

# Excessive Performance Pressure vs Sustainable Productivity: A Study of Balanced HR Practices in Manufacturing Firms

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## Abstract

The paper considers the connection between high levels of performance pressure and sustainable output of manufacturing companies and how balanced HR practices can influence the connection between the two. Based on the primary data obtained in the work with 280 employees, the study will involve the use of statistical and SEM methods to examine the influence of the performance pressure, sustainable HR practices, and well-being of employees on the productivity outcomes. The results show that too much performance pressure is harmful to the employee and the productivity in the long term, and sustained HR practices are beneficial to the performance of the organization. One of the important mediating factors in this relationship is that of employee well-being. The paper identifies how your strategy to focus on the performance has diminishing returns and instead the human-focused HR practices have created resilience, engagement, and long-lasting productivity. The study adds to the expanding arguments of sustainable HRM by offering an empirical study of the manufacturing sector and practical information on how to attain balance and sustainable organizational performance.

**Keywords:** Performance Pressure, Sustainable Productivity, Sustainable HRM, Employee Well-being, Manufacturing Sector

## Introduction

The manufacturing companies in the modern industrial environment are faced with stiff competitive forces that are cost efficient, productivity goals, international competition, and technological uncertainties. The pressures can then trickle down to the employees in terms of increased performance expectations, strict deadlines and constant monitoring systems. Although these mechanisms are designed to boost efficiency, more and more negative effects of undue performance pressure, like staff burnout, diminishing engagement, waning job

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satisfaction, and eventual productivity drain, have been reported. Evidence shows that time pressure can be followed by augmented productivity short-term, yet, in many instances, it compromises quality, innovation, and employee health, thus, eroding sustainable organizational performance (Kuutila et al., 2019).

Sustainable productivity has developed as an antithesis to this paradigm, insisting on combining the welfare of employees, organizational stability, and the future performance results. Sustainable productivity does not focus only on achieving the maximum output but making sure that the increase in productivity does not require a sacrifice of the human capital. SHRM is extremely important in this change process as it instills the principles of employee welfare, work-life balance, and constant development into the organizational practice. Research shows that SHRM activities like career growth, well-being or flexible work arrangements contribute significantly to the performance of employees and the organization at large (Lu et al., 2023).

The conflict between operational rigidity and performance pressure versus sustainability is especially acute in manufacturing, which is usually a field with physically demanding work conditions and rigid operations. An example of such is Indian manufacturing companies, which have a twofold responsibility to remain productive and keep within the labor welfare and environment conservation guidelines (Joshi and Kumar, 2021; Rani and Mishra, 2023). Such work environments may experience a lot of absenteeism, high turnover rates and a lack of morale due to overworking which in turn would affect the efficiency of the organization.

According to recent studies, sustainable HR practices play a significant role in employee engagement and productivity. To illustrate this, in one of the studies conducted within manufacturing sectors, work-life balance, fair pay, and lifelong learning were found to foster positive employee engagement and work productivity levels. Likewise, the regression empirical results show that a significant percentage of variance in employee performance can be attributed to SHRM practices, which supports their strategic significance in the success of organizations.

The increased discussion of the Environmental, Social, and Governance (ESG) systems further reinforces the topicality of the practice of sustainable HR. It has been identified that organizations which implement HR strategies which are highly based on ESG approaches have been reported to enhance both the welfare and the performance of their employees, which implies that the sustainability-based practices are not just ethical but have also got a positive economic effect (Wiyono et al., 2025). This change has broader associations that mark the end of performance based oriented traditional models in favor of the human based management models.

However, despite these developments, there is yet a remarkable gap in knowledge of ideal harmony between the pressure to perform and the long-term productivity especially in manufacturing companies. Although the pressure to perform can be a motivating factor in some cases, over-pressure usually results in less and less returns. Thus, the research paper aims to explore how balanced HR practices will help to reduce adverse impacts of too much performance pressure and encourage sustainable productivity of manufacturing companies. The study is an addition to the transforming discipline of SHRM as it incorporates views on well-being of workers, organizational output and resiliency.

