Research Article

Human Resource Management, Corporate Social Responsibility and Sustainable Performance

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Abstract: *Scholars have shown a great interest in studying the relationship of Human Resource Management (HRM), Corporate Social Responsibility (CSR), and Sustainable Performance (SP) globally over the past few decades, but it has not been studied in local dynamics, specifically at intercity level of a developing country. In light of the (economic, social, and environmental) implications of sustainability in the hospitality sector, this study examines the relationship between HRM and SP, using CSR as a mediating component in metropolitan cities of Pakistan. Using an adapted questionnaire data were collected from hotels of Rawalpindi and Islamabad from hotel employees, out of 200 questionnaires 106 complete responses were received. The result confirms that HRM has a statistically significant relationship with SP and CSR significantly enhances this relationship as a mediator. RBV supports the view of CSR as a competitive advantage to achieve SP, providing a practical implication for stakeholder engagement, organizational performance, employee well-being, and employment opportunities, and developing and implementing actionable strategies.*

Key Words: Human Resource Management, Corporate Social Responsibility, Sustainable Performance, Resource Base View Theory, Competitive Advantage

Introduction

The hotel industry in Pakistan's bustling metropolitan cities, which are key hubs for tourism and hospitality, struggles to effectively implement Human Resource Management (HRM) and Corporate Social Responsibility (CSR) to achieve persistent growth. Without a clear framework, hotels lack the opportunities to improve employee well-being, provide better service, and adopt environment-friendly practices that benefit local communities and stakeholders. This problem not only affects the industry's performance but also limits its potential to create jobs, support local economies, and contribute significantly to social and environmental growth in these cities.

The Resource-Based View (RBV) theory supports linking Human Resource Management (HRM), Corporate Social Responsibility (CSR), and sustainable performance. Because intangible resources plus capabilities that are valuable, unique, scarce, and non-replaceable are seen as sources of competitive advantage, RBV can handle CSR more thoroughly. Sarwar, Ishaq, and Franzoni (2024) present convincing proof that CSR and HRM are crucial tools for attaining long-lasting success and a competitive privilege.

While Corporate Social Responsibility (CSR) plays a critical part in enhancing sustainability, other factors also significantly contribute to achieving long-term sustainable performance. These include the

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necessity of raising productivity, improving organizational capabilities, entering international markets, creating and implementing new technologies, adapting to the ever-changing and demanding needs of customers, boosting revenue and cutting expenses, attracting and retaining a highly skilled and adaptable workforce, and implementing and managing relevant organizational changes. Burke and Cooper (2005). Green human resources, innovation, and entrepreneurship, significantly affect sustainable performance according to Al-Abbadi and Abu Rumman (2023).

The global economy is built on the tourist and hospitality sector, which promotes social progress, economic expansion, and cross-cultural interaction. Wani, Loganathan and Mujalli (2024). The hospitality industry contributes significantly to the GDP of many countries Vicente et al., (2021), through foreign exchange earnings, job creation, and infrastructure development while emphasizing customer satisfaction, sustainability, and eco-friendly practices, promoting sustainability. However, the sector faces challenges such as economic vulnerabilities (e.g., pandemics, recessions), societal issues (e.g., cultural loss, income disparities), and environmental degradation (e.g., resource overuse, pollution, deforestation) Chung and Parker (2010). Khatter (2023) as an industrial activity within hospitality expands, often without considering its environmental impact, stakeholders increasingly demand sustainable and socially responsible practices. Hotels are now pressured to adopt eco-friendly HR practices and prioritize Corporate Social Responsibility (CSR) to address issues like clean energy, well-being, poverty reduction, and global warming mitigation. A shift toward sustainability, equity, and inclusivity is essential to balance the industry's impacts and ensure long-term benefits for all stakeholders Sarwar, Ishaq, and Franzoni (2024).

