



Sustainable human resource management: The good, the bad, and making it work

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Over the last five decades, the way we work has undergone a profound transformation. Full-time, and often life-long, employment within the same company has morphed into a very different reality. Workforce participation has expanded, the provision of flexible work schedules has become the new norm, work can seemingly be performed from anywhere, and there is a strong trend of individuals willingly switching jobs as they please. The rise of remote, part-time, and flexible work arrangements is a defining feature across myriad industries. While such changes have brought about advantages such as better pay, flexibility, autonomy, and physically safer working conditions for some, they have also negatively reshaped the employee-employer relationship for others. There has been a move away from the traditional standard employment relationship based on mutual loyalty, permanence, and job security to more flexible, temporary, and often precarious work arrangements. This shift has gained momentum due to changes in work and organizational design, technology and its mediation of communication, societal attitudes towards work-life balance, and the rise of digital platforms. A very clear example of this shift to hyper-flexibility can be seen in gig work, where workers engage with multiple ‘employers’ simultaneously through an online platform or ‘app’ based on algorithmic technology. This rapidly growing form of work has created new paths to employment but has also introduced uncertainties about its long-term viability and precariousness when compared to more traditional and stable forms of employment.

More broadly, the International Labour Organization characterizes precarious work as work that offers remuneration, working hours, or job security inferior to regular jobs. The European Foundation for the Improvement of Living and Working Conditions defines precarious workers as vulnerable employees with limited alternative sources of livelihood, who have an insecure job (e.g., temporary employment agreements and agency-based temporary positions), and few

entitlements to income support (e.g., limited access to unemployment benefits). The number of precarious workers, and the work they do, has increased significantly over the last several decades. The International Labour Organization identifies agency workers, temporary workers, contractors, casual or on-call workers, seasonal workers, home-workers, self-employed workers, and part-time workers as those in potentially precarious employment.

Precarious work often has cascading implications for workers. For instance, someone on a zero-hours contract will have no security regarding the number of hours that they will work in a specific period, which has repercussions for their salary. However, if the employee only has a few hours of work, the limited contributions to the social security system will have additional repercussions for the extent of unemployment benefits available to the employee if they lose their employment. Self-employed workers also suffer negative downstream implications due to precarious work. For instance, although their hourly pay might be slightly more than minimum wage, they take home less than minimum wage once mandatory deductions (e.g., social security contributions, private healthcare, unemployment insurance) are taken from their pay. Furthermore, such workers are generally not entitled to disability, unemployment, or retirement benefits, exacerbating the precariousness of their situation.

The shift in when, how, and where people do their work is a double-edged sword: it can offer workers many benefits, but it can also significantly compromise their ability to sustain work-life balance, access social supports, generate income stability, and construct and advance their careers, which can ultimately reduce their personal and economic well-being. These concerns have elevated the role of international agencies, such as the International Labour Organization, that are tasked with promoting labor standards and ensuring decent work for everyone. The Decent Work Agenda, aligned with the United Nations’ Sustainable

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Development Goals, calls for quality jobs with fair incomes, safe working environments, and dignity and equality in work. To address the challenges posed by the changing nature of work, and particularly its increasing precariousness, organizations need more sustainable approaches to human resource management (HRM). This involves placing greater value on human workers and their capabilities. Although various organizational practices can support sustainable HRM, we present an employee-focused and evidence-based approach that explores how employers can use features of the *psychological contract* to enhance the sustainability and quality of employment relationships.

The psychological contract is a mental model or system of beliefs regarding perceived obligations between employees and employers. For instance, a worker may believe that the organization is obligated to provide a safe working environment, support, and developmental opportunities in exchange for their hard work, commitment, and dedication to the organization. The psychological contract influences workers' perceptions, attitudes, and behaviors in the employee-employer relationship, and therefore, offers a useful framework to study employment dynamics. Because the psychological contract represents the set of obligations that workers believe they have to their employer and that their employer has to them, it is a meaningful starting point for achieving sustainable HRM and for ultimately generating positive outcomes for both employer and employee. Before we delve into the specifics of how psychological contracts facilitate sustainable HRM through higher quality employment relationships, we first discuss the challenges associated with precarious work.

