

The Role of Strategic Human Resource and Project Management in Building Sustainable Business

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Article Info

Article history:

Received Agt, 2026

Revised Agt, 2026

Accepted Agt, 2026

Kata Kunci:

Manajemen Proyek Strategis,
Manajemen Sumber Daya
Manusia Strategis,
Pengembangan Bisnis
Berkelanjutan, Pendekatan
Berbasis Sumber Daya,
Manajemen Sumber Daya
Manusia Berkelanjutan,
Komitmen Karyawan,
Pengembangan Modal Manusia,
Keunggulan Kompetitif

Keywords:

Strategic Project Management,
Strategic Human Resource
Management, Sustainable
Business Development,
Resource Based View,
Sustainable HRM, Employee
Commitment, Human Capital
Development, Competitive
Advantage

ABSTRAK

Dalam lingkungan bisnis yang dinamis saat ini, keberhasilan menyelesaikan proyek dalam batasan waktu, biaya, dan ruang lingkup tidak selalu menjamin kesuksesan organisasi. Manajemen Proyek Strategis telah muncul sebagai strategi penting yang menghubungkan tujuan strategis organisasi dengan sasaran proyek strategis, sekaligus mempertimbangkan keberlanjutan sosial, ekonomi, dan lingkungan. Selain itu, Manajemen Sumber Daya Manusia Strategis sangat penting untuk mengembangkan modal manusia, meningkatkan komitmen karyawan, dan keberlanjutan organisasi dalam jangka panjang. Berdasarkan teori-teori yang relevan seperti Teori Manajemen Sumber Daya Manusia Berkelanjutan, Teori Pertukaran Sosial, Teori Sumber Daya Manusia, dan Pandangan Berbasis Sumber Daya (RBV), penelitian ini menyelidiki Manajemen Sumber Daya Manusia Strategis dan Manajemen Proyek Strategis dalam Pengembangan Bisnis Berkelanjutan. Pendekatan kuantitatif berbasis survei kuesioner diterapkan dan disebarkan kepada para peserta yang terlibat dalam kegiatan organisasi. Penelitian ini dilakukan dengan menggunakan statistik deskriptif, analisis reliabilitas, analisis korelasi, serta pengujian hipotesis.

ABSTRACT

In today's dynamic business environment, successfully completing the project within the constraints of time, cost and scope does not lead to organizational success. Strategic Project Management has emerged as important strategy, linking the strategic objectives of an organization with the strategic project goals and taking into account social, economic and environmental sustainability. Also, Strategic Human Resource Management is significant for developing human capital, increasing the employee commitment and organization long-term sustainability. Based on the relevant theories such as Sustainable Human Resource Management Theory, Social Exchange Theory, Human Resource Theory, and the Resource-Based View (RBV), this study investigates the Strategic Human Resource Management and Strategic Project Management in the Sustainable Business Development. Quantitative approach based on questionnaire survey was adopted and was administered to the people who participated in organizational activities. This study was conducted by descriptive statistic, reliability analysis, correlation analysis, hypothesis testing.

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1. INTRODUCTION

In today's workforce strategic human resource and project management are more crucial than ever to the success of an organization or business, strategic human resource and project management which were once thought to be distinct field are now more frequently overlapping to handle contemporary business issues. Conflicting priorities, poor communication, low client satisfaction, and scheduling delays are just a few of the behavioral rather than purely technical problems that arise in project management. this acknowledgement highlights how important it is to incorporate human resource viewpoint into strategic project management, From the perspective of human resources, effective project execution depends on the strategic deployment of personal in addition to planning and execution high performing project teams are formed, developed, and maintained in large part by human resource specialists who are specialist in managing human potential and their participation in establishing.

The nature of strategic project management, which goes beyond operational execution, is now more widely recognized. Strategic human management focuses on time, cost, and scope. It helps with flexible decision-making throughout the project life-cycle and connects project goals with corporate objectives (Morris and Jankowski, 2005). This strategic approach ensures that initiatives are not isolated efforts; instead, they support long-term organizational resilience, business value, and sustainable performance. Organizations can continually improve and adjust their initiatives to meet changing business goals by combining performance measurement in post-project evaluations with careful development of project strategies during per-project phases.

