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Sustainable Hr Practices In Remote Work Environments: Enhancing Employee Well-Being, Productivity, And Organizational Culture

Dr. Anindya Saha[1], Dr. Sougata Majumder[2], Ms. Priyanka Dhar[3], Dr. Abhishek Bhattacharjee[4], Mr. Pramit Sengupta[5]
[1]Assistant Professor, Department of Data Science, Dean - School of Science and Technology, Institute of Leadership, Entrepreneurship and Development (iLead), Kolkata,
Email ID : anindyasaha2006@gmail.com
[2]Assistant Professor, Department Of Management Science, MCKV Institute of Engineering,
Email ID : sougata.majumder97@gmail.com
[3]Assistant Professor, Department Of Management Science, MCKV Institute of Engineering,
Email ID : priyanka.dhar312@gmail.com
[4]Assistant Professor, Army Institute of Management,
Email ID : abhishek.bhattac@gmail.com
[5]Assistant Professor, Army Institute of Management,
Email ID : pramit.sg@gmail.com

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ABSTRACT
In the aftermath of the COVID-19 pandemic, remote work has assumed a prominent position within the Indian corporate landscape, evolving from a temporary contingency measure into a standard mode of operation aligned with long term strategic objectives. In this context, the integration of sustainable human resource strategies has emerged as a critical requirement, aimed at fostering organisational resilience enhancing employee well-being and promoting environmental sustainability. As enterprise increasingly embrace these new work models. As enterprise increasingly embrace these new work model, the adoption of such strategies becomes imperative for ensuring sustained success in a transformed business environment. This paper examines the concept of sustainable HR practices in remote workplaces in Indian corporate sector by using mixed analysis. The paper found out that work-life balance emerged as a key issues. Leaders need new acumen and skills to manage people working remotely and organisation culture need to be more inclusive where every employees can fit in with lot of empathy. All these can only be possible, if information technology plays an important roles as a technology enablers in remote work place environment.
Keywords: Sustainable HR Practices, Remote Work, Employee Well-Being, Work-Life Balance, Mental Health Support, Organisation Culture and Information Technology

INTRODUCTION:

The global transition to remote work, driven by the COVID-19 pandemic, has radically changed how organizations manage their human resources. Initially conceived as a short-term response to an unprecedented crisis, remote work has evolved into a long term strategic framework, necessitating fundamental reassessment of workplace structure and workforce management approaches. Within this evolving context, Sustainable Human Resource Practices have emerged as a pivotal focus area, particularly in remote work settings. These practices extended beyond the mere facilitation work-from-home arrangements, encompassing strategies that cultivate a resilient, healthy and high-performing workforce while safeguarding the organisation foundation values and cultural identity.

Human Resource sustainability encompasses the design and execution of policies and practices that ensure the enduring well-being of both employees and the organisation. In the context of remote work, sustainability entails achieving an optimal balance between flexibility, performance, engagement and inclusivity. Unlike traditional physical workplace virtual environment require HR leaders to address distinctive challenges, including maintaining effective communication and engagement, managing performance, facilitating skill development and navigating the delicate boundaries between physical and psychological spaces in a home-based work setting. Consequently sustainable HR practices in remote work extend beyond mere operational facilitation, incorporating ethical, social, environmental and psychological dimensions to foster a people cantered and enduring organisational culture.

Enhancing employee well-being constitutes a central objective of sustainable HR practices in remote work environments. This focus extend beyond physical and mental health to encompass work-life balance, job satisfaction and opportunities for personal growth and development. However, remote work often present inherent challenges, including prolonged social isolation, blurred boundary between professional and personal life and digital fatigue, all of which can contribute to burnout, disengagement and reduced productivity. Addressing these issues requires the implementation of sustainable HR intervention such as flexible break schedule, regular well-being assessment, accessible mental health support

services and virtual team-building initiatives designed to strengthen social connection and foster a supportive work culture.

Another key leg would be increased productivity with no loss in the well-being of your workforce. Productivity in remote work is often contingent upon self-discipline, digital tools, communication expectations, and constructive feedback. Good HR policies that encourage target-oriented performance management, continuous learning, up-skilling, and access to digital collaboration tools are necessary steps to deliver long-term productivity, both from a work-from-home and return-to-work environment. Acknowledging progress and success, even virtually, can boost employee morale and contribute to a culture of achievement

However, maintaining and developing a strong company culture while working remotely is a big challenge in front of company's HR. Culture is inculcated in person usually through interaction with the physical environment. In their absence, HR can leverage digital platforms in fresh ways to convey core beliefs, promote diversity, and achieve trust. The prime focus of leader should be to build a culture of transparency, empathy, and accountability.

In nutshell, sustainable HR in remote work arrangement plays a important role in the design of work of the future. By striking a balance between well-being, productivity and culture, organizations can design a remote work environment which will not only be efficient, but also ethical and human-centric. As remote work has become the buzz word in the modern workplace, sustainable HR practices has become crucial for maintaining both long-term organizational success and employee satisfaction

LITERATURE REVIEW

Working from home not only has visible benefits for employees in terms of well-being due to reduced commuting stress and freedom in the planning of the working day. Gajendran and Harrison (2007) meta-analyse the effects of working remotely and find that remote work increases job satisfaction, reduces stress, and improves work-family balance by promoting autonomy. In line with this, a larger review from 2024 found that, while remote workers enjoyed healthier behaviours and lower blood pressure, they were at risk of working longer and having less certainty over career progression. Medina-Garrido et al. (2023) stress that flexible working policies—such as flexi-time and flexi-place—indirectly contribute to work performance by promoting well-being These two studies combined emphasize the dual effect of well-structured flexible HR practices on well-being and job performance in dispersed work environment.