Precarious employment in the workplace

Let's delve into the nature, drivers, and consequences of precarious employment. For much of the 20th century, work was characterized by a 'standard employment relationship': stable, full-time hours, permanent contracts, fair wages, a set place and time for work, and long-term employment. This setup offered reliable jobs with clear rules and protections. Since the 1970s, however, employment has seen a rise in what is termed 'precarious work arrangements'. These include various types of jobs such as short-term gigs, zero-hours contracts, and temporary contracts, where the ideals of permanency and stability do not fully apply. While it is important to note that the standard employment relationship still exists and continues to provide stability for many, there has been a noticeable increase in precarious work arrangements. Individuals in these roles may need multiple employers at the same time to make ends meet, and the rules and protections around such jobs can be less clear than those associated with traditional employment. The uncertainty tied to precarious work can lead to insecurities related to income, benefits, job stability, and control over working conditions.

The changes noted above were not instantaneous. Over the years, various forces, such as economic shifts, societal expectations, and technological advancements, have contributed to the rise of precarious employment. The 2008 Global Financial Crisis and the 2020 COVID-19 pandemic heightened experiences of uncertainty by pushing organizations to restructure and downsize as they struggled to adapt and survive. Enter digital labor platforms, a hybrid online marketplace designed to connect workers with short-term jobs or 'gigs' through technologies that match clients seeking specific services (e.g., freelance writing, programming, ride services, food delivery) with workers who possess the skills to do the job. Although these platforms can connect workers to customers and 'employers', sometimes spanning international borders and broadening workers' ability to generate income, they also introduce a whole new set of uncertainties. When we talk about precarious work, we refer to a set of working conditions that are less than ideal, including flexibility in working locations, gig work, algorithmic management, digital surveillance, and economic insecurity. Flexibility in this context can be both employee-oriented and employer-oriented. Employee-oriented flexibility allows workers to adjust their work to meet personal needs, such as managers working from home. In contrast, employer-

oriented flexibility arises when employees must adapt quickly to changing demands, leading to increased precariousness. This type of flexibility often forces employees to respond swiftly to employer needs, compromising their job security and stability.

Furthermore, precarious work can be systematically differentiated into aspects of economic security—such as hours, pay, and job security—and aspects of poor conditions and powerlessness in the workplace, including safety and digital surveillance. Gig workers, for instance, face algorithmic management where decisions about work arrangements, from task allocation to termination, are made by algorithms rather than human managers. They also encounter new forms of digital monitoring and surveillance through the apps they use to access such work. Moreover, gig workers often lack recourse to challenge customer ratings or contest algorithmic decisions, making gig work a 'one-way street' in people management. Although gig work is an extreme form of precarious work, some of its defining features, such as algorithmic management and worker surveillance, are creeping into more standard forms of employment. For example, algorithms and artificial intelligence are increasingly being used to recruit workers. Against this backdrop of increased precarity, many scholars refer to recent changes in the employment relationship as the 'gigification' of work.

While it may not be an ever-increasing trend, the rise of precarious work is creating a polarized workplace, where precarious work has become a persistent reality for a considerable share of workers on the peripheries of the labor market. The share of workers in precarious employment may also fluctuate depending on the health of the economy. This highlights the importance of studying precarious work, as it significantly impacts the economic security and working conditions of a substantial minority within the labor force.

Now, not everyone experiences precarious employment negatively. It depends on factors such as alternative income sources, worker reputation and skillsets, and career opportunities. In fact, many workers prefer short-term employment and look for work opportunities that allow them to be flexible in where, when, and how they work. But there is consistent evidence that long-term precarious employment can have serious drawbacks for workers. Imagine not knowing what your work schedule will be next week or if you will even have a job next month – such uncertainty over time contributes to significant stress. Precarious work arrangements are linked to health issues, both physical and mental, such as occupational injuries, fatigue, anxiety, and symptoms of depression. Moreover, the negative outcomes associated with job uncertainty often spill over into other aspects of life, creating financial distress and strain on non-work relationships.