Human Resource Management (HRM) involves managing people through key functions like resourcing, rewarding, developing, and maintaining employment relationships to support employees and align their contributions with organizational goals Rowley and Jackson (2010). HRM has been described as the organization of activities relating to the management of the people who do work within organizations by Kramar (2014). Corporate Social Responsibility (CSR) refers to the variety of ethical, legal, economic, and philanthropic expectations that society has from organizations Carroll (1991). According to Nizam et al. (2019), HRM and CSR align and support the sustainable performance of organizations, which involves the efficient use of resources to deliver environmental, social, and economic gains through the alignment of workforce management with sustainability goals for long-term successful outcomes. Implementation of CSR practices is, somewhat, closely linked to internal reforms within a firm and external pressures. The adoption of CSR practices, in fact, complements the reputational upgrade that makes the organization attractive to customers, investors, and employees. Indeed, these positive changes in perception enhance the place of a firm in the market, offering a significant competitive advantage. CSR aligns the organization itself with society and the environment's expectations, and it also drives changes in management practices within organizations; thus, it is considered an outstanding tool for increasing the overall competitiveness of the organization. Researchers argued that HRM has a pivotal role in building CSR strategies and policies so that unique competencies and resources are achieved Jamali, El Dirani, and Harwood (2015).

Empirical evidence suggests that in today's global market, where even minor details can provide a competitive edge and influence sustainability, the nexus of HRM, CSR, and sustainability remains insufficiently explored. While existing literature includes numerous case studies examining CSR and HRM and economic, environmental, and social sustainability a robust framework has yet to be established Herrera and de las Heras-Rosas (2020). Jiang, Jamil, et al. (2024), and Correia et al. (2024) identified a significant relationship between HRM and organizational performance. Similarly, Malik et al. (2021) examined Green HRM practices significantly strengthen the effect of CSR on achieving environmental, social, and economic performance. Likewise, CSR's strategic nature strongly influences marketplace performance, emphasizing its role as a driver of competitiveness Mohammad and Marcel (2024). Furthermore, Herrera, de las (2020), Simmou et al. (2023), and Tiep Le et al. (2024) identified HRM, and CSR as vital in attaining sustainable performance.

By addressing the lack of an integrated framework that explores the joint responsibilities of corporate social responsibility (CSR) and human resource management (HRM) to encourage sustainable performance in the hotel industry of Pakistan, specifically the metropolitan cities which are the hub of hoteling and tourism, this study offers a novel contribution. This approach not only enriches conceptual understating,

but also provides useful advice for enhancing stakeholder engagement, organizational performance, and long-term sustainability in the hotel industry.

The findings of this research are expected to have a transformative impact on organizations to adopt socially responsible and environmentally friendly practices that benefit local communities and preserve natural resources, leading to increased employment opportunities, enhanced employee well-being, and improved service quality, that collectively foster metropolitan cities' social and economic growth.

The paper is laid out as follows: the literature review and the underlying theory are discussed in the following sections. The research design and framework, population and sample, sampling strategies, and data collection methodologies are all covered in detail in Section 3. The findings and interpretations of the study's results are presented in Section 4, and the discussion and conclusion, along with suggestions and implications, are included in Section 5.

Literature Review
Underlying Theory
In the late 1990s (Carroll, 1999) proposed that Corporate Social Responsibility (CSR) emerged as a practical approach to sustainability, emphasizing the need for corporations to balance socially and environmentally responsible practices with their economic objectives. Adding to this, the company's Resource-Based View (RBV), as articulated by Waddock, Tribó, and Surroca (2010) posits that competitive advantage stems from firm-specific assets that are rare, valuable for customers, difficult to imitate, and non-substitutable with intangible resources such as R&D, human resources, reputation, and culture being particularly crucial. Madhani (2010) further emphasized that internal resources, rather than industry position, are the main determinants of sustained competitive edge, with the RBV highlighting the evolutionary processes of variation, selection, and retention that enable firms to adapt and maintain their competitive edge over time, as noted by Nelson and Winter. In a modern context, Branco and Rodrigues (2006) applied the RBV framework to CSR, suggesting that CSR can be leveraged as an intangible asset to enhance competitive advantage. Their strategy places a strong emphasis on voluntarily incorporating social and environmental factors into business activities, such as environmental stewardship, workplace safety, and community engagement. According to Le et al. (2023), internal-unique resources, such as skills, capabilities, and strategies are the keys to "sustainable success" and superior organizational performance. Azam and Jamil (2024) returned to the initial sources of the RBV as proposed by Jay Barney in 1991, addressing the fact that the RBV traditionally emphasizes economic resources. For these authors, the evolution from the traditional focus on economic resources to environmental and sustainability resources integrated within the RBV has important implications for how one understands competitive advantage in modern times. These studies, therefore, depict the intersection between RBV and CSR to yield competitive advantage and sustainability over time.

