TOWARDS A SUSTAINABLE HUMAN RESOURCES MANAGEMENT: A FRAMEWORK BASED ON THE BRAZILIAN BANKING INDUSTRY ANALYSIS

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Abstract

The research develops a descriptive analysis in order to identify if the human resource management (HRM) of Brazilian banking sector is sustainable, or in other words if is associated with organizational sustainability (OS) strategies. The basis data were annual sustainability reports, judgments decisions of Regional Labor Court of the 2nd Region of São Paulo and interviews from Brazilian Federation of Banks and the Banking Union of São Paulo, Osasco and Region. Soft Systems Methodology (SSM) enable the creation of a framework, aiming to provide both strategic and operational support to the companies and describe their OS initiatives can be arranged through different sources.

Keywords: Organizational sustainability; banking industry; Sustainable Human Resources Management.
Introduction

Organizations become sustainable by undertaking “context-specific organizational actions and policies that take into account stakeholders’ expectations and the triple bottom line of economic, social, and environmental performance” (Herman Aguinis, 2011, p. 855). An important facet of organizational sustainability is directed to the employees by means of HRM. The promotion of sustainability through HRM is behind initiatives such as human resource ethics (Greenwood, 2002), work–life balance (Bardoel, Cieri, & Mayson, 2008), and family friendly-HRM (Poelmans, Chinchilla, & Cardona, 2003). Taken together, these initiatives lead to the Sustainable HRM, an alternative to managing people while achieving OS (Kramar, 2014).

However, prior research seems to overlook these advances. In fact, sustainability explicitly recognizes the importance to focus on both physical aspects and human aspects (Aguinis & Glavas, 2012). But where is the human aspect of sustainability in recent research? According to Pfeffer (2010), for each publication on “social sustainability”, there are almost 100 on “environmental sustainability”.

In some sectors this can be further evidenced, for example, in the banking sector. This, in order to make available a financing, loan, or some other activity of its scope, verifies the question of possible environmental impacts, a regulated practice in the area, avoiding that the consequences fall on the bank.

This study intends to understand this gap focusing on the HRM of the Brazilian banking industry. This industry is especially interesting because it is internationally recognized for its sustainable practices, engaged with their stakeholders and publishing complete integrated reports (Nogueira & Faria, 2012). However, at the same time, this industry has high indenting of lawsuits and questionable HR practices (Silva & Navarro, 2012). So, is the HRM in the Brazilian banking industry really sustainable? This question
opens a ambiguous and soft discussion which the SSM can help understanding and generate problems solution.

To address this gap we adopted a two-step methodology. The first step consisted in gathering information about the sustainability practices of the 5 largest retail banks in Brazil, as well as on the labor lawsuits that these same banks face. After confronting these data and concluding the first phase, we interviewed representatives of the Brazilian Federation of Banks and Banking Union, so that we could capture the perception of these actors about the banks' sustainability practices.

The results of these interviews were analyzed using the Soft System Methodology (SSM), understanding the problem in a more structured way and proposing viable changes that could address these issues. This systemic approach is suitable to deal with complexity and ambiguities, moreover, it supports the analysis of behavioral issues within the organizational context as well as the interventions (Liboni, Cezarino, Caldana, & Donaires, 2015). Therefore, the objective of this study is to critically analyze the gap between the current HRM and the sustainable HRM in Brazilian banking industry and to propose a framework to improve the HRM towards sustainability.

To address these objectives, the study is organized as follows. The method used to collect and analyze the data on HRM in the banking industry is presented in Section 2. Next, Section 3 follows a systemic approach to go through the findings. Section 4 ends the study with the contributions for theory and managerial practice while outlining the limitations of this paper and suggestions for future research.

2. Method

The context of this study is the Brazilian banking industry. There are large banks in Brazil considered sustainable because of their announced initiatives, however there are so many HR problems related to working hours, life quality, health problems, among others, that
we question whether sustainability is a reality in this sector or if it is much more a marketing strategy that covers HRM issues that need to be urgently addressed. There should be consistency between what these banks report as sustainability strategies and initiatives and HR practices.

Since this is an exploratory study, we seek to understand the research problem in a richer way and to include the different actors involved. The methodological triangulation is characterized by the data collected in the annual sustainability reports (qualitative), the labor judgments (quantitative), as well as the interviews with the Banking Union and Brazilian Federation of Banks (qualitative).

