

ORIGINAL ARTICLE

The contribution of the labour practices to organizational performance: The mediating role of social sustainability

Elisabete Nogueira¹  | Sofia Gomes¹  | João M. Lopes² 

¹Research on Economics, Management and Information Technologies, REMIT, Portucalense University, Porto, Portugal

²Instituto Superior Miguel Torga, Coimbra, Portugal & NECE-UBI – Research Unit in Business Sciences, University of Beira Interior, Covilhã, Portugal

Correspondence

Elisabete Nogueira, Research on Economics, Management and Information Technologies, REMIT, Portucalense University, Rua Dr. António Bernardino Almeida, 541-619, P 4200-072 Porto, Portugal.
Email: elisabete.s.nogueira@gmail.com

Funding information

Fundação para a Ciência e a Tecnologia, Grant/Award Number: UIDB/05105/2020;UIDB/04630/2020

Abstract

In the fiercely competitive global business environment, the attainment of excellence is contingent upon the efficient management of human resources and their alignment with sustainable development goals. This study examines the interplay between labour practices, social sustainability and organizational performance, with a focus on the often-ignored perspectives of employees. Employees, often neglected as critical stakeholders, shape corporate values and strategy. The study uses a quantitative approach, having applied the partial least square method for the proposed research model. Questionnaire responses from 574 Portuguese employees reveal that labour practices (employee development, employee participation and equal opportunity) positively influence perceived social sustainability. Perceived social sustainability positively influences perceived organizational performance. The examined labour practices only exhibit a positive influence on perceived organizational performance when perceived social sustainability acts as a mediator. Companies must place a high priority on the perceptions of their employees to achieve social sustainability. This involves incorporating inclusive, participative and proactive policies regarding human resources policies, thereby leveraging the mutual advantages derived from labour practices. This demonstrates the pivotal role of social sustainability in companies' decision-making processes, as it substantially contributes to enhancing organizational performance. This study emphasizes the importance of integrating social sustainability to maximize organizational performance, providing valuable insights for business leaders. The original model, social sustainability-driven organizational performance, which is based on employees' perceptions, identifies labour practices as antecedents of social sustainability, and the influence of social sustainability, both directly and as a mediator, on organizational performance, is presented.

KEYWORDS

employee development, employee participation, equal opportunity, labour practices, organizational performance, social sustainability, triple bottom line

This is an open access article under the terms of the [Creative Commons Attribution](https://creativecommons.org/licenses/by/4.0/) License, which permits use, distribution and reproduction in any medium, provided the original work is properly cited.

© 2024 The Authors. *Business Ethics, the Environment & Responsibility* published by John Wiley & Sons Ltd.

1 | INTRODUCTION

In the contemporary era of global competition, the pursuit of excellence in business practices has assumed utmost importance, which requires the cultivation and management of top-tier human resource competencies (Amrutha & Geetha, 2020). The stakeholder theory holds that catering to the diverse requirements of various stakeholders results in enhanced performance of firms (Nogueira et al., 2023). The importance of employee well-being has grown, giving firms the edge they need to succeed in today's tangled business landscape (Salem et al., 2023). Organizations must align their strategic intent with the values underpinning sustainable development goals to ensure long-term growth, profitability and improved organizational performance (Amrutha & Geetha, 2020). It is perceived that an organization's performance will improve if it becomes sustainable (Chatterjee et al., 2023). In organizational contexts, social sustainability has emerged as a multifaceted, intricate and challenging concept that holds the potential to augment employee well-being, promote development, enhance organizational productivity and facilitate innovation, collectively shaping the trajectory of organizations (Prieto et al., 2022). The incorporation of sustainability in the company's strategy results from legal impositions and reflects the company's quest to obtain competitive advantages (Lee et al., 2021) to achieve better organizational performance (Hult, 2011). Increasingly, sustainability focuses on the triple bottom line principles (Bansal, 2005). This accounting structure (Law, 2015) is a business framework that considers the performance of economic, environmental and social dimensions (Elkington, 2006) as the drivers of business value (Tseng et al., 2018), mirroring the principles of sustainable development (Tseng et al., 2018).

Unlike the triple bottom line's economic and environmental dimensions, the social dimension remains underrepresented in management theory and practice (Tate & Bals, 2018) as it is the least studied (Badri Ahmadi et al., 2017; Eizenberg & Jabareen, 2017; Ilyas et al., 2020; Staniškienė & Stankevičiūtė, 2018). Namely because public and private efforts are centred on economic and environmental issues (Ajmal et al., 2018; Lee et al., 2021). Other studies have already identified the lack of analyses on the influence of social value on companies (Certo & Miller, 2008; Mair & Martí, 2006; Murphy & Coombes, 2009; Narangajavana et al., 2016), even with the increased interest of academics in organizational performance in the last decade (Fetrati et al., 2022). This makes it urgent to understand social sustainability (Ajmal et al., 2018).

This study poses three fundamental research questions: (i) does social sustainability influence organizational performance?; (ii) does labour practices influence organizational performance?; and (iii) does social sustainability act as a mediating element in the relationship between organizational performance and human resource practices?

The cultivation of motivated and satisfied employees is advantageous both for individual employees and the overarching organizational entities (Melé, 2021). The dedication to fairness and equality within organizations acts as a catalyst for acquiring a competitive

edge and achieving exceptional results, ultimately resulting in a wide range of favourable outcomes that play an integral role in the progression of both social and human well-being (Abid et al., 2020). Within the context of the social dimension, it is essential to recognize that an organization's most valuable asset is its employees (Guest, 2011; Pfeffer, 2010). These embody company's corporate social values and establish the business strategy's design and implementation (Korschun et al., 2014). Employee involvement in management processes and in defining the company's culture plays a pivotal role in enhancing organizational performance (Nadae et al., 2021). However, the perception of employees in measuring social sustainability has been forgotten (Staniškienė & Stankevičiūtė, 2018), even though it can contribute to organizational performance (Kim et al., 2022). A shared vision can improve organizations' performance (Howell & Frost, 1989; Pearce & Ensley, 2004), requiring further studies that consider employees' perspectives (Kim et al., 2022).

The COVID-19 crisis prompted a fundamental change in focus, resulting in organizations shifting from an environmental-centric model of corporate social responsibility to an employee-centric one (Martinez et al., 2023; Mellahi et al., 2023). Recent years have seen an increasing focus on internal stakeholders, especially employees (Bastian & Poussing, 2023; Kocollari et al., 2023; Nyuur et al., 2022; Shao et al., 2023; Suto & Takehara, 2022; Zhang et al., 2022). An employee-centric approach enables the identification of perceptions that lead to psychological states, which in turn enhance organizational commitment (Aggarwal & Singh, 2022).

Therefore, business leaders must comprehend the essentiality of integrating social sustainability to optimize the overall performance of the organization (Bag et al., 2022). Hence, in pursuit of a comprehensive understanding of social sustainability and its influence on organizational performance, this study embarks on the exploration of the perceptions held by Portuguese employees concerning labour practices, social sustainability and organizational performance, as well as the intricate interplay among these constructs.

To our knowledge, no prior studies have undertaken an in-depth exploration of the interrelationships among labour practices, social sustainability and organizational performance. Making this investigation distinctive in its comprehensive examination of these interconnected elements. This study uniquely combines the understudied perspective of employees regarding labour practices with an in-depth analysis of the consequential effects of social sustainability on organizational performance. It introduces an original structural model that considers employee development, employee participation and equal opportunities as antecedents of perceived social sustainability, ultimately impacting perceived organizational performance. The employee-centric approach adopted provides a nuanced and comprehensive understanding of the integral role of employees in shaping organizational outcomes, thereby enriching research findings and providing practical insights for organizations aiming to establish sustainable and high-performance cultures.

This research complements recent work on social sustainability, labour practices and organizational performance dynamics. Six main key contributions are brought by this study. The first

and foremost is the introduction of an original model—social sustainability-driven organizational performance. The centrality of this model emphasizes the crucial significance of fostering social sustainability as a catalyst for enhancing organizational performance and guaranteeing the sustainability and long-term viability of organizations. The previous research has centred on examining indicators or constructs (Prieto et al., 2022; Staniškienė & Stankevičiūtė, 2018). In contrast, this study scrutinizes the relationships between the investigated practices. The second contribution of this study is its employee-centric approach, as it departs from the typical approach seen in prior research, which predominantly relied on statistical data sources and indicators (Sroufe & Gopalakrishna-Remani, 2019), to distinctly prioritize the perspectives of employees. This approach creates a much-needed new line of investigation where employees are at the centre of research. In addition to recognizing the importance of the employee's perspective, the third contribution is employee key stakeholder recognition, reinforcing their importance in shaping organizational outcomes. The fourth contribution is the identification of value generation through social sustainability, highlighting the role of social sustainability as a catalyst for generating value within organizations. The fifth contribution is the identification of benefits for firms resulting from the investigated interactions, shedding light on the advantages that can be accrued from integrating social sustainability and fair human resource practices, especially since labour practices only exert a positive influence on perceived organizational performance when they are mediated by perceived social sustainability. Finally, the sixth contribution of this study is the provision of strategic insights. These can guide companies in their efforts to achieve better outcomes and long-term sustainability.

2 | LITERATURE REVIEW

2.1 | Stakeholder theory

The stakeholder theory stands out as the most robust framework for sustainability metrics (Khosravi & Izbirak, 2019). The ability of companies to achieve the objectives incorporated in their mission can be affected or affect stakeholders who, therefore, have to be appreciated as a vital part of the business strategy (Freeman, 1984). Stakeholders increasingly pressure companies to embrace a real social commitment (Arco-Castro et al., 2020), and recognize social legitimacy in firms when they conform to societal norms and embrace the standards set by administrative organizations (Chu et al., 2019). In the realm of stakeholders, employees constitute a highly influential group that exhibits a preference for affiliations with socially responsible companies, demonstrating increased loyalty towards such entities (Brammer & Millington, 2005). When they identify with the companies, they demand a planning of ethical and moral attitudes (Farooq et al., 2014). This theory addresses the question of how to effectively manage organizational performance, which is one of the most enduring challenges in

management (Pinto, 2019). Numerous researchers have investigated the influence of stakeholder pressure on the adoption of sustainability practices by companies (Ehrgott et al., 2011; Paulraj et al., 2017; Sodhi & Tang, 2018; Teuscher et al., 2006; Wolf, 2014). This scrutiny is grounded in the understanding that organizational performance and can be affected by pressure from stakeholders to make certain decisions (Phillips et al., 2003). This influence may result in heightened awareness of sustainability, the formulation of sustainability objectives and the implementation of corresponding sustainable practices (Meixell & Luoma, 2015). Stakeholder theory is frequently used in the field of social sustainability (e.g. Devi et al., 2023; Di Maddaloni & Sabini, 2022; Govindan et al., 2021; Guzmán-Pérez et al., 2023; Venkatesh et al., 2021). It garners popularity due to its theoretical coherence and practical applicability in empirical contexts (Chi, 2011).

2.2 | Social sustainability and organizational performance

Several studies have focused on issues that relate to social sustainability and company performance: (Maldonado-Guzmán et al., 2023; Sroufe & Gopalakrishna-Remani, 2019; Torkayesh et al., 2022). As more organizations embrace sustainability, there is a growing emphasis on embedding social sustainability into every facet of their business operations (Ajmal et al., 2018). This strategic emphasis is perceived as generating positive changes and fostering a competitive advantage (Lee et al., 2021), ultimately contributing to robust organizational performance (Orlitzky et al., 2003). Social sustainability enhances the organization's reputation and prompts customer purchases, subsequently translating into improved organizational performance (Awan et al., 2020; Thaher & Jaaron, 2022). Organizational performance extends beyond the singular objective of ensuring profitability for investors, encompassing a dual commitment to prioritizing both environmental sustainability and the well-being of workers (Bernal-Torres et al., 2023). It is grounded in ethical dimensions and prevalent principles within the workplace environment (Goyal et al., 2023). Therefore, a positive relationship exists between the management of social sustainability practices and company performance (Sroufe & Gopalakrishna-Remani, 2019). Socially sustainable companies, characterized by fair treatment, good working conditions and fair wages (Hutchins & Sutherland, 2008), adhere to protocols that enhance productivity (Haas & Yorio, 2016). Elevating organizational performance requires stakeholders to appreciate the critical role of nurturing social sustainability performance (Sroufe & Gopalakrishna-Remani, 2019). Social sustainability practices have been demonstrated to exert a beneficial influence on the organizational performance of companies (Najjar et al., 2024; Torkayesh et al., 2022; Tran et al., 2023). The interconnectedness of social sustainability factors within sustainable human resource management provides valuable insights for enhancing organizational performance (Subramanian & Suresh, 2022). Hence, corporate executives need to grasp the imperative nature of incorporating social

sustainability for the purpose of optimizing organizational performance (Bag et al., 2022).