Empirical Support
Human Resource Management (HRM) and Sustainable Performance (SP)
The purpose of extensive research on the connection between Human Resource Management (HRM), Corporate Social Responsibility (CSR), and sustainability is to determine how this connection can be helpful in improving organizational performance. The investigation of Jiang, Jamil, et al. (2024) concerned this issue within the pharmaceutical industry in Pakistan, stressing how HRM practices could be aligned with economic, social, and environmental top sustainability objectives for long-term organizational benefit. Using interval type-2 fuzzy DEMATEL and fuzzy AHP data from industry professionals, this study discovered a positive correlation between HRM practices and organizational performance. This demonstrated how important it is to manage social, environmental, and economic variables using HRM that is influenced by sustainability as well as flexible strategies for taking advantage of opportunities and reducing risks associated with outside environmental forces. Just as, Obeidat, Abdalla, and Al Bakri (2022) researched how to interlink Green HRM with the circular economy systems and long-term effectiveness in the service sector of Qatar. The analyzed questionnaires present data that technically found strategic importance for green HRM practices. The benefits of integrating green HRM with green strategic intent, using green empowerment to encourage the adoption of circular economy principles, and implementing

those practices with sustainable performance, were some findings. The application of Malik et al. (2021) also concentrated on the manufacturing area, to look up-green hires, doing work training, incentives, and performance appraisals with the outcome of CSR and sustainable performance. The findings revealed practice impacts that such practices really enhance the effect of CSR and Green HRM implications in reaching economic, social, and environmental performance-effectiveness through a cross-sectional assessment from 150 firms and analyzed using PLS-SEM. Correia et al. (2024) the study shows how green innovation and sustainable performance are related to Green Human Resource Management (GHRM) practices in Pakistan's healthcare industry. 400 respondents' calculated data regarding government and non-government hospitals served as the foundation for the temporal network. The dynamics are examined using Partial Least Squares Structural Equation Modeling (PLS-SEM) to demonstrate how strongly respondents believe that GHRM practices have a beneficial impact on sustainable performance. Recent research has examined the various facets of sustainability and how it manifests itself in various businesses, with a focus on green practices, corporate social responsibility (CSR), and innovation. Langgat et al. (2023) examine the drivers of adopting sustainable practices in the hotel-restaurant sector in Malaysia, showing that among the engines are top management support and ease of usage of initiatives like waste disposal and community support. Based on 169 hotel managers, their findings showed that the practices provide significant improvements in hotel performance. Likewise, Mohammad and Marcel (2024) analyze the relationships between corporate social responsibility and competitive performance in the banking sector in Nigeria as research. Data from 267 questionnaires was collected from respondents in order to use partial least squares structural equation modeling (PLS-SEM) with the use of ADANCO for analysis and the results revealed that CSR has a very important bearing on innovation capability and probably on competitive innovation as per the findings. The strategic characteristics of CSR strongly influence its marketplace performance. Jiang, Zaman, et al. (2024) also researched the application of Green Human Resource Management practices in the banking sector of Pakistan to enhance corporate social performance. Using such MCDM techniques as ISM and DEMATEL, they identified critical factors for sustaining social performance and provided valuable insights into efficient GHRM strategy adoption. At the same time, Sheehy and Farneti (2021) provided conceptual underpinnings of sustainability from which they borrowed theories cutting across economic, environmental, and social boundaries. They noted the multidimensional nature of sustainability which ranged from environmental concerns to global developmental goals. The study of Awwad Al-Shammari et al. (2022) and others (2022), realized the importance of GHRM bundle practices and green innovation in enhancing sustainability performance, measured through dimensions of environmental, social, and economic activities. They reported 335 SMEs in Saudi Arabia based on the data analysis using Smart PLS, finding GHRM practices to have a positive effect on long-term effectiveness. Likewise, Obeidat, Abdalla, and Al Bakri (2022) mentioned, "to be able to achieve sustainable performance, one needs to fully implement the processes of GHRM according to the overall objectives addressing the environment." It was reaffirmed by Umer and Saeed (2023) stating, in order to accomplish long-term financial, social, and ecological goals, GHRM refers to integrated eco-friendly HRM methods, including green hiring, training, performance management, and remuneration. Hence, the GHRM strategy can potentially foster improved sustainability performance when combined with green innovation and other environmental initiatives.