Strategic human resource management has become an important framework for maximizing human capital, the most essential asset in knowledge-based and innovation-driven economies. This approach involves aligning HR practices with organizational strategy to develop, attract, and retain talent that contributes to overall success (Alfawaire & Atan). Through targeted recruitment, ongoing training, performance management, and employee engagement, strategic HR practices build a workforce that can adapt to changing business environments and drive innovation and growth. Human capital, which includes an organization's knowledge, skills, experience, and creativity, is essential for creating value, enabling adaptability, and maintaining competitiveness over time (Banmairuoy et al. & Martinez-Sanchez et al., 2022, 2021).

The strategic value of HR management is further enhanced when it incorporates sustainability principles. HR practices emphasize social responsibility, environmental stewardship, and economic performance. This approach aligns HR with global sustainability goals while promoting long-term impact, ethical practices, and employee well-being. Key factors for sustainability in today's unstable markets include innovation, continuous learning, and organizational culture; all are shaped by strategic HR functions. However, poor change management, neglecting employee well-being, and failing to align HR strategy with business goals can hinder the full potential of human capital (Marwah et al., 2023).

2. TINJAUAN PUSTAKA

2.1 *Strategic Human Resource Management (SHRM)*

Strategic human resource management is concerned with developing strategies for implementing project management approaches that support the overall business strategy of an organization (Gupta, 2020). Within this strategy context human capital

becomes a resource and this resource is maximized when it is supported by good strategies and plan. A strategic approach in managing human resources will result to have more and more an understanding from the company that its people are their human resources which is one of the greatest assets they will have both tangible and intangible (Riley et al., 2017). SHRM combines the manager's foresight attitude with a cohesive and systematic human resources strategy. This involves the integration of human resources management strategies with the objectives of the organization, providing direction and guidance in corporate strategy formulation (Agustian et al., 2023).

2.2 Strategic Project Management (SPM)

Strategic Project Management (SPM) can be defined as managing, designing, planning, and executing a project to correspond with the overall long-term strategy of the organization, its future requirements, its external stakeholders and its internal environment (Postwar-Sulej, 2021). The main purpose of the Strategic Project Management process is to gain economic, social and environmental benefits, support to sustainable long-term development. It has a dual effect upon internal operations of the organization and upon external stakeholders through avoidance of adverse influences and generation of sustainable value, while traditional project management approaches mainly relate to short-term financial benefits of the project, strategic project management looks into the broader problems of sustainability such as climate change, biodiversity, poverty or environmental pollution. Sustainable Project Management goes beyond traditional project management practices through its use of ethical behavior, involvement of stakeholder and the focus upon long-term value creation. The implication is that financial resources need to be managed in balance with other types of resources, namely human, social and environmental resources, and thus, the study highlights the importance for organizations to adopt a multi-stakeholder approach, foster inclusion of stakeholders and achieve stakeholder well-being in the long term (Stahl et al., 2020).

2.3 Organizational Performance Sustainability (OPS) Sustainable Business

Sustainable business is the achievement of present needs, without compromising the ability of future generations to meet their needs (Elkington, 1997). Sustainable business rests upon the model of the Triple Bottom Line (TBL) (Elkington, 1997) and suggests that the success of organizations depends on achieving balance between profit, people, and the planet. The stakeholder theory postulates that the responsibility of the organization lies in creating value for all stakeholders, and not just the shareholders (Freeman, 1984). From a strategic point of view, sustainable business can be regarded as an important aspect of achieving sustained competitive advantage. From the perspective of Resource-Based View (RBV), sustainable performance depends on the ownership of resources that are valuable, rare, inimitable and non-substitutable (Barney, 1991), including, organizational capabilities and employee skills which support sustainability. Resource based view indicates that sustainability oriented practices such as environment related innovation, responsible leadership and social responsibility can act as strategic resource, which can enhance organizational competitiveness.

3. METODE PENELITIAN

This study utilizes a quantitative research design for its comprehensive exploration of the link between Strategic Human Resource Management (SHRM), Strategic Project Management (SPM)

and Organizational Performance and Sustainability (OPS). The rationale for opting for a quantitative research method is based on the study's intention to statistically test and analyze the relationship and impact between these key variables, by quantifying and evaluating their associations from the responses collected. This methodology will facilitate the researcher in identifying patterns, assessing correlations and establishing the degree to which SHRM and SPM practices are associated with Enhanced Organizational Performance.

