



VICTORIA UNIVERSITY
MELBOURNE AUSTRALIA

Social Sustainability for Employee Engagement and Belongingness: A Theoretical Analysis

This is the Published version of the following publication

De Silva, Keshara Manindri, Da Silva, Chitra and Charumathi, B (2025) Social Sustainability for Employee Engagement and Belongingness: A Theoretical Analysis. *Australasian Accounting, Business and Finance Journal*, 19 (5).
ISSN 1834-2019

The publisher's official version can be found at
<https://doi.org/10.14453/aabfj.v19i5.07>

Note that access to this version may require subscription.

Downloaded from VU Research Repository <https://vuir.vu.edu.au/50191/>



Social Sustainability for Employee Engagement and Belongingness: A Theoretical Analysis

Keshara M De Silva¹, Chitra S De Silva Lokuwaduge*², and B. Charumathi³

Abstract

Employee engagement, characterized by dedication and enthusiasm towards work, is a critical driver of organizational success. This research explores the potential of integrating social sustainability practices within an organisation's strategy to enhance employee engagement and cultivate a strong sense of belonging within the workforce. A sense of belonging, the feeling of being valued, respected, and accepted, is crucial for employee engagement and overall well-being. Despite the significant impact of social sustainability on employee engagement and belongingness, it is under-researched. Existing literature highlights the need for further research on the impact of social sustainability on employee engagement and belongingness for better organisational performance. This study addresses the need to develop a comprehensive theoretical framework for future research, outlining potential methodologies and factors that may influence the effectiveness of these strategies. Future empirical research is necessary to determine the outcomes.

Keywords: Belongingness, Employee Engagement, human rights, Social Sustainability, Social justice

¹ University Of Melbourne, Melbourne, Australia. Email: keshara.desilva@unimelb.edu.au

² Victoria University, Melbourne, Australia. *Corresponding author. Email: chitra.desilva@vu.edu.au

³ Pondicherry University, India. Email: charumathipu@gmail.com

INTRODUCTION

The concept of sustainability has evolved beyond environmental concerns and achieving zero-emission targets by 2030. Consumers, investors, and regulators are increasingly demanding that organisations address environmental and social issues alongside their profit (De Silva Lokuwaduge, Smark & Mir 2022). True sustainability extends beyond recycling and reducing carbon emissions to encompass the social impact of businesses, including how they treat employees, contribute to a just and equitable society, and engage with communities (Gopal & Thakkar, 2016). Hence, today organisations are increasingly held accountable for their social impacts. While environmental sustainability mainly focuses on carbon footprint, social sustainability focuses on creating a positive social footprint through ethical labour practices such as active engagement with communities, upholding human rights principles, and fostering diversity and inclusion (Gopal & Thakkar, 2016), throughout their operations. Integrating these social sustainability practices provides several benefits for organisations, including fostering a more engaged workforce, employee belonging, enhancing their organisational reputation, and attracting top talent (De Silva & De Silva Lokuwaduge, 2021; Vijayakumar, Mahmood, Gurmu, Kamardeen, & Alam, 2024).

This study proposes that integrating social sustainability practices could be a powerful tool for promoting employee engagement and belonging. By prioritising the initiatives that address ethical business practices, promoting an inclusive and diverse workplace environment, and positive community contribution, they could create a more meaningful and purpose-driven work experience for their employees, which in turn could lead to a more engaged and motivated workforce.

A review of existing literature (Brandenburg, Govindan, Sarkis, & Seuring, 2014; Staniškienė, & Stankevičius, 2018; Vijayakumar et al., 2024) highlights the need for further research on the impact of integrating social sustainability strategies on employee engagement, as the impact of the ‘social pillar’ of the Environmental Social and Governance (ESG) has given less attention. Drawing on relevant management and organizational psychology theories such as Stakeholder Theory, Social Exchange Theory, and Self-Determination Theory, this study examines the theoretical underpinnings of this relationship and proposes a comprehensive research framework for future studies, outlining potential methodologies, areas for investigation, and potential moderating factors that may influence the effectiveness of these strategies. The aim of this research is to positively contribute to the practical impacts of management research on organisational commitment and guide future management research on social sustainability and employee engagement.