Human Resource Management (HRM), Corporate Social Responsibility (CSR), Sustainable Performance (SP)

Here comes the development of human resource management (HRM) and corporate social responsibility (CSR) in relation to their convergence, which is highly researched by scholars revealing intensive trends and implications in different areas. Carroll (1999) traced the development of CSR from the 1950s and emphasized its thrust in Bowen's 1953 work, arguing for business activities congruent with social values. This conceptual background has been laid down to CSR's continuing evolution as per the advancements in the global and technological milieu to meet new challenges. Future researchers suggest that CSR will continue evolving in the area of new challenges to its dimensions. Based on this assumption, Santana, Morales-Sánchez, and Pasamar (2020) presented a systematic review of the interrelation of CSR and HRM. Some of the core themes identified by the authors include green HRM, sustainable HRM, and pro-environmental conduct as integral to recent advances in this line. However, the results also indicated some

persistent issues, including the absence of standardized instruments to assess CSR-HRM - integration, thereby hinting at the need for a more coherent framework. Besides, (Meseguer-Sánchez et al., 2021) studied CSR with Sustainability and the Sustainable Development Goals (SDGs) to ascertain the key domains in research that pay attention to Stakeholders, Decision Making, Business ethics, and Communication. Consequently, the literature concentrated on the part corporate social responsibility (CSR) plays in addressing global issues like environmental degradation and unequal wealth distribution. Sarwar, Ishaq, and Franzoni (2024) on the other hand, expanded the discourse by exploring the nexus of HRM and CSR with sustainability across three countries in the hospitality sector. Using Structural Equation Modeling (SEM), they found that the link joining HRM, CSR, and sustainable performance was significantly much greater in 5-star hotels compared to those having three or four stars. The inquiry further revealed the aspect of strategic relevance that HRM executes in initiating CSRs, leading to much better financial, social, and environmental performance. In proving their emerging roles in responding to economic, social, and environmental challenges across various contexts, Herrera, de las (2020) underpins CSR and HRM as critical pathways toward attaining economic, environmental, and social sustainability. Simmou et al. (2023) studied the impacts of CSR initiatives on employee performance (EP) via green innovation (GI), using service enterprises in Maldives and Morocco as a focus. The data from 367 organizations were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM), and it was found that both external approaches of CSR practices (targeting environment and community) and internal CSR practices (focusing on employees) improve EP significantly.

