

Achieve Competitive Advantage Through Green Human Resource Management

Mahmoud Radfar

Expert of Municipality Organization , Tabriz , Iran

Email: Radfar24@gmail.com

Abstract

This study proposes evolves around obtaining sustainable competitive advantage through Green HRM. The objective of this review is to explore green human resource management practices of organizations based on the existent literature. In this emerging field, it has been generally observed that the existent literature has to be extended further from the perspective of functions of Human Resource Management (HRM). It reveals that much of the past research focused on a few functions of HRM such as recruitment, training and development, performance evaluation and reward management in integrating environmental management with HRM though HRM has more potential and scope in improving organization's environmental performance. Hence, this review incorporates diverse functions of HRM to explore the respective green HRM practices under those functions. The findings of the review have identified and highlighted several green HRM practices under the 5 functions of HRM such as Green Management, Green performance evaluation, Green training and development , Green employee discipline management, Green employee relations . The contribution of this paper lies in extending the scope and depth of green HRM in materializing sustainable environmental performance of organizations.

Keywords: Green, Human Resource Management, Green HRM, Practices, Organization

Introduction

The primary motive for writing this study is to investigate how Green HRM can bring sustainable competitive advantage to organizations. However, such an endeavour would require really broad research that cannot be completed over the period of a few months and really in-depth knowledge that the authors are currently not in possession of. As a result, certain delimitations are applied and the thesis focus is narrowed down solely to Danish companies in the Building field.

Even so, introduction of relevant international and EU data is also included so that a better picture of the research can be achieved.

To perform this study, the use of a questionnaire is deemed the most appropriate information collection method which can provide data essential for concluding on the current state of GHRM in Denmark. Factors impacting on the successful implementation of Green HRM strategies are to be analysed together with their importance to organizations. On the one hand, the role of employees as the potential driving force of executing green practices or completely disregarding them is discussed.

On the other hand, the key function of HR managers is highlighted as the leaders who can either promote and secure environmental understanding and opportunities or strongly object to bringing in sustainable policies.

Afterwards, the obtained knowledge about the Danish approach towards GHRM is to be applied to the determination of whether Green HR policies can promote sustainable competitive advantage in organizations in the

building sector or not. Since its emergence the role of human resource management (HRM) is varying with the alteration of nature and expectations of employees and organizations in an ever changing environment most notably as a sustained source of competitive advantage (Caliskan, 2010); an integral part of business success (Ferris et al., 2007) and; critical to organizational effectiveness (Lawler, 2005) and, thereby giving the rise of the concept of Strategic Human Resource Management (SHRM) (Caliskan, 2010). In corroboration with such expectations and achievements from HRM, it can be further expected that HRM can be linked to achieve success even in organizational efforts to save planet. HRM can be an organizational response to take initiatives in reaction to global warming and be approached as Green HRM (GHRM).

Realizing the excessive adverse effect of business on environment such as greenhouse effect, loss of biodiversity, climatic change, environmental damage, business people have started to take the responsibility of green movement for saving our earth (Dash, 2008). Cherian and Jacob (2012) have illustrated that organizational functioning with the support of HRM is giving importance to the adoption of environmental practices as a key objective. Since HR managers hold an important stakeholder group in business society, they are facing the challenge of incorporating green movement issues in the HRM policies and practices (Fenwick & Bierema, 2008). In doing so, GHRM is emerged based on the green movement of organizations aimed to environment safety from further and future disasters (Shaikh, 2012). Renwick, Redman and Maguire (2013) view GHRM as the HRM aspect of environmental management efforts of organization.

Methodology

The paper follows a literature review approach beginning with the discussions on green management research. Then, it specifically illustrates a systematic review of literature was conducted by using an archival method. This paper employs a methodology to review the articles cited in the databases Sage, Taylor and Hence the study for this

paper becomes a desk research rather than a survey or any other mode of researching.

Green Management

During the past few years, the environmental awareness has been introduced in management systems as a way of managing environment through organized activities (Haden, Oyler & Humphreys, 2009). In this regard, managers establish environmental management systems and standards to show and communicate their determination towards being green (Ilic & Unnu, 2012). Haden et al (2009) define green management as the organization-wide process of applying innovation to achieve sustainability, waste reduction, social responsibility and a competitive advantage. The green management system is a dynamic and continuous management system of activities and processes to monitor, prevent and control contaminants of the environment (Abbaspour, Karbassi & Khadivi, 2006).

Since green management may impact as a source of competitive advantage through giving economic as well as strategic benefits, organization should take it as an ethical concern not as a reactive strategy (Molina-Azorin, Claver-Corte's, Lopez-Gamero & Tari, 2009). Hence, researchers have argued on the importance of green concern of the organization.

