

## Employees perception towards green HRM practices

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### ABSTRACT

Most of the nations across the globe have realized the importance of environmental sustainability. They are trying to implement more stringent laws and regulations to be complied with by all industries/organizations with a special focus on those concerns whose product/processes result in significant environmental pollution. However, any such major initiatives' success is largely dependent upon the attitude of human resources at all hierarchical levels. Until and unless the HR understands, appreciates, and plays a dominant role in all such Green initiatives, the desired objectives won't be met. This green concept is mutually beneficial to the banks, industries and the economy. It aims at improving the operations and technology along with making the clients habits environment friendly in the banking business. The aim of this study was to determine the factors influencing the intention of banks to adopt green practices in India and its impact on environmental sustainability. This study analyses the responses and represents the research findings from the data collected from the survey. Statistical formulization is employed in the research for various adopting factors of green banking and its impact on environmental sustainability. Workers are being encouraged to develop the quotient of Green thinking. Besides, Green HRM practices are providing ample opportunities for the workers to enhance their knowledge and skills in the context of conservation of environment.

**Key words:** Environmental Sustainability, Green Banking, Management Support and Control System, Adoption of Green HRM Practices.

### Introduction

Green HRM refers to making optimum use of all employees to ensure full endorsement of pro- environmental activities and enhance their awareness and commitment to environmental issues. Hence, Green HRM primarily focuses on the creation, enhancement and retaining of the green quotient in the organization's most important asset, viz. its employees. This includes concerns about environment-friendly HR systems that result in higher efficiency, lower costs, effective human resource management, and other savings that help organizations reduce their carbon footprint through ridesharing, electronic filling, job sharing, visual communication and telecommunications, online training, and optimum power usage, etc., just to mention a few.

The Fundamental aim of green HRM is to distinguish and implement green practices that transform the organizations in terms of the functional effectiveness and improvise their decision-making towards better use of conventional energy and influence employee outlook towards being more responsible for green behavior in the workplace. Hence, in accordance with the points mentioned above and existing industry trends, it can be stated that there is a need for green HRM worldwide. Adoption of an appropriate strategy is a prerequisite for successful implementation of GHRM practices. Simultaneously, it is imperative to manage the cost being incurred and also ensure high commitment levels of the employees towards them.

The Indian banks now realize that it is their moral responsibility to be conscious of the environment. The concept of 'green banking' is no more restricted as a mere tool for brand promotion. HR functions that encompass environmentally friendly practices in all the banking operations reflect an eco-focus. The literature is deficient of the knowledge about differences in employee attitude towards Green HRM practices, differences in employee green behaviour, and differences in individual motivation towards environment in terms of demographic characteristics of employees. Variation in the job profile, hierarchy levels, social and value orientation towards Green HR practices can account for it.

### Review of literature

The researcher has studied the factors, determining the adoption of green banking practices and its impact on Environmental Sustainability. This point serves as a framework for this paper.

Aboramadan (2020) investigated a study based on Social Exchange Theory (SET) in a bid to propose a model of the effects of GHRM on employee in-role, extra-role, and green innovative work behavior (GIWB). The mediating role of green work engagement (GWE) was considered. The outcomes recommended that GHRM was a noteworthy interpreter of

employee in-role and extra-role green behavior along with GIWB. The study also gave an insight that GWE gave positive outcomes of green HRM for higher education policymakers to contribute to employee green outcomes.

Zaki et al. (2019) analysed the relationship between employee motivation towards environment and Green HRM. The mediating variable in the model was green employee empowerment. The results of the study supported the view that employees must be inspired and empowered so as to ascertain that they consider themselves accountable towards the accomplishment of green management tasks.

Kim et al. (2019) have cited that workers become more pro-environmental when they feel that environmental sustainability is incorporated into the organisation's HR system, which includes training and performance appraisal. Sass et al. (2018) conducted a detailed study based on the MTES scales that was focused upon three major types of motivations i.e. intrinsic motivation, integrated regulation, and identified regulation.