SOCIAL SUSTAINABILITY

Social sustainability is mainly about social justice, which includes the treatment of employees, fair working conditions, workers’ rights, gender and racial equality, child labour, community engagement, supply chain practices, and the issues and impacts of environmental pollution issues due to organisational activities on people’s health (Vijayakumar, Mahmood, Gurmu, Kamardeen, & Alam 2024). The growing number of social justice issues faced by companies worldwide shows that this is a main business risk that should be taken into consideration in their strategic decision-making.

According to Ahmadi, Kusi-Sarpong, & Rezaei (2017, p.99). “Social sustainability enables other sustainability initiatives, and overlooking this dimension can have a serious adverse

impact. This study further revealed that very few studies have included the social sustainability dimension in their sustainability studies. Only four out of 134 papers looked at either social, socio-environmental, or socio-economic criteria (Brandenburg et al., 2014), although social sustainability is increasingly becoming important. In addition to the economic and environmental sustainability of an organization's operations, social sustainability strategies should also be considered when firms aim to achieve sustainable development (Macombe, Leskinen, Feschet, & Antikainen, 2013; Vijayakumar et al., 2024). Social sustainability focuses on how social issues would need to be managed to enhance a corporation's long-term survival (Carter 2017; Ahmadi et al., 2017). Human rights, workers' health and safety, diversity, equity, and other social and safety-related issues are essential elements of organisational sustainability (Macombe et al., 2013; Vijayakumar et al., 2024).

Nevertheless, determining global and universal social sustainability measures and dimensions is challenging due to the inconsistency of conceptual clarifications (Ahmadi et al., 2017; Gopal & Thakkar, 2016). In most cases, social initiatives undertaken by organisations to deal with corporate sustainability are aimed at short-term outcomes (Ahmadi et al., 2017). Some studies have made progress in examining and identifying useful social sustainability-related dimensions and criteria; nevertheless, they fail to integrate these due to a lack of information and clarity (Ahmadi et al., 2017), as well as a lack of consistent definitions and measurement frameworks. Most of the measures of ESG reporting focus more on the environmental pillar than the social pillar. It is essential to develop a more comprehensive framework to build the capabilities and resources necessary for managing societal impacts and achieving improved social sustainability measures.

EMPLOYEE ENGAGEMENT AND BELONGINGNESS

Employee engagement is defined as an employee's dedication and enthusiasm towards their work. (Carter, 2017; Osborne & Hammoud 2017), which plays a critical role in organisational success. Engaged employees are motivated, more productive, demonstrate greater innovation, provide better customer service, and are less likely to leave the company. Validating this further, previous studies on employee engagement have shown a strong correlation between employee engagement and various positive organizational outcomes, including profitability, customer satisfaction, and reduced turnover (Ahmetoglu, Harding, Akhtar, & Chamorro-Premuzic, 2015; Carter, 2017; Vandenabeele, 2014). However, fostering a highly engaged workforce remains a challenge for many organisations (Osborne & Hammoud 2017).

Employee engagement, characterised by dedication and enthusiasm towards work, is a critical driver of organizational success. Osborne & Hammoud (2017, p.53) explained "employee engagement as one of the greatest challenges in today's workplace, with complexities and stringent regulations. Employee engagement will continue to challenge organisations in the future...because engagement is a critical element in maintaining the organisation's vitality, survival, and profitability". Belonging is the feeling of support, security, and acceptance, and when there is a sense of acceptance, inclusion, and identity for a member of a certain organisation (Albercht, Bakker, Gruman, Macey, & Saks, 2015; Farndale & Murrer, 2015). Organisations that have highly engaged employees have greater profits than those that do not. Similarly, high employee engagement increases employee productivity. Several studies (Ahmetoglu, Harding, Akhtar, & Chamorro-Premuzic, 2015; Carter, 2017; De Silva, & De Silva Lokuwaduge, 2021; Osborne & Hammoud, 2017) have found that organisational social responsibility practices impact employee sense of belongingness and engagement which positively impact the high customer satisfaction, productivity, a better ranking in the market