Based on this evidence, the following hypothesis was formulated:

H1. Companies' perceived social sustainability can positively influence their perceived organizational performance.

2.3 | Social sustainability and labour practices

Social sustainability benefits from fair human resource policies, fostering relationships and emotional connections across hierarchical levels, thereby positively impacting employee satisfaction (Cugueró-Escofet et al., 2019). A company's social sustainability performance mirrors how effectively it puts its social goals into action, encompassing aspects like fair labour practices (Alsayegh et al., 2020). The well-being and collaborative behaviour of employees exert a substantial impact on social sustainability (Pradhan et al., 2020). The intrinsic nature of sustainability, emphasizing long-term perspectives, underscores the paramount importance of cultivating the future capabilities of employees (Staniškienė & Stankevičiūtė, 2018). This study focuses on three labour practices: employee development, employee participation and equal opportunity.

Although there is an acknowledgement of the conceptual link between sustainability initiatives and the personal development aspirations of employees, there is a scarcity of empirical studies investigating this correlation (YinYin Lau et al., 2023). The role of employee development within human resource management has been discussed to establish the foundational elements for sustainable and responsible organizations (Podgorodnichenko et al., 2020). Employee development constitutes a sustained, collaborative effort between employees and employers, dedicated to enhancing individuals' skills, attitudes, experiences, abilities and knowledge for heightened effectiveness (Rahman & Nas, 2013). Effective implementation of employee development catalyses transformative change in organizational culture, facilitating the formulation of concrete strategies and actions that advance social sustainability (Garavan & McGuire, 2010). Employees view their development as integral to achieving social sustainability goals (Staniškienė & Stankevičiūtė, 2018), influencing the company's relationship with stakeholders and enabling the assessment of social sustainability within performance measures (Jørgensen et al., 2008). Notably, business practices prioritizing and facilitating employee development significantly contribute to the simultaneous attainment of social and economic objectives (Garavan & McGuire, 2010). A fundamental connection is evident between employee development and the achievement of social sustainability goals (Abid et al., 2020). Thus, the following hypothesis was formulated:

H2. The activities of employee development can positively influence companies' perceived social sustainability.

Employee participation is characterized by a collaborative influence between supervisors and subordinates (Wagner, 1994). The practice extends to creating conditions for employee involvement in decision-making processes, empowering them (Siyal, 2023; Staniškienė & Stankevičiūtė, 2018). Transparency in those processes reduces the potential negative consequences of perceived leader favouritism (Yang et al., 2021). Consequently, employee participation significantly contributes to the social sustainability of organizations (Farooq et al., 2019; Valverde-Moreno et al., 2021). Employees' experiences at work, influencing self-esteem and identity, crucially shape their perceptions of the organization (Collier & Esteban, 2007). This alignment positively impacts social sustainability. Therefore, the following hypothesis was developed.

H3. The activities of employee participation activities can positively influence companies' perceived social sustainability.

In labour terms, equal opportunities represent labour practices that are not based on the sociodemographic characteristics of employees (Staniškienė & Stankevičiūtė, 2018). Each individual possesses the entitlement to receive fair and equitable treatment (Vitorio Junior & Kripka, 2020). There are measures that companies can implement to ensure it (Ingenhoff & Koelling, 2012). Socially responsible companies provide a working environment that is free from discrimination (Sorribes et al., 2021). Equal opportunities translate to the employees' perception that there is no discrimination in how they are treated (Armstrong et al., 2010; Bengisu & Balta, 2010). Consequently, it is identified as an important indicator of the social dimension of sustainability (Rafiaani, Kuppens, et al., 2020). In this manner, the following hypothesis was articulated:

H4. The activities of equal opportunity can positively influence companies' perceived social sustainability.

2.4 | Organizational performance and labour practices

Both academia and the business community concur that the management of people significantly influences organizational performance (Delaney & Huselid, 1996). Employee postures serve as levers of organizational performance (Saari & Judge, 2004), emphasizing the vital role of employee voice in this context (Fast et al., 2014). Qualified and motivated employees, actively engaged in decision-making processes, exert influence on organizational performance (Delaney & Huselid, 1996). The literature robustly supports the positive relationship between sustainable human resource management and organizational performance (Podgorodnichenko et al., 2022). Organizational performance is significantly affected by the well-being and collaborative behaviour exhibited by employees (Pradhan et al., 2020).

Employee development and organizational performance constitute primary focal points within the overarching leadership

perspective (Nie et al., 2023). Managers have the capability to direct employee development towards tangible and meaningful organizational outcomes (Akdere & Egan, 2020). The achievement of superior employee performance is predicated on skill acquisition and the cultivation of intrinsic motivation, culminating in the attainment of a competitive advantage and, consequently, augmenting organizational performance (Mason & Simmons, 2011). Especially, the adoption of formal training practices establishes a positive association with organizational performance (Obeidat et al., 2016). Employee development stands as a primary dimension within a human resources practice system, contributing to the enhancement of operational performance (Katou, 2017). This led to the formulation of the following hypothesis:

H2a. The activities of employee development can positively influence companies' perceived organizational performance.

The link between employee participation activities and organizational outcomes is underscored by various studies (Jiang & Messersmith, 2018; Khatri, 2000; Litwin & Eaton, 2018). This human resource management practice improves organizational performance (Arthur, 1992; Batt, 2002; Litwin & Eaton, 2018), improves morale (Spreitzer & Mishra, 1999) and increases productivity and effectiveness (Gollan, 2005). For a long time, informal participation was positively associated with productivity and performance (Cotton et al., 1988). Employees exhibit a distinct risk profile within the organizational context (Swales, 2013). Through the influence of management, they experience the personalization of corporate culture and are subject to its impact on their actions (Nyuur et al., 2022). Ethical practice implementation profoundly influences employees' satisfaction and engagement levels (Nyuur et al., 2022). Thus, the next hypothesis was articulated:

H3a. The activities of employee participation can positively influence companies' perceived organizational performance.

Promoting equal opportunities enables companies to effectively allocate resources and foster a multicultural environment, enhancing productivity and driving exceptional business performance (Lucia et al., 2020). Employees face risks of professional stagnation, constrained salary growth and reduced employability, underscoring the imperative for proactive organizational strategies to mitigate these challenges (Swales, 2013). Fair and equitable human resources practices contribute to a caring climate that yields a competitive advantage (Manroop, 2015). Research by Peccei and Van De Voorde (2019) has shown that mutual gain conceptualizations play a dominant role in extant human resources management—employees well-being—and organizational performance research. Therefore, the following hypothesis was formulated:

H4a. The activities of equal opportunity can

positively influence companies' perceived organizational performance.

2.5 | Social sustainability as a mediator between labour practices and organizational performance

Labour practices play a pivotal role in the realm of social sustainability, emerging as a crucial element in the pursuit of sustainable development (Awan et al., 2018). The interaction between human resources and corporate social responsibility facilitates the transformation of corporate social responsibility into a fully fledged, distinct capability and a long-term, competitive asset for the organization (Jamali et al., 2015). Thus, there is a connection between the sustainability of a business and its competitiveness (Saunila et al., 2023). The correlation between sustainability and company performance underscores the significance of social sustainability in establishing enduring competitiveness (Wu & Pagell, 2011). Organizational performance is predicted by the organization's commitment to sustainability (Croom et al., 2018).

The mediating role of social sustainability is apparent in its ability to establish a connection between employee development and organizational performance. Empirical support for this relationship is evident, as research indicates that investments in employee development enhance performance (Delaney & Huselid, 1996). Furthermore, these investments positively influence high-performance work systems (Barnard & Rodgers, 2000), ultimately influencing organizational performance (Jayatilake et al., 2021; Khan et al., 2019). Accordingly, the following hypothesis was established.

H2b. The activities of employee development can positively influence perceived organizational performance when mediated by companies' perceived social sustainability.

Employee participation, a pivotal management tool, contributes to sustainable competitive advantages (Uribechebarria et al., 2021) and enhances performance (Delaney & Huselid, 1996; Lu et al., 2015), the workplace profitability (Yanadori & Jaarsveld, 2014) and overall company profit (Jiang et al., 2021; Kim et al., 2017). Social sustainability functions as a mediator (Chavez et al., 2022). Motivated individuals, who believe in organizational care, demonstrate heightened work efficiency (Kaplan & Bradley, 2009; Wang et al., 2015). Hence, the following hypothesis was derived.

H3b. The activities of employee participation can positively influence perceived organizational performance when mediated by companies' perceived social sustainability.

When equal opportunity considerations are integrated into companies' decision-making processes, it contributes to enhanced social sustainability and reduced economic costs (Rafiaani, Dikopoulou,

et al., 2020). Companies prioritizing equal opportunity exhibit a heightened propensity for value creation (Samet et al., 2022) and greater assurance of long-term viability (Azapagic, 2003), thereby positively impacting organizational performance (Armstrong et al., 2010; García-rodríguez et al., 2020). The substantial linkage between sustainability and organizational performance is well established (Chatterjee et al., 2023). The intricate interplay among equal opportunity, social sustainability and organizational performance necessitates thorough exploration. For this reason, the following hypothesis was generated:

H4b. The activities of equal opportunity can positively influence perceived organizational performance when mediated by companies' perceived social sustainability.

In this context, a structural research model and the formulated hypotheses are presented in Figure 1.

3 | MATERIALS AND METHODS

3.1 | Sample and measurements

3.1.1 | Sample

The sample for this study was collected using a questionnaire, made available online, between April and September 2022, to Portuguese employees. The hyperlink to the questionnaire was distributed through the authors' social media (Facebook, LinkedIn and Instagram). Therefore, this is a non-probabilistic sample, for convenience. Thereby guaranteeing the anonymity of responses, as those involved only had access to the hyperlink. This ensures the protection of ethical concerns, as the very first question of the

survey concerns obtaining informed consent, without revealing the identity of the person taking part. The research process was centred around two crucial ethical concerns: safeguarding personal data and researcher transparency (Gelinás et al., 2017). The conception and execution of surveys must begin with a primary focus on the detection of fraud (Levi et al., 2022; Roehl & Harland, 2022). The condition for participation was to be an employee of a for-profit company for at least 6 months, and this requirement was reflected in the participation instructions. Participants were informed of the study's objective and gave their informed consent to the use of the data. Their participation was voluntary and anonymous. A pre-test with 15 participants (with different sociodemographic characteristics: gender, age, education and income) was conducted to ensure that the participants understood the questions. This approach resulted in a data set comprising 574 valid responses. In 2023, the active population in Portugal amounted to around 5.3 million people (de Portugal, 2024). For the sample to be representative, with a margin of error of 3%, around 1067 responses from Portuguese workers would be needed. As the sample in this study is smaller, it is not representative of the Portuguese active population.