The Quantitative Research design adopted herein is deemed the most appropriate since the objective of this research is to empirically test the relationships among the variables where SHRM acts as the independent variable which may have impact on OPS, where SPM also serves as an independent variable, which can influence OPS as dependent variable. SHRM entails the development of skills, capabilities, attitudes and behaviour through the implementation of SHRM practices that align the human resource capabilities with the competitive business strategy of an organization. SPM is the implementation, coordination and integration of human and other resources to achieve strategic objectives, where as OPS represents overall performance as well as its Sustainability through optimal utilization of resources. A structured questionnaire will be used as a tool for collecting quantitative data and it will consist of the indicators that represent each of the variables. The questionnaires shall use a 5-point Likert scale (Strongly Disagree = 1 and Strongly Agree = 5) format to measure participants' perceptions on their organizational practice. Likert Scale approach is a response scale to assess the intensity to which the respondents may or may not agree with the statements under which their views are surveyed. Data was collect thru use of Structured questionnaire.

4. HASIL DAN PEMBAHASAN

Chapter Four focuses on the results and discussions of data from questionnaires administered to the respondents. This data was collected for analysis, validation of the research variables, and the tested research hypothesis regarding Strategic Human Resource Management (SHRM), Strategic Project Management (SPM) and Organizational Performance and Sustainability (OPS) in the organization as an enterprise with a long- term vista. The research questions were answered using statistical techniques; therefore the analyses presented here will include:

- 1) Validating the measuring constructs of the instruments.
- 2) Testing the internal consistency of the research instrument.
- 3) Calculating Descriptive Statistics for the characteristics of the respondents and their responses.
- 4) Carrying out Multi-linear Regression Analysis on Strategic Human Resource Management and Strategic Project Management on the Organizational Performance and Sustainability.
- 5) Performing T- test to analyze the significance of individual impact or effect of independent variable to Organizational Performance and Sustainability.
- 6) Carrying out F -test to examine the impact of all variables simultaneously on Organizational Performance and Sustainability.
- 7) The Coefficient of Determination (R) was calculated to establish how Strategic Human Resource Management and Strategic Project Management can explain the variance.

4.1 Respondent Profile Analysis

This section shows the demographic characteristics of the respondents that were part of this study. The respondents Profile entails the gender, the age, education qualification, the experience, and job position. The analysis was based on the profile of respondents that were the part of the present study; there were a total of 81 complete responses recorded from both employees and Management staff members of different organizations.

These respondents came from various job designations, and have different education levels, job experience, and different Industries so that we could obtain a representative understanding of SHRM, SPM and the OPS.

