

Impact of Green HR Practices on Organizational Performance

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ABSTRACT

With the increasing integration of organizational management with human resource management practices, business excellence now is also measured as a result of effective HR strategies and their impact on organization's performance. Excellence in organizational performance in today's era stems from sustainable, smart and socially responsible actions and strategies adopted and implemented by businesses. Green HR practices thus, are fundamental in contributing towards business excellence as organizations these days are expected to be more aware of their impact on rest of the society including their own stakeholders and the environment.

The present paper would thus, highlight on the dimensions of Green HR practices used in organisations these days and their subsequent relationship to the organization's overall performance.

This paper would base its findings and conclusions through an extensive use of primary data collected, in order to understand the impact of Green HR practices as a tool towards achieving business excellence and to understand how a number of organizations practice green human resource management in the global context to contribute as a socially responsible part of the society, while improving on the sustainability of businesses across sectors.

Keywords: Green HR, HR Practices, Social Responsibility, Sustainability, Business Excellence

INTRODUCTION

The concept of green human resource management has been gaining importance increasingly in the business world. With growing concern for environment and employees, multinational corporations are these days adopting environmental strategies by implementing Environmental Management systems to promote the cause of environmental sustainability (Mandip. 2012). With the world economies entering the green zone the impact of our daily activities on environment have become the recent focus area of individuals and organizations. Organizations these days believe that employees must be inspired, motivated and empowered towards the green practices and programmes on a routine basis such that the concept of going green no longer remains a trend but rather a habit. As earlier organizations believed going green to be an expensive initiative however with an enhanced focus on sustainability they have realized how expensive can protecting the environment in the future be if not taken care of in the present (Van der Zee, 2008).

With the increasing consciousness of organizations towards the growing importance of environment management as well as human resource management it has become imperative for these organizations to align and integrate the organization's corporate objectives to the environmental strategy. This requires green HR policies that would focus on individual as well as collective capabilities of the workforce to bring about observable green behaviours not only at workplace but also in personal life arena of employees i.e green work life balance (Muster & Schrader, 2011) to ensure green behaviours throughout the daily lives of employees. However the level of implementation of green HRM initiatives largely depends on the responsibility and accountability of employees to undertake green HR practices. Though a lot of studies have so far contributed significantly in this area to the HRM field academically as well as practically, it is a felt need of organizations that there be a change in mind set of employees as well as employers by involving training on environmental quality management systems (Weise, 1992) in order to preserve and protect the ecosystem.

Green HRM is about developing a powerful social conscience and green sense of responsibility wherein organizations make a paradigm shift from their traditional ways of working to modern ways of working thereby reducing the burden of their corporate activities on environment as well as future generations by

balancing strategic goal achievement and environmental practices (Daily & Huang, 2001). Wherein most people believe in green HR practices to be more about going green and paperless along with an attitude to opt for environment friendly ways of working, organizations are stressing on the concept more by defining green HRM in terms of Green job design as well as preservation of knowledge capital that enhance employee work capabilities.

Green HRM on a broader perspective deals with environmental management practices as well as green job design as a function of human resource management. While reducing carbon footprint, going paperless, online training modules, to practicing energy and water conservation techniques form a part of environmental management practices (Dallas, 2008); green job design necessarily deals with flexible ways of working, working from home in order to reduce the burden on environment that otherwise would be caused due to commuting, making the jobs more employee friendly, focusing on ways and techniques wherein the intellectual capital of the employees is being preserved and taken care of and the impact these have on organizational performance. Companies like Du Pont in US have a policy of paying out a bonus over 10 percent to their middle level managers and senior managers as a part of encouraging the use of environmental friendly techniques that are non-polluting (May & Flannery, 1995; Snyder, 1992).

Thus, all in all it can be said that practicing green HR is no longer a brand building tool as a part of larger corporate responsibility rather it has now become a factor vital for business development while maintaining the employees' health and well-being and reducing the impact of business activities on the ecosystem. Business excellence thus is no longer a variable dependent on profits, revenues and share prices it is more about organizations being socially proactive and smartly reactive to sustainability measures.

REVIEW OF LITERATURE

The existent literature in the HR field on the topic of sustainability by (Beard & Rees, 2000) suggests that more and more HR executives are keen to modulate their corporation by forming green teams to achieve environmental and strategic objectives as such to become exclusive environmental champions. A great extent of empirical research highlights the impact of environment management practices on performance of the organization using different parameters.

