & DiBenedetto, 2020). Employees are motivated to engage in environmentally friendly activities when they perceive benefits (Jabbar & Abid, 2014), emphasizing the need for broader stakeholder involvement (Mariappanadar, 2019). Individuals are more likely to adopt behaviors they see in others if they identify with those individuals. Applying SCT can lead to sustainable employee performance by leveraging individuals' rapid learning from their environment. Thus, this study proposes examining how SCT influences behavior in Pakistani universities.

2.2 Human Resource and HRM Sustainability

In recent years, human resource management (HRM) has emerged as a pivotal area in both management and research (Saleem & Khurshid, 2014). A notable focus within this realm is Green HRM, which encompasses practices aimed at environmental sustainability (Paulet et al., 2021). Educational institutions, particularly Higher Education Institutes (HEIs), play a significant role in promoting environmental awareness (Rayner & Morgan, 2018). Successful institutions recognize the importance of integrating HR practices with sustainability initiatives (Ulrich, 1998). Studies indicate that HR practices such as talent acquisition, training, and skill development are instrumental in achieving organizational sustainability goals (Jabbour & de Sousa Jabbour, 2016). Identifying and retaining skilled employees is crucial for organizational success (Diamantidis & Chatzoglou, 2019).

HRM contributes to organizational sustainability through various avenues, including organizational change, recruitment, professional development, employee participation, and work-life balance (Gollan & Xu, 2013). Integrating environmental sustainability with individual factors is key, necessitating HR systems that foster human capabilities and promote teamwork (Gollan & Xu, 2013). Implementing sustainable practices within organizations is seen as essential for organizational survival, with HRM playing a central role (Mohiuddin et al., 2022). From these perspectives, it can be hypothesized that there is a positive relationship between human resource management and HRM sustainability,

H₁: Human resource have positive relationship with HRM sustainability.

2.3 Social Factors and HRM Sustainability

Over the past two decades, there's been a surge in corporate focus on social and environmental concerns, driving extensive research in social and environmental accounting (Deegan et al., 2002; Domingues et al., 2017; Kolk, 2008). Sustainability comprises economic, environmental, and social dimensions (Chan & Lee, 2008). Social factors include organizational social

responsibility, job opportunities, and social justice (Tooranloo et al., 2017). Job opportunities are crucial for social sustainability, enhancing well-being through community interactions (Chan & Lee, 2008). Social sustainability encompasses education, public services, and environmental quality, influencing societal standards (Bramley et al., 2009; Kozica & Kaiser, 2012). It's defined by access to essential services, security, empowerment, and happiness (Kozica & Kaiser, 2012). Hence we can hypothesize that:

H₂: Social factors have positive relationship with HRM sustainability.

2.4 Psychological Factors and HRM Sustainability

The psychological approach emphasizes the importance of employees and their motivations, which are vital for creating sustainable competitive advantage (Albrecht et al., 2015). Mazur and Walczyna (2020) highlight the significance of work-life balance, autonomy, self-development, and career balance in HRM sustainability. Organizational policies and procedures, including HRM methods, influence employees' psychological perspective about their workplace (Burke et al., 2002). Engaging employees in green initiatives strengthens their skills and prepares them psychologically to participate in pro-environmental behaviors, aiding organizational sustainability (Sabokro et al., 2021).

Psychological factors, such as organizational positive behavior and the desire to remain with the organization, contribute to HRM sustainability (Mohiuddin et al., 2022; Susomrith, 2020). The psychological contract between the organization and employees leads to self-motivated and productive employees (Usmani & Khan, 2017). Mohiuddin et al. (2022) emphasize the importance of aligning employees' interests with organizational objectives for achieving organizational health and commitment. The hypothesis can be formed as,

H₃: Psychological factors have positive relationship with HRM sustainability.