Tabel 1. Tulis Judul dan di rata tengah

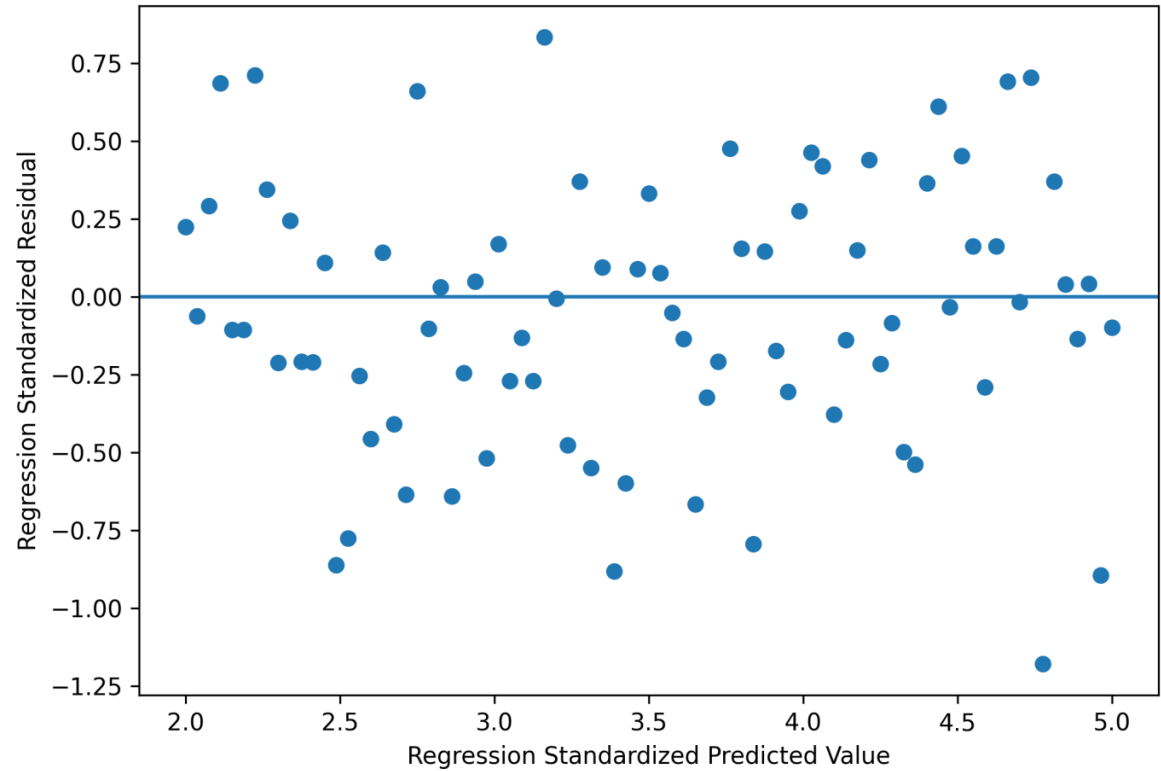
Variable	Category	Frequency (N)	Percentage (%)
Gender	Male	49	60.5%
	Female	32	39.5%
Age	Below 25 years	45	55.6%
	26–35 years	19	23.5%
	36–45 years	11	13.6%
	Above 45 years	6	7.4%
Educational Level	Diploma	12	14.8%
	Bachelor's Degree	49	60.5%
	Master's Degree	14	17.3%
	Doctoral Degree	6	7.4%
Position in Organization	Employee/Staff	43	53.1%
	Supervisor	7	8.6%
	Manager	12	14.8%
	Senior Management	11	13.6%
	Student	5	6.2%
	Member	1	1.2%
	Internship	1	1.2%
	Other (Arabic role)	1	1.2%
Department / Functional Area	Human Resource	22	27.2%
	Project Management	24	29.6%
	Operations	14	17.3%
	Finance/Administration	11	13.6%
	Other Departments (Engineering, Marketing, Medical, etc.)	10	12.3%
Work Experience	Less than 1 year	28	34.6%
	1–5 years	36	44.4%
	6–10 years	8	9.9%
	More than 10 years	9	11.1%
Participation in Strategic Projects	Yes	65	80.2%
	No	16	19.8%
Type of Organization	Private Sector	39	48.1%
	Public Sector	28	34.6%
	NGO	11	13.6%
	Other (University/International/Both)	3	3.7%
Organization Size	Small (<50 employees)	40	49.4%
	Medium (50–250 employees)	28	34.6%
	Large (>250 employees)	13	16.0%
Total		81	100%

the result of reliability test for the question-based survey.

Variable	Number of Items	Mean Item–Total Correlation	Estimated Cronbach's Alpha	Interpretation
SHRM (Strategic Human Resource Management)	5	0.861	≈ 0.95 – 0.97	Excellent
SPM	5	0.866	≈ 0.96 – 0.98	Excellent

(Strategic Project Management)				
OPS (Organizational Performance and Sustainability)	5	0.819	$\approx 0.94 - 0.96$	Excellent
Overall Instrument	15	0.97	$\approx 0.97+$	Excellent