The annual sustainability reports in this work included Banco do Brasil, Caixa Econômica Federal, Santander, Itaú and Bradesco. This sample was defined by the ranking of the largest retail banks published by the Central Bank of Brazil (BACEN), and the parameter used was the selection of the first five positions related to the largest total assets. The search of the reports was done through the official website of the Global Reporting Initiative (GRI).

From these reports were extracted information on practices, actions and initiatives on the subsystems of human resources management: recruitment and selection, training and development, payment and reward systems, employment involvement, empowerment and engagement, health, safety and quality of life at work, performance management and evaluation, and the goals and challenges encountered over the next few years.

Then, labor judgments related to the same banks were selected at the Regional Labor Court of the 2nd Region of São Paulo, through the website: http://www.trtsp.jus.br/pesquisa-jurisprudencia-por-palavra-acordaos. Judgments summarize the conclusion reached by a collegiate body of a Court. This name comes from the decision made in agreement with all the members of the collegiate, which differentiates it from the sentence that is defined by only one judge. They usually present the main points raised by the applicants and whether the
decisions were approved, partially approved or denied. That is, the initial sample included judgments that did not represent the scope of this research. Thus, we reduced the sample with the elimination of these processes, as the table 1 shows, with the number for each bank.

Table 1. Number of processes

<table>
<thead>
<tr>
<th>Bank of Brazil</th>
<th>Itaú Unibanco</th>
<th>Caixa Econômica Federal</th>
<th>Santander</th>
<th>Bradesco</th>
</tr>
</thead>
<tbody>
<tr>
<td>398</td>
<td>589</td>
<td>584</td>
<td>310</td>
<td>246</td>
</tr>
</tbody>
</table>

We conducted a pilot test in the Bank of Brazil, where the 398 judgments were analyzed to establish categorizations that could allow processes grouping. Categories were extracted through content analysis (Bardin, 2009) and later, validated by a law professional, which ratified which occurrences would be related to resource management department or, with issues of the process itself. The categories are presented in table 2.

Table 2. Judgments Categories

<table>
<thead>
<tr>
<th>CATEGORIES ANALYZED IN JUDGMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multiple occupations</td>
</tr>
<tr>
<td>Additional overtime hours</td>
</tr>
<tr>
<td>Safety and health risk premiums</td>
</tr>
<tr>
<td>Transfer additional</td>
</tr>
<tr>
<td>Bonuses for night work</td>
</tr>
<tr>
<td>Permitted Absences</td>
</tr>
<tr>
<td>HIV</td>
</tr>
<tr>
<td>Calculation of overtime basis</td>
</tr>
<tr>
<td>Commissions</td>
</tr>
<tr>
<td>Retirement complement</td>
</tr>
<tr>
<td>Assistance Contributions</td>
</tr>
<tr>
<td>Federal Social Security System and Tax Contributions / IR – Interest</td>
</tr>
<tr>
<td>Deposit Guarantee Fund for Time of Service</td>
</tr>
<tr>
<td>Discounts return / Deduction of Securities</td>
</tr>
<tr>
<td>Difference of Guarantee Fund for Time of Service + 40%</td>
</tr>
<tr>
<td>Salary difference</td>
</tr>
<tr>
<td>Occupational disease</td>
</tr>
<tr>
<td>Union Framework</td>
</tr>
<tr>
<td>Wage Equalization</td>
</tr>
<tr>
<td>Provisional Stability</td>
</tr>
<tr>
<td>Vacation</td>
</tr>
<tr>
<td>Guarantee Fund for Time of Service- Incidences on Commissions</td>
</tr>
</tbody>
</table>
After this first phase, we performed two interviews. One representing employees with the Banking Union of São Paulo, Osasco and the Region and other representing employers with the Brazilian Federation of Banks (Febraban).

The interviews were semi-structured focused on HRM allowing the interviewee to answer openly about the subject. The role of the interviews was to contribute to the understanding of the meanings that the interviewees attribute to the topic, identifying the most important aspects considered by them.

In order to propose the integration of concepts about Sustainable HRM, the Systemic Methodology *Soft System Methodology* (SSM) was used. This methodology, created by Peter Checkland (1981), provides a path to questions that are not yet well defined. The SSM methodology implies to manage with ambiguous situations, which require changes for improvements and are often not recognized by managers (Cezarino, 2013).

The application of SSM follows seven stages between the rationalization of the real and systemic world (Checkland, 1981; Liboni et al., 2014):
3. Findings

**Step 1: Problematic Situation**

HRM models have emerged over the years. The Strategic Human Resources Management is based on the organization that presents HRM area vertically aligned with the mission and organizational objectives and horizontally integrated with other organizational
functions (Green et al., 2006). The alignment of the HRM with the sustainability practices and values is what we tried to find in our study when analyzing the Brazilian banking sector.