and profitability of the organisation. The other side of the coin is when employees are disengaged and dissatisfied with their workplace settings, it costs the business due to high absences, occupational health and safety issues, lower employee retention, quality of work, and productivity (Osborne & Hammoud, 2017).

EXISTING RESEARCH AND THE GAP

A number of studies have explored the connection between social responsibility practices and employee engagement (Carroll & Buchholtz, 2015). For example, a study by Tsourvakas & Yfantidou, (2018) found that companies with strong corporate social responsibility (CSR) programs had higher levels of employee engagement. However, a gap exists in research specifically examining the impact of integrated social sustainability strategies on employee engagement (Carroll 2016; Staniškienė, & Stankevičiūtė 2018). Many studies focus on specific CSR initiatives or isolated practices, neglecting the holistic approach of social sustainability. According to available research on social sustainability (Gopal & Thakkar, 2016; Yawar & Seuring, 2017; Staniškienė & Stankevičiūtė, 2018), social sustainability has received less attention within the field of sustainable development and is facing challenges due to different definitions, diverse dimensions, and measurement frameworks (Carroll, 2016). “Most of the available literature proves that authors derive their own definitions according to their study perspective due to the multi-faceted connotation of the word ‘social’, and the dimensions of social sustainability cover various sets of themes. In particular, the debates over social sustainability measurement arise when applying integrated sustainability measurement frameworks (e.g., GRI or UNCSD) or frameworks intended only for social sustainability” (Staniškienė & Stankevičiūtė, 2018, p.718). Additionally, limited research has explored the interrelationship between employee engagement and employees’ sense of belonging. This study aims to provide a comprehensive research framework to analyse and address these research gaps.

THEORETICAL LENS OF SOCIAL SUSTAINABILITY, EMPLOYEE ENGAGEMENT, AND BELONGINGNESS

Several theoretical frameworks exist to explain the relationship between social sustainability, employee engagement, and employee belonging. The following are some commonly used theories to address the research question of to what extent does integrating social sustainability practices into a company's strategy contribute to employee engagement and belonging, and how do different theoretical frameworks explain this relationship:

- **Stakeholder Theory:** This theory emphasizes the importance of considering the interests of all stakeholders, not just shareholders. By implementing social sustainability practices that promote employee well-being, community development, and fair labour practices, companies demonstrate their commitment to a broader range of stakeholders. This fosters a sense of shared values and can lead to a more engaged workforce that feels valued and connected to the company's mission (De Silva & De Silva Lokuwaduge, 2021).
- **Social Exchange Theory:** This theory posits that individuals engage in social interactions based on perceived benefits and costs (De Silva & De Silva Lokuwaduge, 2021). When employees perceive social sustainability initiatives as beneficial to themselves and society at large, it strengthens their commitment to the organisation and their sense of belonging (Paolillo, Sinval, Silva, & Scuderi, 2021).

Employees are more likely to be engaged and contribute to the organization's success when they feel their work contributes to a positive social impact.