Tang et al. (2018) study was conducted in two parts in China. The study was conducted with the help of EFA analysis with a sample of 150 MBA graduates. The second section of the study was done on the basis of data collected from 191 employees of the company. The study contributed to the understanding of the empirical information pertaining to impact of green banking practices on environmental performance of the banks.

Yang et al. (2016) opined that employee attitude elaborates the person's general opinion about the green environment and its problems. Green HRM practices ascribed to employee attitude influence them to think green in their workplace, and offer an environment where they work towards building knowledge and develop skills related to environmental sustainability. Such practices may enhance the employees' skills and activities that give an organization a competitive advantage.

Marcus et al. (2015) described the concept of a green climate, either at the level of an individual employee or at the team or organization level. It was observed that a green climate could significantly account for the assessment of the effectiveness of various initiatives pertaining to environment conservation. In accordance with other determinants contributing to the organization's performance, the organization's environmental performance can also be measured and used quantitatively. In the current scenario, where an organization's green performances are taken into consideration, there are indices that lay emphasis on sustainability. e.g.: Dow Jones Sustainability Index and FTSE4 Good.

Opatha and Arulrajah (2014) observed that GHRM practices ensure that all employees become accustomed to various types of pro-environmental activities and indulge in carrying out operations in such a manner that is environmentally friendly. Some of these GHRM practices are Green HR planning, Green Job design and analysis, Green recruitment, Green selection, Green induction, Green training and development, Green employee discipline, Green health and safety management, Green reward management, Green performance evaluation and, Green employee relation

Robertson & Barling (2013), inferred that although there are many studies that have been conducted in the context of employee attitude towards GHRM practices, they were inadequate to provide a strategic direction towards significantly impacting the employee's attitude towards green HRM practices that can improve employee green behavior, thus ensuring that targets of social responsibility are attained.

Teixeira et al. (2012) observed that a properly designed training program is a prerequisite for successful implementation of GHRM practices and brings about a transformation in individuals' thought process and orient them towards an environmentally conscious society.

Sudin et al. (2011) emphasizes practicing GHRM practices in all business organizations. They further focused on empowering and inspiring employees of the organization towards carrying out green management initiatives. Their article also proposed a new model to strategically implement GHRM, which comprises an EMS assessment (Environment Management System) and CEC (i.e., Corporate Environmental Citizenship).

### **Research methodology**

In this study an attempt has been made to outline the research problem, the nature of the research problem. In investigating the simultaneous associations between the factors in the proposed research model, a more precise demonstration of the subject being examined has been attained. Furthermore, this research work has postulated a further validation of the relationships that has been argued in earlier green banking and online banking literature through an investigation within this context. The available literature review acknowledged quite a few disparities in the accessible learning on the concerned research problem. For that reason, the planned research commenced with a significant exploratory objective to get insights into the research problem. The second stage sanctioned the verification of the acknowledged research model on aspects relevant to green banking practices. With this intent, quantifiable data was gathered with the help of

questionnaires. The present study adopted descriptive as well as an empirical research design based on the questionnaire mode of data collection.

**Objectives of the study**

1. To examine the factors (Perceived Use, Perceived Ease of Usefulness, Management Support and Control, Competitor threat and Customer orientation) affecting the adoption of green banking practices in Indian Banking sector.
2. To analyze the relationship between factors to adopt green banking practices and Environmental Sustainability.
3. To prepare the model based on these factors and test the same.

**Hypotheses of the study**

**H1o:** Various factors (Perceived Use, Perceived Ease of Usefulness, Management Support and Control, Competitor threat and Customer orientation) don't affect the adoption of green banking practices in Indian Banking sector.

**H2o:** There is no significant relationship between factors to adopt green banking practices and Environmental Sustainability.

