

# **A Review of Green HRM Practices for Sustainable Development by Corporate Organizations**

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## **ABSTRACT**

*The present business policies have resulted in massive depletion of resources, increase in pollution, ecological imbalances and environmental degradation. This has compelled organizations to shift towards a green economy that seeks to promote ecologically sustainable businesses by reducing carbon footprints and preventing depletion of non-renewable resources. Green Human Resource Management (GHRM) is playing a major role in bringing this change and promoting a green culture throughout the organization. It focuses on changing the thought, outlook and behavior of employees by introducing new practices in HRM(Human Resource Management) to achieve this objective. This has facilitated an increase in environmental awareness among employees resulting in cost reduction, greater efficiency and more employee satisfaction. This paper, based on secondary sources of data, intends to explain the concept of GHRM, policies and practices associated with it, its advantages and challenges. It also seeks to construct a process model of GHRM based on this study.*

**Keywords:** GHRM, Sustainability, Green Economy, Environment, Non-Renewable Resources

## **A. Introduction**

One of the greatest threats to the present human civilization is the continual degradation of the environment. This has led to a heightened awareness of environmental problems and an increased interest in sustainable development among scholars, executives, workers, customers and other stakeholders. Organizations are gradually realizing the dangers of unmitigated growth and are taking steps to curb environmental degradation, restore ecological balance and preservation of natural resources as much as possible. This calls for adoption of

new ideas and techniques of environment management that will lead to sustainable development.

A report by the United Nations Environment Programme (2019) have highlighted that human activities are estimated to have already caused approximately 1.0 °C of global warming above pre-industrial levels. This has led to an increase in weather and climate related disasters, heat waves, droughts, etc. This has resulted in wide spread devastation, increased suffering and more miserable life for the common people. Since business organizations, specially manufacturing organizations are largely seen as the main cause behind environmental degradation and resource depletion, it is expected that they will take the responsibility of restoring environmental sustainability, and play a key role in solving the problems of environmental and ecological degradation.

Rising concern for environment and sustainability have led to the enactment of various laws and regulations on environment. This compelled organizations to include Environmental Management (EM) techniques into corporate management practices, resulting in the emergence of ‘Green Management’ practices. HRM is a part and parcel of this new management approach and plays a special role in such endeavours. This HRM practice that connects corporate management with environmental sustainability is known as Green Human Resource Management (GHRM) and plays a major role in balancing industrial growth, financial profitability and environmental sustainability.

GHRM focuses on developing innovative policies and practices of HRM that will ultimately lead to the attainment of green objectives of the organization. It stresses on the development of technical and managerial skills of employees so as to effectively implement green management practices throughout the organization. It focuses on transforming thought, behavior and attitude of employees so that the financial and environmental goals of the organization can be easily achieved.

## B. Literature Review

A study of the existing literature on the subject suggests that HRM has to play a vital role in creating a green mindset among the employees, thereby developing a sustainable culture throughout the organization and help in environmental preservation. Industrial and economic growth is necessary but not at the cost of the environment. Daily & Huang (2001) recommends balancing industrial growth and environmental preservation which means there should be a balance between economic growth and environmental and social objectives and HRM has a distinct role to play in this endeavor.

HRM policies and practices that helps in containing environmental degradation, restores ecological balance and promotes a green culture (a culture of environmental sustainability) throughout the organization is known as GHRM. Marhatta& Adhikari (2013) defines it as “the use of HRM policies to promote the sustainable use of resources within organizations and, more generally promotes the causes of environment sustainability”. It refers to the “policies, practices and systems that make employees of the organization green for the benefit of the individual, society, natural environment, and the business.” (Opatha&Arulrajah, 2014).

In a study to identify the antecedents and outcomes of GHRM at the organizational level and the outcomes of GHRM at the individual level, Shafaei, Nejati& Yusoff(2020) found that GHRM has a significant and positive correlation with environmental performance at the organization level and to job satisfaction at the individual level.

GHRM focuses on creating a green workforce that understands, appreciates, and practices green initiatives (Mathapati, 2013). It depends on the distinctive and noticeable patterns of green decisions and behaviours of HR managers (Jackson et al., 2011). Rothenberg (2003) is of the view that successful management of environment in an organization requires contributions from HRM. GHRM, according to Renwick et al. (2012), implies HRM aspects of environmental management. Yusliza et al. (2015) views it as definite HR policies and practices aligned with the three sustainability pillars – environment, social and economic.