- **Self-Determination Theory (SDT):** This is a macro theory of human motivation that evolved from research on intrinsic and extrinsic motivations in the early 1990s and expanded to include research on work organisations (Deci, Olafsen, & Ryan, 2017; Legault, 2020). “SDT defines intrinsic and several types of extrinsic motivation and outlines how these motivations influence situational responses in different domains, as well as social and cognitive development and personality. SDT is centered on the basic psychological needs of autonomy, competence, and relatedness and their necessary role in self-determined motivation, well-being, and growth (Legault, 2020, p. 4694). This theory suggests that individuals have three core psychological needs for autonomy, competence, and relatedness. Social sustainability initiatives can fulfil these needs and foster increased employee engagement. Practices that promote employee ownership of tasks, opportunities for professional development (Deci et al., 2017, p.39), and a sense of belonging to a purpose-driven organization can contribute to greater employee autonomy, competence, and relatedness, leading to increased motivation and engagement (Bhattacharya, Sen, Edinger-Schons, & Neureiter, 2023).
- **Organizational Justice Theory:** This theory suggests that employees have a need for fair treatment and outcomes. Social sustainability initiatives that promote diversity, equity, and inclusion (DE&I), as well as safe and ethical work practices, can enhance employee perceptions of organizational justice. This sense of fairness and ethical treatment can contribute to a more trusting and engaged work environment (Ali, & Jaaffar, 2020).
- **Social Identity Theory:** This theory explores how individuals derive meaning and self-esteem from their group affiliations (Demirden 2021; Li, Irina, Yang, & Chen, 2022). Integrating social sustainability can create a positive social identity for employees by associating them with a company that contributes to a better world. This sense of pride in the company's social impact can strengthen employee engagement and sense of belonging (De Silva & De Silva Lokuwaduge, 2021; Bhattacharya et al, 2023).

SOCIAL SUSTAINABILITY MEASUREMENT FRAMEWORKS

The research study of Staniškienė, & Stankevičiūtė, (2018, p. 712- 713) explored the commonly used ‘Social sustainability measurement frameworks’ and found that Global Reporting Initiative (GRI) provides detailed indicators such as labour practices and decent work, human rights, society and product responsibility while the framework of the United Nations Commission on Sustainable Development (UNCSD) uses equity poverty/gender equality, health, education level/literacy, housing, living conditions, security/crime, population and employment at country level. Even though these social sustainability measures are important for a sustainable organisational performance, companies may face challenges when integrating social sustainability for employee engagement, such as resource constraints, cultural resistance, and measurement difficulties. Adams (2017) emphasised the need to identify the risks and the ways of mitigating risk and maximising opportunities for sustainable

organisational performance. "The expectation of 'SDGs' is to provide a common framework of goals, targets, benchmarks and indicators for governments, businesses, and other stakeholders to address systemic, interconnected development challenges globally. These include many definitive issues, including poverty, inequality,... peace and justice. The organisation's strategy should identify how it intends to mitigate or manage risks and maximise opportunities for better organisational performance. Organisations should set out their own strategic objectives and strategies to support relevant and significant SDGs through their business model...should incorporate resource allocation plans and specific, quantified short, medium and long-term targets" (Adams 2017, p.12). According to Eizenberg & Jabareen (2017) social sustainability framework should include the policies and procedures that enhance the protection of people, regardless of colour, origin, culture, or socio-economic status, against risk by fostering the adaptation of just and equitable social, economic, and environmental policies for a better sustainable future, which is critical for achieving the objectives of SDGs in general and societal expectations of the organisation.

DISCUSSION AND CONCLUSION

In this study, we comprehensively reviewed the theories related to extant literature pertaining to the relationship between social sustainability, employee engagement, and sense of belongingness and identified that despite the significant impact of social sustainability on employee engagement and sense of belonging, it is under-researched. SDT has strongly emphasised that when organisations promote a need-supportive environment that facilitates people motivating themselves autonomously. When the work contexts, such as job characteristics, managerial style, types of leadership, etc., support the basic psychological needs of employees, it leads to superior outcomes such as high employee engagement and belongingness to the organisation.