**Population and sample**

For this research, employees of scheduled public and private sector commercial banks in Haryana state were taken as population. Scheduled banks in India constitute those banks, which have been included in the Second Schedule of Reserve Bank of India (RBI) Act, 1934. The following scheduled banks of Indian public sector and private sector have been included in the study.

- a. Bank of Baroda
- b. Punjab National Bank
- c. State Bank of India
- d. Axis Bank Ltd
- e. HDFC Bank Ltd
- f. ICICI Bank Ltd

Different researchers have discussed the appropriate procedures for choosing the suitable sample size. If the population is large, then the sample size of at least 100 or more is considered to be the appropriate and minimum sample size for any study (Sekaran, 2006). The sample size taken in this research work is 220 respondents.

**Reliability testing**

The study uses Cronbach's alpha to investigate inter-object consistency among selected items. Cronbach's coefficient alpha reports the inter-item consistency reliability for multi-point items. According to Cronbach's alpha, the higher the coefficient, better the measurement. In the study overall, Cronbach's alpha coefficient for all variables was 0.75, which is in a good acceptable range for the final analysis. Also all selected items in the study were around 0.75 which has good inter-object relationship and is useful for analysis. Cronbach's alpha values are presented in table 1.1.

**Table 1.1 Cronbach's alpha values**

Selected Variables	Alpha Coefficient
Perceived Use	0.712
Perceived Ease of Usefulness	0.723
Management Support and Control	0.766
Competitor threat	0.779
Customer orientation	0.723
Intention of Green Banking Adoption	0.742
Environmental Sustainability	0.722

**Analysis and interpretation**

After collecting data from the selected population the data were tabulated, classified and validated after validity and reliability checks for all items in the study. The analysis was then implemented through SPSS version 21 and 27. To test

the hypothesis and analyze the data test of multiple linear regression and one-way ANOVA has been applied. Cronbach's alpha was used to check for reliability and validity. The final analysis is applied through the employees to 220 questionnaires filled out completely.

**Impact of various factors on adoption of green banking practices**

Through the multiple regression relationship, the effect of various factors on adoption of green banking practices has been examined.

**Hypothesis:**

**H1o:** Various factors (Perceived Use, Perceived Ease of Usefulness, Management Support and Control, Competitor threat and Customer orientation) don't affect the adoption of green banking practices in Indian Banking sector.

**H1a:** Various factors (Perceived Use, Perceived Ease of Usefulness, Management Support and Control, Competitor threat and Customer orientation) affect the adoption of green banking practices in Indian Banking sector.

**Table 1.2 Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.811 <sup>a</sup>	.706	.710	.435

Predictors: (Constant), Perceived Use, Perceived Ease of Usefulness, Management Support and Control, Competitor threat, Customer orientation

In the above table R column represents the value of R (multiple correlation coefficient). Here R is considered as a measure of the quality of prediction of the dependent variable. In this case the value of R (.811) indicates a good level of prediction. Here R square is the coefficient of determination, which is the proportion of variance in the dependent variable that can be explained by the independent variables. It is clearly seen in the above table the R square value of 0.706 that independent variables explain 70.6% of the variability of dependent variable. However, also need to interpret "Adjusted R Square" (adj. R2) to accurately report the data.

**Table 1.3 ANOVA<sup>a</sup>**

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	213.108	5	38.342	159.548	.002 <sup>b</sup>
Residual	90.159	214	.214		
Total	303.267	219			

a. Dependent Variable: Adoption of green banking practices

b. Predictors: (Constant), Perceived Use, Perceived Ease of Usefulness, Management Support and Control, Competitor threat, Customer orientation

The above F-ratio in the ANOVA table tests whether the overall regression model is a good fit for the data. The table shows that the independent variables statistically significantly predict the dependent variable,  $F(5, 214) = 159.548, p < .002$  thus, the regression model is a good fit of the data.