3.1.2 | Measurements

The questionnaire consists of six groups of questions, which were adapted. The first group (i) was adapted from Staniškienė and Stankevičiūtė (2018) and gathered information regarding sociodemographic characteristics. In the remaining groups, the employees' perceptions were evaluated concerning: (ii) employee development (adapted from Holtbrügge et al. (2015) and Staniškienė and Stankevičiūtė (2018)); (iii) employee participation (adapted from Cheng (2021) and Staniškienė and Stankevičiūtė (2018)); (iv) equal opportunity (adapted from: Nie et al. (2018), Rodríguez-Ariza et al. (2017) and Staniškienė and Stankevičiūtė (2018)); (v) social

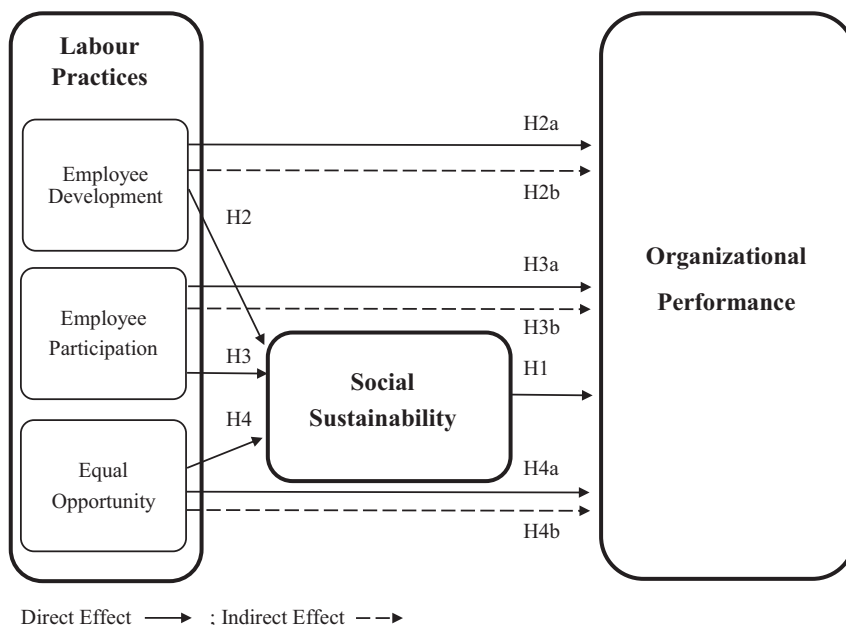


FIGURE 1 Structural research model and hypotheses.

sustainability (adapted from Hale et al. (2019)); and (vi) organizational performance (adapted from Claver-Cortés et al. (2020) and Yu and Choi (2014)). A 5-point Likert scale was adopted to measure all the questions, in which 1 corresponds to totally disagree and 5 to totally agree.

Labour practices

The evaluation of employee development (ED1 to ED5, in Table 2) was conducted taking into account the study of Holtbrügge et al. (2015). These authors contend that employee development is facilitated by employee cohesion and morality, which are emphasized by a flexibility-oriented culture that emphasizes development and spontaneity. The evaluation also took into account Staniškienė and Stankevičiūtė (2018) posits that employee development concerns are linked to the development of competencies, which the employees require now and in the future. This encompasses the training of employees, the transfer of experience within the organization and the development of their abilities to obtain employment in the future.

Employee participation reflects mission-driven firms that can foster, enhance and broaden virtues in a win-win situation both within the firm and beyond since they can unite all stakeholders around a common goal (Ezvan & Langohr, 2022). The measurement of employee participation (EP1 to EP5, in Table 2) was developed based on the works by Cheng (2021) and Staniškienė and Stankevičiūtė (2018). The survey explored questions that probed the conditions the firm imposes or fails to create, for the involvement of employees in the decision-making process, in submitting suggestions for enhancement and exchanging data.

The principle of equal opportunity, which is a part of distributive justice, prevents people from agreeing that certain groups should be afforded more opportunities than others (Schumann, 2001). The evaluation of the degree to which each company reflects an equal opportunity environment (EQ1 to EQ6, in Table 2) was conducted by applying the work of Nie et al. (2018), Rodríguez-Ariza et al. (2017) and Staniškienė and Stankevičiūtė (2018). The group of inquiries pertaining to equal opportunity links the demographic characteristics of employees to the organizational procedures employed by the organizations.

Perceived social sustainability

This construct was measured following the work of Hale et al. (2019), where several indicators that assess social sustainability have been organized into two categories: performative fair labour measures (SS1 to SS13, in Table 3), which aim to determine whether individuals perceive labour as a concern, whether there are any exploitative activities and how they are perceived; and performative social sustainability measures (SS14 to SS24, in Table 3), which aim to incorporate concerns regarding development and performance.

Perceived organizational performance

This construct was measured in the sixth group of questions (OP1 to OP4 in Table 3). It was designed as a variant of the balanced

scorecard approach, which relies on a variety of global output metrics (Yu & Choi, 2014). The estimation of this variable encompassed issues pertaining to the company's profitability and the generation and preservation of advantageous positions (Claver-Cortés et al., 2020; Yu & Choi, 2014).

3.2 | Data analysis

This study adopts a quantitative approach. In SPSSv.25, the statistical analysis of the constructs proposed in the research model was carried out. Using the same software, an exploratory factor analysis was carried out with the aim of dividing the question items into factors and a confirmatory factor analysis in order to evaluate the confirmatory factor loadings and the reflective nature of the model. Simple linear regressions were also tested to assess the association between the sociodemographic characteristics of employees with their perception of social sustainability and the organizational performance of companies. The partial least squares method was employed to test the research model hypotheses, in Smart PLS 4.0. (Ringle et al., 2022). This method is appropriate for the treatment of samples collected through questionnaires since it does not require data normality and allows the optimization of the relationships between the collected items and the constituted latent variables and between the latent variables (Ringle et al., 2020). Three measures must evaluate the validity and reliability of the construct: (i) average variance extracted ($AVE > 0.50$), (ii) Cronbach's alpha ($C\alpha > 0.70$) and (iii) composite reliability ($CR > 0.70$) (Hair et al., 2019). The Fornell-Larcker criterion should be used for the discriminant validity test. The predictive prediction must be tested against the values of R^2 of the endogenous latent variable.

4 | RESULTS

4.1 | Descriptive analysis

The sample consists of 574 valid responses. Volunteer-employed adults participated, 53.3% male, 46% female and 0.7% non-binary. The results of linear regression analyses, shown in Table 1, allow the assessment of relationships between demographic characteristics and dependent variables (perceived social sustainability and perceived organizational performance). There appears to be a positive statistical association between gender and perceived social sustainability ($\beta = .0303$). In this way, women are more concerned with social sustainability. There is no statistical evidence that gender influences perceived organizational performance.

More than half of the participants are between 36 and 50 years old (53.7%), and the average age is 43.7. Older employees tend to perceive lower organizational performance ($\beta = -.1303$). Regarding the level of education, 74.2% of this study's participants have completed higher education studies (42.16% have a degree, 21.95% have a master's and 10.1% have a doctorate). Employees with

more education have greater perceptions of social sustainability ($\beta = .0225$) and organizational performance ($\beta = .0049$). As far as the sector of activity is concerned, the range is quite wide, with 24% of the participants carrying out their activity in the education sector, 14.6% in the financial and insurance sector and 14.6% in the manufacturing industries sector. There is no statistically significant relationship between the sector of activity in which employees work and perceived social sustainability and organizational performance. Ultimately, in regard to the nature of function performed, it is noteworthy that 52.3% of the sample comprises qualified personnel (who do not perform management duties), while the remaining employees are non-qualified. Skilled employees tend to have greater perceptions of social sustainability and positively influence perceived organizational performance ($\beta = .2039$ and $\beta = .1899$, respectively).

TABLE 1 Association of sociodemographic variables with the dependent variables (social sustainability and organizational performance).

	Social sustainability		Organizational performance	
	Beta	p-value	Beta	p-value
Gender	.0303	.0068	-.0783	.4842
Age	-.0474	.3318	-.1303	.0431
Education	.0225	.0528	.0049	.0931
Sector of activity	-.0027	.7741	-.0024	.8714
Function that performs	.2039	.0000	.1899	.0001

TABLE 2 Mean and standard deviation of independent variables.

Variables	Mean	Standard deviation
Employee development	3.29	1.16
ED1. The company guarantees opportunities for employees to develop their general and professional skills	3.48	1.11
ED2. Employee skills development is oriented towards future needs	3.42	1.12
ED3. The company guarantees opportunities for employees to participate in fairs or internships	3.16	1.23
ED4. The company applies different ways for employee development	3.13	1.11
ED5. The company constantly encourages employees to develop their skills	3.28	1.22
Employee participation	3.60	1.07
EP1. Employees share their personal problems with their bosses	3.00	1.11
EP2. Employees share work-related problems with their bosses	3.81	1.02
EP3. Employees give suggestions on improving the organization's processes	3.88	0.95
EP4. The company encourages employees to take responsibility for their decisions	3.65	1.10
EP5. The company encourages employees to give suggestions on improving processes in the organization	3.66	1.18
Equal opportunity	3.10	1.26
EO1. The compensation system is understandable for employees	3.01	1.26
EO2. The compensation system is fair	2.77	1.23
EO3. Employees are paid the same for the same work	2.88	1.29
EO4. The company guarantees equal opportunities for personal development of employees	3.10	1.28
EO5. The company guarantees equal opportunities for all candidates during the selection process	3.29	1.20
EO6. The company ensures equal opportunities for men and women to advance in their careers	3.55	1.30

Table 2 presents a statistical analysis (means and standard deviations) for the independent variables, shown in **Figure 1**. The responses regarding employee development are, on average, greater than 3.00, which attests that there are favourable conditions for the development of employees in Portuguese companies. The guarantee of opportunity offered by companies to develop general and professional skills is more valued by employees (mean (M) = 3.48). Employee participation also generated high agreement ($M = 3.60$), which may indicate that Portuguese companies encourage conditions for employees to intervene in their processes, namely by making suggestions about improving the organization's processes ($M = 3.88$) and sharing work problems with the bosses ($M = 3.81$). Finally, equal opportunities ($M = 3.10$) translate that the strategy of Portuguese companies is based on parity among employees, with the most valued item being equal opportunities for men and women for career progression ($M = 3.55$). However, it should be noted that the construct of equal opportunities was the one that generated the least agreement among the Portuguese employees surveyed, followed by employee development and, finally, employee participation.

Regarding the statistical analysis of the independent variables (**Table 3**), the perceived social sustainability and perceived organizational performance items generated high and similar levels of agreement among the Portuguese employees surveyed ($M = 3.60$ and $M = 3.58$, respectively). Regarding perceived social sustainability, the items that generate less agreement are those related to a fair wage ($M = 2.77$), knowledge of the employees' representative ($M = 2.82$) and the employer's help to the family ($M = 2.73$). Regarding

TABLE 3 Mean and standard deviation of dependent variables.

Variables	Mean	Standard deviation
Social sustainability	3.60	1.04
SS1. My salary is fair	2.77	1.28
SS2. My housing is good	4.01	0.75
SS3. I'm safe at work	3.72	1.01
SS4. I'm learning new skills	3.52	1.14
SS5. I know who my union and/or employee representative is	2.82	1.33
SS6. Men and women are treated equally at work	3.86	1.17
SS7. I have time to chat with my co-workers	3.81	0.99
SS8. I can talk to my boss about my ideas for improving tasks	3.86	1.10
SS9. I have access to good food	3.74	1.08
SS10. Employer helps families get things they need (e.g. school for children)	2.73	1.25
SS11. I can get a promotion	3.10	1.30
SS12. I received good training for my job	3.38	1.23
SS13. My job helps me achieve the things I want in my life	3.52	1.15
SS14. The worker dispute resolution process is effective	3.06	0.96
SS15. Employees are able to talk to each other about their interests and aspirations	3.68	0.93
SS16. Good systems are in place to ensure workers are treated fairly	3.21	1.10
SS17. The opinions of people from diverse backgrounds, in terms of gender, ethnicity, age and nationality, can be useful for decision-making	3.76	0.99
SS18. I live with people who do not have my profession	4.14	0.90
SS19. It is important to maintain good relations with community members	4.31	0.82
SS20. It is important to maintain good relations with people different from me in terms of gender, race, nationality, interests and aspirations	4.39	0.78
SS21. Most people in my community are trustworthy	3.61	0.95
SS22. Leadership in my industry is trusted	3.48	1.08
SS23. I can adequately express my views on sustainability to society at large	3.85	0.85
SS24. I am able to work with people who have views on sustainability that are different from mine	4.09	0.79

TABLE 3 (Continued)

Variables	Mean	Standard deviation
Organizational performance	3.58	1.02
OP1. The company has a competitive advantage in its sales growth	3.57	1.03
OP2. The company has a competitive advantage in its market share	3.60	1.05
OP3. The company has a competitive advantage in its profit growth	3.56	1.01
OP4. The company has a competitive advantage in its return on investment	3.58	0.99

perceived organizational performance, there is a balance in the degree of agreement among the items surveyed.