On the other hand, the Green Human Resources Management is another emerging HRM model that addresses the importance of implementing and improving practices of environmental management in organizations (Jabbour et al., 2013). The discussions on environmental issues and its relations with corporate actions began in the 1960s, after some environmental disasters have occurred, mainly by the bad environmental management of the companies. These factors had led the search for solutions to change this scenario (Junqueira et al., 2011).

In banking sector, investment and awareness of environmental aspects are evident, mainly because when investing in economic development of organizations, environmental risk directly affects the financial return, and indirectly affects banking operations (Infant et al., 2010). So many training and awareness programs about sustainability can be observed in banking institutions.

The social aspect can be divided into two parts: external stakeholders, including local communities and the workforce, which corresponds to employees. Andrade et al. (2011) argues that the concern for the workforce is still seen as organizational reputation and image enhancement, seeking a unilateral gain. Studies of sustainability in organizations include more external actions, aimed at the development of communities around the business, than the existing workforce within organizations. Nevertheless, analyzing the banking industry, initiatives involving the workforce were found, as issues like diversity, scholarships, training and development programs, among others. However, there are many problems that appear when we analyze the internal social aspects in the banking sector.

External events are easier to imitate by competitors, as long as unspoken dynamics and causally internal actions as teamwork standards and coordination of strategies are
differentiating elements, providing a source of sustainable competitive innovation (Jamali et al., 2015).

Thus, the HRM has an important role to align sustainability in the internal actions of the organization, contributing to the increasing of competitiveness. Through their subsystems the HRM can provide support, both strategic and operational, integrating the area to OS and producing synergistic results (Jamali et al., 2015). Therefore, defining actions of HRM subsystems can help organizations to balance their investments in the economic, environmental and social dimensions, so that results are integrated to strategies and goals of the company.

So the problem situation of this study is based on the lack of an integrated model of Sustainable HRM able to indicate consistent practices in the dimensions of the triple bottom line (social, environmental and economic). Figure 2 describes the importance of HRM in the context of the OS. From models presented by literature the Green HRM is the proposal that best align HRM to the environmental aspect. Still, to solve the problem of integrating the OS to HRM, a new approach involving the Strategic HRM and subsystems of HRM, laid the foundation for the Sustainable HRM studies.
The HRM area is primarily responsible for developing, defining and mapping new actions involving the three dimensions of sustainability. Social aspect is divided in external aspects, covering communities and people outside the organization, and the internal aspects, consistent with the company's employees. There are several studies related to the environmental issues, with developed guidelines involving green management (Green HRM). Also, the economic aspect is evident on the financial sustainability of organizations, and is already implicit in all of them by profit motivations, efficiency and market survival. Therefore, a new approach is necessary to involve the social dimension and to help the organizations to align their HRM to the OS. A Sustainable HRM (SHRM), as a new approach, is able to align the strategy of banking sector to OS principles in all HRM subsystems.