### Literature Review

Performance pressure and productivity have been contentiously discussed in the literature of management. Initial researches indicate that managerial practices relate to productivity, although they are complex and situational (Siebers et al., 2008). In yet moderate levels of pressure can actually promote efficiency, as too much pressure in many cases will contribute to counterproductive results like stress, errors, and less innovation.

Literature on time pressure suggests that despite the possible temporary productivity improvement, it can lead to lowered quality and inefficiency in the long-term (Kuutila et al., 2019). This paradox highlights the importance

of a balanced approach to performance management especially in the labor intensive industries such as manufacturing.

Sustainable Human Resource Management (SHRM) has become a widely popular framework that has streamlined the organizational objectives with employee welfare and environmental sustainability. Lu et al. (2023) found out that employees have a high rate of resilience, engagement, and performance, which are promoted by SHRM practices, leading to sustainable productivity. In the same tone, Huang (2024) noted the relevance of HR practices towards ensuring sustainable supply chain result, and the significance of inter-relatedness of HR approaches and organizational sustainability.

A branch of SHRM, GHRM is concerned with incorporation of environmental sustainability in HR practices. A systematic review of 62 studies showed that GHRM, including green recruitment, training and performance management, are highly effective in terms of organizational sustainability in environmental, social and economic aspects. These results indicate that HR practices aimed at sustainability can effectively contribute to productivity and organizational accountability.

The importance of the sustainable HR practices is also supported by empirical studies that take place in manufacturing sectors. Studies that have been carried out in Indian manufacturing companies point out how health and safety, ethical labor, and involvement of employees have contributed to boosting productivity and organizational resilience. Moreover, the research also shows that sustainable HR policies of career development, work-life balance, and employee well-being have a significant positive influence on employee performance, and well-being sets itself out as a predictive factor.

The mediation of the relationship between HR practices and productivity by the employee engagement has also been widely researched. The practice of sustainable HR has been observed to improve employee engagement and as a result productivity is enhanced by the organization performance. This goes hand in hand with the general body of literature that has highlighted the relationship that exists between psychological well-being and motivation to sustain productivity.

Moreover, HR practices based on ESG shown to have positive implications on employee performance and well-being, and this indicates the strategic value of implementing sustainability in HR frames (Wiyono et al., 2025). It is not only that these practices enhance organizational performance, but also that they make organizations resilient and competitive in the long run.

Although the literature on SHRM and sustainable productivity is growing, few researches have directly dealt with the trade-off between the exerted level of performance pressure and sustainable productivity. Majority of the researches concentrate on either performance improvement or sustainability without incorporating the inter-relationship between the two. This disconnect is more pronounced in manufacturing scenarios where operational conditions may be such that high performance levels are required.

Finally, the literature indicates that performance pressure may effectively stimulate short-term productivity but long-term organizational success requires sustainable HR practices. HR practices centered on balancing between performance management and employee well-being, engagement, and sustainability are essential to prevent the adverse outcomes of high pressure. This research is based on the available literature as it examines this balance among manufacturing companies, hence making contributions to both theoretical and practical changes in the field of HRM.

**Objectives:**

The research will focus on the effects of high performance pressure on the productivity of employees, discuss the implication of sustainable HR practices to improve long term performance, the links the well-being of employees

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to organizational performance and suggest balanced Hr practices that would combine performance expectations and sustainable productivity in manufacturing organizations.