Literature has given importance to adoption of environmental practices as a key objective of organizational functioning making it important to identify with the support of human resource management practices. Studies on Green HR practices and its effective implementation in the organization, comprehend that the integration of environmental objectives and strategies along with the strategic development goals of a company results in an effective environment management system.

(Bird & Wehrmeyer, 1996) in their study have emphasised on the importance of induction needed for new recruits such that they approach the environmental culture embedded in the corporate structure in a serious manner.

Nowadays many companies have designed environmental concerned new jobs or positions in order to focus exclusively on environmental management aspects of the organizations. From the perspective of HRM, it is really a valuable initiation and practice to protect the environment by using products and practices that would not negatively impact the ecosystem (Robinson, 2008). Moreover, some companies have involved in designing their existing jobs in a more environmentally friendly manner by incorporating environmental centred duties and responsibilities. These are some of the best green HRM practices which can figure out under the functions called green job design and green job analysis. Fernandez, Junquera and Ordiz (2003) have concluded in their study that employees must be trained and capable enough to detect problems in work processes as a part of job design and ensure delegation of responsibility to workers based on the causes and solutions of environmentally harmful activities. Also the jobs are so designed now as to linking performances payout to the contribution of an employee in environmental activities (Milliman & Clair, 1996).

RESEARCH METHODOLOGY

This research paper would follow a descriptive research based on an extensive use of primary data collected, in order to understand the impact of Green HR practices as a tool towards achieving business excellence and to understand how a number of organizations practice green human resource management in the global context to contribute as a socially responsible part of the society, while improving on the sustainability of businesses across sectors.

The research is based on descriptive design. The sampling technique employed is convenience sampling. The sample size taken is approximately 100 respondents belonging majorly from IT sector. Data collection would be specifically from primary sources through a structured questionnaire and secondary data from various conference papers, e-databases, articles, journals pertaining to information on green HR practices adopted by organisations and their impact on performance.

The study would be divided into three sections, the first section would comprise of a study on various types of green HR practices used by the organisation these days, the second phase shall deal with finding out how green HR practices affect organisation performance and lastly to find out employees behaviour with respect to GHRM.

For the purpose of analysis MS Excel has been used as data interpretation tool.

Data Analysis

1. Awareness about what types of GHR practices used in the organization.

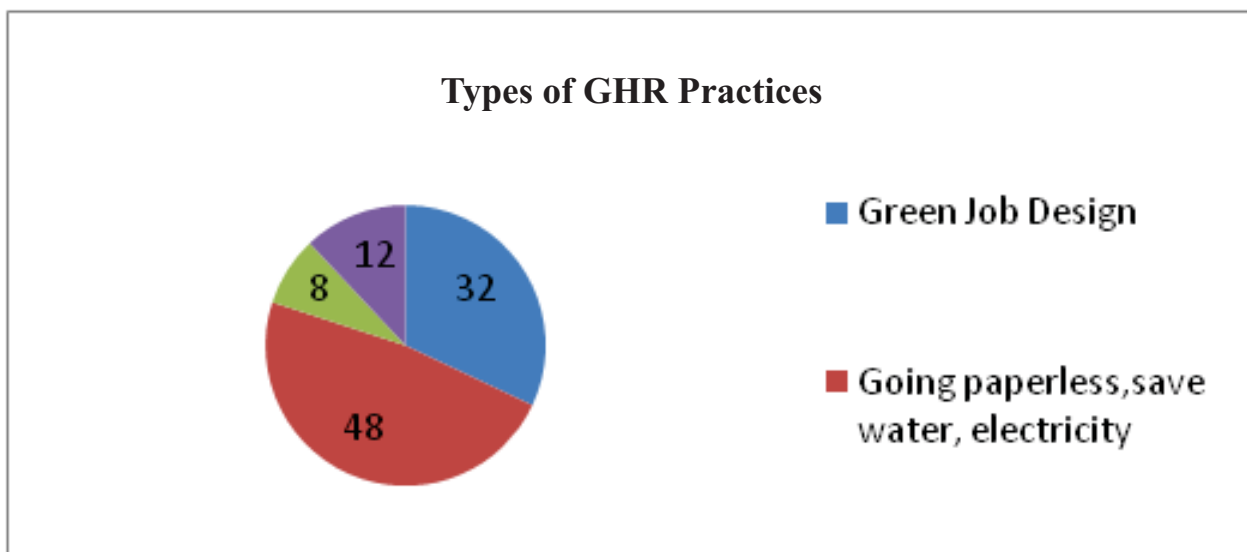


Fig 1.1 Most of the organization say about 32% have started making their job design green, while conservation of water, electricity, fuels etc remains highest with 48%. Alternatives are considered only by 8% of the organization.

