



Original Article

Sustainable HRM in Tradition-Based Enterprises: Bridging Heritage and Modern Business Models

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Abstract

This paper seeks to understand how Human Resource Management (HRM) contributes to sustaining small, tradition-based enterprises such as handloom weaving, organic farming, and forest-based livelihoods. These sectors depend on traditional knowledge, community relationships, and the transmission of skills from one generation to the next. Handloom weaving, for example, is one of the many sectors of the economy that operate as living examples of highly sustainable "natural systems". Ethical work behaviour, production choices that are mindful of the environment, community-responsive decision-making, and the use of natural or repurposed materials characterize their everyday functioning. Secondary literature review and qualitative research reveal that a committed and resilient workforce can be created when HRM responds to local realities. Informal recruitment networks, the use of apprenticeship models, the guidance of experienced practitioners, and community-based welfare systems nurture talent and ensure the survival of cultural practices. These systems, however, are threatened by the speed of modernisation, the dispersal of knowledge due to migration, the diminishing support of institutions, and unequal access to technology. This paper proposes a combination of HRM practices in which structured managerial practices are supplemented by ethical principles and cultural values that have been transmitted over time. This combination can contribute to local economies, identity, and ecologically sound production management. Finally, this paper contributes to the field of study by showing how HRM can act as a mediator between tradition and modernity, facilitating sustainable transformation and people-centred development, while providing new perspectives for scholars and policy-makers.

Keywords: Sustainable Human Resource Management, Traditional Business Practices, Indigenous Knowledge Systems, Local Business Development, Circular Economy Approaches, Cultural Preservation, Community-Based Enterprises, Heritage Industries, Eco-friendly production, Workforce welfare, Hybrid HRM Models, Traditional Skill Conservation.

Introduction

Traditional enterprises, ranging from handloom clusters to organic farming collectives and tribal craft societies, are among the oldest and most successful examples of sustainable livelihoods. They are based on a community structure characterized by responsibility and ethical production and consumption behaviors anchored in fairness and community prosperity. This system operates as a highly sustainable natural unit, with its functioning embedded in the cultural system of the place, in which the transmission of knowledge from one generation to another and the social relationship network form the support structure of work practice. In this system, Human Resource Management (HRM) plays a pivotal role. In addition to their administrative responsibilities, human resource managers are responsible for transforming cultural values, traditional knowledge, and social ethical values into structured systems of company practices that fulfil economic needs in the present. Thus, by formalizing informal learning, cooperative work behaviour, and community expectations, HR managers can promote inclusiveness, retention of human resources, and sustainable survival. Only in this way can heritage-based enterprises retain their rich cultural connotations and operate in modern markets.

Literature review:

Elkington (1997) introduces one of the earliest comprehensive frameworks for understanding sustainability. He proposed that organisations should focus equally on people, planet, and profit.

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Dyllick and Muff (2016) further asserted that true sustainability demands a rethinking of basic organisational processes, instead of superficially adding sustainability elements.

This approach resonates with India's traditional industries, where community interests, environmental consciousness, and ethical manufacturing have guided work practices for long (UNESCO, 2013; MSME Report, 2022). These are run in closely-knit social networks based on trust, mentor-based learning, and value-based transactions. Scaling these systems is not straightforward. Jabbour and Santos (2008) argue that informal HR practices cannot be incorporated into formal HR systems without risking their cultural identity. Berkes (2009) also emphasised the need to integrate indigenous knowledge systems with modern management strategies to enhance resilience. Multiple studies consistently highlight the need for HR systems that safeguard cultural identity while fostering innovation and participation. These twin imperatives are crucial for traditional work in modern organisations that focus on sustainability and ecological balance.

Objectives of the Research:

1. To understand traditional business practices that are already people-centric and promote sustainability.
2. To understand the role of HRM in sustaining and enhancing these practices in organisations.
3. To understand the influence of local cultural values on workforce management.
4. To suggest HRM systems that are suitable for sustainability-focused, traditional organisations.

Research Methodology:

The study adopts a qualitative design with selective features of mixed methods. The analysis is primarily based on secondary sources, such as academic texts, policy documents, and reports of community-led microenterprises with a strong grounding in local culture. The thematic analysis method was used to surface common HR practices, challenges, and opportunities from the literature. Subsequently, the SWOT analysis method was used to consolidate the insights into structured conceptual outcomes. This approach ensures that the findings are culturally sensitive and provides a basis to design integrative HR models that blend traditional ethical values with new sustainability demands.

HRM Processes Supporting Sustainability:

People-oriented practices: Traditional work is about belonging, identity, and shared vision. Mentorship, apprenticeships, and community-led learning systems are not just about preserving specialised skills, but also about evoking emotional and cultural attachment to work. These practices contribute to psychological and social well-being, ethical work cultures, and intergenerational learning. Weakenings in these HR processes can enable greater participation from women and youth, and support broader social empowerment too.

Relevant Case Study:

1. **Handloom Cooperatives** - Weaver handloom cooperatives all over India are classic instances of how community ownership can rejuvenate our traditional knowledge systems and sustain our artisans' livelihoods for the long term. These cooperative models have their origins in countless generations of artisanal families where weaving is not seen as a job but an inherited legacy. Pooling of resources and collective decision-making keeps an artisan-friendly atmosphere within the community to preserve crafts and lives. HRM in such scenarios is guided by mentorship, fair work distribution and community welfare — letting tradition stay a viable prospect in the market.
2. **Organic Farming Enterprises** - Ecological responsibility and people-centric management come together in organic farming groups. Organic farming collectives promote joint learning through workshops, farmer-to-farmer interaction and community education. Women benefit from a leadership aspect and organic farming is income stable. HRM in such enterprises is based on fair work culture, skill development and participatory methods.
3. **Tribal Forest-Based Enterprises** - Forest-based enterprises of tribal communities show how the use of traditional ecological knowledge guides decisions on harvesting, seasonal cycles and conservation measures. HRM in such collectives also follows the same lines of joint responsibility, collective decision-making and fair benefit-sharing.

Challenges and Opportunities:

- a. **Modernisation and Cultural Identity:** Traditional enterprise modernisation comes with pressures to preserve identity. Selective technology adoption can be a way to preserve traditional culture while modernising.
- b. **Talent Retention and Upskilling:** Migration of youth leaves a vacuum in traditional skills. Structured apprenticeship and digital training can make traditional work more attractive.
- c. **Policy Support and Market Linkages:** Limited institutional support in HR systems hampers growth. Partnerships with government, NGOs and CSR can strengthen HR systems and market linkages.

Recommendations:

- Structured HRM should not undermine the trust and ethical norms that make tradition-based enterprises what they are. Formal HR systems should reinforce the principles of joint responsibility, collective decision-making and ethical benefit-sharing.
- Structured mentorship and skill certification should make traditional work more credible and recognized in the market.
- Gender sensitivity and digital literacy programs should be used to attract wider participation.



Conclusion:

Traditional enterprises are sustainability enterprises as they keep economic activities in harmony with cultural values and ecological realities. HRM is the strategic link that transmits local wisdom into applicable organisational knowledge. Structured HRM support and enabling policies should allow these enterprises to remain culturally relevant while modernising.

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Conflicts of interest

The authors declare that there are no conflicts of interest regarding the publication of this paper.

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