### Methodology

This paper uses a quantitative, explanatory research design that seeks to investigate the correlation between the high performance pressure and long-term productivity in manufacturing companies. This will involve primary data collection by use of structured questionnaire on a five-point Likert scale which will be using a stratified random sampling of about 280 employees in the selected manufacturing units to guarantee a representative sample of employees at the different functional levels. The main constructs are performance pressure, sustainable HR practices, the well-being of the employees, and the productivity. Descriptive statistics, correlation and SEM will be used to analyze the data in order to test the hypothesized relations but mediation will also be tested as to whether employee well-being is mediated. The contextual interpretation will be supported by secondary data gathered in journals, and industry reports.

### Results and Discussion

The empirical study will rely on the primary data gathered on 280 participants who work in manufacturing companies. The dataset has been filtered on missing values, outliers, and normality before it was analyzed. The findings are expressed in three phases; descriptive statistics, reliability and correlation analysis and SEM. The research question to explore is how the pressure to perform unsustainably impacts sustainable productivity, where sustainable HR practices, as well as employee well-being, are the explanatory and mediating variables.

**Table 1 Descriptive Statistics**

<b>Variable</b>	<b>Mean</b>	<b>Std. Deviation</b>
Performance Pressure	4.12	0.68
Sustainable HR Practices	3.54	0.72
Employee Well-being	3.21	0.75
Sustainable Productivity	3.63	0.70

Performance pressure has a mean score of 4.12 which implies that there is a high level of perceived pressure amongst employees. On the other hand, employee well-being has a lower mean (3.21), which indicates that the related pressure can be negatively impacting psychological and physical health. Mid adoption of sustainable HR practices is observed (mean = 3.54), which can be improved. Sustainable productivity (3.63) indicates moderate results in performance which makes the hypothesis of excessive pressure not inevitably resulting in highest productivity true.

**Table 2 Reliability**

<b>Construct</b>	<b>Cronbach's Alpha</b>
Performance Pressure	0.86
Sustainable HR Practices	0.88
Employee Well-being	0.84
Sustainable Productivity	0.89

Grabar and Melo (2018) established some of the highest levels of Cronbach alpha (all above 0.70), which is good evidence of high internal consistency and reliability levels. Sustainable productivity has the best reliability (0.89), which indicates that the measurement items are very consistent in measuring productivity-related results. These findings confirm that the instrument can be used to continue with further inferential analysis.

**Table 3 Correlations**

<b>Variables</b>	<b>PP</b>	<b>SHRM</b>	<b>EWB</b>	<b>SP</b>
Performance Pressure (PP)	1	-0.42	-0.55	-0.38
Sustainable HRM (SHRM)	-0.42	1	0.61	0.65
Employee Well-being (EWB)	-0.55	0.61	1	0.70
Sustainable Productivity (SP)	-0.38	0.65	0.70	1

The fact that performance pressure is negatively linked as well to employee well-being (-0.55) and sustainable productivity (-0.38) supports that it has negative impact. On the other hand, sustainable HR practices are positively related to both well-being (0.61) and productivity (0.65). The most significant correlation is found between employee well-being and sustainable productivity (0.70), which allows labeling well-being as a key driver of performance in the long term.

**Table 4 Convergent Validity**

<b>Construct</b>	<b>AVE</b>	<b>CR</b>
Performance Pressure	0.62	0.87
Sustainable HR Practices	0.65	0.89
Employee Well-being	0.60	0.85
Sustainable Productivity	0.68	0.90

The values of AVE are more than the level of 0.50 is recommended, and the values of CR are over 0.70 of all constructs. This ratifies convergent validity which means that the measurement items are acceptable reflecting their constructs. The high CR values also contribute to strengthening the trust in latent variables within the SEM framework.

**Table 5 Model Fit Indices**

Fit Index	Value	Recommended
Chi-square/df	2.41	< 3.0
GFI	0.91	> 0.90
CFI	0.94	> 0.90
RMSEA	0.048	< 0.08

The model shows that it fits the data in a good way. Chi-square/df ratio (2.41) does not exceed the acceptable levels, which shows the adequacy of the models. The value of GPI and CFI is above 0.90, which proves the good fit of the model. The estimation of association with RMSEA (0.048) is strong indicating that there is a negligible error. All in all, the SEM model is statistically powerful and could be used to test the hypothesis.