2. Responsiveness of GHR practices

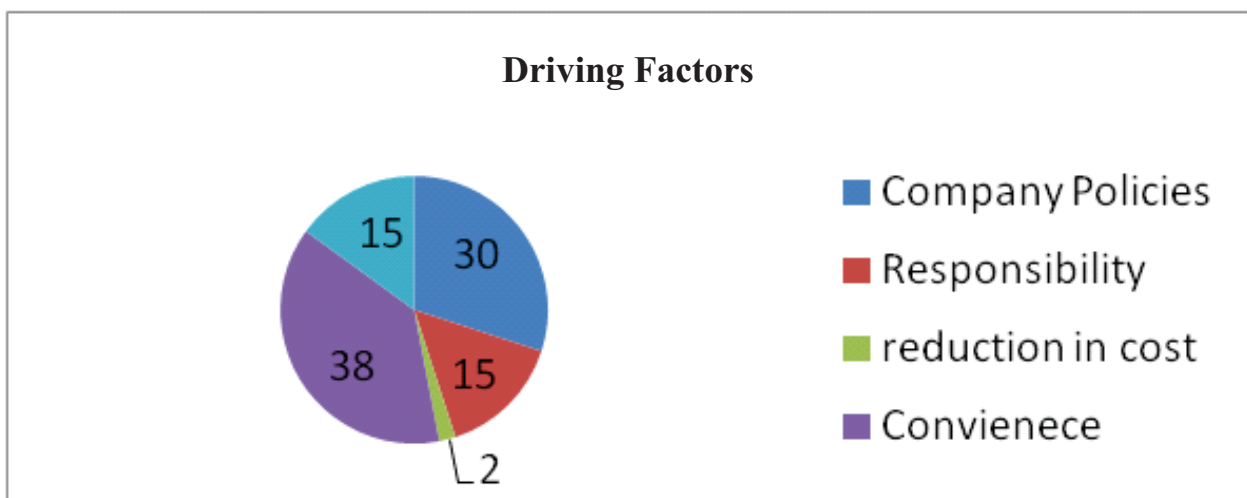


Fig 1.2 Convenience factor is given the most importance with 38% in driving force where compulsory policies hold 30% in importance among the people.

3. Rate at which practices for going green are used in the organization.

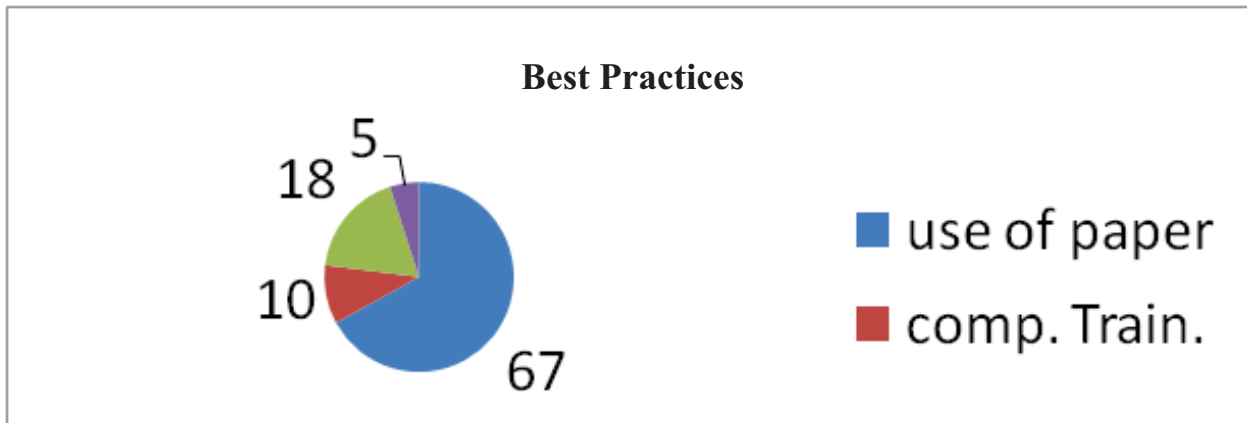


Fig 1.3 It is observed that reduction in use of paper is one of the best practices with 67% followed by vehicle sharing with 18%, computer training 10% and 5% is covered by others.

