

# UNDERSTANDING THE ROLE OF GHRM TOWARDS ENVIRONMENTAL PERFORMANCE

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## Abstract

*This paper focuses on the Environmental Performance (EP), Green human Resources Management (GHRM) and Human Resource Management. Manufacturing industries nowadays are focusing on the environmental issues due the recent event such as global warming. Air pollution and water pollution. The industries starts to use the new technology in order to reduce the manufacturing impact to the environment. But at the same time the management need to educate their worker or employee to understand the green concept to make sure they understand what their company are trying to do. The GHRM is one of the way how to educate the workers to become greener in the future. This paper will look on the role of GHRM towards the environmental performance*

**Keywords:** *Environmental Performance, Green Human Resources Management, Human Resources Management*

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## Introduction

In current globalization, social more concern on Environmental Performance (EP) and it has led companies to adopt environmental management practices in their organization. The awareness of EP among society because of there have been numerous debates about the issues of environmental degradation, climate change, ethics, social responsibility, marginalization and formation of strong voices of groups, radicalism and protest on capitalism (Jabor & Santos, 2008). Therefore, Green Human Resources Management (GHRM) has gained unique position in the recent research since towards achieving sustainable EP. Organization sees that expanding the role of Human Resources Management (HRM) in develop GHRM to pursuit sustainability environmental performance very important. According to Arulrajah, Opatha and Nawaratne (2015), it seems that a considerable number of organizations practice GHRM in the global context. Exploring and synthesizing about these GHRM which are being practiced and are to be

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practiced by the business and other organizations will contribute significantly to the HRM field academically and practically. They also mentioned that GHRM is an emerging field of research in the organisational studies after 1990s. Thus, the aims of this paper is to understand the concept and importance of GHRM and concept EP, besides explain the role of HRM in GHRM towards achieving sustainable EP. In order to achieve stated objectives, a systematic review of previous literature was performed by using archival method since this paper is a desk research rather than a survey or any other method of research.

This paper had continue discussion in other point to understand the concept of 'green', 'green management', 'GHRM' with the importance of GHRM and 'EP'. Then, this paper continue with explanation the role of HRM in GHRM towards achieving sustainability EP. The last part of this paper provide little discussion with conclusion.

## **Green**

There are several meanings of green have been discussed in New Oxford Thesaurus of English such as verdant; environmental friendly; unripe; unseasoned; raw; inexperienced; naïve; vivid; and vigorous. While, The Collins Birmingham University Language Dictionary (1987) define green as the colour of grass or leaves or leafy and The Oxford Paperback Dictionary (1979) define the colour of green is between blue and yellow which refer to the colour of growing grass. Green also can be define as an area of land covered with grass, plants and trees with not building. Generally, green can be refer as something that relate with natural environment.

## **Green Management (GM)**

Taylor (1992) define that GM is a management concept that needs the commitment of all members in the organizations from top management down to the lowest level of the organization. In this concept, it involves viewing the organization as a whole, managing the organization for the long term target, a commitment to being the top, committing the quality in all activities, listening close to customer, sustaining enthusiasm and finding solution trough commitment to employees and always remembers that company is part of community. Wong, Tan, Ng & Fong, (2013) mentioned that, the awareness about GM is increased from the eyes of firm, organization, businesses and enterprises since 1990s. Majority organization believes that GM will create value for their businesses and because of that matter, organization voluntarily take action to reduce waste, pollution and environmental harmful activities in their organization. They start to establish methods, tactics and system for GM like product design initiative, use fewer pollution materials, less packaging and minimize the energy usage. In addition, Kurland and Zell (2011) had provide 10 principles for organization to adopt GM in their businesses and organization which are establish organization's green values; implemented green value; set up sustainability metrics to make sure compliance; green business case; change management; strengthen sustainability practices and value; communicate, collaborate and influence supplier to involve in innovation towards green; build connections with customers and competitors to promote and educate them about green; build connections with NGOs, law enforcement and general public in promoted green concept; and keep visible (i.e. give speech, conference, trade shows to keeping organization's name with respect to sustainability). Typically, GM can be refer to management concept in organization to involve and manage environmental issues through providing

approaches and system to reduce environmental harmful activities besides promote environmental sustainability.