2.5 Employer Branding and HRM Sustainability

Employer branding applies branding principles to HR activities, aiming to attract and retain talented employees (Budhiraja & Yadav, 2020). It's considered fundamental for HR managers (Barrow & Mosley, 2005), enhancing the organization's reputation and brand value. Meeting stakeholders' expectations elevates brand value and reputation (Taghian et al., 2015). A positive reputation influences potential employees' desire to join the organization, contributing to sustainable competitive advantage (Mohiuddin et al., 2022). Employer branding also streamlines policies and procedures, encompassing various HR specializations (Espinoza et al., 2018).

HRM sustainability determines employer attractiveness, reflected in corporate social responsibility and performance (Hosseini et al., 2022). Corporate social responsibility positively influences employer branding (Budhiraja & Yadav, 2020). Highly skilled human capital enhances intellectual capital, crucial for organizational performance (Ahmed et al., 2020). Strategies to attract talent are essential due to global talent shortages, but many are short-term and focused on filling vacancies (Mabaso et al., 2021). Employer attractiveness is a significant competitive advantage, with intangible assets often comprising a large portion of university value (Shirkhodaie et al., 2019). Employees' commitment to organizational values is essential for transitioning to sustainability (Mohiuddin et al., 2022).

H₄: Employer branding have positive relationship with HRM sustainability.

2.6 Mediating Role of HRM Sustainability

Organizations are increasingly recognizing the environmental challenges in developing countries (Masri & Jaaron, 2017). Adopting green human resource management or sustainable HRM is one way they contribute to sustainability (Ren et al., 2018). HRM departments are crucial in executing sustainability visions and managing pressures from various entities

(Bombiak & Marciniuk-Kluska, 2018). HRM managers play a key role in implementing environmental initiatives (Gim et al., 2022). The workforce is seen as vital for realizing the organization's vision and mission (Yong et al., 2019). Integrating sustainability into job roles ensures employees contribute to resource efficiency, promoting organizational sustainability (Amjad et al., 2021). Performance accountability requires organizations to uphold high standards and establish sustainable processes. Stakeholder commitment is essential for achieving both organizational and environmental sustainability (Kitsis & Chen, 2021). HRM sustainability mediates between sustainability efforts and employee performance. So, we can hypothesize that,

H₅: HRM sustainability has a significant relationship with employee performance.

H₆: HRM sustainability mediates the relationship between HR and employee performance.

H₇: HRM sustainability mediates the relationship between social factors and employee performance.

H₈: HRM sustainability mediates the relationship between psychological factors and employee performance.

H₉: HRM sustainability mediates the relationship between employer branding and employee performance.

2.7 Moderating Role of Organizational Culture (OC)

Culture profoundly influences organizational behavior, shaping norms, values, and decision-making processes (Martinez et al., 2023). It binds individuals within organizations through shared beliefs and behaviors (Kilmann et al., 1986). Personal environmental values positively impact environmentally friendly behavior, and organizational culture significantly influences employee attitudes and performance (Al-Swidi et al., 2021). In today's dynamic environment, all organizations must adopt an entrepreneurial mindset, necessitating the integration of organizational culture elements for long-term sustainability (Abubakar et al., 2021). Human Resource Management (HRM) plays a vital role in enhancing organizational effectiveness and sustainability (Kalaiaresi & Sethuram, 2017). HRM systems that foster human capabilities and teamwork are essential for environmental-friendly measures (Mishra, 2017).

Organizational culture moderates the relationship between organizational sustainability and HRM sustainability (Fuadah et al., 2022). However, this moderation effect remains underexplored. Hence, this study investigates how organizational culture influences the relationship between organizational sustainability, environmental sustainability, and HRM sustainability. Ultimately, organizational culture is crucial in shaping sustainable practices within organizations. So, we can hypothesize that,

H₁₀: OC moderates the relationship between HR and HRM sustainability.

H₁₁: OC moderates the relationship between social factors and HRM sustainability.

H₁₂: OC moderates the relationship between psychological factors and HRM sustainability.

H₁₃: OC moderates the relationship between employer branding and HRM sustainability.