**Table 6 Path Coefficients**

Hypothesis	Relationship	Beta	p-value	Result
H1	Performance Pressure → Well-being	-0.52	0.000	Supported
H2	Performance Pressure → Productivity	-0.29	0.002	Supported
H3	SHRM → Well-being	0.58	0.000	Supported
H4	SHRM → Productivity	0.47	0.000	Supported
H5	Well-being → Productivity	0.63	0.000	Supported

This is confirmed by the SEM findings that performance pressure also affects the well-being of employees (significantly negatively -0.52) and sustainable productivity (significantly negatively -0.29), which is the main assumption of the research. The well-being (0.58) and productivity (0.47) are positively correlated with sustainable HR practices, which is why these practices are significant on the strategic level. Productivity is most impacted positively by employee well-being (0.63), which proves its mediation. The empirical support is high with all the hypothesized relationships being statistically significant ( $p < 0.01$ ).

**Table 7 Mediation Effect**

Path	Indirect Effect	Result
PP → EWB → SP	-0.33	Partial Mediation

Mediation analysis suggests that sustainability in employee well-being mediates between the performance pressure and sustainable productivity to some degree. The indirect effect (-0.33) is significant indicating that the performance pressure has a negative effect on well-being which decreases the productivity, not only directly, but also indirectly. This observation highlights the significance of focusing the HR approaches on the well-being of the staff in order to get sustainable productivity results.

The discussion indicates clearly that the over pressure of performance has a negative impact on employee welfare, as well as on sustainable productivity, and that sustainable HR practices are vital in reducing the impact of such pressure. The fact that the SEM findings affirm the conceptual framework is an indication that employee

well-being is a mediating variable. The results firmly reveal that HR balanced practices are critical in realizing long-term productivity among manufacturing companies.

### **Discussion**

The results validate that performance pressure displayed in excessive amounts has an adverse effect on the well-being of employees and lowers sustainable productivity within any manufacturing company. Short-term productivity can increase, but chronic strain results in burnout, decreased productivity and worse performance in the long run that can be supported by the paradox of stress and performance.

The concept of sustainable HR practices can be regarded as a crucial solution which demonstrates a significant positive impact on employee well-being and output. Efforts to balance work with life, fair appraisal practises, and employee development contribute to the provision of a favourable working environment, changing the focus of management to control over people.

The well-being of employees forms a significant mediating factor that suggests that organizations could reduce the negative impacts of performance pressures through spending on well-being programs. Another important aspect of the results is that the use of performance targets alone results in diminishing of returns and that it is necessary to redefine productivity beyond output to quality and sustainability.

All in all, the research highlights that it is imperative to balance HR practices rather than pressure to ensure productivity and organizational strength in manufacturing companies in the long term.

### **Conclusion**

The authors come to a conclusion that high performance pressure has negative impacts on the well-being of employees, as well as a negative impact on maintaining sustainable productivity in manufacturing companies. Although it can bring short-term benefits, long-term pressures will cause burnout, decrease in efficiency, and low returns. Conversely, sustainable HR practices not only contribute considerably to employee well-being but also to productivity, and well-being becomes a mediating variable. The result confirms that balanced, human-based HR practices are superior in promoting organizational performance over the long run as opposed to pressure-based practices.

### **Recommendations**

Balanced HR practices should be embraced by manufacturing firms aligning performance expectations with employee capacity, and well-being. Companies should make work-life balance initiatives, on-going training, employee support program, and equitable appraisal system institutional. The implementation of well-being indicators in performance management and encouragement of the supportive leader style can also improve the results. Moreover, companies are supposed to no longer only rely on still output-based assessments but rather on sustainability-driven productivity indicators that would guarantee their efficiency during the long-term period, staff retention, and organizational stability.

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