

# The Effect of Green Human Resources Management (HRM) Policies, Employee Engagement in Green Activities, and Sustainability Communication on Firm Performance

Liu Zhu

City University Malaysia, [202101060015@student-city.edu.my](mailto:202101060015@student-city.edu.my)

## ABSTRACT

The current study intends to evaluate how green human resources management (HRM) policies, employee engagement in green activities, and sustainability communication affect the performance of the company. This study's primary objective is to conduct an examination of the human resources management literature while concentrating on the three factors mentioned above that affect business performance. According to the body of research in the area, the firm's performance was positively impacted by green human resources management (HRM) policies, employee engagement in green activities, and sustainability communication.

**KEYWORDS:** *green human resources management (HRM), employee engagement, sustainability communication*

## I. INTRODUCTION

Environmental challenges are currently attracting more attention from researchers across the globe in a range of disciplines, including business, public policy, and politics. The cause for the current rise in environmental awareness around the world is the recent agreements to control climate change, such as those in Kyoto 1997, Bali 2007, and Copenhagen 2009 (Victor, 2001). Governments and non-governmental organizations (NGOs) from all over the world have developed policies and implemented regulations in an effort to combat or, in some cases, reverse the harmful effects of industrial pollution on the environment, human life, and society (Christmann & Taylor, 2002; Shrivastava & Berger, 2010). These efforts have been made in response to the hazardous effects of pollution and the excretion of toxic chemicals and waste by industries.

The most important asset of the firm, its people, are the focus of the significant management discipline known as human resource management (HRM). It is argued that Green Human Resource Management is a key element of sustainability. Sustainability is the focus of nearly all fields of research, including HRM. According to Mampra (2013), "Green HRM" refers to HRM practices and policies that support enterprises' use of sustainable resources and the promotion of environmental awareness. These practices and policies are useful for raising employee

morale and satisfaction inside firms (Zoogah, 2011). Green HRM is the application of HRM philosophies and policies to promote the ecological utilization of business resources and prevent any negative environmental impact resulting from the operation of the business.

Following a brief overview of the literature on green human resource management, the conceptual framework of the three factors that influence how well a business performs—recruitment, training and development, and learning of human resources—is presented. Since this study has a conceptual focus, an examination of the organization's hiring, development, and learning of human resources is conducted.

## **II. LITERATURE REVIEW**

### **A. Current Trends and Challenges in Green HRM**

Green Human Resource Management (Green HRM) is increasingly gaining recognition as a crucial strategy in today's business landscape. Current trends point towards the integration of environmental considerations into all aspects of HRM, including recruitment, selection, training, performance management, and rewards (Renwick, Redman, & Maguire, 2013). Organizations are not only prioritizing hiring individuals with a high level of environmental consciousness but are also providing environmental training and integrating sustainability goals into performance metrics (Jabbour & Santos, 2008).

Despite this growing trend, there are substantial challenges to the successful implementation of Green HRM. One of the key challenges is the difficulty in measuring the effectiveness of Green HRM practices due to the lack of reliable and quantifiable metrics (Paillé, Chen, Boiral, & Jin, 2014). This makes it difficult to assess the impact of these practices on environmental outcomes.

Moreover, there is often a gap between the adoption of Green HRM practices and their actual implementation. While many organizations express a commitment to environmental sustainability, this commitment does not always translate into concrete action (Longoni, Luzzini, & Guerci, 2016). This may be due to a lack of understanding of what Green HRM entails or resistance from employees or management.

Furthermore, integrating sustainability into an organization's culture and values is a complex and long-term process that requires the commitment and active involvement of all stakeholders (Wagner, 2013). Without a supportive organizational culture, Green HRM initiatives may not gain traction.

### **B. Sustainability Communication**

Sustainability communication is a fundamental element in promoting and integrating environmentally friendly practices within an organization and beyond (Daub, 2007). It involves communicating the organization's commitment to sustainability, its sustainability goals, progress, and impacts to all stakeholders, including employees, customers, shareholders, and the general public (Klewitz & Hansen, 2014). Effective communication

can motivate and engage these stakeholders, fostering a shared commitment to sustainability (Jones, Comfort, & Hillier, 2014).

The manner in which sustainability communication is undertaken significantly influences its effectiveness. It needs to be clear, consistent, transparent, and credible. It should also provide practical guidance to employees on how they can contribute to sustainability goals (Osagie, Wesselink, Blok, Lans, & Mulder, 2016). Importantly, sustainability communication should not merely be a tool for enhancing the organization's image but should genuinely reflect the organization's commitment to sustainability (Whelan & Fink, 2016).

### **C. Employee Engagement in Green Activities**

Employee engagement in green activities is a pivotal aspect of Green Human Resource Management (Green HRM). It refers to the degree to which employees are involved in, and enthusiastic about, the sustainable practices of their organization (Muster & Schrader, 2011). This can range from participating in recycling programs, to reducing energy consumption, to contributing ideas for sustainability initiatives.

Research suggests that employee engagement in green activities has a significant positive impact on organizational performance and sustainability (Norton, Zacher, Parker, & Ashkanasy, 2017). When employees are actively involved in sustainability initiatives, they not only contribute to the achievement of environmental goals, but also develop a greater sense of purpose and job satisfaction, which can improve productivity and retention (Paillé, Boiral, & Chen, 2013).

However, engaging employees in green activities is not without its challenges. It requires the creation of an organizational culture that values sustainability, effective communication of sustainability goals and progress, and the provision of opportunities for employees to participate in sustainability initiatives (Pinzone, Guerci, Lettieri, & Redman, 2016). Furthermore, employees' perceptions of the authenticity of the organization's commitment to sustainability can significantly influence their willingness to engage in green activities (Raineri, 2017).

