

# FOSTERING SUSTAINABLE DEVELOPMENT GOAL 8 THROUGH INCLUSIVE HRM: EVIDENCE FROM AN INDONESIA COFFEE RETAIL COMPANY

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**Abstract.** Strategic human resource (HR) management plays a crucial role in driving the achievement of Sustainable Development Goal (SDG) 8, which emphasizes the importance of decent work and economic growth. This study examines the impact of inclusive recruitment practices, employee development, and empowerment initiatives on the sustainable growth of the organization in a coffee retail company in Indonesia. Using a qualitative case study design, data is collected through semi-structured interviews and analysis of company documents. The findings of the study show that HRM practices that prioritize inclusivity and active participation of employees not only increase business competitiveness, but also generate positive social impact. The study underscores the importance of integrating HRM strategies in creating decent working conditions and supporting sustainable development, as well as providing practical implications for small and medium-sized enterprises (SMEs) in developing countries that want to align their business goals with the SDGs agenda.

**Keywords:** Employee Development, Human Resource Management, Inclusive Recruitment, Indonesia, SDG 8, SMEs, Sustainable Development.

## 1. INTRODUCTION

Economic growth and the availability of decent jobs are major issues in many developing countries, including Indonesia. In that context, the Sustainable Development Goals (Sustainable Development Goals/SDGs), especially SDG 8, encourages the creation of inclusive, safe, and productive work environments as part of the global development strategy.

The small and medium enterprises (SMEs) sector, including the coffee retail industry, plays an important role in absorbing labor and strengthening the local economy. However, in practice, many SMEs still face challenges in managing human resources strategically, especially in creating equitable work systems and empowering employees from various social backgrounds. In fact, an inclusive human resource (HR) management approach can be the key to increasing business competitiveness while supporting the social development agenda.

Some previous studies have highlighted the relationship between HR and organizational performance, but it is still limited that discusses in depth how HRM strategies can be directly linked to SDG 8 indicators in the context of retail companies in developing countries. In addition, theoretical approaches have not been widely studied through contextual and practice-based case studies in the field.

Therefore, this study aims to explore how an inclusive HRM strategy, including fair recruitment, employee development, and participatory empowerment, can encourage the creation of decent jobs and sustainable economic growth. This study uses a case study approach on a coffee retail company in Indonesia as a real-world representation of the integration of HRM and sustainable development. By highlighting practices in the

coffee retail sector as an illustrative context, this study is expected to make a conceptual contribution to the development of sustainable HRM strategies at the SME level.

## **2. LITERATURE REVIEW**

### ***2.1 HRM Strategy and Sustainable Development Goals***

Strategic Human Resource Management (HR) has developed into one of the important foundations in supporting the sustainability of the organization, not only in terms of internal performance, but also its contribution to social development goals. Wright and Ulrich (2017) stated that strategic HR is the integration between personnel policies and the company's long-term goals, including in social and sustainability aspects. In this context, SDG 8 on decent work and economic growth is a key indicator in assessing the contribution of HRM to global development (Nguyen & Vo, 2022; Hussein, Hamid, & Aziz, 2023).

HRM that aligns sustainability values into its work practices will create an organization that is not only productive, but also inclusive. According to Zhou, Li, and Wei (2024), companies that integrate stakeholder orientation, including employees, into their business strategies, show better results in innovation and performance socially and economically. This research shows that people-centered HRM practices can be a driving force for social transformation.

### ***2.2 Inclusive Recruitment and the Concept of Decent Work***

Inclusive recruitment is a strategic effort to provide equal employment opportunities, especially for vulnerable groups who are often marginalized in the labor market. This approach is in line with SDG 8 indicators which emphasize the creation of productive, equitable, and equal jobs (UNDP, 2021). Thakur and Jain (2022) emphasize that a diversity and inclusion-oriented recruitment strategy will expand the potential for innovation and collaboration within organizations.