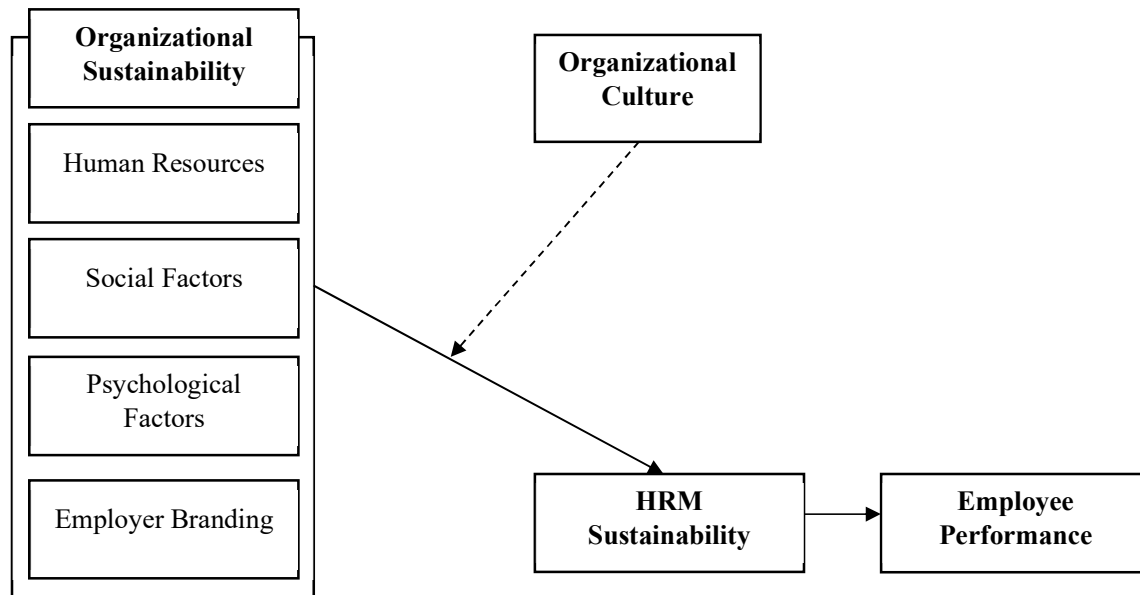


Figure 1. Theoretical Framework

3. Research Methodology

3.1 Population & Sample

The study targets faculty members working at Higher Education Institutions (HEIs) across various regions of Pakistan. The population specifically focusing on HEI faculty members. A convenience sampling strategy is employed to gather responses from university students, aligning with the study's focus on examining relationships among variables (Stratton, 2021). Structured questionnaires are utilized as the primary data collection method due to the unavailability of relevant secondary data in the emerging field under investigation. A survey questionnaire, provided in the Appendix, is distributed in both hard and soft copy formats, consisting entirely of closed-ended questions. Total of 500 questionnaires were distributed, out of which 458 were received and data were entered on SPSS datasheet.

3.2 Measurement Scales

All items in the questionnaire utilize a five-point Likert scale ranging from 'strongly disagree' to 'strongly agree', ensuring consistency and comparability across studies. Items are sourced from prior research studies and include scales for human resources, social factors, psychological factors, branding, HRM sustainability, organizational culture, and employee performance. The questionnaire incorporates measurement scales developed by Mohiuddin et al. (2022) for human resources, social factors, psychological factors, and branding. Nugroho et al. (2021) for organizational culture, and Carmeli et al. (2007) for employee performance. The data analysis is conducted using IBM SPSS (Statistical Package for the Social Sciences) version 23 and AMOS (Analysis of Moment Structures) version 23 software.

4. Results

4.1 Demographic Analysis

The demographic data in the first section, including gender, age, marital status, education, and institute affiliation. The second section comprises 36 items related to organizational sustainability, HRM sustainability, organizational culture, and employee performance, categorized into sub-parts based on study determinants.