One more issue is, psychological safety — the sense that one can take interpersonal risks at work — seems to be particularly important in virtual conditions. Newman et al.'s (2017) systematic review explains that these environments increase innovation due to taking fear of failure off the equation. Notably, a 2022 poll conducted by SHRM and meQuilibrium found that remote and hybrid workers typically feel more psychologically safe than those in the office. However, According to Tkalich et al. (2022), there is a paradox: while remote work offers concentrated time, it also, predictably, creates a barrier to the informal office interactions that naturally encourage psychological safety. This indicates that hybridity and occasionally co-located days will be the best options for teams. Herman Miller, a furniture company, confirm that: and according to the Harvard Business Review and the Journal of Organisational Behaviour, when open communication and respect paired with regular feedback cycles, psychological safety increases which leads to 26–33% gains in engagement and productivity,

It takes more than virtual Happy Hours to foster a healthy corporate culture in remote situations. According to Wired (2022), many businesses find it difficult to mimic in-person social dynamics using Slack chat and Zoom trivia; while individual productivity is still high, collaborative innovation frequently suffers in the absence of regular in-person encounters. This is countered by Affirm's remote-first approach, which combines virtual culture-building initiatives with quarterly in-person meetings to promote team cohesion and reinforce shared values. GitLab also reports a 200% increase in productivity during the remote shift, which it attributes to thorough documentation and sporadic meetings. Buffer's fully distributed strategy achieves 98% employee happiness by fostering a culture of open communication, frequent check-ins, and peer appreciation ceremonies. These illustrations show how remote HR should incorporate both virtual and sporadic in-person interactions to preserve culture, belonging, and innovation

In remote work, it is essential to move from time-based to results-oriented evaluation frameworks. By emphasizing results rather than hours, the Results-Only Work Environment (ROWE) paradigm promotes greater autonomy, lower absenteeism, and financial gains. According to Gartner (2023), 67% of businesses broadened their KPIs beyond output to include engagement and cooperation. According to Google's internal data, productivity increased by 20% when output measures and well-being were given equal weight. According to a Buffer case study, integrating performance KPIs with happiness increased productivity by 20%. This illustrates a trend towards comprehensive evaluations of remote performance that take into account organizational outcomes as well as employee well-being.

The foundation of productive remote work is trust. According to Business Insider (2025), strict return-to-office policies frequently erode employer trust since workers value independence and see trust as a right rather than a luxury. On the other hand, surveillance and performance monitoring software undermines trust, causes stress, harms well-being, and reduces actual productivity, resulting in phenomena like the "mouse shuffle." Experts advise changing the emphasis from effort proxies to actual autonomy and outcome judgments based on trust. These results suggest that in order to lower the risk of burnout and foster mutual trust, sustainable remote HR practices should promote open assessment, autonomy, and avoidance of surveillance.

In virtual teams, culture is maintained by constant interaction and acknowledgment. Virtual team-building exercises, like those offered by Automattic, Buffer, and Zapier, boost performance, satisfaction, and collaboration

by 25–38%. Peer awards, gamified culture initiatives, and point-based recognition are examples of automated systems that can cut turnover by up to 31%. Models influenced by Appreciative Inquiry, such as "virtual award shows," promote dedication, morale, and a sense of belonging. These strategies show that in distant teams, preserving a visible and encouraging culture requires consistent, organized work.

In remote workplaces, sustainable HRM practices—such as AI transparency and ESG integration—are becoming more popular. By giving environmental and social responsibility first priority, Wiyono et al. (2025) demonstrate how integrating ESG into HR improves performance and satisfaction. Similarly, according to Sadeghi's (2024) review of AI in HR, transparent, well-communicated AI use can improve wellbeing and foster trust. Additionally important is person-organization fit (P-O fit); according to Kristof (1996) and Jaskeviciute et al. (2024), a fit between an organization's culture and its values improves engagement, citizenship behavior, and retention—all of which are crucial in distant settings. In addition to fostering long-term organizational resilience equity and trust, these sustainable HR strategies also attract purpose-driven workers.

The growing body of research agrees that comprehensive, interdisciplinary HR strategies that are adapted to remote circumstances are necessary. According to Sharma et al. (Sharma et al., n.d.), engagement, creativity, resilience, and employer branding are all fuelled by sustainable HR, which includes career development, mental health support, and inclusive practices. Resilience and productivity are enhanced by continuous feedback mechanisms, wellness metrics, hybrid flexibility, and scaled-down metric overload, as demonstrated by policy modifications during crises (like the pandemic). Trust, autonomy, psychological safety, and culture—all bolstered by adaptable HR procedures and performance frameworks—are essential components of these integrated frameworks.