In the context of retail companies in Indonesia, the implementation of inclusive recruitment is a tangible form of business involvement in solving the problem of social inequality. Companies that recruit individuals from a variety of social and educational backgrounds, such as non-college graduates or female heads of households, have indirectly carried out social functions that have an impact on social sustainability.

### ***2.3 Employee Development and Workforce Empowerment***

Workforce capacity development is an important HRM strategy in creating an empowered and productive work environment. Yunus, Yani, and Pratama (2021) show that SMEs that provide training and career growth opportunities to their employees tend to have higher business resilience, especially post-pandemic. In addition to improving individual performance, training also strengthens employee loyalty and engagement.

Silva and Ramos (2023) underscore the importance of digital transformation and strategy renewal in creating long-term value through HR. When training is carried out systematically and accompanied by empowerment policies such as participatory management, organizations are able to foster a sense of ownership, innovation, and internal efficiency. That way, HRM is not only an administrative function, but also a driver of social value and economic growth.

## **3. RESEARCH METHODS**

This study uses the qualitative with case study design, which aims to explore the contribution of inclusive human resource (HR) management practices to the achievement of Sustainable Development Goals (SDG) 8 in the context of coffee retail companies in Indonesia. This approach was chosen because it allows researchers to understand social practices and internal policies of organizations in a more in-depth and contextual manner. According to Yin (2018), case studies are best used when the

focus of research is on the "how" and "why" of a strategy implemented in a particular organizational environment.

Data collection is carried out through Semi-structured interviews and Analysis of publicly available organizational documents. The interviews were exploratively directed to understand the recruitment patterns, employee training, and empowerment strategies implemented by coffee industry players. Information is gathered from industry narratives available in media publications, institutional reports, and open sources.

In addition, the researcher analyzed documents such as annual reports, company publications, news articles, and documentation from institutions such as UNDP and BPS related to the employment and SME sectors. This approach is used to reinforce thematic narratives and compare a range of inclusive HRM practices in local contexts.

Data are analyzed using the Thematic Analysis, as developed by Miles, Huberman, and Saldaña (2020). The process includes identifying key topics from the interview results and documents, grouping information based on themes such as recruitment, training, and empowerment, and then stringing it into an analytical narrative. With this approach, researchers can draw a holistic understanding of how inclusive HRM strategies can contribute to sustainable organizational growth while supporting SDG 8 indicators, especially in creating decent and non-discriminatory jobs in Indonesia's coffee retail sector.

#### **4. RESULTS AND DISCUSSION**

This section presents the results of an analysis of the contribution of human resource management (HR) strategies to the achievement of Sustainable Development Goals (SDG) 8, especially in terms of decent work and inclusive economic growth. This study is based on document analysis, semi-structured exploratory interviews, and literature review from various scientific sources and official publications.

##### ***4.1 Inclusive Recruitment as a Strategy to Expand Access to Decent Work***

Inclusive recruitment practices are a key element in opening up access to work for community groups that previously had structural barriers. In the coffee retail industry, many SMEs in Indonesia have begun to recruit workers from diverse social backgrounds, including secondary education graduates, housewives, and individuals with disabilities.

This research confirms that the integration of inclusive human resource management (HRM) strategies is essential in creating decent working conditions and supporting sustainable development, especially for small and medium enterprises (SMEs) in developing countries such as Indonesia. HRM practices that are integrated with sustainability principles such as talent management, diversity and inclusion, employee engagement, performance management, well-being, and training have been proven to increase the productivity and capabilities of the transformation of MSMEs into sustainable companies (Much & Taufiq, 2024).

This is also supported by data from the Central Statistics Agency (BPS, 2023) which shows that most of Indonesia's workforce is in the informal sector and has a lower secondary education level. Thus, an open recruitment policy without discrimination against diplomas or formal experience is very relevant to expand equitable access to employment at the grassroots level.