4.2 | Factor analysis

The outcomes of the exploratory factor analysis and the confirmatory factor analysis are available in Appendix Table A1. With regard to the exploratory factor analysis, the 44 initial items, which were analysed using exploratory factor analysis, were divided into five factors, as stipulated in the research model: (1) factor 1 corresponds to the labour practice of employee development concerns, with five items; (2) factor 2 corresponds to the labour practice of employee participation, with five items; (3) factor 3 corresponds to the labour practice equal opportunity, with six items; (4) factor 4 with 24 items corresponds to social sustainability; and, (5) factor 5 with four items correspond to organizational performance. In light of the questionnaire-based data collection, we conducted an examination for common method bias in SPSS utilizing the Harman unifactorial test to scrutinize response consistency and potential bias (Kock, 2021). The cumulative variance of the five constructs is determined to be 70.65%, with the largest factor explaining 43.39% of variance. Given that no individual factor accounts for a variation exceeding 50%, it is improbable that common method bias influences our data set (Kock, 2021). Appendix Table A1 includes the confirmatory factor loads derived from the application of confirmatory factor analysis. All confirmatory factor loads surpass the threshold of 0.70, resulting in the retention of all items, thereby affirming the reflective nature of the model (Hair et al., 2020).

4.3 | Evaluation of reflective measurement model

Table 4 presents the validation measures of the model obtained by estimating the research model using the PLS method in terms of discriminant, validity, reliability and convergence following the indications of Hair et al. (2019). According to the results, the model

has factorial convergence and is reliable since $C\alpha$ and $CR > 0.70$ (Hair et al., 2019). The model has Chi-square ($p = .087$), goodness-of-fit (0.978), comparative fit index (0.791) and standard root mean square residual (0.078), which attests to the goodness of the model's fit, also according to Hair et al. (2019). For the measurement of the discriminant validity, the Fornell–Larcker criterion was used, with discriminant validity between the latent variables and the way they are measured (Table 4).

Table 5 presents the results of the estimation of multiple linear regressions based on the relationships and hypotheses presented in the research model.

The results (Table 5) demonstrate the positive relationships between perceived social sustainability and perceived organizational performance ($\beta = .321$) and among employee development, employee participation and equal opportunity and perceived social sustainability ($\beta = .292$, $\beta = .220$, $\beta = .410$, respectively), supporting hypotheses H1, H2, H3, and H4. However, the positive influence of independent variables on perceived social sustainability is not similar. Equal opportunity is the construct that most influences perceived social sustainability, followed by employee development and participation.

The results also demonstrate that the relationship between the studied labour practices (employee development, employee participation and equal opportunity) and perceived organizational performance ($\beta = .099$, $\beta = .128$, $\beta = .132$, correspondingly) is positive. However, that relationship does not have statistical significance, and therefore, H2a, H3a, and H4a are rejected.

As proposed in the research model, the mediating effect of perceived social sustainability was also tested (Table 6). There is a positive influence of employee development, employee participation and equal opportunities in organizational performance ($\beta = .094$, $\beta = .071$ and $\beta = .132$, respectively) when mediated by perceived social sustainability. Thus, hypotheses H2b, H3b, and H4b are confirmed.

5 | DISCUSSION

5.1 | Discussion of results

Society is increasingly critical of the way companies operate and their results. This pressure makes companies seek not only financial results but also environmental and social ones (Chen et al., 2022). Hence, the need to understand how the social sustainability of companies can influence organizational performance. Thus, that can become a competitive advantage (Lee et al., 2021) with the ability to strengthen organizational performance (Orlitzky et al., 2003).

This study investigates whether perceived social sustainability can influence perceived organizational performance and the determinants of social sustainability. The results reinforce previous studies' findings and demonstrate that companies' social sustainability can influence organizational performance (Torkayesh et al., 2022) and be influenced by labour practices, such as employee development (Stanišienė & Stankevičiūtė, 2018), employee participation

TABLE 4 Discriminant, reliability and convergence of PLS model.

	$C\alpha$	CR	AVE	ED	EP	EO	OP	SS
Employees development (ED)	0.901	0.927	0.720	0.848				
Employee participation (EP)	0.854	0.896	0.637	0.608	0.798			
Equal opportunity (EO)	0.921	0.938	0.718	0.805	0.599	0.847		
Organizational performance (OP)	0.966	0.976	0.909	0.525	0.472	0.536	0.953	
Social sustainability (SS)	0.928	0.935	0.586	0.751	0.644	0.769	0.578	0.766

Note: AVE square root in bold.

TABLE 5 Direct effects on social sustainability and organizational performance.

Effects on endogenous variable	Coefficient (β)	t value (bootstrap)	p values	Confidence interval (2.5%; 97.5%)	Hypothesis support
Social sustainability ($R^2 = .681/Q^2 = 0.247$)					
H2: Employees development	.292	5.169	.000	(0.166; 0.390)	Yes
H3: Employee participation	.220	3.851	.000	(0.115; 0.329)	Yes
H4: Equal opportunity	.410	6.579	.000	(0.287; 0.516)	Yes
Organizational performance ($R^2 = .370/Q^2 = 0.330$)					
H1: Social sustainability	.321	3.331	.001	(0.472; 0.675)	Yes
H2a: Employee development	.099	1.061	.289	(-0.066; 0.288)	No
H3a: Employee participation	.128	1.620	.106	(-0.029; 0.296)	No
H4a: Equal opportunity	.132	1.410	.159	(-0.040; 0.319)	No

TABLE 6 Mediation path results.

Effects on endogenous variable	Coefficient (β)	t value (bootstrap)	p values	Confidence interval (2.5%; 97.5%)	Hypothesis support
Organizational performance					
H2b: Employees development → Social sustainability → Organizational performance	.094	2.297	.022	(0.034; 0.184)	Yes
H3b: Employee participation → Social sustainability → Organizational performance	.071	2.636	.009	(0.028; 0.132)	Yes
H4b: Equal opportunity → Social sustainability → Organizational performance	.132	3.114	.002	(0.045; 0.213)	Yes

(Valverde-Moreno et al., 2021) and equal opportunity (Rafiaani, Kuppens, et al., 2020). It also investigates whether the determinants of social sustainability positively influence perceived organizational performance when mediated by perceived social sustainability. It was concluded that perceived social sustainability positively influences perceived organizational performance and plays a mediating role between the constructs that represent labour practices and perceived organizational performance. This strengthens the need for a paradigm shift in companies. Social sustainability should be a resource for companies, enhancing positive organizational changes and obliging them to change their focus from the short to the long term (Lee et al., 2021). Thus, managers must adapt their approach to social sustainability so that it is possible to maintain the level of operational performance (Kot et al., 2019). Therefore, proactive social strategies that encourage social collaboration should be promoted (Lim et al., 2022). Consequently, orienting business practices towards sustainability stimulates organizational performance (Croom et al., 2018; Nath & Agrawal, 2020).

The results referring to employee development, employee participation and equal opportunity labour practices, in line with several previous studies (García-Rodríguez et al., 2020; Jayathilake et al., 2021; Khan et al., 2019; Lu et al., 2015), reinforce the relationship between social sustainability and organizational performance. By demonstrating that labour practices are positive influencers of social sustainability, which also positively influences organizational performance. This justifies focusing on employees' concerns and well-being when studying social sustainability (Pfeffer, 2010). As it is known that social sustainability is influenced by fair human resource management strategies (Cugueró-Escofet et al., 2019), it can then be concluded that Portuguese employees see their companies as respectful of norms considered fair.

Employee development is synonymous with a qualitative evolution of employees' characteristics, which can serve the interests of both companies and employees—making this evolution a win-win situation for everyone involved. Thus, employee development becomes fundamental, in a positive way, for social sustainability (Staniškienė & Stankevičiūtė, 2018) and organizational performance (Jayathilake et al., 2021; Khan et al., 2019). The study reinforces the previous suggestions that employee participation promotes social sustainability

(Farooq et al., 2019; Valverde-Moreno et al., 2021) and its connection to organizational performance (Jiang & Messersmith, 2018; Khatri, 2000; Litwin & Eaton, 2018). There should be no resistance to these reflections when considering that employees, like all human beings, produce better results if they are included in labour processes and decisions. Everyone seeks to be seen and valued. When this happens, employees are willing to make an additional effort that allows for personal fulfilment and improves social and organizational performance indicators. Also, equal opportunity can positively influence social sustainability (Rafiaani, Dikopoulou, et al., 2020) and organizational performance (Armstrong et al., 2010; García-rodríguez et al., 2020). Social equity is at the heart of the European social model (Haar & Copeland, 2010) and is present in the labour relations of Portuguese employees. These employees value cultural diversity and social relationships. Thus, they are willing to contribute more positively to social sustainability and organizational performance when they feel equal treatment and opportunity.

Regarding the results of the relationship between labour practices (employee development, employee participation and equal opportunities) and perceived organizational performance, a positive influence was identified, but without statistical significance. Given that the direct relationship between labour practices and perceived organizational performance is not statistically significant, but that there is a positive relationship between labour practices and organizational performance, when mediated by social sustainability, highlights the importance of the mediating variable. Therefore, labour practices only positively influence organizational performance when there is social sustainability in companies mediating this relationship.

Finally, the results of this study make clear the importance that employees have in the company stakeholders' group. Because, not only are they the ones who define business strategies and how to put them into practice but they are also the ones who execute them. Furthermore, as the recipients of labour practices, they can impact and contribute through their participation in companies for social sustainability and organizational performance.

The formulated conclusions and the gained insights resulted in the formulation of a conceptual framework: social sustainability-driven organizational performance model (Figure 2).

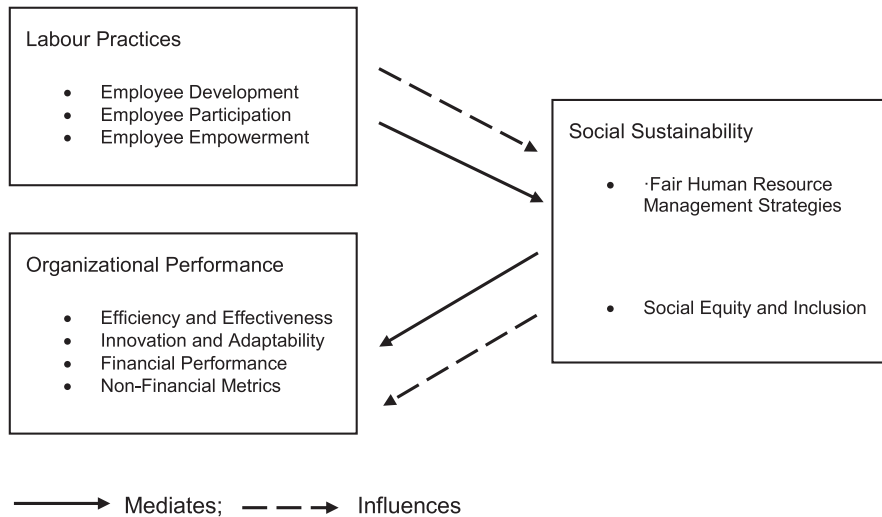


FIGURE 2 Social sustainability-driven organizational performance model.

5.2 | Theoretical implications

This study demonstrates the role of stakeholder theory in linking labour practices to perceived social sustainability and perceived organizational performance. It also makes it possible to define antecedents of social sustainability and organizational performance, by testing the relationships between the constructs of the research model and by filling the gap in studies related to the scarce research on the evaluation of employees' perceptions. The proposed original research model reinforces the role of employees as a central figure among stakeholders, as they directly influence business processes and results. In addition to improving social sustainability and, consequently, the company's reputation, employees are also a means of obtaining gains through improving organizational performance. This finding is an argument for the defence of social sustainability practices as a way of obtaining benefits. In addition, this study contributes to deepening quantitative measures of social sustainability and its relationship with organizational performance.

5.3 | Practical implications

For the organizations and managers, the results demonstrate that labour practices can contribute to perceived social sustainability and perceived organizational performance. For the implementation of social sustainability to be effective, companies need to include inclusive, participatory and proactive human resources policies in their business strategies. Business strategies must incorporate synergies created by labour practices.