Table 1. Demographic Analysis

Demographic variables	Demographic characteristics	Frequency	Percentage
Age	Below 25	42	5.2
	25-35	217	47.4
	36-45	103	22.5
	46-55	105	22.9
	Above 55	9	2.0
Gender	Female	151	33.0
	Male	307	67.0
Marital Status	Single	185	40.4
	Married	256	55.9
	Other	17	3.7
Education Level	Bachelors	107	23.4
	Masters	196	42.8
	PhD	155	33.8
Institute	Public	147	32.1
	Private	311	67.9

Out of the 458 respondents, 307 (67.0%) are male, while 151 (33.0%) are female. Further analysis reveals that male respondents outnumber female respondents by 37%. This difference is statistically significant, indicating a notable gender disparity among employees in Higher Education Institutions (HEIs) in Pakistan. The data reveals that 5.2% (n = 24) of respondents are below the age of 25, while 47.4% (n = 217) fall within the age group of 25-35, making it the highest proportion. Furthermore, 22.5% (n = 103) fall within the age range of 36-45, and 22.9% (n = 105) are between 46-55 years old. A small proportion, 2.0% (n = 9), are above the age of 55. This distribution provides insight into the age demographics of employees in Higher Education Institutions (HEIs) in Pakistan. According to the findings presented in Table 4.3 and the accompanying pie chart in Appendix D, among the 458 respondents surveyed, 185 (40.4%) are identified as single, while the predominant group comprises 256 (55.9%) married individuals. Additionally, a smaller portion, consisting of 17 (3.7%) respondents, falls into other marital status categories. The data reveals that the majority of respondents hold Master's degrees, constituting 42.8% (n = 196) of the total. Additionally, 23.4% (n = 107) of respondents have Bachelor's degrees, while 33.8% (n = 155) possess PhDs.

4.2 Descriptive Analysis

The mean values represent the average score for each variable, offering a measure of the central tendency. For example, the mean score for Social Factors is 3.94, suggesting the average level of performance expectations among respondents. Standard deviation measures the dispersion of data points around the mean, providing insights into the variability or spread of scores within each variable. A higher standard deviation indicates greater variability among responses. For instance, Employee Branding exhibits a standard deviation of 0.545, suggesting a relatively wide dispersion of motivational factors influencing respondents' behavior. The analysis reveals that Human Resources, Social Factors, Psychological Factors, Employer Branding, HRM Sustainability, and Employee Performance Effort exhibit a positive relationship with the dependent variable, Organizational Culture.

Table 2: Descriptive Statistics and Correlation Analysis

Constructs	Mean	SD	HR	SF	PF	EB	HRMS	EP	OC
Human Resources	3.22	.391	1						
Social Factors	3.94	.487	.447**	1					
Psychological Factors	2.35	.357	.054	.078	1				
Employee Branding	4.03	.545	.046	.037	.536**	1			
HRM Sustainability	2.01	.516	.050*	.094*	.046	.018	1		
Employee Performance	3.02	.521	.107*	.117*	.035	.094*	.007	1	
Organizational Culture	4.10	.337	.133**	.042	.217**	.137**	.170**	.077	1

***. Correlation is significant at the 0.01 level (2-tailed).*

4.3 Validity & Reliability

To assess discriminant validity, it is essential to examine all diagonal and off-diagonal values in a correlation matrix. The diagonal values represent the square root of Average Variance Extracted (AVE) values for each construct in the study, labeled as Human Resources (HRM), Social Factors (SFM), Psychological Factors (PFM), Employer Branding (EBM), HRM Sustainability (HRMS) and Employee Performance (EPM). These diagonal scores should surpass the off-diagonal scores in corresponding rows and columns.

Table 3. Discriminant Validity

	HRM	SFM	PFM	EBM	HRMS	EPM
HRM	0.500					
SFM	0.316	0.635				
PFM	0.243	0.351	0.658			
EBM	0.237	0.322	0.408	0.713		
HRMS	0.189	0.231	0.189	0.515	0.685	
EPM	-0.041	0.065	0.080	0.028	0.082	0.684

Branding; HRMS=HRM Sustainability; EPM=Employee Performance.