In this case, the results of their analysis turned out as the effect of CSR in regard to global challenges such as environmental degradation and equity inequality. In 2024 Tiep Le et al. (2024) looked into this relationship for small and medium enterprises (SMEs) in Vietnam by contacting 458 CEOs and managers at the middle to upper levels. Strongly positive correlations were found between GHRM, CSR, and organizational performance (OP) through SMART PLS for structural equation modeling (SEM) approach. Research findings pinpoint the important role CSR plays in improving organizational outcomes through aligning business practices with societal and environmental responsibilities.
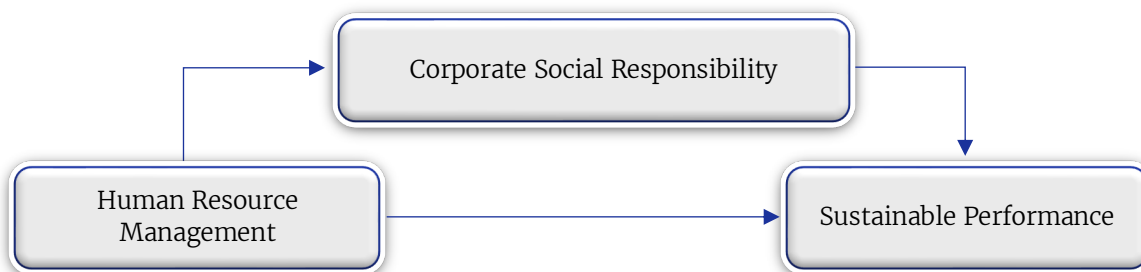
Hypotheses Development

The literature review can thus lead us to postulate the following hypotheses:

H1: Human Resources Management has a meaningful influence over sustainable performance.

H2: Human resource management and sustainable performance are strongly mediated by corporate social responsibility.

Figure 1
Conceptual Framework

Literature Gap

The literature now in print addresses the relationship between sustainable performance and corporate social responsibility (CSR) and human resource management (HRM) however, there is a huge gap regarding the relationship between these two variables with respect to a specific sector such as that of the hospitality industry in Pakistan, especially in metropolitan cities like Rawalpindi and Islamabad. Current investigations lack data on how resource utilization will specifically end up achieving sustainable performance in this sector. This gap is critical to understanding the dynamics in the region and developing some practical recommendations for improving the sustainability practices of the hospitality industry in Pakistan.

Methodology

Research Design

To comprehend the interrelations among Human Resource Management (HRM) practices, Corporate Social Responsibility (CSR) programs, and sustainable performance in the hotel sector in Pakistan, we choose a quantitative method. Data collected by a cross-sectional survey, a device for establishing snapshot observations of events in time, gives a snapshot view of prevailing practices and their output in hotels in metropolitan cities of Pakistan through analysis of strategic integration, stakeholder engagement, and performance. After data collection, we used statistical techniques to explore the relationships outlined in our framework. Descriptive statistics summarize respondent demographics and key variables, While CSR functions as a mediator, and the Statistical Package for Social Sciences (SPSS) enables us to assess both the direct and indirect effects of HRM practices on sustainable performance. We employed Cronbach's alpha to determine validity and reliability. Additionally, regression analysis and correlation analysis were used to assess hypotheses and investigate the mediating effect of CSR in the relationship.

Research Framework

Our study builds on a conceptual framework where HRM serves as the determining variable, (I.V) sustainable performance is the dependent factor, (D.V) and CSR plays a mediating role. We believe HRM practices directly and indirectly affect sustainable performance through CSR. This framework helps fill a gap in existing research, offering fresh insights into how these factors interact within Pakistan's hotel industry.

Population and Sample

We focused on managers, HR professionals, and employees from 3, 4, and 5-star hotels in Rawalpindi, Islamabad. These cities are vibrant centers for tourism and business, moreover, Islamabad being the capital city serves as a hot spot for visiting government, foreigner also domestic hoteliers making them ideal for this study.

To ensure fair representation, we used a convenient sampling method, covering different levels and departments in the selected list of hotels. The sample size was derived from literature as it was explained by Tinsley & Tinsley (1987) in relation to the least sample size having between 5 to 10 subjects per variable, while the ideal number was between 5 to 20 per item. Within this research, HRM, CSR, and Sustainable performance are analyzed or measured through 30 items thus, the appropriate sample size would range from 150 to 600, ensuring our findings are both statistically sound and widely applicable.