To this end, at the level of employee development, they must: (i) guarantee effective opportunities for employee participation in strategic planning, creating opportunities for proposals, suggestions and innovative ideas; (ii) develop future strategic skills in employees by investing not only in specialized training but also in entrepreneurship and financial literacy training to involve employees with the business and financial objectives; and (iii) seek to promote the

sharing of knowledge between companies of the same sector at a national and international level, proposing internship periods in this type of companies to accommodate better working practices. As far as employee participation is concerned, the social distance between upper and lower hierarchies has to be shortened. To this end, coaching and personal development actions involving employees from different hierarchical levels are proposed. This will create a connection and empathy between the different employees, encouraging the sharing of work and personal problems and will lead to a greater balance in personal and work relationships. In addition, it will allow for more uninhibited participation for employees to give suggestions and greater accountability for the tasks performed. In terms of equal opportunities, this being the construct that most influences social sustainability and which generated the least agreement among Portuguese employees, companies should invest in transparent and fair selection processes, with outsourcing with a recruitment company being possibly one option. In addition, investing in implementing fair and clear assessment systems with an annual definition of objectives, quarterly monitoring and self-assessments of employees and feedback meetings on the work carried out and evaluated. It is also important to establish career possibilities and work benefits (emotional wages) that make employees more satisfied and committed to the companies.

Regarding the implications for the policymakers, it is suggested that governments, employing non-intrusive strategies, can enhance awareness and develop capabilities for social sustainability. Measures such as informative websites and reports are instrumental in furnishing essential information and assisting businesses in tackling industry-specific challenges. Also, there is a necessity to encourage socially responsible practices through the implementation of mechanisms such as tax incentives, grants or subsidies, and the implementation of recognition programmes to commend companies that exhibit exceptional commitment to social responsibility. Furthermore, we urge policymakers to promote stakeholder involvement. Encouraging interaction between corporations and a wide array of stakeholders while incorporating their viewpoints into

decision-making procedures. Additionally, policymakers are urged to prioritize investment in workforce development through collaboration with educational institutions and businesses, aiming to enhance training and skill development. Finally, there is a crucial call for policymakers to actively promote workplace diversity and inclusion, by advocating relevant policies and encouraging companies to establish diversity objectives.

6 | CONCLUSION

The present study undertakes an in-depth exploration of the interrelationships among labour practices, social sustainability and organizational performance. Making this investigation distinctive in its comprehensive examination of these interconnected elements. It seeks to explore the still little-studied perception of employees. Although employees are part of companies' stakeholder group, they are not given the importance they deserve. Employees are the ones to put all business actions into practice, whether in outlining strategy or in its operationalization. Perhaps, they are the ones that possess the greatest impact on a company's results. The results show that perceived social sustainability influences perceived organizational performance, either directly or as a mediating element in the relationship between practices of employee development, employee participation and equal opportunity and perceived organizational performance. In turn, these labour practices also positively influence perceived social sustainability. In this way, the development of employees goes hand in hand with the development of the company itself, allowing personal knowledge to benefit companies. The ever-increasing importance given to individuality and respect for difference means that the care taken in dealing with employees produces positive results. Accepting everyone's participation and equity among all is a path to perceived social sustainability but also to enhancing perceived organizational performance.

Nevertheless, it is noteworthy that the examined labour practices only exhibit a positive influence on perceived organizational performance when perceived social sustainability acts as a mediator. This underscores the crucial role played by companies' social sustainability. It emphasizes the importance of companies investing in and prioritizing social sustainability initiatives, as they play a vital role in improving organizational outcomes and overall prosperity. In essence, a robust and effectively implemented social sustainability framework contributes positively to the organization's success and well-being.

This study emphasizes the importance of integrating social sustainability to maximize organizational performance, providing valuable insights for business leaders. The original conceptual framework proposed the social sustainability-driven organizational performance model presents several singularities that not only strengthen the results but also help, in a much-needed way, to advance research in social sustainability. The data were obtained from the very understudied employees' perceptions. It studied not only the role of labour practices as antecedents of perceived social sustainability but

also the role of perceived social sustainability as an influencing force, and as a mediator, of perceived organizational performance.

Our study aims to be regarded as an exploratory endeavour, delving into the intricate interconnections among the studied constructs. It has some limitations. The sample in this study is non-probabilistic was obtained for convenience and is not representative of the Portuguese population. In future studies, a greater number of participants representing the Portuguese active population must be guaranteed. The methodology's basis lies in the viewpoints of Portuguese employees, introducing inherent limitations as its applicability cannot be universal. These constraints stem from individual and contextual factors, and the generalization of study findings should be considered within the context of the prevalent macroeconomic scenario during the investigation. The sample is voluntary and may not include the perspectives of the most dissatisfied employees. In addition, three labour practices were used, and including other labour practices can lead to different results. Future studies should consider other constructs of labour practices and be focused on different industries so that it is possible to assess more specific implications and compare sectors.

ACKNOWLEDGEMENT

NECE-UBI, the Research Centre for Business Sciences and this work are funded by FCT (Fundação para a Ciência e a Tecnologia), IP, project UIDB/04630/2020.

FUNDING INFORMATION

This work was supported by the UIDB/05105/2020 Program Contract, funded by national funds through the FCT (Fundação para a Ciência e a Tecnologia), I.P.

CONFLICT OF INTEREST STATEMENT

The authors declare no conflict of interest.

DATA AVAILABILITY STATEMENT

The data that support the findings of this study are available on request from the corresponding author. The data are not publicly available due to privacy or ethical restrictions.

ORCID

Elisabete Nogueira  <https://orcid.org/0000-0001-7155-1713>

Sofia Gomes  <https://orcid.org/0000-0002-0326-0655>

João M. Lopes  <https://orcid.org/0000-0002-2968-4026>

REFERENCES

- Abid, G., Ahmed, S., Elahi, N. S., & Ilyas, S. (2020). Antecedents and mechanism of employee well-being for social sustainability: A sequential mediation. *Sustainable Production and Consumption*, 24, 79–89. <https://doi.org/10.1016/j.spc.2020.06.011>
- Aggarwal, P., & Singh, R. K. (2022). Synthesizing the affinity between employees' internal-external CSR perceptions and work outcomes: A meta-analytic investigation. *Business Ethics, the Environment and Responsibility*, 31(4), 1053–1101. <https://doi.org/10.1111/beer.12451>

- Ajmal, M. M., Khan, M., Hussain, M., & Helo, P. (2018). Conceptualizing and incorporating social sustainability in the business world. *International Journal of Sustainable Development and World Ecology*, 25(4), 327–339. <https://doi.org/10.1080/13504509.2017.1408714>
- Akdere, M., & Egan, T. (2020). Transformational leadership and human resource development: Linking employee learning, job satisfaction, and organizational performance. *Human Resource Development Quarterly*, 31(4), 393–421. <https://doi.org/10.1002/hrdq.21404>
- Alsayegh, M. F., Rahman, R. A., & Homayoun, S. (2020). Corporate economic, environmental, and social sustainability performance transformation through ESG disclosure. *Sustainability*, 12(9), 3910. <https://doi.org/10.3390/su12093910>
- Amrutha, V. N., & Geetha, S. N. (2020). A systematic review on green human resource management: Implications for social sustainability. *Journal of Cleaner Production*, 247, 119131. <https://doi.org/10.1016/j.jclepro.2019.119131>
- Arco-Castro, M. L., Lopez-Pérez, M. V., Rodríguez-Gomez, S., & Gardes-Sánchez, R. (2020). Do stakeholders modulate philanthropic strategy? Corporate philanthropy as stakeholders' engagement. *Sustainability*, 12(18), 1–18. <https://doi.org/10.3390/su12187242>
- Armstrong, C., Flood, P. C., Guthrie, J. P., Liu, W. C., MacCurtain, S., & Mkamwa, T. (2010). The impact of diversity and equality management on firm performance: Beyond high performance work systems. *Human Resource Management*, 49(6), 977–998. <https://doi.org/10.1002/hrm.20391>
- Arthur, J. B. (1992). The link between business strategy and industrial relations Systems in American Steel Minimills. *ILR Review*, 45(3), 488–506. <https://doi.org/10.1177/001979399204500306>
- Awan, U., Kraslawski, A., & Huiskonen, J. (2018). Governing interfirm relationships for social sustainability: The relationship between governance mechanisms, sustainable collaboration, and cultural intelligence. *Sustainability*, 10(12), 4473. <https://doi.org/10.3390/su10124473>
- Awan, U., Kraslawski, A., Huiskonen, J., & Suleman, N. (2020). Exploring the locus of social sustainability implementation: A south Asian perspective on planning for sustainable development. In W. Leal Filho, U. Tortato, & F. Frankenberger (Eds.), *Universities and sustainable communities: Meeting the goals of the agenda 2030* (pp. 89–105). Springer International Publishing. https://doi.org/10.1007/978-3-030-30306-8_5
- Azapagic, A. (2003). Systems approach to corporate sustainability. *Process Safety and Environmental Protection*, 81(5), 303–316. <https://doi.org/10.1205/095758203770224342>
- Badri Ahmadi, H., Kusi-Sarpong, S., & Rezaei, J. (2017). Assessing the social sustainability of supply chains using best worst method. *Resources, Conservation and Recycling*, 126, 99–106. <https://doi.org/10.1016/j.resconrec.2017.07.020>
- Bag, S., Choi, T. M., Rahman, M. S., Srivastava, G., & Singh, R. K. (2022). Examining collaborative buyer–supplier relationships and social sustainability in the “new normal” era: The moderating effects of justice and big data analytical intelligence. *Annals of Operations Research*. <https://doi.org/10.1007/s10479-022-04875-1>
- Bansal, P. (2005). Evolving sustainably: A longitudinal study of corporate sustainable development. *Strategic Management Journal*, 26(3), 197–218. <https://doi.org/10.1002/smj.441>
- Barnard, M. E., & Rodgers, R. A. (2000). How are internally oriented HRM policies related to high-performance work practices? Evidence from Singapore. *International Journal of Human Resource Management*, 11(6), 1017–1046.
- Bastian, F., & Poussing, N. (2023). Analyzing the employee/employer relationships in the corporate social responsibility context: An empirical investigation of SMEs. *Corporate Social Responsibility and Environmental Management*, 30(4), 2011–2020. <https://doi.org/10.1002/csr.2470>
- Batt, R. (2002). Managing customer services: Human resource practices, quit rates, and sales growth. *Academy of Management Journal*, 45(3), 587–597. <https://doi.org/10.2307/3069383>
- Bengisu, M., & Balta, S. (2010). Employment of the workforce with disabilities in the hospitality industry. *Journal of Sustainable Tourism*, 19(1), 35–57. <https://doi.org/10.1080/09669582.2010.499172>
- Bernal-Torres, C. A., Torres-Guevara, L. E., Aldana-Bernal, J. C., Nicolás-Rojas, Y. W., & Pando-Ezcurra, T. T. (2023). The moderating role of innovation in the relationship between business sustainability and organizational performance in companies of an emerging economy. *SAGE Open*, 13(4), 1–21. <https://doi.org/10.1177/21582440231217870>
- Brammer, S., & Millington, A. (2005). Corporate reputation and philanthropy: An empirical analysis. *Journal of Business Ethics*, 61(1), 29–44. <https://doi.org/10.1007/s10551-005-7443-4>
- Certo, S. T., & Miller, T. (2008). Social entrepreneurship: Key issues and concepts. *Business Horizons*, 51(4), 267–271. <https://doi.org/10.1016/j.bushor.2008.02.009>
- Chatterjee, S., Chaudhuri, R., & Vrontis, D. (2023). Creating organizational value and sustainability through green HR practices: An innovative approach with the moderating role of top management support. *Business Ethics, the Environment & Responsibility*, 1–15. <https://doi.org/10.1111/beer.12569>
- Chavez, R., Yu, W., Shakeel, M., Jajja, S., Song, Y., & Nakara, W. (2022). The management of operations the relationship between internal lean practices and sustainable performance: Exploring the mediating role of social performance. *Production Planning & Control*, 33(11), 1025–1042. <https://doi.org/10.1080/09537287.2020.1839139>
- Chen, V. Z., Zhong, M., Duran, P., & Sauerwald, S. (2022). Multistakeholder benefits: A meta-analysis of different theories. *Business & Society*, 62, 612–645. <https://doi.org/10.1177/00076503221110181>
- Cheng, Z. (2021). Promoting employees' pro-environmental behaviour through empowering leadership: The roles of psychological ownership, empowerment role identity, and environmental self-identity. *Business Ethics: A European Review*, 30, 604–618. <https://doi.org/10.1111/beer.12366>
- Chi, T. (2011). Building a sustainable supply chain: An analysis of corporate social responsibility (CSR) practices in the Chinese textile and apparel industry. *Journal of the Textile Institute*, 102(10), 837–848. <https://doi.org/10.1080/00405000.2010.524361>
- Chu, Z., Wang, L., & Lai, F. (2019). Customer pressure and green innovations at third party logistics providers in China: The moderation effect of organizational culture. *International Journal of Logistics Management*, 30(1), 57–75. <https://doi.org/10.1108/IJLM-11-2017-0294>
- Claver-Cortés, E., Marco-Lajara, B., Úbeda-García, M., García-Lillo, F., Rienda-García, L., Zaragoza-Sáez, P. C., Andreu-Guerrero, R., Manresa-Marhuenda, E., Seva-Larrosa, P., Ruiz-Fernández, L., Sánchez-García, E., & Poveda-Pareja, E. (2020). Students' perception of CSR and its influence on business performance. A multiple mediation analysis. *Business Ethics: A European Review*, 29(4), 722–736. <https://doi.org/10.1111/beer.12286>
- Collier, J., & Esteban, R. (2007). Corporate social responsibility and employee commitment. *Business Ethics: A European Review*, 16(1), 19–33.
- Cotton, J. L., Vollrath, D. A., Froggatt, K. L., Lengnickall, M. L., & Jennings, K. R. (1988). Employee participation—Diverse forms and different outcomes. *Academy of Management Review*, 13(1), 8–22. <https://doi.org/10.2307/258351>
- Croom, S., Vidal, N., Spetic, W., Marshall, D., & McCarthy, L. (2018). Impact of social sustainability orientation and supply chain practices on operational performance. *International Journal of Operations & Production Management*, 38(12), 2344–2366. <https://doi.org/10.1108/IJOPM-03-2017-0180>
- Cugueró-Escofet, N., Ficapal-Cusí, P., & Torrent-Sellens, J. (2019). Sustainable human resource management: How to create a