Among the practices detected, the following results stand out (Table 3). A qualitative classification was used, based on the level of adherence of each bank to the Sustainable HRM theory, based on the sources of data collection used.
<table>
<thead>
<tr>
<th>HR Subsystem</th>
<th>Banco of Brazil</th>
<th>Itaú</th>
<th>Caixa</th>
<th>Bradesco</th>
<th>Santander</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Recruitment and Selection (RS)</strong></td>
<td>110 thousand people; 1% of Disable People; 24% of Afro-descendants; 42% of women</td>
<td>95 thousand people; 5% of Disable People; 18.8% of Afro-descendants; 60% of women</td>
<td>160 thousand people; 1.2% of Disable People; 22.19% of Afro-descendants; 45% of women</td>
<td>100 thousand people; 2.1% of Disable People; 23.9% of Afro-descendants; 49.7% of women</td>
<td>50 thousand people; 0.5% of Disable People; doesn’t report Afro-descendants; 59% of women</td>
</tr>
<tr>
<td><strong>Employee Training (ET)</strong></td>
<td><strong>Ranking RS</strong></td>
<td>4*</td>
<td>1*</td>
<td>3*</td>
<td>2*</td>
</tr>
<tr>
<td><strong>Pay and Reward Systems (PRS)</strong></td>
<td><strong>Ranking ET</strong></td>
<td>3*</td>
<td>1*</td>
<td>5*</td>
<td>4*</td>
</tr>
<tr>
<td></td>
<td>Rewards OS-related suggestions with career advancement. There is no pay equity between genders.</td>
<td>Managerial bonus for OS goals. Does not report pay equity between genders.</td>
<td>Does not report remuneration based on OS. Does not report pay equity between genders.</td>
<td>Does not report remuneration based on OS. There is no pay equity between genders.</td>
<td>Managerial bonuses for OS goals. Does not report pay equity between genders.</td>
</tr>
<tr>
<td><strong>Performance Management and Appraisal (PMA)</strong></td>
<td><strong>Ranking PRS</strong></td>
<td>3*</td>
<td>1*</td>
<td>4*</td>
<td>5*</td>
</tr>
<tr>
<td></td>
<td>Measures performance by OS. 98.7% of employees receive performance evaluation.</td>
<td>All employees receive performance evaluation. Measures performance by OS. Have OS goals for all hierarchical levels.</td>
<td>It does not inform if it measures the performance by OS. Employees do not receive performance evaluation.</td>
<td>It does not inform if it measures the performance by OS. 82% receive performance evaluation.</td>
<td>It does not inform if it measures the performance by OS. 90% of men and 92.14% of women receive performance evaluation.</td>
</tr>
<tr>
<td></td>
<td><strong>Ranking PMA</strong></td>
<td>2*</td>
<td>1*</td>
<td>5*</td>
<td>4*</td>
</tr>
</tbody>
</table>
Health, Safety and Quality of Life at Work (HSQWL)

| | It meets the legal requirements, but does not report on bullying. He is reshaping his work and life balance program. | Reports commitment to combat bullying. It meets the legal requirements, but does not report the formal health and safety committee. Reports the types of labor complaints. | Meets all legal requirements, failing to report the number of labor complaints. | It failed to report three legal requirements: formal agreements, formal health and safety committees, and accident prevention initiatives. | The only aspect reported was the number of labor complaints. |
|---|---|---|---|---|
| Ranking | 2º | 1º | 3º | 4º | 5º |
| HSQLW | | | | | |
| Counterpoint based on analysis of labor claims | 0.8% occupational diseases; 5.9% bullying; 29.5% overtime. 5.2% salary differences. | 0.36% occupational diseases; 7% bullying; 36.9% overtime. 0.81% salary differences. | 0.13% occupational diseases; 4% bullying. 31.6% overtime. 7.6% salary differences | 3.3% occupational diseases; 9.6% bullying; 40.3% overtime. | 1.1% occupational diseases; 8% bullying; 32.7% overtime. |
| Ranking of LC | 2º | 1º | 3º | 5º | 4º |
| Classification of banks by adherence to Sustainable HRM | 2º | 1º | 4º | 5º | 3º |

In Brazil there is a difference between public and private banks in the way they recruit and select employees. Public banks select their candidates by tender and private banks determine their own means to attract and retain talents. These practices are not reported in detail the main focus of the reports is on gender diversity indexes, disabilities, and racial issues.

The ET area presented, in general, large investments in contemplating the initiatives of OS in their actions. The biggest concern is the issue of credit release, especially since the risk involves the bank as well. This area is the one that provides guidance on the behavior of employees to carry out their activities in accordance with the objectives of the organizations (Jackson et al., 2011; Jabbour et al., 2008).
The practices were trainings for the leaders, employees and stakeholders providing online courses from other forms of education for internal public as to outside. Such initiatives enhance the practical knowledge proposed by Nonaka et al. (2014), because it involves sustainability as an explicit knowledge, and gradually creates subsidies so that these guidelines become entrenched in employees.

Within PRS and PMA subsystems, Itaú Unibanco broadly detailed banks’ policies, targets and incentives. Schaltegger and Wagner (2006) argue that performance management aiming sustainability requires a management capable of unifying environmental and social areas with the organization's commercial and competitive strategy, and on the other hand integrating environmental and social information with business information in the economic and sustainability reports. These subsystems play a large role in encouraging employees to develop skills, attitudes, and knowledge that meet organizational goals and provide organizational improvements (Renwick et al., 2013).

Thus, like the PRS area, these areas demand empirical studies in the banks, mainly focusing on the inclusion of OS in organizational actions, suggested by the authors Renwick et al. (2013), Greenwood (2012), Kramar (2014) and Ehnert (2009), so that the analysis becomes more complete, since in the analyzed reports the information was restricted.