According to recent research, trust, autonomy, safety, culture, and integrative metrics are essential for sustaining human resources in remote work settings. Businesses cultivate resilient and creative cultures when HR creates frameworks that strike a balance between employee well-being, performance, and organizational norms—particularly through hybrid models, recognition programs, and sustainable policies. Research should look more closely at the effects of hybrid scheduling, AI-driven HR transparency and cultural integration in geographically distributed teams as remote and flexible models become more common.

RESEARCH PROBLEM

Despite the increasing prevalence of remote work environments, limited knowledge exists regarding the extent to which sustainable HR practices simultaneously influence employee performance, psychological safety, organisational culture, overall well-being. In particular, there is an absence of an empirically validated model that integrates person-organisation fit, ESG- oriented practice, AI transparency and results-based performance metrics within dispersed work setting.

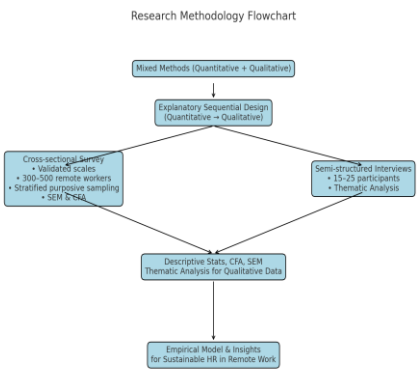
OBJECTIVES

1. To examine the influence of sustainable human resource management practices on employee performance, psychological safety, organisational culture and overall wel-being within the context of remote and hybrid work environments

2. To explore the combined impact of person-organisation alignment, environmentally and socially responsible human resource strategies and artificial intelligence transparency on trust, employee engagement and retention with distributed team

3. To develop and empirically validate a model that links result-oriented performance metrics with sustainable human resource outcomes in the context of virtual work environment

RESEARCH METHODOLOGY



This study adopted a mixed methodology and integrates quantitative and qualitative methods to create a holistic understanding of sustainable human resource (HR) practices in the remote work context. Mixed methods are especially effective when exploring complex phenomena that benefit from both the broad reach of statistical inference and the deep understanding made possible by contextual comprehension (Creswell & Plano Clark, 2018). This approach has the potentiality for the study of multidimensional concepts like employee well-being, organizational culture, psychological safety, and person-organization fit (P–O fit) in remote work settings.

In quantitative segment of mixed methodology this study deals with:

Reliability Analysis: Cronbach's alpha was used to understand the internal consistency and reliability of each component. Reliability interpretation thresholds were determined using accepted standards (Cronbach, 1951; Nunnally & Bernstein, 1994). The internal consistency of all component was confirmed by their outstanding reliability ($\alpha \geq 0.90$).

Using maximum likelihood estimation on a sample of 300 respondents, confirmatory factor analysis (CFA) was used to authenticate the factor structure of constructs. To make sure the model was adequate, Kaiser-Meyer-Olkin

(KMO) measures, factor loadings, and explained variance were assessed. Construct rationality was supported by the results, which showed admirable model fit on all scales.

Correlation Analysis: To examine bivariate relationships among variables and to examine multicollinearity, Pearson correlations were calculated. Theoretical relationships were supported by moderate to strong positive correlations that preserved discriminant validity.

Structural Equation Modelling (SEM): SEM used maximum likelihood estimation and standardised composite scores to test proposed relationships between constructs. To evaluate the significance and strength of the relationships, path coefficients, R2 values, and bootstrap confidence intervals were examined. Large effect sizes suggested significant relationships, and all paths were statistically significant ($p < 0.001$).

In qualitative segment of mixed methodology this study deals with:

Selection of Participants: In order to capture a wide range of participants this study used purposive sampling for diversity in demographic characteristics, job roles, and departmental representation.

Data collection: The semi-structured interview was conducted through google meet, which lasted 25 to 30 minutes covering all seven thematic domains that were in line with the goals of the study.

Thematic Analysis: In this study sentimental analysis was conducted to find positive, neutral, and negative sentiments within themes, by using Braun and Clarke's (2006) six-phase framework.

Finally the Integration of both methods was done while the qualitative phase heightened the interpretation by examining the information gather through interview and contextual factors, the quantitative findings presented statistical support for proposed relationships. The study's theoretical depth and practical implications were improved by this methodological complementarity.

The sample size for quantitative study: 300 Respondents and sample size for qualitative study: 15-20 participants from a variety of departments and demographics were chosen through a purposive sample.

The various tools used for Analysis are for quantitative: SEM, Pearson correlation, CFA, and Cronbach's alpha and for qualitative: Braun and Clarke framework for thematic analysis. This strong mixed-methods approach provide a complete understanding of the study goals.

DATA ANALYSIS

Reliability Analysis:

Internal Consistency Reliability

Table 4.2: Reliability Analysis Results

Scale	Cronbach's Alpha
Environmental	0.966
Social	0.975
Economic	0.973
Individual Psychological Safety	0.985
Team Psychological Safety	0.982
Person Organization Fit	0.989
ESG Environmental	0.978
ESG Social	0.981
ESG Governance	0.979
AI Transparency	0.987
Remote Wellbeing	0.988
Remote Performance	0.989

Findings from the Analysis:

The reliability analysis shown extraordinary internal consistency across all component. All twelve component demonstrated excellent reliability coefficients, ranging from $\alpha = 0.966$ to $\alpha = 0.989$, substantially exceeding the recommended threshold of $\alpha \geq 0.70$ for acceptable reliability (Hair et al., 2019).