For the present study author has adopted Cronbach's alpha approach. In accordance with Hair et al., (2010), the acceptable value of Cronbach's alpha should be greater than 0.60 whereas other researchers have stated that the value of 0.50 is not good but acceptable (Streiner, Norman & Cairney, 2014). The values of Cronbach's alpha are ranging from 0-1 and zero means not consistency and one means fully consistent and $\alpha > 0.70$ is supposed to be acceptable (Nunnally & Bernstein, 1994). Table 4 show the values of the Cronbach's α constructs wise and overall, of proposed model that are calculated by using SPSS v23 and indicate that adopted measures are internally consistent and overall measurement instrument is reliable. The accepted values of composite reliability are 0.7, or greater or 0.6 (Hair et al., 2014; Malhotra, 2010). As it is presented in Table 4, all the values of composite reliability are higher than 0.60, all variables are in acceptable rang and suitable for further analyses hence there is no issue of convergent validity. To check the instrument's face validity, the author distributed the research questionnaire to senior faculty members who are experts in their field. They evaluated the questionnaire to ensure its alignment with the theoretical concepts. The second type of validity considered is construct validity. It assessed by conducting a correlation analysis among the study variables to observe the relationships between them (Ghauri & Gronhaug, 2005). The correlation coefficients should ideally range between 0.30 and 0.90.

Table 4. Reliability Analysis

Variables	No. of Items	Cronbach's Alpha	Composite Reliability
Human Resources	4	.833	0.878
Social Factors	6	.827	0.822
Psychological Factors	4	.845	0.856
Employer Branding	5	.755	0.770
HRM Sustainability	5	.811	0.817
Employee Performance	4	.787	0.824
Organizational Culture	8	.801	0.850

4.4 Mediation Analysis

The results for direct relationships in table 5 are all significant and the study also explores the mediation role of HRM sustainability between various factors and employee performance (EP). Results in table 6 indicate that HRM sustainability partially mediates the relationship between Human Resources (HR) and EP, Social Factors (SF) and EP, Psychological Factors (PF) and EP, as well as Employer Branding (EB) and EP. Initially, significant direct effects are observed between independent variables and EP, without the mediator. For instance, the direct beta value between HRMS and EP is $\beta = 0.311$ with corresponding p-values of $p = 0.001$. Upon introducing the mediator, these direct effects remain significant, with beta values ranging from $\beta = 0.315$ to $\beta = 0.319$, and p-values still at $p = 0.001$, indicating partial mediation.

Table 5: Path Coefficients

Hypothesis	Relationship	Std. beta	SE	p-values	Decision
H1	HRMS $\rightarrow$ HR	.249	.030	.000	Supported
H2	HRMS $\rightarrow$ SF	.093	.024	.000	Supported
H3	HRMS $\rightarrow$ PF	.306	.011	.000	Supported
H4	HRMS $\rightarrow$ EB	.182	.014	.000	Supported
H5	EP $\rightarrow$ HRMS	.311	.010	.000	Supported

HR=Human Resource; SF=Social Factors; PF=Psychological Factors; EB=Employer Branding; HRMS=HRM Sustainability; EP=Employee Performance.

This suggests that while HRM sustainability contributes significantly to the relationship between HR, SF, PF, EB, and EP, other factors also play a role in influencing employee performance. These findings underscore the significance of HRM sustainability in organizational performance enhancement, highlighting its substantial impact on employee productivity. They also emphasize the intricate nature of the relationship between various factors and employee performance, suggesting the necessity of adopting a comprehensive approach to organizational management. The Cronbach alpha for items is 0.835 which is highly reliable.