This uncertainty and insecurity in employment is misaligned with the espoused goals of global organizations such as the International Labour Organization and its Decent Work Agenda or the United Nations' Sustainable Development Goals. Such groups are calling on organizations to adopt more sustainable and dignity-oriented approaches to people management and HRM. The question now is: "How can we make precarious employment more sustainable?". But you may ask: "Aren't precarious employment arrangements inherently uncertain and inherently unsustainable?". This is where sustainable HRM comes into play. Sustainable HRM's driving goal is to find ways to make employment relationships better and more stable. It goes beyond focusing on short-term profits to consider longer-term goals such as the well-being of workers and the sustainability of different forms of employment.

So, for current and future managers it is crucial to understand the shift from traditional employment to these new more uncertain forms of work, and how sustainable HRM practices offer a path for creating better working conditions, improving employee well-being, and ultimately, making employment more sustainable in the long run for both employees and organizations. Our discussion now turns to issues of sustainability and the use of sustainable HRM to foster high-quality psychological contracts, aiming to mitigate the uncertainties and insecurities linked with precarious employment. This approach holds promise for creating more stable and positive work environments for

employees, aligning with the broader goals of ethical and sustainable business practices.

Sustainable HRM

Sustainability is not just about saving the planet; it is about making sure that the way we use resources ensures that they will still be around for the future. It is a big-picture approach – not just recycling or conserving resources, but also considering how we manage people in organizations. Think of it like this, if precarious forms of employment come to dominate the world of work, where evidence tells us that such work heightens various forms of stress and strain for workers, this is not a sustainable approach to work in the long term. What is needed instead is engagement in sustainable HRM. This is not just the current buzz word; it is a prescribed way of managing people that benefits both employee well-being and the long-term success of the company.

Let us unpack this concept by identifying the five key principles of sustainable HRM that can make a real difference in organizations. First, sustainable HRM is about thinking *long-term*. Instead of a narrow focus on quick profits and meeting immediate needs, it is about designing jobs that benefit workers, that encourage job stability, and that ditch the old 'hire and fire' approach. With sustainable HRM, employees are valued as assets not just short-term resources. Second, sustainable HRM recognizes the importance of *involving* employees in decisions that affect them. It is not just about telling people what to do, rather, it is about having a meaningful two-way conversation. This creates a workplace where employees are heard and empowered, and enables the company to generate insights, address concerns, and build partnerships with employees that will ultimately benefit the company's long-term success by designing and implementing initiatives that are more likely to succeed. Third, sustainable HRM focuses on *learning and employee skill development*. This means not only building skills for the current job, but also looking ahead and preparing for what employees and the organization might need in the future. It is an investment in the growth and potential of the workforce. Fourth, *employee care* is a crucial aspect of sustainable HRM. Ensuring the well-being of workers involves providing a safe work environment, supporting a healthy work-life balance, and caring about employees' physical and mental health. This care becomes even more critical in precarious work situations wherein jobs are uncertain. Lastly, it is important that company *systems and structures* reflect and support sustainable HRM principles. To achieve sustainable HRM principles, companies can take practical steps such as adding sustainability criteria to job descriptions and interview questions during recruitment. Onboarding can include mandatory sustainability training sessions. Performance evaluations should incorporate specific sustainability goals, with employees rewarded for their contributions through promotions and bonuses. Establish corporate policies that mandate practices like energy conservation and waste reduction. Regularly assess sustainability efforts and actively involve employees in these initiatives to ensure ongoing improvement.