GHRM is necessary to provide environmentally friendly products and operations, successfully manage and overcome challenges to implementation of corporate environmental programs (Milliman & Clair, 1996). Excellent environmental performance, according to Jabbour& Santos (2008), requires that human resource practices are supportive of the implementation and maintenance of environmental management systems in organizations.

GHRM, according to Margaretha&Saragih (2013), consists of recruitment, compensation, performance management and appraisal, training and development, employment relations; according to Milliman & Clair (1996), environmental vision, training, performance appraisal and recognition of environmental activities of employees; according to Jabbour et al. (2008), are training, teamwork, evaluating environmental goals, non-financial rewards and organizational culture; according to Renwick et al. (2008) recruitment, performance management and appraisal, training and development, employee relations and pay and reward and according to Bangwal& Tiwari (2015), green recruitment, green performance management, green training and development, green compensation and reward and employee participation.

Renwick et al. (2012) highlighted three components of GHRM – developing green abilities, which consists of recruitment and selection, employee training, management development and leadership, environmental knowledge, green leadership, motivating green employees which consists of performance appraisal and pay and reward systems and providing green opportunities, which consists of employee involvement, empowerment and engagement and supportive culture.

From the above study, we can conclude that the constituent elements of GHRM are recruitment and selection, training and development, performance appraisal, compensation and reward system and employee participation and involvement.

#### C. Objectives

- Provide the reader with a basic understanding of the ideas and concepts of GHRM.
- Review the concept of GHRM by highlighting significant works of other scholars.
- Review various GHRM practices for sustainable development.
- Develop a model of GHRM.

#### D. Methodology

The study is based on secondary data i.e., through a systematic and detailed review of various extant literatures like journals, periodicals and websites related to the topic.

#### E. Findings & Analysis

GHRM practices helps creating a green culture throughout the organization. Green management initiatives positively impact and enhance job satisfaction and engagement. The need is to empower, motivate and engage employees and develop work cultures that are supportive of green initiatives which can be achieved through GHRM. It plays a significant role in developing appreciation, interest, willingness, commitment and motivation of employees towards a green culture and channelizes their efforts and ideas for the creation of a green business and a greener world. HRM policies in recruitment, performance appraisal, training and development, employee relations and compensation systems can be designed to develop a green mindset and implement a green culture and sustainable development practices throughout the organization.

##### a) Green Recruitment & Selection

Sustainable development initiatives of a firm make it imperative to have some specific set of skills in the employees. A green recruitment policy should blend environmental management strategy and sustainability initiatives with the recruitment policy of the company. In order to attract talent, companies must re-brand themselves as environmentally conscious and concerned firm and follow those practices which aids in sustainable development and preserving the environment. To select the right individuals companies should consider candidates' environmental concerns, interests and knowledge as selection criteria and incorporate it in the selection policy of the organization. Job advertisements should mention environmental values and targets so that candidates with competencies and knowledge of environmental issues and interest in environmental initiatives can be recruited.

b) Green Performance Evaluation

Performance appraisal is a systematic and regular process of measuring and communicating the performance standards of an employee so that the employee can focus on his drawbacks, rectify and improve his performance and help the organization achieve its strategic goals. Performance appraisal systems can contribute in creating a greener environment by incorporating environmental management goals and objectives into the performance evaluation systems of the organization. Managers should set green targets, goals and responsibilities for their employees to achieve. Green schemes, green performance indicators and standards should be made known to all the employees. Managers must establish firm-wide dialogue on green matters. Number of green incidents, fulfillment of environment responsibility by the employees should be evaluated during performance appraisal, thereby contributing to a greener environment.

c) Green Training and Development

Training programs should be developed so as to provide required skills, knowledge and abilities in employees relating to environmental awareness and sustainable development. Training should focus on developing positive attitudes with regard to the environment. Employees should be trained to do green analysis of workspace and in environmental management aspects of safety, energy efficiency, waste management and recycling and development of green personal skills helps in achieving a green environment. [(Renwick et al. (2008); Renwick et al. (2013)]. These will help achieve a green culture throughout the organization.

d) Green Compensation Management

Rewards and compensation encourages the development of a green culture by motivating employees to take initiatives for a greener environment. Employees who acquire green skills and show exemplary performances towards achieving

and sustaining a green culture throughout the organization can be motivated by rewards - financial or non-financial. Monetary incentives can be given for green performances. Due recognition through awards, dinners, publicity, external roles, praise and feedback can also be given as non-financial compensation. Linking suggestion schemes, participation in green initiatives with monetary rewards, prizes, promotion etc may help in motivating the employees to adopt these green changes.