According to Social Identity theory, individuals and organisations try hard to maintain a positive social identity or a favourable social evaluation within the group or by the outsiders of the group (Tajfel & Turner, 1979), which increases their self-esteem. This social identity positively impacts employee engagement and belongingness to the organisation, while an "unsatisfactory identity" may influence employees to leave their group or organisation. When it is challenging to leave the organisation, they become less engaged (Demirden, 2021). This explains the power of social sustainability thinking and its inherent impact on the organisational strategies and the ability to view the future of work organisations in terms of socially acceptable values, arrangements, and constructs (Eizenberg & Jabareen, 2017) for better social identity and legitimacy.

A key limitation of this conceptual analysis is its reliance on existing literature, prior studies, and reports to support the proposed concepts. However, as previously stated, the paper aims to provide a framework for future empirical research. This study has implications for both future academic research and practice. It utilises existing theories and literature to provide a foundation for subsequent empirical and theoretical studies. It is important to understand the functional significance of different managerial tools such as goal setting, work compensation, monitoring, and work design, in addition to the above-mentioned factors, as they too could impact the psychological factors related to workplace behaviour.

Every country has its own legal systems and labour laws in place to protect employee rights. As suggested by the Organizational Justice Theory, employees have a need for fair treatment and outcomes. Hence, the regulatory requirements and legal obligations of the research context

are another factor that should be taken into consideration in future research. As an example, Australia has the Fair Work Act (2009) as the main federal legislation to protect employee entitlements, workplace relations, and employee dispute resolutions. Work Health and Safety Act, Anti-discrimination laws, National Employment Standards (NES), Superannuation Guarantee (SG) laws, and Privacy Act are some other federal workplace compliance regulations, and in addition, some states have their own legal requirements. Stakeholder theory and social exchange theory highlight how these stakeholders (De Silva Lokuwaduge, Smark & Mir 2022) and societal obligations impact organisational sustainability.

By applying relevant theories and the country-specific workplace regulations, further research can provide deeper insights into how organisations could design and implement social sustainability initiatives that promote a more engaged workforce, leading to long-term organizational success and societal well-being and sustainability.

REFERENCES

- Adams, C.A., (2017). The Sustainable Development Goals, integrated thinking and the integrated report. <https://www.integratedreporting.org/resource/sdgs-integrated-thinking-and-the-integrated-report/> accessed on 15th Dec 2021
- Ali, G., & Jaaffar, A. (2020). The effect of organization justice, job crafting, appreciative leadership on workplace belongingness. *Aegaeum*, 8, 2626-2638.
- Ahmadi, H. B., Kusi-Sarpong, S., & Rezaei, J. (2017). Assessing the social sustainability of supply chains using Best Worst Method. *Resources, Conservation and Recycling*, 126, 99-106.
<https://doi.org/10.1016/j.resconrec.2017.07.020>
- Bhattacharya, C. B., Sen, S., Edinger-Schons, L. M., & Neureiter, M. (2023). Corporate purpose and employee sustainability behaviors. *Journal of Business Ethics*, 183(4), 963-981.
<https://doi.org/10.1007/s10551-022-05090-5>
- Brandenburg, M., Govindan, K., Sarkis, J., & Seuring, S. (2014). Quantitative models for sustainable supply chain management: Developments and directions. *European journal of operational research*, 233(2), 299-312.
<https://doi.org/10.1016/j.ejor.2013.09.032>
- Carroll, A. B. (2016). Carroll's pyramid of CSR: taking another look. *International journal of corporate social responsibility*, 1, 1-8.
<https://doi.org/10.1186/s40991-016-0004-6>
- Carroll, A. B., & Buchholtz, A. K. (2015). *Business and society: ethics, sustainability and stakeholder management* (9th ed.). Stamford: Cengage Learning.
- Carter, L. (2017). Innovation, sustainability and the promise of inclusion. *Social Science and Sustainability*, 177.
https://doi.org/10.1071/9781486306411_ch11
- Deci, E. L., Olafsen, A. H., & Ryan, R. M. (2017). Self-determination theory in work organizations: The state of a science. *Annual review of organizational psychology and organizational behaviour*, 4, 19-43.
<https://doi.org/10.1146/annurev-orgpsych-032516-113108>
- Demirden, A. (2021). The critical examination of social identity theory. *Politik Psikoloji Dergisi*, 1(2), 39-56.
- De Silva, K. M., & De Silva Lokuwaduge, C. S. (2021). Impact of corporate social responsibility practices on employee commitment. *Social Responsibility Journal*, 17(1), 1-14.
<https://doi.org/10.1108/SRJ-01-2019-0027>