Now, why should current and future managers care about all of this? Because these principles can help counter the negative effects of precarious employment. Precarious jobs, with all their uncertainties, can create much stress and strain for workers. Sustainable HRM, with its long-term perspective and focus on employee involvement, skill development, care, and solid organizational structures, acts as a remedy. Imagine having a job where you can set your expectations about the future, where you have a say in decisions that affect you, where your skills are not just useful now but also for what lies ahead, and where your well-being is genuinely cared for. That is what these principles aim to achieve. For managers, it means creating a work environment that is not just about profits, but that is also attentive and responsive to the needs of its people. For business students, it is about learning how to build organizations that care for their employees and contribute to a sustainable future. These principles offer a practical guide to making the workplace better, fostering happier employees, and ensuring long-term

organizational success.

Organizational success can focus on productivity and quality relationships which translate into greater profits and increased organizational attractiveness to future employees, but it can also focus on the financial impact of maintaining *unsustainable* HRM practices. Take the issue of care in a workplace health and safety context, for example, which is now being picked up by governments. Health and safety inspections are increasingly monitoring and penalizing non-compliant companies to lower the impact of worker injuries on public healthcare systems. For example, if a company continues on an unsustainable HRM-path, resulting in many safety incidents or employees taking sick leave or exiting, this can have far-reaching financial consequences that go beyond the initial financial impact of absenteeism or turnover. The company can receive steep fines or even (temporary) closure, see their insurance premiums increase, and be exposed to potential legal action from employees, unions, or the communities in which they operate. All these outcomes will significantly impact a company's operations, and ultimately stem from a lack of care toward employees' health and safety.

In a world where work is changing rapidly, sustainable HRM is like a compass pointing toward a brighter and more secure future for both employees and the organizations they work for. But how do we translate these sustainable HRM principles into real world practice and make changes for the better? Enter the psychological contract framework!

From sustainable HRM to sustainable psychological contracts

One fruitful avenue to tackle the challenges of precarious employment is to develop high-quality sustainable psychological contracts. Psychological contracts can be thought of as a perceived understanding between worker and employer about how the employment relationship works. They are different from employment contracts in that they have no legal basis but are akin to an employee's beliefs about their deal with the organization. However, a worker's beliefs about what the organization owes them and what they owe in return has implications for both the employee and the employer. Organizational research findings indicate that negative repercussions ensue when employees believe that their employer has failed to fulfill its obligations to them. For instance, employees can become angry, their performance and job satisfaction drop, and they neglect their job duties, all of which damage the organization's bottom line. In contrast, when employees believe that the organization is doing what it can to fulfill its obligations, they tend to reciprocate this goodwill. However, the benefits of fulfilling the psychological contract are tempered according to the quality of the psychological contract.

Consider the psychological contract of precarious gig workers: if they complete their job task in a quality and timely manner (often determined by the client without input from the worker), the client will release their agreed upon payment via the digital marketplace. Not exactly a deal to write home about. Such a contract does little to meet the myriad needs of workers, nor does it address the uncertainty and lack of stability in their employment. A group of psychological contract scholars have recently proposed a *sustainable psychological contract*, described as an adaptive system of beliefs "representing one's perceptions of obligations regarding a high-quality exchange relationship that is characterized by attentive, responsible, and responsive parties as well as mutually beneficial economic, social, human, and environmental goals". The sustainable psychological contract emphasizes resilience and long-term viability within the context of organizational and societal changes. Making sure that these contracts are strong, and fair can help curb the uncertainty and insecurity linked with precarious employment. In short, we believe the sustainable psychological contract could help make work better for everyone, especially those in precarious jobs.

So how can we use the concept of a psychological contract to help address the problems of precarious employment? There are several potential angles to take, as alluded to above. First, there is an *evaluative* component to the psychological contract that will affect a worker's