Table 6. Indirect Effects

Hypothesis	Relationship	Direct Effects	Total Effects	Indirect Effects	Decision
H6	HRMS—HR--EP	$\beta = .315, p = .001$	$\beta = .319, p = .001$	$\beta = .004, p = .001$	Partially Supported
H7	HRMS—SF--EP	$\beta = .284, p = .001$	$\beta = .160, p = .001$	$\beta = .088, p = .001$	Partially Supported
A	HRMS—PF--EP	$\beta = .495, p = .001$	$\beta = .416, p = .001$	$\beta = .079, p = .001$	Partially Supported
H9	HRMS—EB--EP	$\beta = .314, p = .001$	$\beta = .314, p = .001$	$\beta = .258, p = .001$	Partially Supported

4.5 Moderation Analysis

The results from Process Macro Model 1, moderation analysis yielded that OC positively moderates the relationship between HR and HRMS as interaction $\beta = 0.253$ ($p < .001$) for Human Resource and Organizational Culture. OC strengthens the positive relationship between HR and HRMS

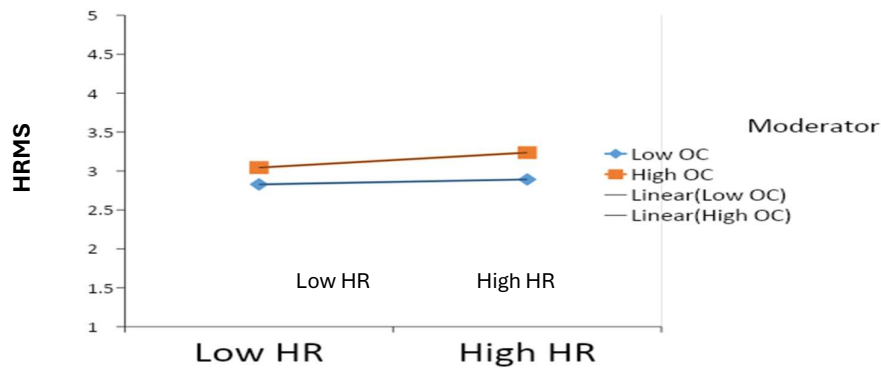


Figure 2. Moderation Curve

The results from Process Macro Model 1, moderation analysis yielded that SF positively moderates the relationship between SF and HRMS as interaction $\beta = 0.272$ ($p < .001$) for Social Factor and Organizational Culture. OC strengthens the positive relationship between SF and HRMS.

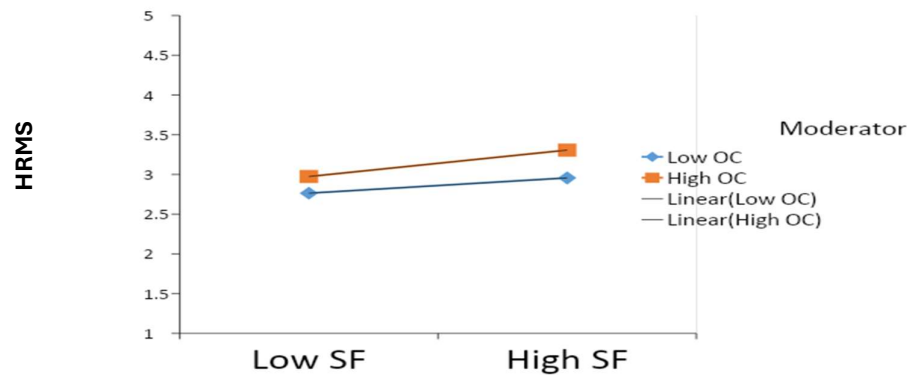


Figure 3. Moderation Curve

The results from Process Macro Model 1, moderation analysis yielded that SF positively moderates the relationship between PF and HRMS as interaction $\beta = 0.355$ ($p < .001$) for Psychological Factors and Organizational Culture. OC strengthens the positive relationship between PF and HRMS.