4. Rating in order of importance for the need of GHR Practices.

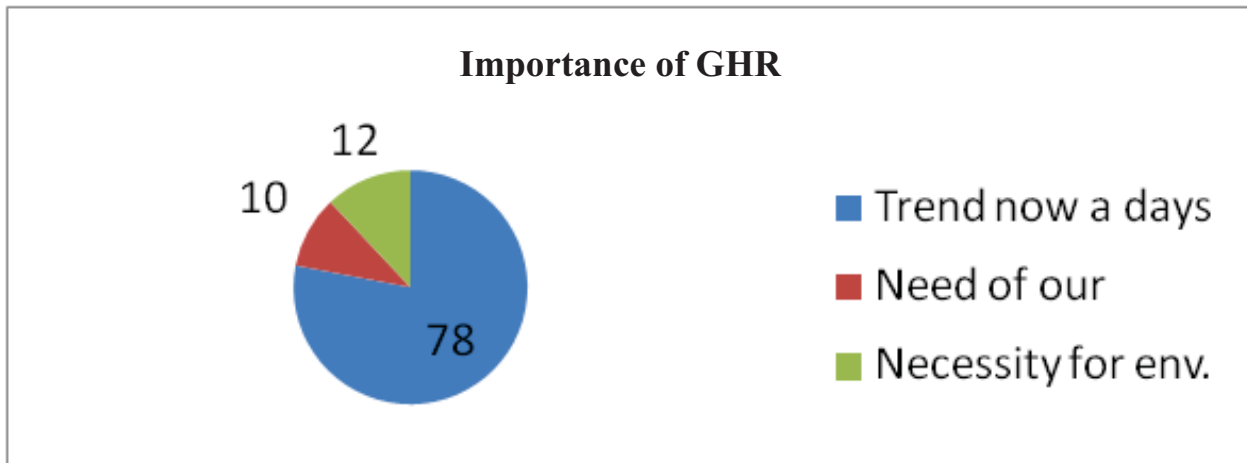


Fig 1.4 Trend is the most widely factor with 78% of importance and necessity with 12% and need of an hour with 10% only.

5. How GHR can be promoted in the organization.

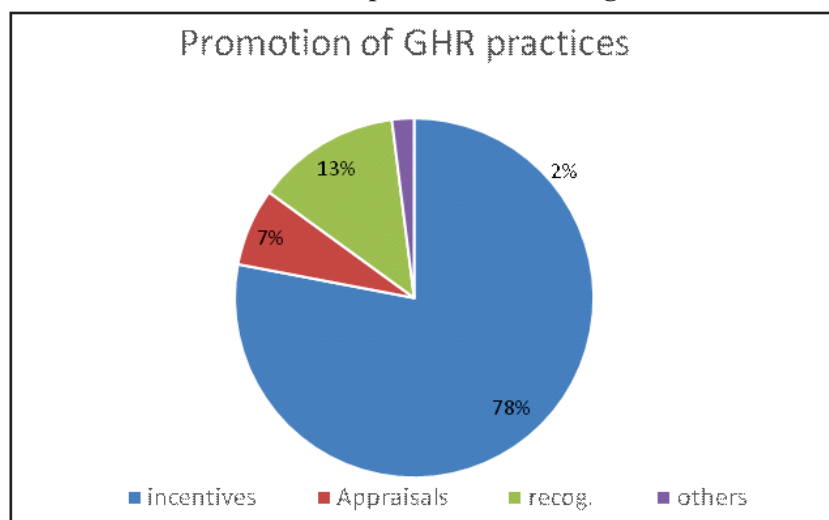


Fig 1.5 Incentives are the most important factors with 78% and recognition is holds 13%, appraisals with 7% and rest are other factors.

6. Training related to GHR practices by organization to improve efficiency.



Fig 1.6 When asked organizations about, whether do they undertake any training on green practices to be adopted by the employees in their day- to day activities, more than half of the companies (52%) said that they do undertake and encourage employees to adopt and implement green practices and help make their organizations environment green.