reaction. This is akin to asking: “How well does my employer meets its obligations to me?”. If your employer does what they say they will, you are more likely to be satisfied and perform well. But if they do not, you might feel unhappy and even act out against the company. So, it is essential for employers to stick to their commitments to sustain positive work relationships. Second, consideration must be given to the *content* of the psychological contract. This refers to the specific terms of the deal, which is akin to thinking “I want X in exchange for Y ...”. For precarious workers, it is often all about money and benefits, with little consideration for things such as emotional support or development opportunities. In line with the United Nations’ Sustainable Development Goals, adding quality terms that meet more employee needs such as fair treatment, equal pay for equal work, opportunities for learning, and a physically and psychologically safe environment can make the work relationship stronger and more sustainable. Adopting such approaches can even be seen in the hyper-precarious environment of gig work, with platforms such as Deliveroo offering riders a training academy to develop their skills. Moreover, it is not only about enhancing psychologically safe environments but also addressing the environmental dimension more broadly. In doing so, organizations should consider how their actions impact the ecosystem and engage in regenerative practices. By committing to eco-friendly initiatives and transparent reporting on environmental performance, employers can build stronger, more meaningful sustainable psychological contracts. These initiatives might include reducing carbon footprints, implementing zero-waste policies, and supporting biodiversity projects. Such efforts not only contribute to global sustainability goals but also resonate with employees’ values, fostering a deeper sense of purpose and commitment within the organization. By integrating these practices, the sustainable psychological contract can become a comprehensive framework that promotes both social and environmental responsibility.

Finally, psychological contracts can vary according to their *features*. This approach looks at specific underlying qualities of the psychological contract, including the degree of clarity, scope, stability, timeframe, power-balance, and joint determination.

First, in a sustainable psychological contract, terms are crystal clear. No guessing games. Think of it like having proper job descriptions and rules and a commitment from your boss that they will do everything they can to fulfill the deal. If your job terms are clearly defined, you are more likely to feel secure. On the other hand, if they are ambiguous and continually changing, as is often the case in precarious work, this can lead to stress and dissatisfaction. So, having a clearly defined contract is key for a sustainable work relationship.

Second, psychological contracts differ in terms of their scope, or how flexible work-life boundaries are. A narrow scope reflects a strict divide between work and home. A broad scope involves mutual care, with the employer recognizing non-work commitments of employees, and with employees recognizing the need for extra efforts sometimes. Especially in the post-pandemic era where remote working has increased, a broader scope helps build longer-lasting relationships marked by mutual respect.

Third, psychological contracts vary in terms of stability (versus flexibility) in content. Some contracts are rigid, like those maintaining the status quo. Others are dynamic, allowing for inevitable changes. Adaptability is key to a sustainable psychological contract, particularly in the gig work environment, to counter the rigidity of algorithmic management. For example, food couriers who decide to take a break from the ‘app’ for a few weeks are punished by the algorithm when they return and are given less favourable delivery slots for not having better availability.

Fourth, psychological contracts can differ in timeframe. Whereas some jobs are short-lived and uncertain, others promise security and future promotion opportunities. A sustainable psychological contract leans toward the longer-term perspective, investing in employees through training and development. For self-employed, contracted, or gig workers, this could mean opportunities for more stable employment

with repeat clients in the longer term.

The fifth feature involves the balance of power. In some jobs, there is a clear hierarchy, and employees accept inequality. In others, there is mutual respect, open communication, and a flatter structure. A sustainable psychological contract reflects the latter, with a focus on equality and respecting achievements over hierarchy. Leaders and supervisors remain an important part of the HRM function but their relationship with staff should be based on collaboration rather than coercion.

Finally, psychological contracts can either be individually or collectively regulated. Individual contracts may lack protection and put undue burden on workers to negotiate the terms of their employment. Collective contracts involve everyone in setting the terms, supporting greater fairness. As the work landscape evolves, collective action is becoming more important for ensuring a co-determined working relationship. However, not every worker is looking for more regulation in their job. For example, some gig workers see any attempt to organize collectively as a threat to the independent and individually negotiated nature of their job that attracted them in the first place. They fear that gig platforms may withdraw if their business model is being undermined. For instance, Deliveroo withdrew from the Netherlands in a matter of weeks following the introduction of new independent contractor legislation. Therefore, a one-size-fits-all approach to sustainable HRM may not be feasible for every employee, in every organization, in every sector.