### **Green Human Resources Management (GHRM)**

Opatha and Arulrajah, (2014) had provide four categories of green in the context of human resources management which are preservation of natural environment; conservation of natural environment; avoidance or minimization of environmental pollution; and generation of gardens and looking-like natural places. GHRM can be refer to the use of HRM policies, philosophies, and practices to promote sustainable use of resources and prevent harm arising from environmental concerns within business organizations. In other words, GHRM refer to the actual GHRM programs, processes and techniques that actually implemented in the organisations in order to reduce negative environmental impacts or enhance positive environmental impacts of the organisations with the ultimate objective is to improve the organisation's sustainable environmental performance. Opatha (2013); and Opatha and Arulrajah, (2014) define GHRM as below:

*“All the activities involved in development, implementation and on-going maintenance of a system that aims at making employees of an organization green. It is the side of HRM that is concerned with transforming normal employees into green employees so as to achieve environmental goals of the organization and finally to make a significant contribution to environmental 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.”*

Furthermore, organization can use various people management policies and activities for achieving the objective of GM and EP and manage the behaviours of people in promoting awareness and contribute to the green movement. Usually, GHRM can be refer to the policies, philosophies and activities of HRM that concerned in promoting the awareness and transforming employees in organization towards green employees in achieving sustainability EP.

### **Importance of GHRM**

There are several importance why GHRM is important to be implemented. Opatha and Arulrajah, (2014) mentioned that GHRM is important in order to avoid and minimize global warming, natural disasters, health disease due to pollution and harms to animals and natural resources. Natural disaster can be refer to acid rains, red rains, tsunamis, flooding, hurricanes, droughts owing to informal, harmful and greedy usage of natural resources for production and consumption. In addition, GHRM also important in order to ensure appropriate balance of relationships among plants, animals, people, and environment, besides to ensure survival of humans and business organizations for a prolonged period of time. GHRM also important to be

implemented to ensure that organization can obtained advantages of GHRM. Mehta and Chugan (2015) provides four advantages of GHRM as per Table 1.

**Table 1: Advantages of GHRM**

<b>Advantages GHRM</b>	<b>Explanation</b>
Environment-friendly business decisions	When employees understand importance of sustainability EP, it can help them make business decisions with a broader perspective that helps bring innovative solutions for environment-related issues
Desirability as an employer	When employers become green talent pool, understand of sustainability EP and put it in business activities, it can give competitive edge to organization
Employee retention	When organization practices green environment in their organization, turnover rates among employees can be reduced
Improved sales	When organization promote green environment in their organization, it can increase their sales and reduce costs of operations

### **Environmental Performance (EP)**

Nowadays, organization faced with many pressure from stakeholders as well as shareholders to develop sustainability EP. According to Ruskino (2007), environmental issues become popular issues that need to be considered by the organization in order to meet the standards and requirement from their stakeholders and shareholder include board members, customers, employees and suppliers that requiring their organizations to becomes more responsible to the environment and to make sure that the product they produce and the process that they gone through in the organizations are more concern about the natural environment. Lober (1996) mentioned that EP can be evaluated by a set of indicators such as low environmental releases, pollution prevention, waste minimization, and recycling activity. EP also can be refers to the effects of business activities and products on the natural environment, such as resource consumption, waste generation and emissions. EP reflects an output demonstrating the degree to which firms are committed to protecting the natural environment (hereafter, “environment”). Epstein (1996) have lists several components of EP which are minimization of pollutants, conserving resources, waste reduction, energy conservation, marketing of safe products and

reporting potential risks, among others. Generally, EP can be refer as business activities and organization operation that relates with natural environment and the way of organization protect and promote sustainability EP in order minimize pollution, waste and emission.

### **Role of HRM in GHRM towards EP**

Role of HRM in GHRM refer to all activities that related with employees in the aims at making employees of an organization green. The role of HRM can be divided into four areas such as recruitment and selection, training and development, performance management system, and pays and rewards.