De Silva Lokuwaduge, C., Smark, C., & Mir, M. (2022). The surge of environmental social and governance reporting and sustainable development goals: some normative thoughts. *Australasian Accounting, Business and Finance Journal*, 16(2), 3-11.

<https://doi.org/10.14453/aabfj.v16i2.2>

Eizenberg, E., & Jabareen, Y. (2017). Social sustainability: A new conceptual framework. *Sustainability*, 9(1), 68.

<https://doi.org/10.3390/su9010068>

Gopal, P. R. C., & Thakkar, J. (2016). Analysing critical success factors to implement sustainable supply chain practices in Indian automobile industry: a case study. *Production Planning & Control*, 27(12), 1005-1018.

<https://doi.org/10.1080/09537287.2016.1173247>

Legault, L. (2020). Self-determination theory. In *Encyclopedia of personality and individual differences* (pp. 4694-4702). Cham: Springer International Publishing.

https://doi.org/10.1007/978-3-319-24612-3_1162

Li, J., Irina, Y. Y., Yang, M. X., & Chen, S. (2022). How needs for belongingness and justice influence social identity and performances: Evidence from the hospitality industry. *Journal of Hospitality and Tourism Management*, 50, 366-374.

<https://doi.org/10.1016/j.jhtm.2022.02.015>

Paolillo, A., Sinval, J., Silva, S. A., & Scuderi, V. E. (2021). The relationship between inclusion climate and voice behaviors beyond social exchange obligation: The role of psychological needs satisfaction. *Sustainability*, 13(18), 10252.

<https://doi.org/10.3390/su131810252>

Staniškienė, E., & Stankevičiūtė, Ž. (2018). Social sustainability measurement framework: The case of employee perspective in a CSR-committed organisation. *Journal of cleaner production*, 188, 708-719.

<https://doi.org/10.1016/j.jclepro.2018.03.269>

Turner, J. C., Brown, R. J., & Tajfel, H. (1979). Social comparison and group interest in ingroup favouritism. *European journal of social psychology*, 9(2), 187-204.

<https://doi.org/10.1002/ejsp.2420090207>

Tsourvakas, G., & Yfantidou, I. (2018). Corporate social responsibility influences employee engagement. *Social Responsibility Journal*, 14(1), 123-137.

<https://doi.org/10.1108/SRJ-09-2016-0153>

Osborne, S., & Hammoud, M. S. (2017). Effective employee engagement in the workplace. *International Journal of Applied Management and Technology*, 16(1), DOI:10.5590/IJAMT.2017.16.1.04,50-67.

<https://doi.org/10.5590/IJAMT.2017.16.1.04>

Turner, P. (2019). Employee engagement in contemporary organizations: Maintaining high productivity and sustained competitiveness. Springer Nature.
<https://doi.org/10.1007/978-3-030-36387-1>

Vijayakumar, A., Mahmood, M. N., Gurmu, A., Kamardeen, I., & Alam, S. (2024). Social sustainability assessment of road infrastructure: a systematic literature review. *Quality & Quantity*, 58(2), 1039-1069.
<https://doi.org/10.1007/s11135-023-01683-y>

Yawar, S. A., & Seuring, S. (2017). Management of social issues in supply chains: a literature review exploring social issues, actions and performance outcomes. *Journal of Business Ethics*, 141(3), 621-643.
<https://doi.org/10.1007/s10551-015-2719-9>