In conclusion, a sustainable psychological contract is one that is clear, flexible, long-term, and can be collectively determined to be fair for both employee and employer. By focusing on these key characteristics, we can create better working conditions for everyone, especially those in precarious jobs. However, it is essential to recognize that different generations may have varying priorities and perspectives on work, influenced by elements such as job security, work-life balance, career development, and personal well-being. Indeed, the concepts of “lie-flat,” “quiet quitting,” and the “great resignation” underscore a significant shift in how younger generations perceive work, often prioritizing work-life balance and personal well-being over traditional employment stability. This opens an interesting and thought-provoking idea, namely that precarity, while challenging, is not inherently incompatible with sustainability. Indeed, with the right policies and practices, precarious work can be made more sustainable. One such policy is universal basic income, which could provide a critical safety net for workers. By ensuring a baseline income, universal basic income can alleviate some of the financial uncertainties associated with precarious employment, thereby reducing stress and allowing individuals to make more strategic career choices without the immediate pressure of financial insecurity. For younger workers, universal basic income can provide the financial security needed for younger workers to pursue further education, internships, or entrepreneurial ventures without the immediate pressure to secure high-paying jobs. This flexibility can lead to a more skilled and innovative workforce in the long run. Moreover, with a guaranteed income, younger workers may feel less compelled to overwork in precarious positions, allowing them to maintain a healthier work-life balance, which is a priority for this generation. For mid-career professionals who may want to switch careers or upskill, universal basic income can provide the necessary financial cushion to make these transitions smoother and less risky. This could lead to a more adaptable and resilient workforce. Furthermore, universal basic income can also help mid-career professionals balance work and family responsibilities, reducing the stress associated with supporting dependents while managing job uncertainties. Finally, for older workers, universal basic income can supplement retirement savings, allowing older workers to transition out of the workforce gradually. This can help maintain their financial stability and reduce the pressure to stay in less desirable jobs. Incorporating policies, such as universal basic income and other broader social safety nets, can significantly enhance the sustainability of the sustainable psychological contract by addressing the inherent

uncertainties of precarious work. These measures can help create a more stable and positive work environment, aligning with our goal of fostering sustainable HRM practices—elements we will discuss in more detail below, particularly regarding how organizations can support these efforts.

Bringing sustainable psychological contracts to life: the good, the bad, and making it work

In the previous sections, we explored the rise of precarious employment amid evolving sustainable HRM practices. We also examined how organizations can contribute to sustainable HRM by establishing sustainable psychological contracts. As we conclude, we present three straightforward guidelines for organizations and HR practitioners. These guidelines aim to help organizations implement sustainable psychological contracts effectively, ultimately easing or preventing precarious employment conditions.

Traditionally, the study of psychological contracts has been with non-precarious working groups, such as managers and full-time white-collar employees. But we need a more holistic approach to this contract, one that includes everyone in a variety of work contexts. The link between the psychological contract and sustainable HRM should not be an outcome but a guiding force. We are about to lay out three important and evidence-based guidelines, but bear in mind, it requires a shift in mindset. We are moving from employer-centric perks to championing employee rights like quality jobs, dignity at work, fair wages, and safe conditions. Ready?

Guideline 1: Aligning with Global Goals. The United Nations' Sustainable Development Goals can serve as a roadmap for creating a sustainable psychological contract. Notable among these goals are (1) inclusive economic growth, full employment, and decent work, (2) an end to poverty, (3) reduced inequality, and (4) global partnerships for sustainable development. A sustainable psychological contract, therefore, should aim for full and productive employment, fair wages, and equality among all. This is not just a matter of theory or empirical inquiry; it is a matter of practical significance. By aligning with sustainable development goals, organizations are setting a path for employees, especially those in precarious positions, to achieve these global objectives.