Data Collection

Our primary tool was an adopted questionnaire by Sarwar, Ishaq, and Franzoni (2024) from prior research to ensure accuracy and reliability designed to assess HRM practices, CSR activities, and sustainable performance. The questionnaire with a brief description was sent to 20 hotels in twin cities. The HRM section included aspects like recruitment, training, performance management, and employee engagement. CSR was examined through environmental, social, and governance (ESG) criteria, while sustainable performance was measured using economic, environmental, and social indicators.

Participants could complete the survey either in person or online. We made sure to provide clear instructions and guaranteed confidentiality to foster honest responses. A pilot study with a small sample helped refine the questionnaire and address any issues before full distribution. A total of 200 questionnaires were dispersed of which 106 complete questionnaires were received.

Findings

Demographic Overview

The data indicate the gender distribution of responders in a sample size of 106, 85 (80.2%) are male, while 21 (19.8%) are female. The age distribution of respondents is 49 respondents (46.2%) falling into the largest age group, which is 18 to 25 years old. Next in line are the age groups of 26–35 (with 30 respondents, or 28.3%) and 36–45 (with 14 respondents, or 13.2%). Thirteen respondents (12.3%) belong to the smallest group, which is those aged 46 to 60. Younger respondents (18–35 years old) comprise 74.5% of the sample as a whole. This age distribution reveals that the dataset contains a greater proportion of younger people.

The designation distribution of the responders shows 48 respondents, or 45.3% of the total, falling under "others," the largest category suggests a wide range of roles not included in the categories provided. First-level employees make up 12.3% (13 respondents), middle managers 13.2% (14 respondents), and managers 19.8% (21 respondents). Chief executive officers make up the lowest group at 0.9% (1 respondent), whereas owners make up 8.5% (9 respondents). This distribution shows that respondents have a wide range of titles, with a sizable percentage holding responsibilities that are not specifically defined. The number of years that the responders have worked at their present hotel shows a majority of respondents—42, or 39.6%—have one to three years of experience, with 39, or 36.8%, having four to six years. The majority of responders have less than seven years of experience since these two categories together account for 76.4% of the sample. Just 8 respondents (7.5%) have 10–20 years of experience, compared to a lower percentage of 17 respondents (16%) who have 7–9 years. According to this distribution, the majority of the sample's workforce is made up of people who have worked at their present hotel for comparatively shorter periods of time.

Table 1

Demographics

Gender			
	Frequency	Percent	Cumulative Percent
Male	85	80.2	80.2
Female	21	19.8	100.0
Total	106	100.0	
Age			
18–25	49	46.2	46.2
26–35	30	28.3	74.5
36–45	14	13.2	87.7
46–60	13	12.3	100.0
Total	106	100.0	
Designation			
Chief executive officer	1	.9	.9
First level employee	13	12.3	13.2
Manager	21	19.8	33.0
Middle manager	14	13.2	46.2
Owner	9	8.5	54.7
others	48	45.3	100.0
Total	106	100.0	
Experience in the current hotel			
1–3	42	39.6	39.6
4–6	39	36.8	76.4
7–9	17	16.0	92.5
10–20	8	7.5	100.0
Total	106	100.0	

N=106

Reliability

The reliability analysis indicates that the CSR's Cronbach's Alpha for each of the nine items is 0.935. This score shows that the items have a high degree of internal consistency. This suggests that the items on the scale accurately measure the same underlying construct and have significant associations with one another. Having a 0.935 Cronbach's Alpha rating, HRM exhibits a high degree of internal consistency among the nine items examined showing that the items are well interconnected and effective measures, value for SP is 0.87 of all 7 items, as it is far higher than the generally accepted threshold of 0.6.