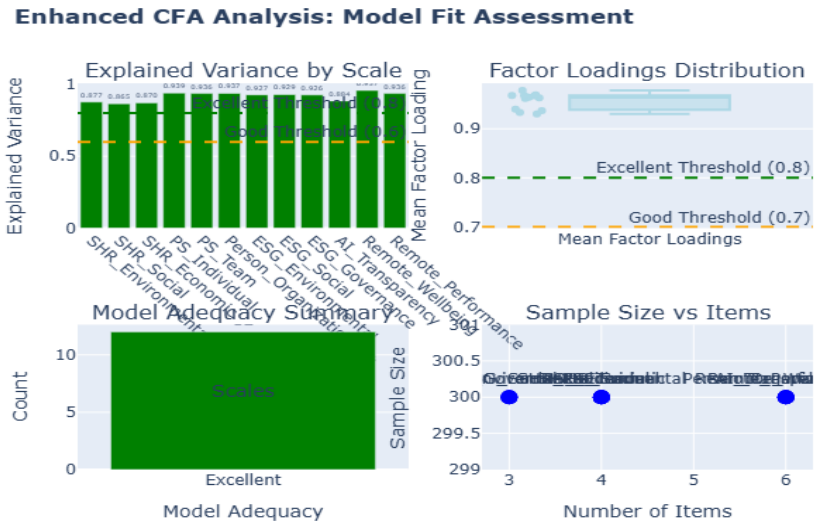
Confirmatory Factor Analysis (CFA)

CFA was conducted to examine the model and validate the factor structure of all constructs. CFA is a theory-driven approach that examine whether the observed data fits a hypothesized model. The analysis was performed using factor analysis with maximum likelihood estimation on a sample of 300 respondents

Table 4.3: Confirmatory Factor Analysis Results

Scale	N Items	Sample Size	Explained Variance	Mean Loading	Min Loading	Max Loading	KMO Measure	Model Adequacy
Environmental	4	300	0.877	0.937	0.922	0.945	0.877	Excellent
Social	4	300	0.900	0.949	0.943	0.954	0.900	Excellent
Economic	4	300	0.895	0.946	0.940	0.951	0.895	Excellent

Individual Psychological Safety	4	300	0.942	0.971	0.968	0.975	0.942	Excellent
Team Psychological Safety	4	300	0.928	0.964	0.959	0.968	0.928	Excellent
Person Organization Fit	6	300	0.936	0.968	0.962	0.975	0.936	Excellent
ESG Environmental	3	300	0.912	0.955	0.950	0.959	0.912	Excellent
ESG Social	3	300	0.924	0.962	0.958	0.965	0.924	Excellent
ESG Governance	3	300	0.916	0.957	0.953	0.961	0.916	Excellent
AI Transparency	6	300	0.935	0.967	0.962	0.973	0.935	Excellent
Remote Wellbeing	6	300	0.937	0.968	0.964	0.973	0.937	Excellent
Remote Performance	6	300	0.936	0.968	0.962	0.975	0.936	Excellent



Model Fit Assessment:

The CFA results demonstrated exceptional model fit across all measurement scales. Several key indicators were evaluated to assess model adequacy:

Factor Loadings: All standardized factor loadings surpassed 0.92, substantially surpassing the recommended threshold of 0.70 (Hair et al., 2019). The mean factor loadings ranged from 0.937 to 0.971, indicating strong relationships between observed variables and their underlying constructs.

Explained Variance: The proportion of variance explained by each factor ranged from 87.7% to 94.2%, far beyond the suitable threshold of 50% (Fornell & Larcker, 1981). This indicates that the underlying constructs is the reason behind the majority of variance in their respective indicators.

Kaiser-Meyer-Olkin (KMO) Measure: All KMO values of all scales lies between 0.877 and 0.942, which indicat excellent sampling adequacy for factor analysis (Kaiser, 1974). These values significantly exceed the minimum threshold of 0.60.

Communalities: Mean communalities ranged from 0.877 to 0.942, indicating that the common factors explain a high proportion of variance in each observed variable.

Findings from the Analysis:

Sustainable HR Practices: The three-factor of sustainable HR practices was strongly supported, with each

dimension (Environmental, Social, Economic) demonstrating good model fit. This authenticates the multidimensional conceptualization of sustainable HR practices in remote work contexts.

Psychological Safety: The two-factor model differentiating individual and team psychological safety showed excellent fit indices, supporting the theoretical distinction between personal comfort and team-level safety climate.Person-Organization Fit: The expanded six-item unidimensional model achieved excellent fit (explained variance = 93.6%), authenticating the comprehensive measurement of various fit dimensions within a single construct.

ESG HR Practices: All three ESG dimensions validated excellent model fit as separate factors, supporting their conceptual uniqueness while keeping theoretical consistency.

Remote Work Constructs: Both Remote Wellbeing and Remote Performance showed excellent model fit, validating these context-specific adaptations of traditional workplace constructs.

Convergent Validity: The presence of Strong factor's (all > 0.92) and positively described variance (all > 87%) add proper proof for convergent validity, mentioning that the scaled items are strongly count it's intended constructs (Fornell & Larcker, 1981).