It is important to note that not all sustainable initiatives have the intended results. Affordable housing initiatives for employees in expensive European cities is one example of organizational efforts to promote decent work and equality that ultimately had the unintended result of putting employees in an even more precarious position. Such initiatives involve a company constructing or renting a building and providing units to their employees at a significantly reduced price. Unfortunately, many workers find themselves in a situation wherein they become completely dependent on their employer, being unable to change jobs as they cannot afford to pay standard rent rates. Being effectively trapped in one's job has many negative consequences for the employee (think of individual well-being and job satisfaction) as well as for the organization (think of reduced initiative-taking or speaking up among employees for fear that negative repercussions could cost them their home). Organizations should, therefore, think critically about the possible consequences of such initiatives and consult with employees and other stakeholders before moving forward.

Consider what this guideline for aligning with global goals implies for the sustainable psychological contract: the International Labour Organization advocates for a 'floor of minimum protection' – going beyond legal requirements for decent work and wages. The Glasgow Living Wage Initiative exemplifies this, where employers pay above the legal minimum, allowing employees to meet basic needs. But it is not just about pay; it extends to health and safety, social protections, workers' rights, integration of diverse groups, flexible working hours, and opportunities for lifelong learning. These concepts are gaining traction globally, showing that a sustainable psychological contract is not just a trend, it is a movement!

Guideline 2: Inclusive Contracting. Now, let us talk about the parties involved in the process of psychological contracting. Freelancers and independent contractors are often excluded from the perks enjoyed by in-house employees. But guess what? The landscape is changing. Initiatives are underway to requalify self-employed workers as 'in-house' employees, ensuring that they receive bonuses, retirement benefits, and social protections. It is in organizations' interests to look after their contractors even when there are increased financial costs of doing so. Organizations face a choice – include everyone now in anticipation of the future or resist until participation is inevitable. Our advice: engage with requalifying initiatives. Offering precarious workers a sustainable psychological contract not only secures their future but also contributes to the long-term positive image of the organization.

We should note that inclusive contracting is not limited to eliminating differences in employment contracts. Organizations should also focus on other (unintended) differences between groups of workers. An example is working from home, which was implemented by many companies to improve the work-life balance of employees. Following the steep increase in these arrangements during the pandemic, there are now multiple reports that these initiatives ultimately backfired for certain employee groups and that instead of increasing work-life balance, these arrangements put more pressure on employees. A recent report showed that 35 % of French female managers identified that they now work (from home) when sick. Another example are the many reports of employees who experience more stress when working from home because of intrusive software, ironically referred to as 'bossware', that is used by organizations to track productivity. In reality, such technology is often perceived by employees as intrusive surveillance. Organizations should, therefore, ensure that all groups have access to the same perks, but also ensure that such perks are beneficial by implementing rules and norms to minimize unintended harms.

Guideline 3: Lead by Example. Here is the kicker – it is not just about creating sustainable psychological contracts; it's about living up to them. We are putting HRM professionals and managers in the spotlight. Organizations need to walk the talk. Fulfilling the terms of the sustainable psychological contract is not just good for employees; it strengthens the organization's reputation and employee retention. Failure to fulfill the psychological contract, and the organization risks being seen as insincere in its social responsibility claims – a phenomenon known as corporate social responsibility-washing. Imagine that you work for an organization that presents itself as a sustainable and inclusive employer. Management regularly congratulates itself for having put in place sustainable initiatives such as a commitment to close the gender pay gap, training and development programs for entry-level positions which should create career advancement opportunities, and a profit-sharing scheme aimed at giving non-managerial employees access to financial bonuses. However, behind the scenes, management does the opposite. They make large investments just before the closure of the fiscal year to avoid paying bonuses, they suspend the gender pay gap initiative because they need 'more time to study the situation', and people in entry-level positions are only allowed to request one training session every three years, which is often rejected because of 'non-alignment with the strategic goals' of the company. Such breaches of the psychological contract clearly indicate that management does not walk the talk and can trigger negative downstream effects, such as increased neglectful behavior, scepticism, and turnover. Furthermore, it can also negatively impact the organization's image, which in turn can discourage top candidates who value sustainable and inclusive initiatives from applying for a job there. HRM professionals and managers, therefore, play a crucial role here. They need to grasp the importance of sustainable psychological contracts, understand what they entail, and align them with the organization's strategies. It is an organizational culture shift – moving from a narrow, compliance-focused approach to building quality, long-term relationships with employees to make the world of work better for all.