7. Acceptance of change of HR practices to Green HR practices.

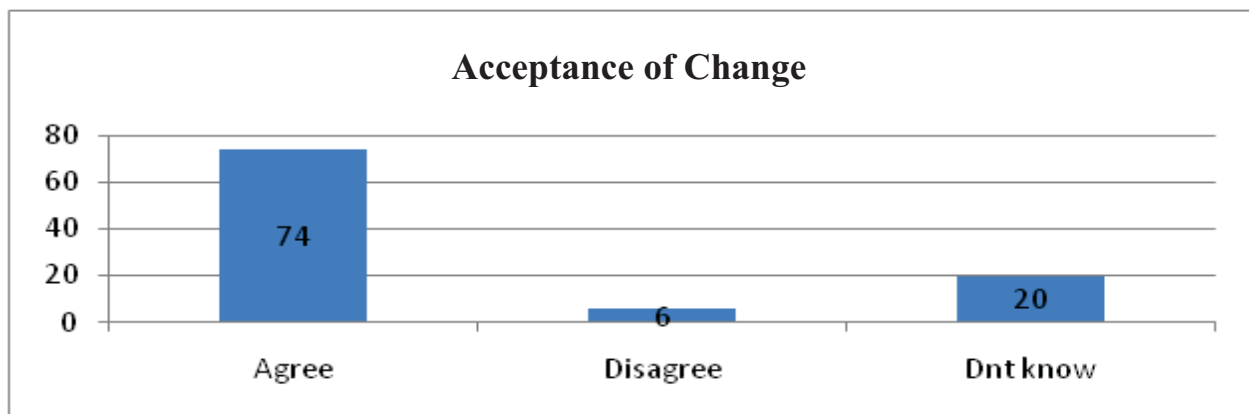


Fig 1.7 After analysing the statement 74% of employees said that change is needed regarding HR practices where as 6% don't want any change and 20% are neutral about the statement.

8. A good GHR management will make the organization efficient, effective and successful.

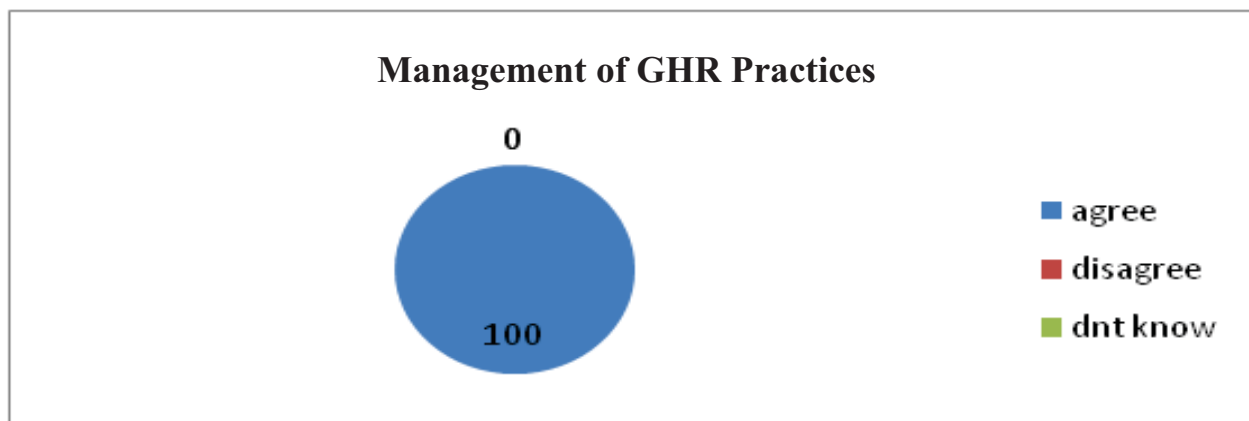


Fig 1.8 100% of the employees agree that if the organization wants to be successful Green human resource practices are must.