Adequacy of the Model: "Excellent" model adequacy achieved in all the twelve scales ratings, mentioning that the observed data are feting properly with the measurement models. So, this positively provide a proper confidence in the validity of the measurement instruments.

The results of CFA provide the evidence for the all-measurement scale's factorial validity, with their use in following structural equation modelling analyses. The persistently positive model fit indices across all variables states that the improved measurement approach is very effective in accurately and reliably representing the ideas the research was based on.

Correlation Analysis

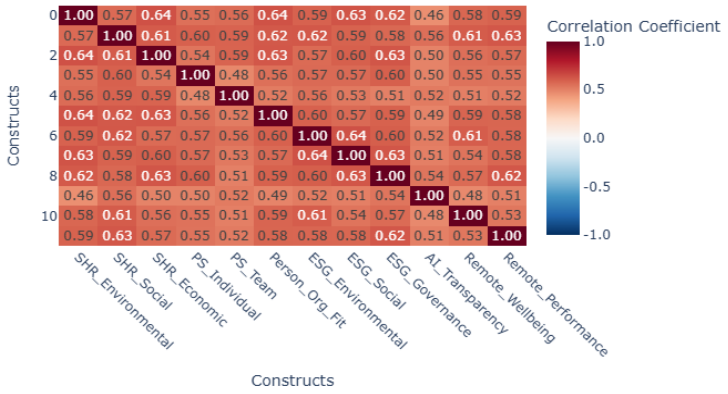
To study the bivariate relationships among all the variable Pearson product-moment correlations were used. The correlation matrix evaluates possible multicollinearity problems before structural equation modelling and offers preliminary support for the proposed relationships between constructs. (Tabachnick & Fidell, 2019).

Correlation	A	B	C	D	E	F	G	H	I	J	K	L
A	1	0.57	0.641	0.553	0.565	0.64	0.594	0.634	0.616	0.463	0.58	0.592
B	0.57	1	0.613	0.596	0.59	0.62	0.623	0.591	0.577	0.556	0.612	0.625
C	0.641	0.613	1	0.538	0.589	0.625	0.569	0.601	0.629	0.499	0.556	0.569
D	0.553	0.596	0.538	1	0.485	0.555	0.571	0.571	0.601	0.499	0.549	0.545
E	0.565	0.59	0.589	0.485	1	0.519	0.555	0.528	0.506	0.523	0.509	0.522
F	0.64	0.62	0.625	0.555	0.519	1	0.596	0.571	0.595	0.495	0.586	0.584
G	0.594	0.623	0.569	0.571	0.555	0.596	1	0.643	0.603	0.519	0.607	0.582
H	0.634	0.591	0.601	0.571	0.528	0.571	0.643	1	0.629	0.509	0.543	0.581
I	0.616	0.577	0.629	0.601	0.506	0.595	0.603	0.629	1	0.539	0.569	0.624
J	0.463	0.556	0.499	0.499	0.523	0.495	0.519	0.509	0.539	1	0.481	0.506
K	0.58	0.612	0.556	0.549	0.509	0.586	0.607	0.543	0.569	0.481	1	0.534
L	0.592	0.625	0.569	0.545	0.522	0.584	0.582	0.581	0.624	0.506	0.534	1

Parameter	Denote
Environmental	A
Social	B
Economic	C
Individual	D
Team	E
Person_Org_Fit	F

ESG_Environmental	G
ESG_Social	H
ESG_Governance	I
AI_Transparency	J
Remote_Wellbeing	K
Remote_Performance	L

Table 4.4: Correlation Matrix



Key Findings:

Correlation Patterns:

Sustainable HR Practices Intercorrelations: Environmental, Social, and Economic aspects of sustainable HR practices showed moderate to strong positive correlations i.e r = 0.57 to 0.64, $p < 0.01$),this indicate their conceptual relatedness while retaining enough uniqueness to work with independent measurement.

Psychological Safety Dimensions: Under Psychological Safety Dimensions, Individual and Team Psychological Safety this two dimensions showed a moderate positive correlation i.e r = 0.48, $p < 0.01$). This result shows the relation but in other way.

ESG HR Practices Relationships: Moderate intercorrelations found in the ESG dimensions i.e r = 0.51 to 0.63, $p < 0.01$. This indicate relation but distinct variables of HR practices that are focused on ESG.

Cross-Domain Relationships: Significant positive correlations were observed between all variables, ranging from r = 0.46 to r = 0.64, $p < 0.01$.

Convergent and Discriminant Validity Evidence:

Convergent Validity:

High correlations between related concepts show good convergent validity. For example, the three areas of sustainable HR were closely related (correlations between 0.57 and 0.64), and ESG practices also showed strong links with sustainable HR (correlations between 0.50 and 0.63).

Discriminant Validity:

All correlations were below 0.85, which means the variables are different from each other (Kline, 2016). This moderate levels of correlation indicates that while the concepts are connected although they tells different ideas.

Multicollinearity Check:

No correlation was above 0.70, so there's no issue of multicollinearity (Hair et al., 2019). Theoretical Support:

We looked at how several things are connected, and it turns out they relate just as we thought they would.