One concrete example of the implementation of inclusive recruitment can be seen in Quiet Coffee, a coffee retail company that employs baristas from people with disabilities, especially the deaf. Since its establishment in 2019, Kopi Sunyi has employed more than 25 deaf baristas in several of its outlets in Jakarta and its surroundings. They also provide on-the-job training tailored to the needs of workers, showing that HR strategies can be a transformative social instrument. According to the report UNDP Indonesia (2021) and coverage BBC Indonesia (2021), such an approach

directly contributes to the achievement of SDG 8, especially in creating inclusive and non-discriminatory decent work. More than just a business, Kopi Sunyi builds a safe space for vulnerable groups to thrive economically and socially.

#### *4.2 Internal Training to Strengthen Human Resources Competence*

In the literature review, employee training is one of the important indicators of a sustainability-oriented human resource management (HRM) strategy. Many SMEs, including in the coffee sector, have started providing basic training related to technical skills and customer service. This training is usually conducted informally and in stages by senior employees, and creates a collaborative and supportive work atmosphere.

Yunus et al. (2021) noted that SMEs that regularly implement internal training tend to have better business resilience, especially in the face of crises. Training is also a means of building employee loyalty and improving work efficiency, two aspects that are very important for SMEs with limited resources.

Training is also applied in the context of diversity of abilities. For example Quiet Coffee Organizing barista training tailored to the needs of deaf people, using visual modules and sign language-based instruction. This shows that training is not only a transfer of skills, but also a form of appreciation for the diversity and empowerment of vulnerable groups (BBC Indonesia, 2021).

These findings show that internal training not only impacts the improvement of technical competence, but also strengthens the social dimension in the work environment. By building a work environment that is fair, participatory, and respectful of diversity, companies can create working conditions that support employee well-being and long-term productivity.

This strengthens the strategic role of inclusive HRM in supporting the achievement of Sustainable Development Goal 8 (SDG 8), which is to promote inclusive and sustainable economic growth and decent work for all. As explained by Endah (2023), Green HRM practices in Indonesia encourage companies to create a fair and sustainable work environment, while strengthening social contributions to national development goals.

#### *4.3 Employee Participation in Operations as a Form of Empowerment*

The principle of employee empowerment is an integral part of an inclusive HR management strategy. In the context of coffee retail SMEs, this practice is reflected in employee involvement in daily operational decision-making. Employees are given space to convey ideas about menu innovations, local promotion strategies, and service improvements. This approach not only creates a participatory work atmosphere, but also reinforces a sense of ownership of the organization's work and goals.

Silva dan Ramos (2023) states that this kind of empowerment has a positive impact on work motivation and team performance, especially in the service sector that relies heavily on human interaction. Zhou et al. (2024) adding that employee participation in internal innovation strengthens emotional ties with the workplace and significantly lowers turnover rates, as employees feel valued and included in the achievement of company goals.

Study by Rehman et al. (2023) in the Southeast Asian SME sector also shows that organizations that encourage employee participation through idea forums, open discussions, or joint evaluations tend to be more innovative, adaptive, and resilient in the face of market changes.

This context is also reflected in practice in Quiet Coffee, where baristas, most of whom are people with disabilities, are given the opportunity to provide suggestions on menu design, disability-friendly work systems, and service room layouts. This information was obtained from official publications and media interviews which showed that the management of Kopi Sunyi is actively building two-way communication with the entire work team (BBC Indonesia, 2021). This reinforces the principle that empowerment is not only functional, but also social and psychological.

In line with SDG 8's goals, participation in the work process expands the meaning of "decent work", as employees are not only earned, but also rewarded with dignity and contribution. Du, Bhattacharya, and Sen (2022) emphasizing that companies that foster a culture of openness and internal collaboration actually strengthen their competitive advantage and social image in the eyes of consumers. Thus, empowerment through employee participation not only increases operational efficiency, but also creates social values that support business sustainability and inclusive development.

#### *4.4 The Contribution of HRM Strategy to Organizational Growth and SDG 8*

The implementation of an inclusive HR management strategy has been proven to not only improve the work environment, but also support sustainable organizational growth. Approaches such as open recruitment, employee needs-based training, and participatory empowerment create a positive work atmosphere, lower turnover, and increase loyalty and productivity.