As the nature of work continues to evolve, these guidelines provide a

practical roadmap for current and future managers. Sustainability and sustainable psychological contracts are not just buzzwords, they are conduits for creating better workplaces. By aligning with global goals, being inclusive in contracting, and leading by example, organizations can forge sustainable psychological contracts. It is not just about ticking off the boxes; it is about creating workplaces where everyone thrives. The ball is in the court of managers and business school students to champion these changes in the dynamic world of work.

A guideline summary

1. **Aligning with Global Goals:** Organizations should align their practices with the United Nations' Sustainable Development Goals to create a sustainable psychological contract, ensuring full employment, fair wages, and equality, while critically evaluating potential unintended consequences of their initiatives.
2. **Inclusive Contracting:** Organizations should include freelancers and independent contractors in the benefits typically reserved for in-house employees, addressing unintended differences and ensuring perks are genuinely beneficial, to secure their future and enhance the organization's reputation.
3. **Lead by Example:** HRM professionals and managers must fulfill the terms of sustainable psychological contracts by truly implementing and upholding their commitments, thereby strengthening the organization's reputation and fostering long-term relationships with employees.

Suggested reading

- Cappelli, P., & Keller, J. R. (2013). Classifying work in the new economy. *Academy of Management Review*, 38(4), 575–596. doi.org/10.5465/amr.2011.0302
- Duggan, J., Sherman, U., Carbery, R., & McDonnell, A. (2020). Algorithmic management and app-work in the gig economy: A research agenda for employment relations and HRM. *Human Resource Management Journal*, 30(1), 114–132. doi.org/10.1111/1748-8583.12258

The above articles offer insights about how the evolving nature of work is impacting the professional landscape. They help us understand current, diverse forms of work and how they differ from the traditional standard employment relationship of years past.

Suggested readings

- Allan, B. A., Autin, K. L., & Wilkins-Yel, K. G. (2021). Precarious work in the 21st century: A psychological perspective. *Journal of Vocational Behavior*, 126, 103491. doi.org/10.1016/j.jvb.2020.103491
- Benach, J., Vives, A., Amable, M., Vanroelen, C., Tarafa, G., & Muntaner, C. (2014). Precarious employment: understanding an emerging social determinant of health. *Annual Review of Public Health*, 35, 229–253. doi.org/10.1146/annurev-publhealth-032013-182500
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The above articles demonstrate how being in precarious employment can impact the well-being of workers, families, and communities. By identifying how various factors link precarious employment to health outcomes, these works help us understand the complex interplay between differing conditions of employment and differing health indicators.

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The above articles offer comprehensive, balanced overviews of the concept of sustainable employment and sustainable human resource management. They explain the different dimensions of sustainable human resource management strategies and how they align with ecological, social, and economic considerations. These works also highlight both the challenges and opportunities associated with fostering sustainable employment and responsible human resource management practices.

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These articles explain the psychological contract and its key outcomes. They demonstrate the dynamic nature of employer-employee obligations and highlight the outcomes of both fulfilling and breaching these obligations, while outlining how the psychological contract is a powerful means through which to positively impact the world of work.

Declaration of Competing Interest

The authors declare that they have no conflict of interest regarding the publication of this manuscript.

Yannick Griep is an Associate Professor at the Behavioural Science Institute at Radboud University and an Extraordinary Full Professor at North-West University. In the riveting world of psychological contract breaches, he bravely delves into the temporal dynamics of shattered expectations. It's like a soap opera where promises are broken with the precision of a Swiss watch. Spoiler alert: dysfunctional behavior might just be the latest dance move in the corporate tango. Who knew breach-induced angst could make such a captivating research topic? Pass the popcorn, and let the dysfunctional show begin!

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