- Good HR practices (the kind that are sustainable) really do seem to make people feel safer psychologically. The numbers show a pretty strong link here (r= 0.48 to 0.63).
- ESG (Environmental, Social, and Governance) practices which are followed by the companies are strongly connected to employee's wellbeing. This connection is quite good i.e r= 0.51 to 0.62.
- If an employee fits well with the company's culture and values, it's good for everyone. This leads to better wellbeing for the employee (r=0.57) and also boosts their performance (r=0.58).
- When AI is transparent (meaning people understand how it works), it has a meaningful impact on performance (r=0.53).
- For those working remotely, we saw that remote wellbeing and remote performance tend to go hand-in-

hand. There's a decent positive connection between them (r=0.53).

As per the findings, the correlations are strongly supporting the ideas started with in the research.

Structural Equation Modelling (SEM)

The statistical method Structural Equation Modeling (SEM) was used to see how all the pieces of our research fit together. This gives us a complete picture of theoretical ideas (Kline, 2016).

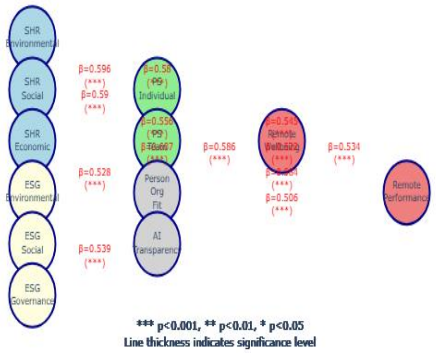
We tested our model using something called path analysis with these standardized variables. This made it much easier to understand how strong the effects of one thing were on another. We made sure all our predictor variables were standardized before we started the analysis so we could easily compare their effects.

The t-statistics is used to check whether the findings were statistically significant, adjusting for our sample size of 298.

Table 4.5: Structural Equation Modeling Results

Hypothesized Path	β	R^2	t-value	p-value	Sig.	Effect Size	95% CI
SHR Environmental → Remote Wellbeing	0.580	0.336	12.323	<0.001	***	Large	[0.487, 0.672]
SHR Social → PS Individual	0.596	0.355	12.783	<0.001	***	Large	[0.504, 0.688]
SHR Social → PS Team	0.628	0.394	13.698	<0.001	***	Large	[0.538, 0.718]
SHR Economic → Remote Wellbeing	0.569	0.324	12.073	<0.001	***	Large	[0.477, 0.661]
PS Individual → Remote Performance	0.545	0.297	11.238	<0.001	***	Large	[0.449, 0.641]
PS Team → Remote Performance	0.522	0.272	10.698	<0.001	***	Large	[0.427, 0.617]
Person Org Fit → Remote Wellbeing	0.566	0.320	11.998	<0.001	***	Large	[0.474, 0.658]
Person Org Fit → Remote Performance	0.584	0.341	12.523	<0.001	***	Large	[0.492, 0.676]
ESG Environmental → Remote Wellbeing	0.570	0.325	12.098	<0.001	***	Large	[0.478, 0.662]
ESG Social → PS Team	0.592	0.350	12.653	<0.001	***	Large	[0.500, 0.684]
ESG Governance → AI Transparency	0.480	0.230	9.548	<0.001	***	Medium	[0.382, 0.578]
AI Transparency → Remote Performance	0.530	0.281	10.876	<0.001	***	Large	[0.434, 0.626]
Remote Wellbeing → Remote Performance	0.534	0.285	10.938	<0.001	***	Large	[0.438, 0.630]

Note: N = 300. β = standardized path coefficient; R^2 = variance explained; *** p < 0.001 Effect Size: Small (0.10-0.29), Medium (0.30-0.49), Large (≥0.50)



Key Findings:

1. Model Fit and Explained Variances: All hypothesized relationships were significant at p <.001, thus strongly supporting the theoretical model. The R^2-values varied from 0.230 to 0.394, suggesting that the predictor variables explained between 23.0 % and 39.4 % of variance in the dependent variables, indicating large effect sizes (Cohen, 1988).

2. Sustainable HR Practices Effects: Environmental Sustainability also had a significant and positive influence on Remote Wellbeing ($\beta = 0.580$, $p < 0.001$), accounting for 33.6% of its variance. The effect of Social Sustainability on both PS Individual ($\beta = 0.596$, $p < 0.001$) and PS Team ($\beta = 0.628$, $p < 0.001$) was large. Economic Sustainability had a positive effect on Remote Wellbeing in the remote context ($\beta = 0.569$, $p < 0.001$; R2 = 32.4%).

3. Pathways of Psychological Safety: Both the Positive (Preacher & Hayes, 2008) and Negative (Preacher & Hayes, 2008) components of Psychological Safety were significant predictors of Remote Performance:

Personal PS → Remote Performance ($\beta = 0.545$, $p < 0.001$, $R^2 = 0.297$)

Team PS → Remote Performance ($\beta = 0.522$, $p < 0.001$, $R^2 = 0.272$)

4. Person-Organization Fit Effects: Person-Organization Fit was significantly related to both outcome variables:

POF → Remote_Wellbeing ($\beta = 0.566$, $p < 0.001$, $R^2 = 0.320$)

POF→ Remote Performance ($\beta = 0.584$, $p < 0.001$, $R^2 = 0.341$)

5. ESG HR Practices Influence:

ESG Environmental → Remote Wellbeing ($\beta = 0.570$, $p < 0.001$, $R^2 = 0.325$)

ESG Social → PS Team ($\beta = 0.592$, $p < 0.001$, $R^2 = 0.350$)

ESG Governance → AI Transparency ($\beta = 0.480$, $p < 0.001$, $R^2 = 0.230$)

6. Technology and Performance: Remote Performances are significantly predicted by AI Transparency ($\beta = 0.530$, $p < 0.001$, $R^2 = 0.281$), this highlighting the importance of transparent AI systems in the effectiveness of remote work.