Table 2

Reliability Analysis

S. No	Variable name	Alpha	No. of items
1	Human Resource Management	0.876	14
2	Corporate social responsibility	0.935	9
3	Sustainable performance	0.939	7

Descriptive and Correlations

The three variables—sustainable performance, corporate social responsibility, and human resource management (HRM)—have the following descriptive statistics. The HRM scores range from 1.00 to 7.00, with a mean of 5.06 and a standard deviation of 0.98. This suggests that respondents generally gave HRM procedures a high rating, with minimum variation. Respondents usually rate CSR programs favorably. CSR, with a mean of 5.11 and an SD of 1.15, shows a similar tendency. The ratings for SP, with a mean of 5.81 and an SD of 1.18. This suggests that generally speaking, sustainable performance was rated slightly higher than HRM and CSR, although responses still showed considerable variation. Overall, these statistics indicate that all three variables are generally rated positively, with the highest average score for SP, and responses for each variable show moderate to high variability.

The correlation analysis shows a strong significant relationship between the three variables: Human Resource Management (HRM), Corporate Social Responsibility (CSR), and Sustainable Performance. Specifically, HRM and CSR are highly positively correlated (r = 0.36), and the relationship between HRM and Sustainable Performance is also positive (r = 0.15), Likewise, CSR and Sustainable Performance show a strong positive correlation (r = 0.33), indicating that higher CSR efforts are associated with improved sustainability outcomes. At the 0.01 level (p = 0.000), all of these correlations are statistically significant. Overall, the findings point to a strong correlation between sustainable performance, CSR initiatives, and efficient HRM procedures.

Table 3A
Descriptive Analysis

Variables	Mean	Standard Deviation
Human resource management	5.0566	.98397
Corporate social responsibility	5.1059	1.15270
Sustainable performance	5.8140	1.17723

N= 160

Table 3B
Correlations

	Human resource management	Corporate social responsibility	Sustainable performance
Human resource management	1	0.26**	0.415**
Corporate social responsibility	0.36**	1	0.533**
Sustainable performance	0.15**	0.33**	1

**. Correlation is significant at the 0.01 level (2–tailed).

Hypothesis Testing

The regression analysis between HRM and Sustainable Performance reveals that there is an (I.V), Human Resource Management (HRM), whose (D.V) is Sustainable Performance on the model. The model has **an** R-value of 0.815**,** suggesting a strong positive relationship between HRM and Sustainable Performance. The R Square value of 0.55 shows that around 55.5% variation in sustainable performance is explained through the HRM practices. The value of Adjusted R Square of 0.662 is near to the value of R Square, indicating that the model fits very well, and it is valid to include HRM as a predictor. The F-statistic of 206.483 with a p-value of 0.000 indicates that the overall regression model has a statistically significant predictive value. Therefore, as HRM practices manifest a strong and statistically significant prediction of sustainable performance, it confirms H1.

Table 4
Hypothesis Testing

HYP	I.V	D.V	R	R2	F	B	t-test	sig/p
H1	HRM	S.P	0.815	0.553	206.483	0.976	14.37	0.000

t value> 1.64 and p value<0.1 then the hypothesis is statistically significant.

Mediation Analysis

Even after controlling for the mediator CSR, the research showed that HRM significantly affects SP directly (p=0.0075, β=0.4064), suggesting that HRM affects SP on its own. Furthermore, a substantial indirect effect (β = 0.5693), with a 95% bootstrap confidence interval, indicates that CSR mediates the association between HRM and SP. This implies that CSR plays an important role in establishing the relationship between HRM and SP. The overall impact of HRM on SP is high and substantial when taking into account both direct and indirect pathways (β = 0.9757, p<0.001). These results demonstrate that although HRM has a direct effect on SP, CSR is a crucial mechanism that strengthens this association, proving our second hypothesis H2 to be correct.