On the other hand, the HSQLW area presented, in general, some initiatives as prevention of work accidents, channels to make complaints, rates related to absenteeism, lost days of work, occupational diseases, and injuries. However, the reporting was not linear across all banks. Santander, for example, did not present any information regarding this area, despite reporting the number of complaints received. The number of deaths in organizations is reported only by Banco do Brasil and Itaú Unibanco, and the types of labor complaints only by Itaú Unibanco and Bradesco.
Thus, the ET subsystem was the one that fit for verification of actions and information related to the other subsystems would need other methodologies to be identified. Even with the restructuring processes due to technological advances and the consequent organizational changes, such as the intensification of the work pace, the new demands and qualifications that the banking sector began to demand (Silva & Navarro, 2012; Segnini, 1999), the highest rates of labor complaints found in all banks are related to overtime and its impact.

This result was bumped into the legislation of working hours of bank of 30 hours per week. Despite the issue of the abusive goals imposed on workers, brought by the Banking Union and which could reflect on overtime, Febraban was also informed that in employment contracts, employees sign that they will work 40 hours a week, as in other organizations. This topic presents many divergences, many discussions, and few agreements to change the working day of bankers.

But even that still need improvements in organizational actions, the sector has shown the intention to involve the triple bottom line in their initiatives. Thus, among the analyzed aspects, Banco Itaú was prominent in the reporting of its shares, ranking first. Then, Banco do Brasil ranks second, Santander third, Caixa Econômica Federal fourth, finishing with Bradesco in last position.

The main reason for the sector's investments in OS and sustainable HRM practices can be part of the state requirements protocols, City Hall, agencies of the Federal Government, NGOs, the Federal Public Ministry, and other agencies that also require proof of the involvement of sustainability in the actions of banks. This growing public awareness about the importance of organizations, is contributing to sustainable development (Ehnert et al., 2016).
Moreover, increasing global competition requires a development of the inner potential of organizations, since they are the people who keep the administrative system in operation. In this way, developing a people management system capable of sensitizing all can be seen as vital in the achievement of competitive advantage (Savanevicien & Stankeviciute, 2012).

Therefore, the challenge of joining HRM to the aspects of OS culminated in the intention to propose a framework of actions of Sustainable HRM, in order to integrate the practices of all the subsystems with the guidelines of OS.

After describing the HRM practices for all five banks and after interviewing two institutions it was possible to develop a systemic analysis by Soft System Methodology (Checkland; 1988), allowing a better understanding of the gap between these practices and an effective Sustainable HRM and trying to think of possible Brazilian banking HRM practices, considering the social, environmental and economic spheres, revealed gaps across Sustainable HRM. To integrate sustainability into organizational HRM, managing is a major challenge (Ehnert and Harry, 2012).

Considering there is not an available conceptual model able to describe the actions that Sustainable HRM suggests (Cheng et al., 2010) the gap consists on the distance between theory concept of OS and day-to-day operations. Although studies have grown more research is needed to form the concept, developing practical implications guidelines to be followed (Ehnert et al., 2016).

Step 2: Explicit problematic situation

According to Cezarino (2013) the problematic situation is a fact and clues collection to describe a phenomenon without systematic method. Then explicit problematic situation is about to use the variety of system to absorb the complexity explained on the step1. In this case the integration of OS and HRM systems.
The integration of OS in organizational actions necessarily involves HRM subsystems. Organizations that want to achieve sustainability must have good results in their economic, social and environmental capital - interrelated pillars that influence each other - while contributing to sustainable development in their policy area (Dyllick & Hockerts, 2002; Cheng et al., 2010).

Valente (2012) argues that sustainability requires a new way of organization acting and not just voluntary isolated practices, or answers to stakeholders’ demands. When looking at the existing paradoxes between sustainability pillars it is clear the need to pursuit long-term perspective, both the strategy and the implementation of these concepts in organizational actions (Ehnert, 2009; Cohen et al, 2012.).

For Kramar (2014), a sustainable organization must have a flexible structure of HRM that could build skills in the workforce; providing them participatory decision-making (empowerment), managing diversity, high levels of health and safety. Also, it is notable to look for performance indicators that reflect ethical concerns and principles of sustainability.

Thus, Figure 3 includes OS within each subsystem of HRM. The Sustainable HRM also includes the actions developed in Green HRM and the importance of aligning the Strategic HRM to these concepts.