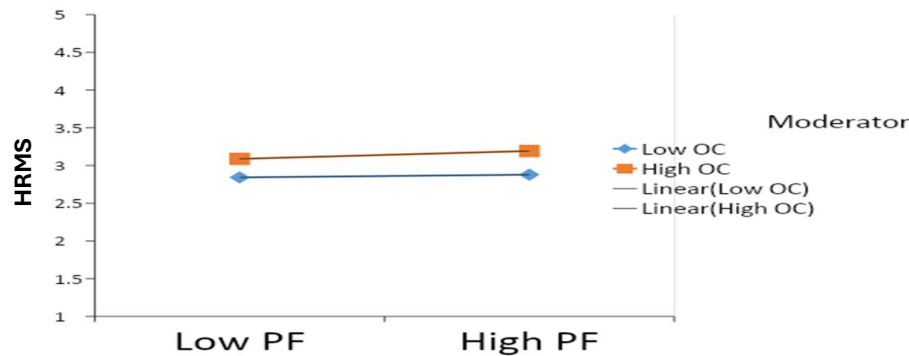


Figure 4. Moderation Curve

The results from Process Macro Model 1, moderation analysis yielded that positively moderates the relationship between Employer Branding and HRMS as interaction $\beta = 0.295$ ($p < .001$) for Psychological Factors and Organizational Culture. OC strengthens the positive relationship between EB and HRMS. The results are significant for moderation hypotheses and we can conclude that they are fully supported.

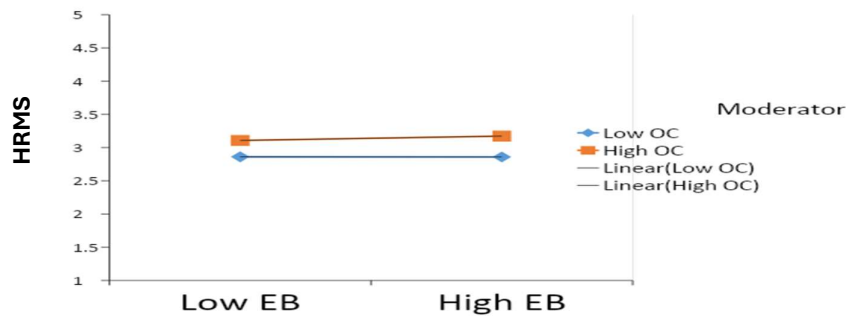


Figure 5. Moderation Curve

5. Discussion

The findings of H1 indicate that there is a significant positive influence of human resource on HRM sustainability in higher education institutes. The said finding is consistent and in lined with the findings of Mohiuddin et al., (2022) that found that HR practices has positive and significant association with HRM sustainability. Furthermore, the interpretation of H2 indicates that social factors have a positive and significant impact on the HRM sustainability. The current study's findings are consistent with previous research conducted by Mohiuddin et al., (2022) and Tooranloo et al. (2017), which also demonstrated that social factors has a positive and significant influence on the HRM sustainability of higher education institutes. Moreover, the interpretation of H3 indicates that psychological factors have a positive and significant impact on the HRM sustainability of higher education institutes. The current study's findings are consistent with previous research conducted by Mohiuddin et al. (2022) and Ganster & Rosen (2013) which also demonstrated that psychological factors has a positive and significant impact on the HRM sustainability of higher education institutes. Furthermore, the

findings of H4 indicates that employer branding have a positive and significant impact on the HRM sustainability of higher education institutes.

The current study's findings are consistent with previous research conducted by Mohiuddin et al. (2022) and Dauvergne & Lister (2012) which also demonstrated that employer branding has a positive and significant impact on the HRM sustainability of higher education institutes. The findings of H5 indicates that HRM sustainability has a positive and significant impact on the employee performance of higher education institutes. The findings of H6 shows that there is partial mediation. Thus, the interpretation of the results indicates that HRM sustainability mediates the relationship between HR and employee performance. The finding of H7 shows that there is partial mediation. Thus, the interpretation of the results indicates that HRM sustainability mediates the relationship between social factor and employee performance. The findings of H8 shows that there is partial mediation. Thus, the interpretation of the results indicates that HRM sustainability mediates the relationship between psychological factors and employee performance. The findings of H9 shows that there is partial mediation. Thus, the interpretation of the results indicates that HRM sustainability mediates the relationship between employer branding and employee performance. The findings of H10, H11, H12 & H13 shows that organizational culture significantly moderates the relationship between HR, Social Factors, Psychological Factors and Employer Branding and HRM sustainability.