- knowledge sharing behavior through organizational justice, organizational support, satisfaction and commitment. *Sustainability*, 11(19), 5419. <https://doi.org/10.3390/su11195419>
- de Portugal, B. (2024). População, emprego e desemprego. Retrieved January 20, 2024, from <https://bpstat.bportugal.pt/serie/5739403>
- Delaney, J. T., & Huselid, M. A. (1996). The impact of human resource management practices on perceptions of organizational performance. *Academy of Management Journal*, 39(4), 949–969. <https://doi.org/10.2307/256718>
- Devi, Y., Srivastava, A., Koshta, N., & Chaudhuri, A. (2023). The role of operations and supply chains in mitigating social disruptions caused by COVID-19: A stakeholder dynamic capabilities view. *The International Journal of Logistics Management*, 34(4), 1219–1244. <https://doi.org/10.1108/IJLM-04-2021-0235>
- Di Maddaloni, F., & Sabini, L. (2022). Very important, yet very neglected: Where do local communities stand when examining social sustainability in major construction projects? *International Journal of Project Management*, 40(7), 778–797. <https://doi.org/10.1016/j.ijproman.2022.08.007>
- Ehrgott, M., Reimann, F., Kaufmann, L., & Carter, C. R. (2011). Social sustainability in selecting emerging economy suppliers. *Journal of Business Ethics*, 98(1), 99–119. <https://doi.org/10.1007/s10551-010-0537-7>
- Eizenberg, E., & Jabareen, Y. (2017). Social sustainability: A new conceptual framework. *Sustainability*, 9(1), 68. <https://doi.org/10.3390/su9010068>
- Elkington, J. (2006). Governance for sustainability. *Corporate Governance: An International Review*, 14(6), 522–529. <https://doi.org/10.1111/j.1467-8683.2006.00527.x>
- Ezvan, C., & Langohr, P. (2022). Conditions for mission-led companies to humanize the economy: An Aristotelian perspective. *Business Ethics: A European Review*, 33, 1–13. <https://doi.org/10.1111/beer.12508>
- Farooq, M., Farooq, O., & Jasimuddin, S. M. (2014). “Employees response to corporate social responsibility: Exploring the role of employees” collectivist orientation. *European Management Journal*, 32(6), 916–927. <https://doi.org/10.1016/j.emj.2014.03.002>
- Farooq, O., Farooq, M., & Reynaud, E. (2019). Does employees' participation in decision making increase the level of corporate social and environmental sustainability? An investigation in South Asia. *Sustainability*, 11(2), 511. <https://doi.org/10.3390/su11020511>
- Fast, N. J., Burris, E. R., & Bartel, C. A. (2014). Managing to stay in the dark: Managerial self-efficacy, ego defensiveness, and the aversion to employee voice. *Academy of Management Journal*, 57(4), 1013–1034. <https://doi.org/10.5465/amj.2012.0393>
- Fetrati, M. A., Hansen, D., & Akhavan, P. (2022). How to manage creativity in organizations: Connecting the literature on organizational creativity through bibliometric research. *Technovation*, 115(February), 102473. <https://doi.org/10.1016/j.technovation.2022.102473>
- Freeman, R. E. (1984). *Strategic management: A stakeholder approach*. Pitman Publishing Ins.
- Garavan, T. N., & McGuire, D. (2010). Human resource development and society: Human resource development's role in embedding corporate social responsibility, sustainability, and ethics in organizations. *Advances in Developing Human Resources*, 12(5), 487–507. <https://doi.org/10.1177/1523422310394757>
- García-Rodríguez, F. J., Dorta-Afonso, D., & Gonz, M. (2020). International journal of hospitality management hospitality diversity management and job satisfaction: The mediating role of organizational commitment across individual differences. *International Journal of Hospitality Management*, 91, 102698. <https://doi.org/10.1016/j.ijhm.2020.102698>
- Gelinas, L., Pierce, R., Winkler, S., Cohen, I. G., Lynch, H. F., & Bierer, B. E. (2017). Using social media as a research recruitment tool: Ethical issues and recommendations. *The American Journal of Bioethics*, 17(3), 3–14. <https://doi.org/10.1080/15265161.2016.1276644>
- Gollan, P. J. (2005). High involvement management and human resource sustainability: The challenges and opportunities. *Asia Pacific Journal of Human Resources*, 43(1), 18–33. <https://doi.org/10.1177/1038411105050305>
- Govindan, K., Shaw, M., & Majumdar, A. (2021). Social sustainability tensions in multi-tier supply chain: A systematic literature review towards conceptual framework development. *Journal of Cleaner Production*, 279, 123075. <https://doi.org/10.1016/j.jclepro.2020.123075>
- Goyal, R., Sharma, H., & Sharma, A. (2023). A thorough examination of organizations from an ethical viewpoint: A bibliometric and content analysis of organizational virtuousness studies. *Business Ethics, the Environment and Responsibility*, 1–16. <https://doi.org/10.1111/beer.12597>
- Guest, D. E. (2011). Human resource management and performance: Still searching for some answers. *Human Resource Management Journal*, 21(1), 3–13. <https://doi.org/10.1111/j.1748-8583.2010.00164.x>
- Guzmán-Pérez, B., Mendoza-Jiménez, J., & Pérez-Monteverde, M. V. (2023). Measuring the social sustainability of hotels: A case study from the Canary Islands. *International Journal of Contemporary Hospitality Management*, 35(2), 512–532. <https://doi.org/10.1108/IJCHM-05-2021-0610>
- Haar, B. P., & Copeland, P. (2010). What are the future prospects for the European social model? An analysis of EU equal opportunities and employment policy. *European Law Journal*, 16(3), 273–291. <https://doi.org/10.1111/j.1468-0386.2010.00508.x>
- Haas, E. J., & Yorio, P. (2016). Exploring the state of health and safety management system performance measurement in mining organizations. *Safety Science*, 83, 48–58. <https://doi.org/10.1016/j.ssci.2015.11.009>
- Hair, J. F., Howard, M. C., & Nitzl, C. (2020). Assessing measurement model quality in PLS-SEM using confirmatory composite analysis. *Journal of Business Research*, 109, 101–110. <https://doi.org/10.1016/j.jbusres.2019.11.069>
- Hair, J. F., Risher, J. J., Sarstedt, M., & Ringle, C. M. (2019). When to use and how to report the results of PLS-SEM. *European Business Review*, 31(1), 2–24. <https://doi.org/10.1108/EBR-11-2018-0203>
- Hale, J., Legun, K., Campbell, H., & Carolan, M. (2019). Social sustainability indicators as performance. *Geoforum*, 103, 47–55. <https://doi.org/10.1016/j.geoforum.2019.03.008>
- Holtbrügge, D., Baron, A., & Friedmann, C. B. (2015). Personal attributes, organizational conditions, and ethical attitudes: A social cognitive approach. *Business Ethics: A European Review*, 24(3), 264–281. <https://doi.org/10.1111/beer.12082>
- Howell, J. M., & Frost, P. J. (1989). A laboratory study of charismatic leadership. *Organizational Behavior and Human Decision Processes*, 43(2), 243–269. [https://doi.org/10.1016/0749-5978\(89\)90052-6](https://doi.org/10.1016/0749-5978(89)90052-6)
- Hult, G. T. M. (2011). Market-focused sustainability: Market orientation plus! *Journal of the Academy of Marketing Science*, 39(1), 1–6. <https://doi.org/10.1007/s11747-010-0223-4>
- Hutchins, M. J., & Sutherland, J. W. (2008). An exploration of measures of social sustainability and their application to supply chain decisions. *Journal of Cleaner Production*, 16(15), 1688–1698. <https://doi.org/10.1016/j.jclepro.2008.06.001>
- Ilyas, S., Abid, G., & Ashfaq, F. (2020). Ethical leadership in sustainable organizations: The moderating role of general self-efficacy and the mediating role of organizational trust. *Sustainable Production and Consumption*, 22, 195–204. <https://doi.org/10.1016/j.spc.2020.03.003>
- Ingenhoff, D., & Koelling, A. M. (2012). Media governance and corporate social responsibility of media organizations: An international comparison. *Business Ethics: A European Review*, 21(2), 154–167. <https://doi.org/10.1111/j.1467-8608.2011.01646.x>