Taking into account the ever increasing prominence of environmental management in world, academics have tended to focus on identifying the tie between financial and social performance (Babiak & Trendafilova, 2011). Researchers claim that adoption of environmental practices positively affects company's competitive position (Gimenez Leal, Casadesus Fa & Pasola, 2003); reduces their negative impact on the environment (Sarkar, 2008; Al-Najjar & Anfimiadou, 2012) and influences external shareholders to be environment friendly (Alniacik, Alniacik & Genc, 2011). Academics are also converging research on CSR and environment management because of shared environmental, economic, and social concerns (Montiel, 2008; Babiak & Trendafilova, 2011). Therefore, environment management, CSR, social performance all

can be brought under the umbrella of Green Management.

Green performance evaluation

Measuring employee green performance of job is one of the key functions in green HRM. Without this practice any organization cannot ensure the realistic environmental performance (firm level) in long term basis. Evaluation of green performance of employee must be done separately or at least as a part of the performance evaluation system of the organization. The measurement criteria of employee green performance of job must be carefully aligned with the organization's criteria of environmental performance.

In order to sustain good environmental performance, organizations must establish Environmental Management Information Systems (EMIS) and environmental audits. Many organizations have established environmental management information systems (Wells et al, 1993), and environmental audits (Carpenter, 1994). Schwalm (1994) states that the aim of an environmental management information system is to effectively monitor the large number of pollution, resource usage, energy and regulatory requirements an organization encounters. Milliman and Clair (1996) state that when an EMIS has been developed, it is important that it is not just used for reporting purposes, but should also be integrated with performance appraisals of managers as well as employees. Incorporating corporate environmental management objectives and targets with the performance evaluation system of the organization is a must for any organization nowadays. Organizations must include environmental issues as well as environmental incidents, take-up of environmental responsibilities and the success of communicating environmental concerns and policy within the performance evaluation system of the company (Wehrmeyer, 1996).

Installing corporate-wide environmental performance standards is also a must in the green performance evaluation context. Firms like Amoco in the United States (U.S.) have tackled them by installing corporate-wide environmental performance standards (which

cover on-site use, waste management, environmental audits, and the reduction of waste) to measure environmental performance standards, and developing green information systems and audits (to gain useful data on managerial environmental performance). The Union Carbide Corporation is a wholly owned subsidiary of The Dow Chemical Company, that includes a green audit programme that contains field audits – which are seen as important, as they can give employees a mechanism by which they can raise any recurring problems, and gain information and feedback on past and future environmental performance of their firm (Milliman and Clair, 1996).

Installing corporate-wide environmental performance standards or establishing green performance indicators into performance management system, and appraisals is not adequate. Communication of green schemes, performance indicators and standards to all levels of staff through performance evaluation system and establishing firm-wide dialogue on green matters are also needed to materialize targeted environmental performance (Renwick et al, 2008; Renwick et al, 2013).

Managers must set green targets, goals and responsibilities for their sections or divisions or departments, they should assess number of green incidents, use of environment responsibility, and successful communication of environmental policy within their scope of their operations (Renwick et al, 2008; Renwick et al, 2013).

For example, some companies have environmental goals (targets) for each employee or group (team) or department or division to achieve in a given period of time. Those companies formally evaluate the extent to which each employee, group (team), department or division has achieved environmental goals (targets). And also supervisors and managers of those companies give regular feedback to the employees or teams to achieve environmental goals or improve their environmental performance. Table 1 shows a list of the existing and certain new HRM practices under the green performance evaluation.

Table 1- Green performance evaluation

Authors	Practices	
Wells et al, 1993; Carpenter, 1994; Schwalm,1994; Milliman and Clair,1996	1	Establishing environmental management information system (EMIS) and environmental audits.
Wehrmeyer, 1996	2	Incorporating corporate environmental management objectives and targets with the performance evaluation system of the organization.
Milliman and Clair, 1996; Renwick et al, 2008; Renwick et al, 2013	3	Installing corporate-wide environmental performance standards.
Renwick et al, 2008; Renwick et al, 2013; Opatha, 2013	4	Integrating green criteria in appraisals or evaluating employee's job performance according to green-related criteria.
Opatha, 2013	5	Including a separate component for progress on greening in the performance feedback interview.
Renwick et al, 2008; Renwick et al, 2013	6	Setting green targets, goals and responsibilities.
	7	Providing regular feedback to the employees or teams to achieve environmental goals or improve their environmental performance.
	8	Introducing or formally evaluating <i>all employees'</i> green job performance (as far as possible).

Green training and development

Providing environmental training to the organizational members (non-managerial employees and managers) to develop required skills and knowledge is an important function of green HRM. This will be helpful to implement corporate environmental management programs of the company (Cook and Seith, 1992). Providing training to encourage recycling and waste management, supporting flexible schedules and telecommuting, and reducing long-distance business travel (Jackson et al, 2011) are very useful to reduce the negative environmental impacts of the organizations.