5.1 Theoretical Implications

This study contributes significantly to the existing knowledge on HRM sustainability and its relationship with employee performance in the higher education sector. Notably, it unveils that organizational factors in Pakistan's higher education sector positively predict employee performance, shedding light on how organizational factors promote employee performance, thereby enhancing social responsibility and organizational productivity. Additionally, it underscores the vital role of HRM sustainability in fostering sustainable organizational behavior. Contextually, the research equips higher education institutions (HEIs) with strategies to bolster their sustainable stance through the implementation of sustainable initiatives. Moreover, it reveals that the relationship between human resource, social factor, psychological factor & employer branding and employee performance outcomes is moderated by organizational culture. Overall, employing the social cognitive theory as a theoretical foundation to establish a link between organizational factors and employee performance outcomes enriches our understanding of organizational dynamics, particularly in developing countries.

5.2 Practical implications

The findings of this research make a valuable contribution to policy development in the context of higher education and sustainability. Firstly, by identifying key independent variables such as social, political, economic, and psychological factors alongside human resource management practices and organizational culture, policymakers can gain a comprehensive understanding of the factors influencing employee performance within organizations. This understanding can inform the development of policies aimed at promoting sustainable and inclusive workplaces that consider the broader societal impact of organizational practices. Additionally, by highlighting the mediating role of HRM sustainability, the framework emphasizes the importance of incorporating sustainability principles into organizational policies and practices. Policymakers can use this insight to develop policies that encourage organizations to adopt sustainable HRM practices, thereby contributing to long-term organizational success and societal well-being. Furthermore, recognizing organizational culture as a moderator underscores the importance of policies that promote a positive and supportive workplace culture conducive to employee performance and well-being.

5.3 Limitations and Future Direction

This study possesses several limitations that warrant acknowledgment. Firstly, the sample comprises higher education professionals, potentially limiting the generalizability of findings to other contexts or industries. Secondly, given the evolving nature of the phenomenon, a longitudinal study capturing ongoing dynamic perceptions could offer a more comprehensive understanding. However, this study adopts a cross-sectional design. Thirdly, the study focuses on specific organizational factors such as organizational sustainability, i.e. human resource, social factor, psychological factor & employer branding with HRM sustainability mediating and organizational culture moderating. Future research could enrich the model by incorporating additional organizational factors. Fourthly, future researchers might explore the potential mediating role of organizational culture in their models. This study solely concentrates on the higher education sector in Pakistan as a developing country, suggesting comparative studies across different geographical zones in future research to validate the proposed model.

5.4 Conclusion

In Conclusion, this study makes an important discovery that the organizational sustainability, i.e. human resource, social factor, psychological factor & employer branding in the higher education sector of Pakistan significantly and positively predicts employee performance. This research not only confirms previous findings but also enhances our understanding of how organizational factors promotes employee performance, thereby fostering social responsibility and organizational productivity. Additionally, the study highlights the significant role of HRM sustainability in enhancing sustainable organizational behavior. From a contextual standpoint, this research provides higher education institutions (HEIs) with strategies to enhance their sustainable position through the implementation of sustainable initiatives. Furthermore, the study reveals that the relationship between organizational sustainability, i.e. human resource, social factor, psychological factor & employer branding and employee performance outcomes is moderated by organizational culture. Furthermore, employing the social cognitive theory as a theoretical foundation to establish a link between organizational sustainability, i.e. human resource, social factor, psychological factor & employer branding and employee performance outcomes contributes to our understanding of the growing global trend of organization dynamics, particularly in developing countries.

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