#### **Recruitment and Selection**

Recruitment and selection is first important part in the role of HRM in implementation of GHRM and it should consider the long term competency requirements of organization. Thus, the corporate environmental culture of organization should be integrated with the recruitment and selection process. For example, general job descriptions can be used to specify a number of environmental aspects that include environmental reporting roles and health and safety tasks which staff are exposed to harmful environmental activities, and matching personal attributes to needed environmental competencies. Wehrmeyer (1996) recommends few ways organization can follow in order to enhance GHRM through recruitment and selection process such as job descriptions should specify the environmental reporting role, health and safety tasks; interview should be tailored to gauge the potential compatibility of the candidate with the organization's green goals; and induction programme should be designed to provide new recruits with information about sustainable development policies and commitments, and green goals of the organization. It supported by Arulrajah, Opatha and Nawaratne (2015) that mentioned in recruitment and selection process, it is important for organization to integrate corporate environmental policy and strategies with the recruitment policy of the company and consider candidates who have awareness, concern and interest on environmental issues and EP. Therefore, searching best green recruitment practices is essential to organizations and environmentally responsible employers can help to attract talent green people to implement corporate environmental management initiatives and ultimately it contributes to achieve organization's environmental goals with increase sustainability EP.

#### **Training and Development**

Training is seen as key element to educate members of organization include low level to upper level of employees and staff and also top management and boards members in order to develop required skills and knowledge on GHRM to ensure the sustainability of EP. Without proper training and development in organization materializing targeted EP of a firm is very difficult to achieve. Arulrajah, Opatha and Nawaratne (2015) stated that it seems that certain organization have actually realized the importance of green education, training and development in their organizational setting for the purpose of providing needed knowledge, skills and attitudes for good EP. According to Jackson, Renwick and Muller-Cames (2011), providing training to encourage recycling and waste management, supporting flexible schedules and telecommuting, and reducing long-distance business travel are very useful to reduce the negative environmental impacts of the organisations. Training and development programmes developed for members in

organization should touch upon social and environmental aspects. The induction training for new employees and staff should include green orientation program which enables the employees to understand the green policies and practices of the organization and also align to the green goals of the organization (Mehta & Chugan, 2015). Thus, education for improving skills and knowledge on GHRM towards achieving sustainable EP can be done through training and development programs such as orientation programs, workshop and established green teams which these ways can reduce pollution, waste and emission.

### Performance Management System

The challenging in GHRM is to measure the EP of members in organization, thus performance management system are needed to develop EP standard and indicators to increase implemented of GHRM. There are few ways and examples that can be used and implemented by organization in enhance GHRM through performance management system in order to promote sustainability EP as per Table 2.

**Table 2: Ways and Examples of Performance Management System**

Ways	Example	Explanation	Authors
Corporate environmental performance standard	Amoco; United States	<ul style="list-style-type: none"> <li>• Measure environmental performance standard</li> <li>• Green information systems and audits</li> </ul>	Milliman and Clair, (1996)
Green audit programmed	Union Carbide	<ul style="list-style-type: none"> <li>• Covers field audit for company and staff</li> </ul>	Milliman and Clair, (1996)
Performance-based contracts	Infosys	<ul style="list-style-type: none"> <li>• Forcing project teams to practice integrated design by withholding fees if performance goals are not met</li> </ul>	Melton (2012)

### Pays and Rewards

Pays and rewards is another one key areas of GHRM to promote the sustainability of EP in organization and this areas can be used as compensation mechanism to pursuit employees to change their behaviour towards green performance. It supported by Arulrajah, Opatha and Nawaratne (2015), in order to motivate managers and employees on corporate environmental management initiatives, green reward management has significant contributions. Renwick, Redman and Maguire (2008) had suggest several ways to promote GHRM practices as following:

- i. Monetary-based: bonuses, cash and premiums
- ii. Non-monetary-based: sabbatical and leave gifts

- iii. Recognition-based: awards, dinners, publicity, external roles and daily praise
- iv. Positive rewards in environmental management: feedback
- v. Personal rewards plan: gain green citizenship, linking suggestion scheme with rewards system and linking participation in green initiatives with career gains.

## Discussion and Conclusion

In current new globalization era, the awareness on the environmental issues such as pollution, emission and waste become crucial part to sociality and community. Meanwhile, organization had faced pressure from shareholders and others stakeholders to promote the sustainability of EP in organization, so organization need to take the initiative to increase the awareness and contribution of employees towards sustainability EP. The above review from evidence of literature shows that in promoting sustainability EP, organization must develop GHRM practices in organization through four key areas of the role HRM that started from recruitment and selection process until compensation through pays and rewards. In every key areas of roles, it is important to ensure all the process must linking to corporate environmental performance goals by establishing of policies and approaches towards green goals of organization.

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