e) Employee Involvement and Participation

Employee involvement is crucial to the success of green strategy. To create interest and awareness amongst employees and enhance their participation towards a green culture and sustainable development, organizations should encourage new ideas on environmental management and suitably reward it. An important way to encourage employee participation in green initiatives is by hiring or developing ‘Green Entrepreneurs’ i.e., entrepreneurs who have knowledge, skills and abilities as well as commitment to achieve environmental goals along with financial profitability. Setting up of “Green Circles” (along the lines of Quality Circles) for achieving green targets is another method of employee involvement and participation. Involving employees and their families to participate in local environmental projects shall contribute in spreading the awareness about green initiates beyond the office premises.

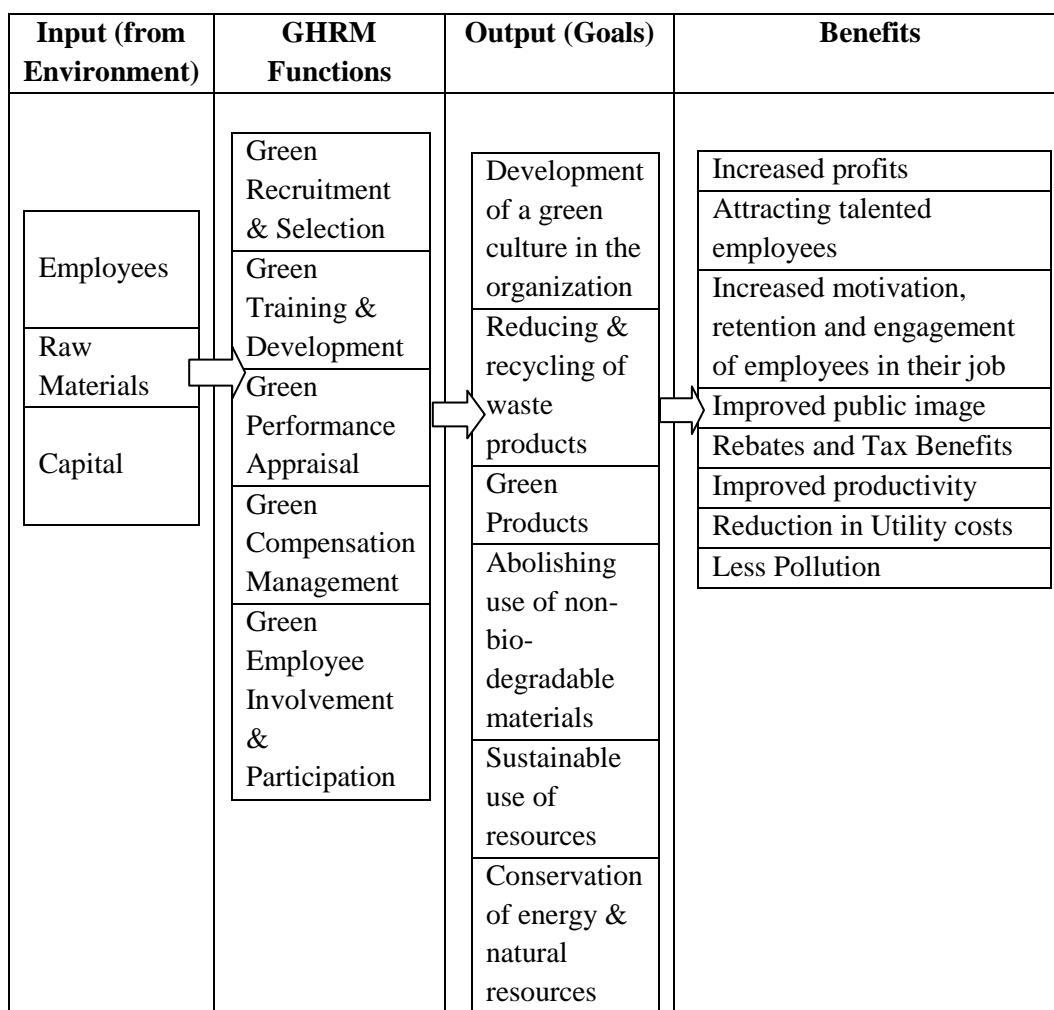
f) A Process Model of GHRM

On the basis of studies conducted, a process model of GHRM has been developed as shown in Figure 1. The model integrates various GHRM activities into a coherent whole delivering products and processes so that the financial and environmental targets of the organization can be easily met.