Table 5

Mediation Analysis

	β	SE	t	P
The total effect of HRM on S.P	0.9757	0.0679	14.3695	0.000
The direct effect of HRM on S.P	0.4064	0.149	2.7277	0.0075
	β	Boot SE	LLCI	ULCI
Indirect effect of HRM on S.P through CSR	0.5693	0.353	0.1711	1.5516

Discussion and Conclusion

The objective of the current study was to have a better comprehension of HRM's influence on SP. Whether performance that is stable in nature is affected by these practices in regard to corporate social responsibility (CSR) of enterprises toward economic, environmental, and social goals, in the context of the hotel industry of Pakistan. Effecting the regional dynamics like improving organizational performance, stakeholder engagement, and long-term sustainability, providing actionable strategies leading to increased employment opportunities, enhanced employee well-being, and improved service quality supporting the social and economic advancement of large cities.

By investigating the important connection between Human Resource Management (HRM), Corporate Social Responsibility (CSR), and sustainable performance within Pakistan's hospitality industry—particularly in major cities like Rawalpindi and Islamabad—this study fills an important gap in the literature.

Integrating the Resource-Based View (RBV) theory, the research highlights CSR's role as a mediator in enhancing the positive impact of HRM on sustainable performance. By aligning workforce management and social responsibility practices, the hospitality sector can address sustainability challenges, improve service quality, and strengthen stakeholder relationships reflecting CSR as a competitive advantage.

The findings provide practical implications and actionable strategies tailored to the regional context, encouraging socially responsible environmental, and economic sustainable practices linked to financial performance, and employee, and customer retention, to transform Pakistan's hospitality industry into a competitive and sustainable model of growth. This study also offers a managerial implication to create awareness among employees, stakeholders, and hotels in other cities regarding the importance of CSR and HRM leading to sustainable performance by offering knowledge based trainings and sessions.

Limitations and Recommended Future Studies

There are specific constraints, firstly the data collected was from a limited hotel of two cities, collecting a sample size of 106 respondents, and the data collection from a few hotels and coming up with limited responses might be subjective and not truly represent a clear picture. Therefore future researchers should collect data from more respondents across hotels from multiple cities. Second, the data were cross-sectional so in order to better identify the causal relationship longitudinal studies should be conducted. Finally, as the data was gathered from a single business, it is advised that future studies be carried out in other industries to report any cross-cultural differences.

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Appendix

Table

Summary of the empirical studies

Positive and significant relationship of HRM on CSR and Sustainable performance

Source	Country/region	Data	Objectives	Key findings
Jiang, Jamil, et al. (2024)	Pakistan	2024	Explores how HRM practices can align sustainability goals	Identified a correlation between HRM and organizational performance
Obeidat, Abdalla and Al Bakri (2022)	Qatar	2022	Examine how sustainable performance, the circular economy, and green HRM can be combined.	Green HRM is made better by green strategic purpose, and sustainable performance is enhanced by circular economy activities that are driven by green empowerment.
Correia et al. (2024)	Pakistan	2024	Examines the connection between sustainable performance, green innovation, and green human resource management (GHRM) methods.	Emphasis how crucial it is to incorporate risk management and green innovation into GHRM plans in order to improve sustainability.
Langgat et al. (2023)	Malaysia	2023	Investigates the determinants such as waste management and community support in adopting sustainable practices	These HR practices significantly enhance hotel performance
Mohammad and marcel (2024)	Nigeria	2024	Investigates how competitive performance is affected by corporate social responsibility (CSR).	CSR significantly enhances innovation capability and fosters competitive innovation
Sarwar, Ishaq and Franzoni (2024)	UK, Italy and Pakistan	2024	Investigating how CSR and HRM affect sustainability in the hospitality sector in three different nations	Five-star hotels showed a greater correlation between HRM, CSR, and sustainable performance than did three- and four-star hotels.
Simmou et al. (2023)	Maldives	2023	Explore how green innovation acts as a mediator between CSR actions and EP.	EP is greatly improved by both internal (employee-focused) and external (environment and community-focused) CSR strategies.
Tiep Le et al. (2024)	Vietnam	2024	Examined this connection of Green Human Resource Management (GHRM), Corporate Social Responsibility (CSR), and Organizational Performance (OP) within small-scale and medium-sized enterprises (SMEs)	Significant and favorable relationships between OP, CSR, and GHRM.