9. GHRM helps organization to increase productivity

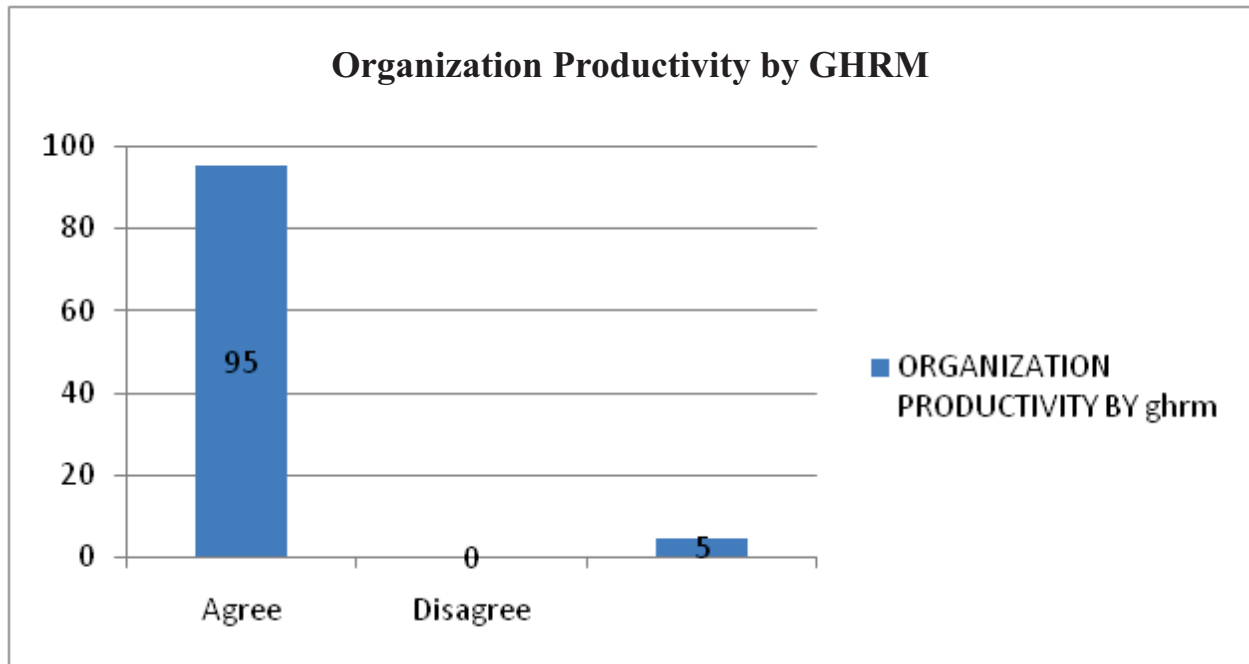


Fig. 1.9 Among all the respondents, 95% of employees agreed upon that the GHRM helps organization to increase their productivity where as 5% were neutral about the statement.

FINDINGS

Most of the people are aware of green HR practices are followed in the organization plus they are aware of what kind of HR practices being followed these days. The most important factor which is considered to be of utmost importance is convenience otherwise they follow it because of the compulsion of the organization. Organization wants to reduce excess use of paper as they are too costly to manage. Linkage with pay is the only factor which didn't gained majority or minority as half of the employees want it to be linked pay and half do not. Mostly people agree that GHRM is followed because it is a trend now a days, they do not understand the fact that it is our need. If incentives and recognition are promoted as the driving factors Green HR practices can gain more attention. Training should be paid more emphasis to raise the level of effectiveness and efficiency in the employee's mentality regarding GHR practices, Majority of employees agreed that if the organization wants to be successful it needs to switch to GHRM instead of HRM.

CONCLUSIONS

Various types of GHR practices used in organization clarified that excess use of paper is most important factor for GHRM, secondly identification of alternative resources for the conservation of power, fuel, water etc .Organization tends to follow trends which should be eliminated and necessity to change and environment protection should be considered as more important factors. Green HR practices should be linked with incentives in the organisation to improve efficiency. Employees are ready to negotiate with their needs and wants for environment protection, there is just need for proper training and awareness programs. Employees generally tend to feel that adopting green HR practices in their routinely work might enhance the organizational performance.

LIMITATIONS

Although the study was carried out with careful planning there are several limitations, the time stipulated for the paper to be completed was limited due care is taken to include all the relevant information needed. Due to paucity of time and restricted geographical access the sample size was relatively small. A lot of respondents give misleading information; it is difficult to collect data from officials. The research is restricted to a specific sector, data from other sectors may give varying results and conclusions.

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