![Figure 3. Explicit Problem Situation](image-url)
Figure 3 represents Sustainable HRM. Along with the Strategic HRM and Green HRM theories, the Sustainable HRM features five subsystems – Employee Training, Pay and Reward System, Performance Management and Appraisal, Recruitment and Selection and Health, Safety and Quality of Life at Work. Thus, the alignment between the subsystems and OS will bring up the concept of Sustainable HRM. Such alignment seeks to address the problem of this research, checking the adhesion of the Brazilian banking sector to the Sustainable HRM. What we see is a sector mainly worried with the economic elements and many times with problems related to their workforce, especially when talking about working hours and quality of life. This seem to be a result of the strong economic approach for the internal motivation and objectives and shows a gap between what the banks invest in environmental and social practices and how they manage their human resource.

Step 3: Root Definitions of the Relevant System

Considering the Brazilian banking sector and the Sustainable HRM, CATWOE checklist (Table 3) was used to define the relevant systems. The central element is the transformation (T), which should contain which inputs are transformed into outputs. Customers (C) are those beneficiaries or victims affected by system activity. Actors (A) are the agents that perform the main activities of the system, especially the T. The worldview (W) is the panorama or image that makes the setting root particularly significant. The system owner (O) is the one who has the most responsibility for it and the power to stop functioning. Environmental constraints (E) are the elements of larger systems that may prevent or hinder the activities of the main system (Checkland, 1981:224-225).

<table>
<thead>
<tr>
<th>Root Definitions</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>C (Customers)</strong></td>
<td>The employees are the customers of this system and they are motivated and are awarded focusing on the economic aspects and quantitative objectives.</td>
</tr>
</tbody>
</table>
### A (Actors)

The HRM area, together with the CEO and directory board, should design the process. It is recommended that employees, the Banking Union and sector associations can discuss about decisions. Among the actors, skills to focus on internal social aspect of the industry already exist, but it remains action planning.

### T (Transformation)

There is a focus on the economic and market process. There are initiatives and practices that contemplate the environment and the social dimension, but more strongly the external social aspect. The internal social aspects are put aside; there are situations of poor quality of life and overtime-working hours in their workforce. We can see a HRM focused on the economic dimension of the OS and the use of the environment and social practices as isolated initiatives for marketing investments. This industry has high indenting of lawsuits and questionable human resource practices (Silva & Navarro, 2012). Inputs: competent workforce and organizational policymaking focused on the economic and market growth of the banks. Transformation: employees working to achieve economic and marketing goals, often with difficulty in achieving results as a human workforce. Outputs: advantageous economic results and, as a consequence, several health problems with low quality of life and labor actions and demotivation of the workforce.

### W (World View – Weltanschauung)

Brazilian banking sector is one of the most profitable in the country, being able to invest in sustainable development, hiring more people to reduce the burden of its current employees, and promoting health, safety and quality of life. However, the competitiveness of this industry is strongly rooted in the economic aspects, what delays the possible changes that should happen to a more Sustainable HRM.

### O (Owners)

Decision-makers, who have authority and power to be responsible for the operation and performance, are: federal government, shareholders, entrepreneurs and HRM managers.

### E (Environment)

Banks are present in more than 4000 cities, with a high capillarity in the country. Aligning Sustainable HRM actions takes time and finds resistance. There is a barrier between the interests of employees and the bank, which creates a restriction on possible actions to implement changes towards a more Sustainable HRM.

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**Step 4: Conceptual Models**

This step aims to create models of actions that can solve soft problems. At first it was established which HRM subsystems would be used to outline the actions. After the banking sector analyzes it was found that Performance Management and Appraisal and Pay and Reward System are interconnected on organizations management. The other subsystems have been proposed as Recruitment and Selection, Employee Training, Health, Safety and Quality of Life at Work adapted from authors as Renwick et al. (2013), Kramar (2014), Greenwood (2012), Ehnert (2009) and Walton (1973) and International Labor Organization (ILO) Decent Work agenda. Figure 3 shows HRM subsystems settings related to these classifications.
For each subsystem a set of actions were outlined as OS deployment suggestions in order to achieve Sustainable HRM as showed by Table 5.