### **D. Green Human Resources Management (HRM) Policies**

Green Human Resource Management (HRM) policies play a significant role in driving an organization's sustainability agenda. They refer to the formalized HRM procedures and guidelines that are designed to promote environmental responsibility among the employees and the organization as a whole (Jabbour, de Sousa Jabbour, Govindan, Teixeira, & de Souza Freitas, 2013).

Green HRM policies may encompass a broad range of issues, including green recruitment and selection, green training and development, green performance management, and green rewards and recognition (Renwick, Redman, & Maguire, 2013). For instance, in green recruitment and selection, policies might prioritize hiring individuals with a demonstrated interest or expertise in environmental sustainability. In green training and development, policies might mandate regular sustainability training for all employees. In terms of performance

management, policies might integrate sustainability goals into performance evaluations. For rewards and recognition, policies might incentivize green behaviors among employees.

However, merely having Green HRM policies in place is not enough; effective implementation is critical (Jackson, Renwick, Jabbour, & Muller-Camen, 2011). This requires the active involvement and commitment of top management, middle management, and employees at all levels. Moreover, these policies must be seen as genuine and not merely as a 'greenwashing' attempt to improve the organization's image (Del Brío, Fernández, & Junquera, 2007).

### E. Firm Performance

Firm performance refers to the ability of a company to achieve its objectives and goals in an efficient and effective manner. It is a multidimensional construct that is often assessed using a variety of financial and non-financial measures (Richard, Devinney, Yip, & Johnson, 2009).

Financial measures of firm performance typically include profitability metrics such as net income, return on assets (ROA), return on equity (ROE), and return on investment (ROI). These metrics provide insights into a firm's ability to generate profits relative to its size, equity, or investment (Capon, Farley, & Hoenig, 1990). Other financial measures include revenue growth and market share, which reflect a firm's competitiveness and market positioning (Hult, Ketchen, & Slater, 2005).

Non-financial measures of firm performance, on the other hand, include aspects like customer satisfaction, product or service quality, innovation, employee satisfaction, and social responsibility. These measures reflect a firm's ability to meet or exceed stakeholder expectations and can contribute to long-term financial performance (Kaplan & Norton, 1996). Firm performance can be influenced by a variety of internal and external factors, including firm strategy, leadership, resources, industry characteristics, and macroeconomic conditions (Wernerfelt, 1984). In recent years, there has been growing recognition of the role of sustainability practices, including Green Human Resource Management (HRM), in enhancing firm performance (Zhu, Sarkis, & Lai, 2013).

## III. CONCEPTUAL FRAMEWORK

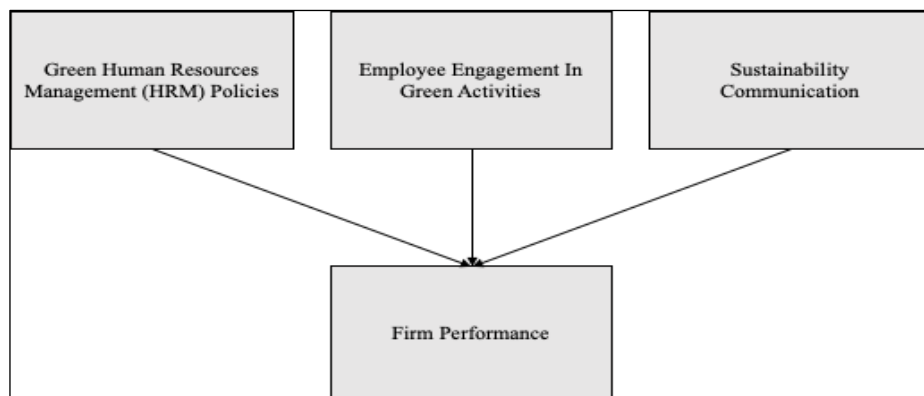


Figure 1. Conceptual Framework

## IV. CONCLUSION

The contemporary corporate landscape calls for businesses to evolve beyond their traditional role of generating profits and consider their impact on the environment and society at large. The concepts of Green Human Resource Management (HRM) policies, employee engagement in green activities, and sustainability communication have emerged as significant contributors to achieving this objective and enhancing overall firm performance.

Green HRM policies have been identified as a strategic mechanism for embedding sustainability within the organization's core operations (Renwick, Redman, & Maguire, 2013). They serve as a pathway to infuse environmental consciousness into all facets of HRM, including recruitment, training, performance management, and rewards. However, the success of these policies is heavily reliant on their genuine implementation and not just superficial adoption.

Employee engagement in green activities is another crucial element that has the potential to significantly influence firm performance (Paillé, Boiral, & Chen, 2013). Engaging employees in sustainability initiatives not only contributes to achieving environmental goals but also fosters a sense of purpose and job satisfaction, leading to improved productivity and retention. Sustainability communication, too, plays an instrumental role in fostering a culture of sustainability and motivating stakeholders towards green behaviors (Daub, 2007). An effective sustainability communication strategy needs to be clear, consistent, transparent, and credible to stimulate a shared commitment to sustainability.

The integration of these three elements; Green HRM policies, employee engagement in green activities, and sustainability communication, can significantly enhance firm performance. This is not just in terms of traditional financial indicators, but also on non-financial parameters such as reputation, employee satisfaction, and environmental impact. However, the successful integration of these elements requires a genuine commitment to sustainability, a supportive organizational culture, and the active involvement of all stakeholders (Pinzone, Guerci, Lettieri, & Redman, 2016).

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