In the context of coffee retail SMEs, the integration of diversity and fairness values in human resource management contributes to competitive advantage. Study by Nguyen & Vo (2022) in developing countries in Asia shows that business strategies aligned with social sustainability led to stable growth and build customer trust over the long term. Case Quiet Coffee is proof that inclusive HRM practices can be applied in real terms in the SME sector, even by micro companies. In addition to creating jobs for people with disabilities, Kopi Sunyi has managed to develop a brand with high social value, which drives customer loyalty and business expansion. This proves that HR strategies that pay attention to inclusion and empowerment aspects are not a burden, but social investments that have a business impact.

In the report UNDP (2021), it is stated that the involvement of marginalized groups in the world of work contributes directly to national economic growth and reduces inequality. An inclusive HRM approach is aligned with SDG 8 indicators, especially in terms of creating decent jobs, increasing productivity, and inclusive and sustainable economic growth.

#### *4.5 Theoretical and Practical Implications of Inclusive HRM Strategies*

The findings in this study support various theories in the study of strategic HR management. Wright & Ulrich (2017) emphasized the importance of integrating HR strategy with long-term business direction, including the company's social mission. HRM is no longer just an administrative function, but a catalyst for change in the organization. Furthermore, this study expands the theoretical discussion of sustainable HRM, an approach that links labor policy with the global development agenda. In line with opinion Much & Taufiq (2024), HRM practices that include diversity, training, and employee well-being have a significant impact on business resilience and the quality of social relations in the workplace.

For SMEs in developing countries such as Indonesia, sustainable HRM integration has several practical implications. An inclusive and sustainability-oriented HRM strategy helps improve working conditions, reduce turnover, and increase employee motivation and engagement. This directly contributes to the stability and growth of the business. The implementation of policies such as diversity-based hiring, continuous training, and employee involvement in decision-making also encourages the creation of a healthy and productive work environment, as well as strengthens the contribution of SMEs to the achievement of SDG 8 (Much & Taufiq, 2024).

However, the limited resources and knowledge at the SME level are a challenge in itself. Therefore, Sulaeman (2019) emphasizes the importance of collaboration between SMEs and the government, industry associations, and external institutions to support the implementation of sustainable HRM more effectively. In addition, regular sustainability audits and adjustments to HRM policies are also needed to keep management practices relevant and responsive to external dynamics.

This research also confirms that a holistic and integrated approach in the

management of the SDGs, including SDG 8, is the key to the success of sustainable development at the national level and in business practices. According to Alisjahbana & Murniningtyas (2018), the success of development is not only determined by macro policies, but also by the contribution of micro sectors, such as SMEs, in internalizing SDGs values into their management strategies.

Thus, the results of this study make a theoretical and practical contribution to the development of sustainable strategic HRM. SMEs that are able to adopt sustainability principles in human resource management not only strengthen their business performance, but also play an active role in Indonesia's sustainable development agenda.

## **CONCLUSION**

This research shows that an inclusive human resource (HR) management strategy has a significant role in supporting the achievement of Sustainable Development Goals (SDG) 8, especially in creating decent jobs and sustainable economic growth. Through fair recruitment practices, participatory training, and employee empowerment in daily operations, coffee retail companies in Indonesia, including SMEs, are able to create a more humane and productive work environment. This approach not only increases employee efficiency and loyalty, but also forms social values that have a long-term impact on the reputation and sustainability of the business. Case studies such as Kopi Sunyi show that the involvement of vulnerable groups in the formal work system can be an inspiring social model, while supporting economic inclusion. Theoretically, these findings strengthen the strategic HRM framework and affirm that the integration of sustainability principles in employment policies is particularly relevant for the SME sector in developing countries. Sustainable HRM practices are not only an internal performance improvement tool, but also a tangible representation of the business sector's contribution to the national and global development agenda.

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