Developing awareness and interest in environment and the problems our globe is facing due to constant degradation of environment and resource depletion are of crucial importance in successfully transforming an organization into an effective green organization. In order to successfully accomplish the environmental objectives, organizations should evolve into learning organizations. A learning organization is an organization that facilitates the learning of its members, individually as well as collectively, thereby bringing in behavioural change in employees and enhancing its capabilities and continuously transforms itself so as to effectively achieve their goals. A learning organization has five characteristics: systems thinking, personal mastery, mental models, shared vision, and team learning (Senge, 1990). Managers should promote these aspects at individual, group and organizational levels. Constant innovation is required to completely transform an organization into a learning organization. Innovation with regard to GHRM practices and behavioral change in employees will

transform an organization from an ordinary entity to a green learning organization.

Success in achieving environmental objectives of a firm depends on the employees. So a change in the mindset of the employees is very much needed to achieve green objectives. GHRM should focus on the creation of green minds i.e., to a psychological process of thinking and behaving in an environmental friendly way leading to the preservation of environment and ecological balance. Green minds leads to green attitudes and behavior which coupled with green competencies finally leads to the attainment of green objectives of the organization.



## F. Conclusion

HRM department should create awareness and willingness among employees regarding the perils of environmental degradation and motivate and inspire them to contribute their efforts and ideas towards a green organization. It should focus on developing skills and knowledge in workers to facilitate environmental

initiatives. Employees exhibit greater commitment and enhanced job satisfaction working in organizations that has a focused approach towards environmental sustainability.

With society becoming more environmentally conscious, businesses have started including green proposals into their everyday work environment resulting in greater efficiencies, improved productivity and lower costs. Organizations should focus on waste management, recycling, energy conservation and green products for environmental sustainability. Attempts are also being made to incorporate GHRM philosophy in corporate mission statements. This will help organizations conduct its activities in such a way that it leads to environmental sustainability.

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#### **Annexure I** **Development of the Concepts of GHRM**

<b>Sl. No.</b>	<b>Author &amp; Year</b>	<b>Concepts</b>
1	Milliman & Clair (1996)	Provide environmental friendly products and operations, successfully manage and overcome challenges to implementation of corporate environmental programs. Environmental vision, training, performance appraisal and recognition of environmental activities of employees are the constituent elements of GHRM.
2	Daily & Huang (2001)	There should be a balance between economic growth and environmental and social objectives and HRM has a distinct role to play in this endeavor.
3	Rothenberg (2003)	Successful management of environment in an organization requires contributions from HRM.
4	Jabbour& Santos (2008)	Excellent environmental performance is possible if HR practices are supportive of the implementation and maintenance of environmental management systems in the

<b>Sl. No.</b>	<b>Author &amp; Year</b>	<b>Concepts</b>
		organizations. Training, teamwork, evaluating environmental goals, non-financial rewards and organizational culture are the constituent elements of GHRM.
5	Renwick et al. (2008)	Recruitment, performance management and appraisal, training and development, employee relations and pay and reward constitute GHRM.
6	Jackson et al. (2011)	GHRM depends on the distinctive and noticeable patterns of green decisions and behaviors of HR managers. It can decisively contribute to successful environment management across the globe.
7	Renwick, Redman & Maguire (2012)	GHRM implies the HRM aspects of environmental management. Highlighted three components of GHRM – developing green abilities, motivating green employees and providing green opportunities.
8	Marhatta& Adhikari (2013)	HRM policies to promote the sustainable use of resources within organizations and more generally promotes the cause of environment sustainability.
9	Mathapati (2013)	Creates green workforce that understands, appreciates, and practices green initiative and maintains its green objectives all throughout the HRM process of recruiting, hiring, training, compensating, developing, and advancing the firms' human capital.
10	MeilyMargaretha&SusantiSaragih (2013)	Recruitment, compensation, performance management and appraisal, training and development and employment relations are the constituent elements of GHRM.
11	Opatha&Arulrajah (2014)	Policies, practices and systems that make employees of the organization green for the benefit of the individual, society, natural environment, and the business.
12	Yusliza, Ramayah& Othman (2015)	Definite HR policies and practices aligned with the three sustainability pillars – environment, social and economic.
13	Bangwal& Tiwari (2015)	Green recruitment, green performance management, green training and development, green compensation and reward and employee participation are the constituent elements of GHRM.