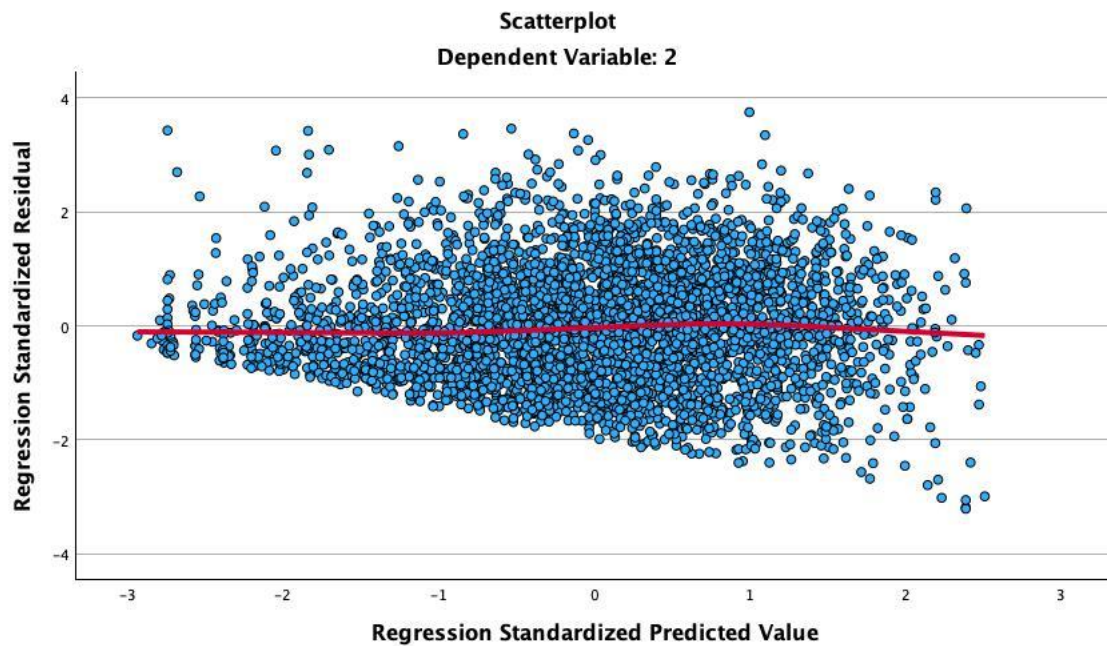
Figure 4.X Scatterplot of Regression Residuals



4.2 Normality Test

Independent Variable	Tolerance	VIF	Decision
SHRM	0.364	2.747	No Multicollinearity
SPM	0.364	2.747	No Multicollinearity

4.3 Multicollinearity Test Results



4.4 Scatter plot of Regression Residuals

Hypothesis	Statement	Result
H1	Strategic Human Resource Management has a significant positive effect on Organizational Performance Sustainability	Supported
H2	Strategic Project Management has a significant positive effect on Organizational Performance Sustainability	Supported
H3	SHRM and SPM jointly have a significant effect on Organizational Performance Sustainability	Supported

4.5 Hypothesis Testing Summary

5. CONCLUSION

This study was performed with the intent of exploring the role that SHRM and SPM play in the OPS. The purpose of this paper was to examine whether strategic HR practices and strategic project management practices could enhance OPS of an organization. This study set out to determine the role that SHRM and SPM play in improving the performance and competitiveness and sustainability of organizations.

Based upon the results, this paper can come to the conclusion that the objectives outlined previously in the study had been fulfilled. It was found that the findings are supporting that SHRM and SPM are an important strategic factors to maintain the organizational sustainability. The results have provided support to the fact that it needs effective management for SHRM and SPM together to achieve good quality and sustainable business. It was supported that Strategic Human Resource Management contributes to the Organizational Performance & Sustainability, since it makes sense that the organizations may benefit through its skilled employees being as important resources of the firm and to have engaged employees and develop them according to the firms goals & strategy. In a similar way, it is provided in the findings that the application of Strategic Project Management is an important predictor of Organizational Performance & Sustainability.

This is justified on the basis of the logical view that organizational management relies on the system of organizing the activities, managing the process, utilizing resources effectively, and achieving Organizational goals by implementing effective project management.

In fact, there is support to the hypothesis on the integrative effect of SHRM and SPM on Organizational Performance & Sustainability which is logically grounded since while the application of HR may take care of the development of capabilities of people and thereby enhancing their engagement with the work and Organizational goals, the application of PM is essential for turning those potential capabilities into realizable and sustainable results of an Organization. Hence it can be reasonably concluded that it's beneficial for an Organization to develop and integrate their applications of SHRM and SPM together to improve OPS. Also based upon the findings the research model has been well explained, hence it is valid.

This study attempts to add a contribution to the pool of research in the form of finding whether the combination of SHRM and SPM plays a significant role towards OPS. This study also goes further by stating that Sustainable Organizational Development cannot be achieved through financial resources or operations improvements. But through managing people and strategies appropriately, this study brings additional empirical evidence that SHRM and SPM leads to form higher organizational capability.

Because we evaluate the combination of human resource and project management in combination not in their individual forms. That means we provide more general information on SHRM and SPM towards OPS. We also add a small piece to strategic management field. Different fields of managements generally evaluated independently SHRM and PM often analyzed and looked into independently, We integrate the two of the most critical aspects of management namely SHRM and SPM towards sustainability in general.

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