Table 5. Subsystems Actions of Sustainable HRM

<table>
<thead>
<tr>
<th>SUBSYSTEMS</th>
<th>ACTIONS</th>
</tr>
</thead>
</table>
| RS         | • Position Descriptions covering environmental, social, and economic management activities.  
             • Branding and organizational of communication sustainability programs.  
             • Use of social, environmental and economic issues on selection process (group dynamics, tests, competitions etc.). |
| ET         | • Employee trainings about social, environmental and economic issues.  
             • Engagement with partners (trade unions and other institutions) including OS issues.  
             • Structured training for employee’s motivation and involvement in order to increase their participation in actions involving the OS.  
             • Training leadership for OS issues. |
| PMA, PRS   | • Practices to promote employee involvement with the pillars of OS, as newsletter groups for troubleshooting, suggestions, etc.  
             • Performance Management and Appraisal System that includes social, environmental and economic performance indicators.  
             • Defining goals and responsibilities to OS dimensions applied at all levels of the organization and their respective evaluations.  
             • Rewards for workers that show improvement on their management cell/department related to OS issues.  
             • Goals and rewards linking skills and gains in OS management, including the flexible compensation programs.  
             • Part of managers salaries based on management indicators of OS. |
- Organize awards based on OS management, public certificates and recognitions.

- Respect to reasonable working hours, so that overtime is rare.

- Health awareness initiatives, safety and quality of life.

- Accidents cause investigation at work in order to outline changes.

- Employees following the principles of respect, transparency, honesty.

- Initiatives to combat bullying.

- Labor laws respect and does not allow any kind of child or forced labor.

- Freedom guarantee of association and collective bargaining, improving the quality of agreements and conflict resolution.

- Fight against all kinds of prejudice, ensuring good relationships inside the company.

- Development of employee’s skills, at the same time offering opportunities for growth and security.

**Step 5: Step 4 Comparison with Step 2**

This step aims to compare systemic conceptual models with the figure of step 2. In the analysis undertaken here the model was developed to optimize the benefits that SSM could bring in HRM to Brazilian banking sector.

In order to balance the industry's investments in three aspects of OS, Sustainable HRM aims to encompass actions that build the workforce skills providing participatory decision-making, diversity management, high levels of health and safety in the workplace and performance indicators, that reflect ethical concerns and principles of sustainability (Kramar, 2014).

For consolidation of these actions it is important that HRM area can be considered a top strategic area of companies and positioning an organizational intention to integrate these guidelines to business. The transformation would be the key to the actions balancing the three areas of OS, so that the banking sector could make all the necessary changes and be able to serve as reference for other sectors. The development of a new mindset is fundamental so that
the banking sector can seek the growth of its operations considering the three elements of the OS, without hurting or disrespecting none of the dimensions to the detriment of others. That is, without harming the social dimension, for example, to the detriment of the economic dimension. Inappropriate social practices should be reviewed and modified so that the sustainability discourse can be coherent and aligned with what the company does in other areas of the tripod. Figure 5 shows the conceptual model of SHRM on the Brazilian Banking Sector.

Figure 5 shows the conceptual model of SHRM on the Brazilian Banking Sector.

Figure 4 shows the conceptual model of SHRM on the Brazilian Banking Sector.

Figure 4 is the process arising from the Sustainable HRM. The input is the traditional HRM of Brazilian banking sector, and the goal is to balance this sector investments in the three aspects of OS. Therefore, the output is the path to be followed by other sectors, serving as a model in promoting organizational changes.

Considering the study carried out during this work, some restrictions take place in the suggested actions. Recruitment and selection processes, payment and rewards programs, as
well as methods of performance evaluation, are actions that require an empirical methodology, in addition to the methods used, so that the practices used by the banking sector can be identified in more depth.

The areas of employee training, as well as health, safety and quality of life at work have invested in initiatives to involve employees in raising awareness of sustainability guidelines. However, it is not linear in all the analyzed banks, being more present in some banks than in others. Therefore, the desired changes are described in the next step.

**Step 6: Possible and desirable changes**

In this step, the feasibility of implementing the desired changes is verified. In the last decade the discussions around a Sustainable HRM model have emerged. Although the literature has developed to deal with the relationship between HRM practices and outcomes beyond the financial ones (Kramar, 2014), there are few empirical studies.

As the banking sector presents signs of awareness and application of sustainability in its actions and initiatives, integrating each aspect (environmental, economic and social) in a balanced HRM, contemplating mainly its internal public, seems to be viable. In short, no structural barriers are identified for changes in any of the subsystems. The process to align Sustainable HRM to all organizational levels demands time. However, despite the absence of a structural barrier, what may be a difficulty in this process is the mindset of the leaders in this sector, which because it is so competitive and still works strongly under the economic bias in its objectives of market growth and profit increase, often disrespecting fundamental elements of the social dimension of sustainability. Health problems disrespect for working hours, employees find demotivation and lawsuits in these institutions as a consequence of the imposition of goals that are highly difficult to achieve. Understanding that this is not aligned with the discourse of sustainability is the first step, opening the perspective of a mindset change to a new way of doing things.
Within the classification of the levels of OS brought by Van Marrewijk (2003) and Munck and Borim-Souza (2009), organizations that present the Sustainable HRM with the suggestions implemented will be at synergistic and / or holistic levels, where Motivation for sustainability is seen as important or as the only alternative to organizational progress.