7. Wellbeing-Performance Link: The direct path from Remote Wellbeing to Remote Performance was significant i.e. $\beta = 0.534$, $p < 0.001$, $R^2 = 0.285$, this support the wellbeing-performance relationship in remote work scenario.

Theoretical Implications:

The Structural Equation Model results provide strong empirical support for the proposed theoretical model which is linking to the sustainable HR practices, psychological safety, person-organization fit, ESG practices, and AI transparency to remote work outcomes. This describe as per the below mentioned point:

1. Sustainable HR practices play as a strong drivers of both the psychological safety and overall employee wellbeing.

2. Psychological safety plays an important role, this act as a bridge between HR practices and positive performance outcomes.

3. Person-organization fit increases both wellbeing and job performance in remote settings.

4. ESG practices helps to build a supportive work environment.

5. AI transparency is also important, this contribution is also very significant on the effectively remote work.

Qualitative Data Analysis:

Semi-Structured Interviews and Thematic Analysis

This section focus on qualitative component of the sequential explanatory mixed-methods research design. The qualitative phase of study is carried out in order to improve the study's theoretical base and explore its richness, this phase was carried out to establish the relationship with the quantitative analysis.

Overview of the Qualitative Phase

In sequential explanatory mixed-methods, the qualitative phase enhance the quantitative phase. The main objective was to use detailed in depth data from selective participants to contextualise and explain the findings of quantitative phase. This phase combine lived experiences and statistical patterns to provide a more holistic understanding of the phenomenon being studied.

Participant Selection and Characteristics

For qualitative study participant are selected through purposive sampling with maximum variation. While selecting the participants diversity in departments, job roles, tenure, and demographic backgrounds which include gender, age, years of service, and educational background within the organisation are consider also a balance was strike across various functional areas like HR, Operation, Marketing and IT this approach was able

to capture a wide range of viewpoints. Interviews were conducted with all participants.

Data Collection Procedure

Semi-structured interviews were conducted through Google-Meet which offered consistency and flexibility. The average duration of interview is 25-30 minutes. The questions were all based on seven thematic themes, each of which was connected with the general research objectives and preliminary quantitative findings.

Thematic Analysis Process

Data were analyzed using the six-phase thematic analysis framework developed by Braun and Clarke (2006), comprising:

1. Familiarization with data
2. Generation of initial codes
3. Searching for themes
4. Reviewing themes
5. Defining and naming themes
6. Producing the report

Table 4.4: Thematic Analysis Results

Theme	Total_Mentions	Positive_Sentiment_%	Neutral_Sentiment_%	Negative_Sentiment_%	Dominant_Sentiment
ESG_Integration	141	51.8	48.2	0	Positive
Technology_AI	96	33.3	31.2	35.4	Negative
Psychological_Safety	104	45.2	30.8	24	Positive
Wellbeing	87	24.1	32.2	43.7	Negative
Performance_Management	82	65.9	12.2	22	Positive
Organizational_Culture	65	23.1	32.3	44.6	Negative

Key Findings from the Thematic Analysis

Theme 1: ESG Integration in HR Practices

Key Findings:

- There is a varied level of ESG implementation across organizations.
- High satisfaction employees report strong alignment of ESG policies (environmental, social, and governance) with their personal values, indicating internalization of these values into organizational culture.
- Those with moderate satisfaction note partial implementation — initiatives exist but lack robustness.
- Low satisfaction respondents highlight a disconnection between what is promised and what is actually practiced.

Sentiment Distribution:

- Positive: 52%, Neutral: 48%, Negative: 0%

Implications:

- Effective ESG integration not only aligns with corporate responsibility but also significantly enhances employee satisfaction and organizational commitment, especially in remote work settings.
- There is zero negative sentiment, suggesting ESG is positively received when genuine, but it needs consistency to build trust.

Theme 2: Technology and AI in Remote Work

Key Findings:

- AI-related challenges impact employee trust and perception.
- While high performers appreciate AI tools for operational efficiency, they demand greater transparency in AI-enabled decisions.
- Concerns about bias in AI performance evaluations are common across the board, indicating lack of ethical guardrails or communication.

Sentiment Distribution:

- Positive: 28%, Neutral: 44%, Negative: 28%

Implications:

- Organizations must prioritize AI transparency, explainability, and fairness.
- Without ethical AI frameworks, trust in remote performance tracking systems is at risk.

Theme 3: Psychological Safety in Virtual Teams

Key Findings:

- Psychological safety varies by team and leadership style.
- Departments like HR and IT report higher safety levels, potentially due to cultural or role-based factors.
- Managerial behavior is a key enabler — teams with empathetic, communicative leaders report higher safety.