- Jamali, D. R., El Dirani, A. M., & Harwood, I. A. (2015). Exploring human resource management roles in corporate social responsibility: The CSR-HRM co-creation model. *Business Ethics*, 24(2), 125–143. <https://doi.org/10.1111/beer.12085>
- Jayathilake, H. D., Daud, D., Eaw, H. C., & Annuar, N. (2021). Employee development and retention of generation-Z employees in the post-COVID-19 workplace: A conceptual framework. *Benchmarking: An International Journal*, 28(7), 2343–2364. <https://doi.org/10.1108/BIJ-06-2020-0311>
- Jiang, K., & Messersmith, J. (2018). On the shoulders of giants: A meta-review of strategic human resource management. *International Journal of Human Resource Management*, 29(1), 6–33. <https://doi.org/10.1080/09585192.2017.1384930>
- Jiang, Y., He, X., Zhu, Y., Wu, G., & Gao, X. (2021). The economic effects of direct and indirect employee involvement: Evidence from corporate social responsibility reports of Chinese listed companies. *Frontiers in Psychology*, 12. <https://doi.org/10.3389/fpsyg.2021.762608>
- Jørgensen, A., le Bocq, A., Nazarkina, L., & Hauschild, M. (2008). Methodologies for social life cycle assessment. *International Journal of Life Cycle Assessment*, 13(2), 96–103. <https://doi.org/10.1065/lca2007.11.367>
- Kaplan, S. A., & Bradley, J. C. (2009). On the role of positive and negative affectivity in job performance: A meta-analytic investigation. *Journal of Applied Psychology*, 94(1), 162–176. <https://doi.org/10.1037/a0013115>
- Katou, A. A. (2017). How does human resource management influence organisational performance? An integrative approach-based analysis. *International Journal of Productivity and Performance Management*, 66(6), 797–821. <https://doi.org/10.1108/IJPPM-01-2016-0004>
- Khan, Z., Rao-Nicholson, R., Akhtar, P., Tarba, S. Y., Ahammad, M. F., & Vorley, T. (2019). The role of HR practices in developing employee resilience: A case study from the Pakistani telecommunications sector. *International Journal of Human Resource Management*, 30(8), 1342–1369. <https://doi.org/10.1080/09585192.2017.1316759>
- Khatri, N. (2000). Managing human resource for competitive advantage: A study of companies in Singapore. *International Journal of Human Resource Management*, 11(2), 336–365. <https://doi.org/10.1080/095851900339909>
- Khosravi, F., & Izbirak, G. (2019). A stakeholder perspective of social sustainability measurement in healthcare supply chain management. *Sustainable Cities and Society*, 50, 101681. <https://doi.org/10.1016/j.scs.2019.101681>
- Kim, A., Han, K., & Kim, Y. (2017). The relationships among participatory management practices for improving firm profitability: Evidence from the south Korean manufacturing industry. *International Journal of Human Resource Management*, 28(12), 1712–1738. <https://doi.org/10.1080/09585192.2016.1239218>
- Kim, K. Y., Eisenberger, R., Takeuchi, R., & Baik, K. (2022). Organizational-level perceived support enhances organizational profitability. *Journal of Applied Psychology*, 107, 2176–2196. <https://doi.org/10.1037/apl0000567>
- Kock, N. (2021). Harman's single factor test in PLS-SEM: Checking for common method bias. *Data Analysis Perspectives Journal*, 2(2), 1–6.
- Kocollari, U., Cavicchioli, M., & Demaria, F. (2023). The 5 E(lements) of employee-centric corporate social responsibility and their stimulus on happiness at work: An empirical investigation. *Corporate Social Responsibility and Environmental Management*, 1–18. <https://doi.org/10.1002/csr.2667>
- Korschun, D., Bhattacharya, C. B., & Swain, S. D. (2014). Corporate social responsibility, customer orientation, and the job performance of frontline employees. *Journal of Marketing*, 78(3), 20–37. <https://doi.org/10.1509/jm.11.0245>
- Kot, S., ul Haque, A., & Kozlovski, E. (2019). Strategic SCM's mediating effect on the sustainable operations: Multinational perspective. *The Organ*, 52(3), 219–235. <https://doi.org/10.2478/orga-2019-0014>
- Law, D. G. (2015). From Plimsoll line to triple bottom line: Adding value through partnership. *The Bottom Line*, 28(1/2), 44–51. <https://doi.org/10.1108/BL-12-2014-0030>
- Lee, C. M. J., Che-Ha, N., & Syed Alwi, S. F. (2021). Service customer orientation and social sustainability: The case of small medium enterprises. *Journal of Business Research*, 122, 751–760. <https://doi.org/10.1016/j.jbusres.2019.12.048>
- Levi, R., Ridberg, R., Akers, M., & Seligman, H. (2022). Survey fraud and the integrity of web-based survey research. *American Journal of Health Promotion*, 36(1), 18–20. <https://doi.org/10.1177/08901171211037531>
- Lim, J. J., Dai, J., & Paulraj, A. (2022). Collaboration as a structural aspect of proactive social sustainability: The differential moderating role of distributive and procedural justice. *International Journal of Operations & Production Management*, 42(11), 1817–1852. <https://doi.org/10.1108/IJOPM-06-2021-0402>
- Litwin, A. S., & Eaton, A. E. (2018). Complementary or conflictual? Formal participation, informal participation, and organizational performance. *Human Resource Management*, 57(1), 307–325. <https://doi.org/10.1002/hrm.21835>
- Lu, K. Y., Zhu, J. X., & Bao, H. J. (2015). High-performance human resource management and firm performance the mediating role of innovation in China. *Industrial Management & Data Systems*, 115(2), 353–382. <https://doi.org/10.1108/IMDS-10-2014-0317>
- Lucia, C., Paziienza, P., & Bartlett, M. (2020). Does good ESG lead to better financial performances by firms? Machine learning and logistic regression models of public enterprises in Europe. *Sustainability*, 12(13), 1–26. <https://doi.org/10.3390/su12135317>
- Mair, J., & Martí, I. (2006). Social entrepreneurship research: A source of explanation, prediction, and delight. *Journal of World Business*, 41(1), 36–44. <https://doi.org/10.1016/j.jwb.2005.09.002>
- Maldonado-Guzmán, G., Garza-Reyes, J. A., & Pinzón-Castro, S. Y. (2023). Green innovation and firm performance: The mediating role of sustainability in the automotive industry. *Management of Environmental Quality: An International Journal*, 34, 1690–1711. <https://doi.org/10.1108/MEQ-02-2023-0058>
- Manroop, L. (2015). Human resource systems and competitive advantage: An ethical climate perspective. *Business Ethics*, 24(2), 186–204. <https://doi.org/10.1111/beer.12069>
- Martinez, F., Figge, F., Castellano, S., Chakraborty, A., & Silva-Gao, L. (2023). How did corporate responses to the Covid-19 pandemic correspond with CSR? *Business Ethics, the Environment and Responsibility*, 32(S3), 161–165. <https://doi.org/10.1111/beer.12536>
- Mason, C., & Simmons, J. (2011). Forward looking or looking unaffordable? Utilising academic perspectives on corporate social responsibility to assess the factors influencing its adoption by business. *Business Ethics*, 20(2), 159–176. <https://doi.org/10.1111/j.1467-8608.2011.01614.x>
- Meixell, M. J., & Luoma, P. (2015). Stakeholder pressure in sustainable supply chain management a systematic review. *International Journal of Physical Distribution and Logistics Management*, 45(1–2), 69–89. <https://doi.org/10.1108/IJPDLM-05-2013-0155>
- Melé, D. (2021). Ethics at the workplace in the fourth industrial revolution: A Catholic social teaching perspective. *Business Ethics, Environment and Responsibility*, 30(4), 772–783. <https://doi.org/10.1111/beer.12368>
- Mellahi, K., Rettab, B., Sharma, S., Hughes, M., & Hughes, P. (2023). Changes in corporate social responsibility activity during a pandemic: The case of COVID-19. *Business Ethics, the Environment and Responsibility*, 32(S3), 270–290. <https://doi.org/10.1111/beer.12527>

- Murphy, P. J., & Coombes, S. M. (2009). A model of social entrepreneurial discovery. *Journal of Business Ethics*, 87(3), 325–336. <https://doi.org/10.1007/s10551-008-9921-y>
- Nadae, J., Carvalho, M. M., & Vieira, D. R. (2021). Integrated management systems as a driver of sustainability performance: Exploring evidence from multiple-case studies. *International Journal of Quality & Reliability Management*, 38(3), 800–821. <https://doi.org/10.1108/IJQRM-12-2019-0386>
- Najjar, M., Yasin, M. M., Bell, M. Z., & Bell, D. (2024). Investigating social sustainability practices in global supply networks: A fuzzy-set qualitative comparative analysis. *Journal of Cleaner Production*, 447, 141590. <https://doi.org/10.1016/j.jclepro.2024.141590>
- Narangajavana, Y., Gonzalez-Cruz, T., Garrigos-Simon, F. J., & Cruz-Ros, S. (2016). Measuring social entrepreneurship and social value with leakage. Definition, analysis and policies for the hospitality industry. *International Entrepreneurship and Management Journal*, 12(3), 911–934. <https://doi.org/10.1007/s11365-016-0396-5>
- Nath, V., & Agrawal, R. (2020). Agility and lean practices as antecedents of supply chain social sustainability. *International Journal of Operations & Production Management*, 40(10), 1589–1611. <https://doi.org/10.1108/IJOPM-09-2019-0642>
- Nie, D., Lämsä, A. M., & Pučetaité, R. (2018). Effects of responsible human resource management practices on female employees' turnover intentions. *Business Ethics*, 27(1), 29–41. <https://doi.org/10.1111/beer.12165>
- Nie, Q., Peng, J., & Yu, G. (2023). Leader expectations facilitate employee pro-environmental behavior. *Business Ethics, the Environment and Responsibility*, 32(2), 555–569. <https://doi.org/10.1111/beer.12500>
- Nogueira, E., Gomes, S., & Lopes, J. M. (2023). A meta-regression analysis of environmental sustainability practices and firm performance. *Journal of Cleaner Production*, 426, 139048. <https://doi.org/10.1016/j.jclepro.2023.139048>
- Nyuur, R. B., Ofori, D. F., Amankwah, M. O., & Baffoe, K. A. (2022). Corporate social responsibility and employee attitudes: The moderating role of employee age. *Business Ethics, Environment and Responsibility*, 31(1), 100–117. <https://doi.org/10.1111/beer.12399>
- Obeidat, S. M., Mitchell, R., & Bray, M. (2016). The link between high performance work practices and organizational performance empirically validating the conceptualization of HPWP according to the AMO model. *Employee Relations*, 38(4), 578–595. <https://doi.org/10.1108/ER-08-2015-0163>
- Orlitzky, M., Schmidt, F. L., & Rynes, S. L. (2003). Corporate social and financial performance: A meta-analysis. *Organization Studies*, 24(3), 403–441. <https://doi.org/10.1177/0170840603024003910>
- Paulraj, A., Chen, I. J., & Blome, C. (2017). Motives and performance outcomes of sustainable supply chain management practices: A multi-theoretical perspective. *Journal of Business Ethics*, 145(2), 239–258. <https://doi.org/10.1007/s10551-015-2857-0>
- Pearce, C. L., & Ensley, M. D. (2004). A reciprocal and longitudinal investigation of the innovation process: The central role of shared vision in product and process innovation teams (PPITs). *Journal of Organizational Behavior*, 25(2), 259–278. <https://doi.org/10.1002/job.235>
- Peccei, R., & Van De Voorde, K. (2019). Human resource management-well-being-performance research revisited: Past, present, and future. *Human Resource Management Journal*, 29(4), 539–563. <https://doi.org/10.1111/1748-8583.12254>
- Pfeffer, J. (2010). Building sustainable organizations: The human factor. *Academy of Management Perspectives*, 24(1), 34–45. <https://doi.org/10.5465/AMP.2010.50304415>
- Phillips, R., Freeman, R. E., & Wicks, A. C. (2003). What stakeholder theory is not. *Business Ethics Quarterly*, 13(4), 479–502. <https://doi.org/10.5840/beq200313434>
- Pinto, J. (2019). Key to effective organizational performance management lies at the intersection of paradox theory and stakeholder theory. *International Journal of Management Reviews*, 21(2), 185–208. <https://doi.org/10.1111/ijmr.12199>
- Podgorodnichenko, N., Edgar, F., & Akmal, A. (2022). An integrative literature review of the CSR-HRM nexus: Learning from research-practice gaps. *Human Resource Management Review*, 32(3), 100839. <https://doi.org/10.1016/j.hrmr.2021.100839>
- Podgorodnichenko, N., Edgar, F., & McAndrew, I. (2020). The role of HRM in developing sustainable organizations: Contemporary challenges and contradictions. *Human Resource Management Review*, 30(3), 100685. <https://doi.org/10.1016/j.hrmr.2019.04.001>
- Pradhan, R. K., Jena, L. K., & Panigrahy, N. P. (2020). Do sustainability practices buffer the impact of self-efficacy on organisational citizenship behaviour? *Journal of Indian Business Research*, 12(4), 509–528. <https://doi.org/10.1108/JIBR-05-2019-0170>
- Prieto, L., Amin, M. R., & Canatay, A. (2022). Examining social sustainability in organizations. *Sustainability*, 14(19), 12111. <https://doi.org/10.3390/su141912111>
- Rafiaani, P., Dikopoulou, Z., Van Dael, M., Kuppens, T., Azadi, H., Lebailly, P., & Van Passel, S. (2020). Identifying social indicators for sustainability assessment of CCU technologies: A modified multi-criteria decision making. *Social Indicators Research*, 147(1), 15–44. <https://doi.org/10.1007/s11205-019-02154-4>
- Rafiaani, P., Kuppens, T., Thomassen, G., van Dael, M., Azadi, H., Lebailly, P., & van Passel, S. (2020). A critical view on social performance assessment at company level: Social life cycle analysis of an algae case. *International Journal of Life Cycle Assessment*, 25(2), 363–381. <https://doi.org/10.1007/s11367-019-01702-x>
- Rahman, W., & Nas, Z. (2013). Employee development and turnover intention: Theory validation. *European Journal of Training and Development*, 37(6), 564–579. <https://doi.org/10.1108/EJTD-May-2012-0015>
- Ringle, C. M., Sarstedt, M., Mitchell, R., & Gudergan, S. P. (2020). Partial least squares structural equation modeling in HRM research. *International Journal of Human Resource Management*, 31(12), 1617–1643. <https://doi.org/10.1080/09585192.2017.1416655>
- Ringle, C. M., Wende, S., & Becker, J.-M. (2022). SmartPLS 4. <https://www.smartpls.com>
- Rodríguez-Ariza, L., Cuadrado-Ballesteros, B., Martínez-Ferrero, J., & García-Sánchez, I. M. (2017). The role of female directors in promoting CSR practices: An international comparison between family and non-family businesses. *Business Ethics. A European Review*, 26(2), 162–174. <https://doi.org/10.1111/beer.12140>
- Roehl, J. M., & Harland, D. J. (2022). Imposter participants: Overcoming methodological challenges related to balancing participant privacy with data quality when using online recruitment and data collection. *Qualitative Report*, 27(11), 2469–2485. <https://doi.org/10.46743/2160-3715/2022.5475>
- Saari, L. M., & Judge, T. A. (2004). Employee attitudes and job satisfaction. *Human Resource Management*, 43(4), 395–407. <https://doi.org/10.1002/hrm.20032>
- Salem, N. H., Ishaq, M. I., Yaqoob, S., Raza, A., & Zia, H. (2023). Employee engagement, innovative work behaviour, and employee well-being: Do workplace spirituality and individual spirituality matter? *Business Ethics, the Environment and Responsibility*, 32(2), 657–669. <https://doi.org/10.1111/beer.12463>
- Samet, M., Ben, S., & Jarboui, A. (2022). Nexus between corporate social responsibility performance and stakeholder value. *Journal of Cleaner Production*, 370, 133312. <https://doi.org/10.1016/j.jclepro.2022.133312>
- Saunila, M., Ukko, J., & Kinnunen, J. (2023). Sustainability partnership as a moderator in the relationship between business sustainability and firm competitiveness. *Business Strategy and the Environment*, 33, 123–133. <https://doi.org/10.1002/bse.3493>