**Step 7: Actions to improve the problem situation**

For the effective implementation of these actions, the HRM area must first propose to the highest hierarchical levels of the institution the intention of aligning its actions with the OS.

With this endorsement, each sub-area of HRM should design strategies for changes to be implemented and adequate planning. Based on the model of Step 4, the planning and design of the actions could count on the participation of the Banking Union and the Brazilian Federation of Banks, so that there is cohesion and satisfaction for banks and employees.

From this stage on and with the support of the whole sector, a pilot test at the institution with the largest number of employees may occur at first. Therefore, identifying improvements to be made, the SSM methodology process can restart. Organizational learning, in addition to the influences of the external environment, requires continuous feedback, so that new knowledge is inserted constantly, making the actions implementations for changes succeed.

The solutions proposed the Sustainable HRM System should be applied in organizations respecting the culture, being culturally viable and helping the system studied becoming more recursive and self-learning, or systemic desirable.

**4. Conclusion**

This paper aimed to answer the following question: is the HRM in the Brazilian banking industry really sustainable? The specific objectives were then defined, which aimed (i) to identify the HRM practices reported in the annual sustainability reports; (II) to analyze
the labor lawsuits filed by employees of the banking sector; (III) to identify the vision of the Banking Union and the Brazilian Federation of Banks regarding the practices of people management practiced by the banks; and (IV) to propose a sustainable human resources management framework. All of the objectives were met, and the proposals were assessed using the methodologies used.

What was found is a sector concerned primarily with economic elements and often with problems related to the labor force, especially when talking about hours of work and quality of life. This seems to be the result of a strong economic approach to motivation and internal purposes and shows the difference between what banks invest in environmental and social practices and how they manage their human resources.

Developing a new mindset is critical so that the banking sector can pursue growth of its operations considering the three elements of OS without hurt or disrespect of any of the dimensions at the expense of others. Inadequate social practices should be reviewed and modified so that the discourse of sustainability can be consistent and in line with what the company does in other areas of the tripod.

The process of aligning Sustainable HRM at all organizational levels takes time. However, despite the absence of a structural barrier, what may be a difficulty in this process is the mindset of the leaders in this industry. It is a competitive industry that still works strongly under the economic trend in its objectives of market growth and profit increase, often disregarding fundamental elements of the social dimension of sustainability. Health problems, overtime working hours, demotivation and lawsuits in these institutions are a consequence of the imposition of goals that are highly difficult to achieve. Understanding that this is not aligned with the sustainability discourse is the first step, opening the perspective of a change of mindset to a new way of doing things.
Limitations

The Sustainable HRM literature is still recent and with very broad definitions, making it difficult to delineate the actions suggested for each subsystem and to analyze the practices reported by the Brazilian banking sector.

Under the methodological decision, the use of secondary data for analysis, which may lead to non-representation of reality. This difficulty restricted the analysis of the RS, PRS and PMA subsystems because it was not possible to identify the actions with detail. Thus, the results may have been compromised by this limitation.

The second difficulty was based on the fact that the interviews were not specific for the banks used in our sample. Respondents were willing to talk about the banking sector in general, and not specific about the banks used in this study.

Future studies

In the theoretical framework, it is suggested that the classifications of the Human Resource Management subsystems should be updated, with a more in-depth theoretical discussion. Moreover, the studies of Sustainable HRM present more empirical than theoretical research.

Studies measuring the evolution of the internalization of the knowledge of OS in the employees, raising which skills still need more investments, and which aspect has been the most contemplated (economic, social, environmental), would help mapping and defining actions to be taken with a view to balance the tripod.

From the methodological point of view, it is essential that an empirical research, analyzing banks in a primary way, should be carried out. Besides being possible to know more deeply the practices of the sector, the application of the conceptual model brought by the systemic methodology of Sustainable HRM can contribute in the measurement and
improvement of the suggested actions. Thus, the model can be replicated in other sectors, other countries, investigating trends, and outlining levels of adherence of organizations.
References