**Table 1.4 Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.206	.156		1.513	.115
1 Perceived Use	.202	.041	.252	1.424	.004
Perceived Ease of Usefulness	.439	.061	.341	5.629	.002
Management Support and Control	.147	.052	.163	3.118	.004
Competitor threat	.131	.041	.132	2.927	.503
Customer orientation	.026	.063	.016	0.418	.007
Adoption of green banking practices	.310	.054	.265	4.801	.003

a. Dependent Variable: Adoption of green banking practices

The above table shows the coefficients for the model regarding the multiple linear relationships between the variables. Here the dependent variable is 'Adoption of green banking practices'. In all the selected items or independent variables, the value of most of the items was found to be below the significance level (.05) and in a positive way. Thus, here the null hypothesis is rejected and the alternative is accepted. And the results of the regression equation concluded that there is an impact of various factors (Perceived Use, Perceived Ease of Usefulness, Management Support and Control, Competitor threat and Customer orientation) on adoption of green banking practices in Indian Banking sector.

**Relationship between factors to adopt green banking practices and Environmental Sustainability**

To examine the Relationship between factors to adopt green banking practices and Environmental Sustainability, one-way ANOVA test with 5% significance level has been applied (alpha = .05). The essential part of SPSS (output) is presented below.

**Hypothesis:**

**H2o:** There is no significant relationship between factors to adopt green banking practices and Environmental Sustainability.

**H2a:** There is a significant relationship between factors to adopt green banking practices and Environmental Sustainability.

**Table 1.5: Result of ANOVA**

Environmental Sustainability					
Sum of Squares		Df	Mean Square	F	Sig.
Between Groups	22.752	5	6.157	4.519	.003
Within Groups	530.119	214	1.346		

Total	552.871	219		
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**Interpretation:** In the analysis table 1.5 shows the p value (.003) is less than the value of alpha (0.05). Thus the test was found to be significant and the alternative hypothesis was accepted, which means that there is a significant relationship between factors such as adoption of green banking practices and environmental sustainability. Conclusion The study attempted to examine the attitude of banking employees towards green human resource management practices. The hypothesis was tested for establishing a research model that can give a fine perception about the

employee green behavior. In the process, a clear understanding has been developed that employee attitude towards GHRM practices and individual motivation towards the environment directly influence employee green behavior. From the results, it may be inferred that employee attitude towards GHRM practices and individual motivation towards the environment are significant determinants of employee green behavior. In this empirical research work, the researcher has provided useful insights into the green practices adopted by banking sector in the background of a developing economy like India where environmental concern is on rise. The insights from the study can indeed be used to formulate marketing strategies especially for green products and services in Indian banking sector. It would ultimately give rise to sustainable development and preservation of environment. Green banking helps in the effective outcomes like they could get a first mover advantage, banks can also develop a competitive edge by creating a brand image as an environment conscious body. In view of the optimistic response of banking sector towards adoption of green practices, the research work suggests implication for the marketers and policy makers for effective implementation of green programs in future which helps them to get subsidies from the government. This also guide the banks to use modern plant and machineries which generate low carbon dioxide emission, save energy and ensures conservation of water for the better environmental performance. This study also concludes that the main requirement is active participation and commitment of the top management and owners. They should be convinced of the benefits of green banking practices and should exhibit their enthusiasm and support for successful implementation of green programs. If Indian banks want to enter deeply into the western markets, then the banks have to understand their duties and responsibilities as global corporate citizen. In this respect, RBI plays a very important role in giving a confirmative direction to the banks in this direction. Better and innovative service channels, more ecofriendly banking products, customer education, paperless banking should be promoted so as to gain maximum benefit and to minimize the damage to the environment. This study concludes with a call to the other sectors, other than banking sector, also to pursue eco-friendly initiatives to foster long term growth in the economy. It is pertinent to notice that green banking is not just the function of HR policies and culture prevalent in the organizations, but motivation level of employees plays a significant positive role in enhancing green behavior of employees at the workplace.

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