- Schumann, P. L. (2001). A moral principles framework for human resource management ethics. *Human Resource Management Review*, 11(1–2), 93–111. [https://doi.org/10.1016/S1053-4822\(00\)00042-5](https://doi.org/10.1016/S1053-4822(00)00042-5)
- Shao, D. P., Peng, Y., & Ji, Y. (2023). Exploring the effect of socially responsible human resource management on employee resilience: The role of basic psychological needs and collectivism. *Business Ethics, the Environment and Responsibility*, 32(3), 910–924. <https://doi.org/10.1111/beer.12545>
- Siyal, S. (2023). Inclusive leadership and work engagement: Exploring the role of psychological safety and trust in leader in multiple organizational context. *Business Ethics, the Environment and Responsibility*, 32(4), 1170–1184. <https://doi.org/10.1111/beer.12556>
- Sodhi, M. S., & Tang, C. S. (2018). Corporate social sustainability in supply chains: A thematic analysis of the literature. *International Journal of Production Research*, 56(1–2), 882–901. <https://doi.org/10.1080/00207543.2017.1388934>
- Sorribes, J., Celma, D., & Martínez-García, E. (2021). Sustainable human resources management in crisis contexts: Interaction of socially responsible labour practices for the wellbeing of employees. *Corporate Social Responsibility and Environmental Management*, 28(2), 936–952. <https://doi.org/10.1002/csr.2111>
- Spreitzer, G. M., & Mishra, A. K. (1999). Giving up control without losing control—Trust and its substitutes' effects on managers' involving employees in decision making. *Group & Organization Management*, 24, 155–187. <https://doi.org/10.1177/1059601199242003>
- Sroufe, R., & Gopalakrishna-Remani, V. (2019). Management, social sustainability, reputation, and financial performance relationships: An empirical examination of US firms. *Organization & Environment*, 32(3), 331–362. <https://doi.org/10.1177/1086026618756611>
- Staniškienė, E., & Stankevičiūtė, Ž. (2018). Social sustainability measurement framework: The case of employee perspective in a CSR-committed organisation. *Journal of Cleaner Production*, 188, 708–719. <https://doi.org/10.1016/j.jclepro.2018.03.269>
- Subramanian, N., & Suresh, M. (2022). Social sustainability factors influencing the implementation of sustainable HRM in manufacturing SMEs. *Humanistic Management Journal*, 7(3), 469–507. <https://doi.org/10.1007/s41463-022-00139-z>
- Suto, M., & Takehara, H. (2022). Employee-oriented corporate social responsibility, innovation, and firm value. *Corporate Social Responsibility and Environmental Management*, 29(4), 765–778. <https://doi.org/10.1002/csr.2232>
- Swales, S. (2013). The ethics of talent management. *Business Ethics*, 22(1), 32–46. <https://doi.org/10.1111/beer.12007>
- Tate, W. L., & Bals, L. (2018). Achieving shared triple bottom line (TBL) value creation: Toward a social resource-based view (SRBV) of the firm. *Journal of Business Ethics*, 152(3), 803–826. <https://doi.org/10.1007/s10551-016-3344-y>
- Teuscher, P., Grüninger, B., & Ferdinand, N. (2006). Risk management in sustainable supply chain management (SSCM): Lessons learnt from the case of GMO-free soybeans. *Corporate Social Responsibility and Environmental Management*, 13(1), 1–10. <https://doi.org/10.1002/csr.81>
- Thaher, Y. A. Y., & Jaaron, A. A. M. (2022). The impact of sustainability strategic planning and management on the organizational sustainable performance: A developing-country perspective. *Journal of Environmental Management*, 305(January), 114381. <https://doi.org/10.1016/j.jenvman.2021.114381>
- Torkayesh, A., Tavana, M., & Santos-Arteaga, F. J. (2022). A multi-distance interval-valued neutrosophic approach for social failure detection in sustainable municipal waste management. *Journal of Cleaner Production*, 336, 130409. <https://doi.org/10.1016/j.jclepro.2022.130409>
- Tran, T. H. U., Lau, K. H., & Ong, C. E. (2023). Mediating role of internationalization readiness in the adoption of social sustainability practices: Evidence from Vietnamese handicraft companies. *Business Strategy and Development*, 6(2), 241–256. <https://doi.org/10.1002/bsd2.236>
- Tseng, M. L., Lim, M. K., Wong, W. P., Chen, Y. C., & Zhan, Y. (2018). A framework for evaluating the performance of sustainable service supply chain management under uncertainty. *International Journal of Production Economics*, 195, 359–372. <https://doi.org/10.1016/j.ijpe.2016.09.002>
- Uribetxebarria, U., Garmendia, A., & Elorza, U. (2021). Does employee participation matter? An empirical study on the effects of participation on well-being and organizational performance. *Central European Journal of Operations Research*, 29(4), 1397–1425. <https://doi.org/10.1007/s10100-020-00704-7>
- Valverde-Moreno, M., Torres-Jiménez, M., Lucia-Casademunt, A. M., & Pacheco-Martínez, A. M. (2021). Do national values of culture and sustainability influence direct employee pdm levels and scope? The search for a European answer. *Sustainability*, 13(14), 8016. <https://doi.org/10.3390/su13148016>
- Venkatesh, V. G., Zhang, A., Deakins, E., & Mani, V. (2021). Antecedents of social sustainability noncompliance in the Indian apparel sector. *International Journal of Production Economics*, 234, 108038. <https://doi.org/10.1016/j.ijpe.2021.108038>
- Vitorio Junior, P. C., & Kripka, M. (2020). Fair wage potential as a tool for social assessment in building projects. *Engineering Construction and Architectural Management*, 28(4), 1295–1318. <https://doi.org/10.1108/ECAM-01-2020-0024>
- Wagner, J. A. (1994). Participations effects on performance and satisfaction—A reconsideration of research evidence. *Academy of Management Review*, 19(2), 312–330. <https://doi.org/10.2307/258707>
- Wang, Z., Subramanian, N., & Abdulrahman, M. D. (2015). Composite sustainable manufacturing practice and performance framework: Chinese auto-parts suppliers' perspective. *International Journal of Production Economics*, 170, 219–233. <https://doi.org/10.1016/j.ijpe.2015.09.035>
- Wolf, J. (2014). The relationship between sustainable supply chain management, stakeholder pressure and corporate sustainability performance. *Journal of Business Ethics*, 119(3), 317–328. <https://doi.org/10.1007/s10551-012-1603-0>
- Wu, Z. H., & Pagell, M. (2011). Balancing priorities: Decision-making in sustainable supply chain management. *Journal of Operations Management*, 29(6), 577–590. <https://doi.org/10.1016/j.jom.2010.10.001>
- Yanadori, Y., & Jaarsveld, D. D. (2014). The relationships of informal high performance work practices to job satisfaction and workplace profitability. *Industrial Relations*, 53(3), 501–534. <https://doi.org/10.1111/irel.12066>
- Yang, I., Horak, S., & Kakabadse, N. K. (2021). An integrative ethical approach to leader favoritism. *Business Ethics*, 30(1), 90–101. <https://doi.org/10.1111/beer.12309>
- YinYin Lau, P., Park, S., Hsu, Y. C., Lien, B. Y. H., & Ho, J. A. (2023). Does Investment in Green Employee Development Climate Matter for environmental commitment and green well-being? A case study of a palm oil company in Malaysia. *SAGE Open*, 13(4), 1–18. <https://doi.org/10.1177/21582440231204130>
- Yu, Y., & Choi, Y. (2014). Corporate social responsibility and firm performance through the mediating effect of organizational trust in Chinese firms. *Chinese Management Studies*, 8(4), 577–592. <https://doi.org/10.1108/CMS-10-2013-0196>
- Zhang, G., Wang, H., Ma, R., & Li, M. (2022). High performance yet ethically risky? A self-regulation perspective on the double-edged sword effects of the performance-oriented human resource system. *Business Ethics, Environment and Responsibility*, 31(2), 495–507. <https://doi.org/10.1111/beer.12397>

How to cite this article: Nogueira, E., Gomes, S., & Lopes, J. M. (2024). The contribution of the labour practices to organizational performance: The mediating role of social sustainability. *Business Ethics, the Environment & Responsibility*, 00, 1–20. <https://doi.org/10.1111/beer.12682>

APPENDIX A

TABLE A1 Exploratory factor analysis and confirmatory factor analysis.

Items	1 ED	2 EP	3 EO	4 SS	5 PD	Communalities	Confirmatory factor loads
Employee development (ED)							
ED1	0.786					0.744	0.898
ED2	0.801					0.722	0.892
ED3	0.712					0.786	0.826
ED4	0.745					0.781	0.713
ED5	0.768					0.784	0.897
Employee participation (EP)							
EP1		0.797				0.706	0.722
EP2		0.742				0.720	0.803
EP3		0.755				0.781	0.829
EP4		0.745				0.779	0.851
EP5		0.767				0.744	0.862
Equal opportunity (EO)							
EO1			0.718			0.742	0.838
EO2			0.730			0.724	0.853
EO3			0.700			0.710	0.812
EO4			0.789			0.826	0.914
EO5			0.703			0.755	0.874
EO6			0.759			0.788	0.784
Social sustainability (SS)							
SS1				0.727		0.758	0.745
SS2				0.745		0.768	0.744
SS3				0.759		0.742	0.731
SS4				0.704		0.735	0.715
SS5				0.735		0.702	0.752
SS6				0.774		0.755	0.725
SS7				0.774		0.714	0.787
SS8				0.735		0.717	0.705
SS9				0.764		0.705	0.714
SS10				0.779		0.765	0.786
SS11				0.717		0.733	0.722
SS12				0.701		0.742	0.711
SS13				0.733		0.764	0.746
SS14				0.743		0.753	0.748
SS15				0.702		0.715	0.783
SS16				0.751		0.722	0.748
SS17				0.706		0.782	0.771
SS18				0.719		0.772	0.734
SS19				0.754		0.776	0.764
SS20				0.712		0.774	0.745
SS21				0.716		0.716	0.717

(Continues)

TABLE A1 (Continued)

Items	1 ED	2 EP	3 EO	4 SS	5 PD	Communalities	Confirmatory factor loads
SS22				0.749		0.768	0.774
SS23				0.716		0.700	0.760
SS24				0.796		0.798	0.735
Organization performance (OP)							
OP1					0.834	0.883	0.936
OP2					0.856	0.900	0.954
OP3					0.887	0.931	0.967
OP4					0.855	0.910	0.956