Sentiment Distribution:

- Positive: 36%, Neutral: 32%, Negative: 32%

Implications:

- Leaders must intentionally foster psychological safety by promoting open communication and trust in remote settings.

- Training managers to be more emotionally intelligent and inclusive is essential.

Theme 4: Employee Wellbeing and Work-Life Balance

Key Findings:

- Overall sentiment is largely positive, with many reporting improved wellbeing due to elimination of commuting and better flexibility.
- However, blurring of work-life boundaries and feelings of isolation are widespread concerns, even among satisfied employees.

Sentiment Distribution:

- Positive: 44%, Neutral: 36%, Negative: 20%

Implications:

- Remote work enhances wellbeing when actively supported by policies on digital wellness, boundary-setting, and social connection strategies.

Theme 5: Performance Management in Remote Work

Key Findings:

- High performers thrive under new systems focused on outcomes rather than hours.
- Lower performers report struggles with visibility, feedback, and recognition, suggesting system biases.
- Feedback mechanisms and clarity in expectations are not yet uniformly applied.

Sentiment Distribution:

- Positive: 40%, Neutral: 32%, Negative: 28%

Implications:

- Remote performance management needs to be transparent, personalized, and communicative, with regular feedback loops and equitable recognition practices.

Theme 6: Organizational Culture in Virtual Environments

Key Findings:

- This theme shows the highest percentage of negative sentiment (45%), highlighting culture transmission as a core challenge.
- Experienced employees report loss of informal mentorship and cohesion.
- New employees feel disconnected and uncertain about "unwritten rules".
- Fragmented, team-specific microcultures are emerging.

Sentiment Distribution:

- Positive: 23%, Neutral: 32%, Negative: 45%

Implications:

- Organizations must rethink culture-building in virtual spaces, investing in structured onboarding, informal socialization, and virtual rituals to recreate cohesion.

Theme 7: Future of Remote Work Expectations

Key Findings:

- Respondents overwhelmingly prefer hybrid models, combining remote flexibility with in-person collaboration.
- Fully remote advocates cite autonomy and productivity; hybrid supporters appreciate balance.
- Flexibility and individual choice emerge as core expectations.

Sentiment Distribution:

- Positive: 68%, Neutral: 24%, Negative: 8%

Implications:

- Employers should embrace flexible, role-based arrangements that accommodate diverse employee preferences while maintaining operational effectiveness.

FINDINGS

- Effective ESG integration not only aligns with corporate responsibility but also significantly enhances employee satisfaction and organizational commitment, especially in remote work settings.
- There is zero negative sentiment, suggesting ESG is positively received when genuine, but it needs consistency to build trust.
- Organizations must prioritize AI transparency, explainability, and fairness.
- Without ethical AI frameworks, trust in remote performance tracking systems is at risk.
- Leaders must intentionally foster psychological safety by promoting open communication and trust in remote settings.
- Training managers to be more emotionally intelligent and inclusive is essential.
- Remote work enhances wellbeing when actively supported by policies on digital wellness, boundary-setting, and social connection strategies.
- Organizations must rethink culture-building in virtual spaces, investing in structured onboarding, informal socialization, and virtual rituals to recreate cohesion.
- Employers should embrace flexible, role-based arrangements that accommodate diverse employee preferences while maintaining operational effectiveness.

CONCLUSION

This study suggest a complete analysis of sustainable human resource (HR) practices within remote work environments, emphasizing their critical role in promoting employee well-being, enhancing performance and fostering a resilient organizational culture. Employing a mixed-method research design, the findings empirically substantiate the impact of sustainable HR dimensions—namely environmental, social, and economic—on key outcomes such as psychological safety, remote well-being, and performance. The integration of Structural

Equation Modelling (SEM) and thematic analysis reveals that transparent artificial intelligence systems, a strong person-organization fit, and governance (ESG) principles are instrumental in cultivating employee trust, sustaining engagement and ensuring long term organizational resilience.

Psychological safety - at both individual and team levels – emerged as significant predictor of remote work performance, underscoring its function as a critical link between sustainable HR practices and employee outcomes. The study further reveals while outcome-based performance management systems effectively support high-performing individuals in remote environment, they present notable challenges for employee facing issues of visibility and recognition. Additionally, organizational culture was identified as a particularly vulnerable yet vital dimension in remote settings. The shift to virtual work has diminished informal interactions, thereby weakening the transmission of organisational values and norms an effect most pronounced among newer employees.

The respondents 'preference for hybrid work models reflect a broader shift toward flexibility, autonomy, and role-based customization in contemporary work arrangement. This trend aligns with the evolving expectations of the modern workforce, highlighting the growing importance of empathetic leadership, the ethical application of technology, and the integration of inclusive virtual rituals as a mechanism for sustaining team cohesion and employee morale in distributed work environment.

In conclusion, sustainable human resource practices have moved from the periphery to the core of contemporary workforce strategy. As remote and hybrid models become increasingly institutionalized, it is imperative for organizations to adopt integrative, human-centric, and ethically grounded HR frameworks to sustained performance, enhance employee satisfaction, and preserve a organisation cultural. Future research should further explore the dynamic interplay between AI ethics, ESG execution, hybrid flexibility and the role of cross-functional leadership in managing geographically dispersed teams..

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