Nowadays, some companies seriously analyze and identify environmental training needs of employees in order to make them more environmental concerned workforce. Really, these are good practices and also needed to implement corporate environmental management initiatives. Based on environmental training needs analysis of the workforce, these companies conduct serious and systematic education, training and development programs which are given to the employees for the purpose of providing needed knowledge, skills and attitudes for good environmental management. Table 2 presents a listing of the existing and certain new HRM practices under the green training and development.

Table 2- Green training and development

Authors	Practices	
Cook and Seith, 1992	1	Providing environmental training to the organizational members (employees and managers) to develop required skills and knowledge.
Renwick et al, 2008 Renwick et al, 2013 Jackson et al, 2011	2	Providing training to learn or adapt environmental friendly best practices (e.g. reducing long-distance business travel and recycling).
North, 1997	3	Providing environmental awareness training to create „environmental awareness“ among the workforce.
North, 1997	4	Providing environmental education to the workforce.
Renwick et al, 2008 Renwick et al, 2013	5	Providing training to the staff to produce green analysis of workspace.
Renwick et al, 2008 Renwick et al, 2013	6	Applying of job rotation to train green managers of the future.
Opatha, 2013	7	Imparting right knowledge and skills about greening (to each employee through a training program exclusively designed for greening).
Opatha, 2013	8	Conducting training needs analyses to identify green training needs of employees.
	9	Analysing and identifying environmental training needs of employees in order to make them more environmental concerned.
	10	Conducting a serious and systematic training program which is given to each employee for the purpose of giving needed knowledge, skills and attitudes for good environmental management.
	11	Providing opportunities to everybody to be trained on environmental management aspects.

Green employee discipline management

Wehrmeyer (1996) stated explicitly that green discipline management is a pre-requisite in corporate environmental management. In ensuring green employee behaviour in the workplace, organizations may need green discipline management practices to achieve the environmental management objectives and strategies of the organization.

In this context, some companies have realized „discipline management“ as a tool to self-

regulate employees in environmental protection activities of the organization. These companies have developed a clear set of rules and regulations which imposes/regulates

employees to be concerned with environmental protection in line with environmental policy of the organizations. In such companies, if an employee violates environmental rules and regulations, disciplinary actions (warning, fining, suspension, etc.) are taken against him/her.

Renwick et al, (2008) indicates that setting penalties for noncompliance on targets in environmental management, discipline and/or dismissal for environmental management breaches, and developing negative reinforcements in environmental management (criticism, warnings, suspensions for lapses) are also worthwhile practices under the function of green employee discipline

management. In case of rule violations which are not serious, it is a good practice to apply progressive discipline which is a system that progresses from the least severe to the most severe in terms of disciplinary

actions/penalties. The existing and certain new HRM practices under the green employee discipline management are listed in Table 3.

Table 3- Green employee discipline

management Authors	Practices	
Renwick et al, 2008	1	Setting penalties for noncompliance on targets in environmental management.
Renwick et al, 2008	2	Setting penalties or dismissal for environmental management breaches.
Opatha, 2013	3	Formulating and publishing rules of conduct relating to greening.
Opatha, 2013	4	Developing a progressive disciplinary system to punish employees who violate the rules of green conduct.
	5	Implementing „discipline management“ as a tool to self-regulate employees in environmental protection activities of the organization.
	6	Establishing a clear set of rules and regulations which imposes/regulates employees to be concerned with environmental protection.
	7	If an employee violates environmental rules and regulations, take disciplinary actions (warning, fining, suspension, etc.) against him/her.

Green employee relations

The evolution of green HRM has penetrated into the employee relations and union management activities of the organization. In green HRM, employee relations and union support (in a unionized workforce context) are critical in implementing corporate environmental management initiatives and programs. Some companies have strategies (joint consultations, gain sharing, recognizing union as a key stakeholder in environmental management) to get the expected support of trade unions for corporate environmental management initiatives. Really it a good practice to increase firms environmental performance.

Renwick et al, (2008 and 2013) suggested certain green employee relations and union management practices. They include employee involvement and participation in green suggestion schemes and problem-solving

circles, staff independence to form and experiment with green ideas, integrating employee involvement and participation into maintenance (cleaning), employee help-line for guidance in green matters, tailoring green employee involvement schemes to industry/company standards, increasing line/supervisory support behaviours in environmental management, union-management negotiating to reach green workplace agreements, training of union representatives in respect of environmental management aspects, encouraging employees to use green forms of transport, set-up of low carbon chiefs (including CEO and Board) to increase action in environmental management, and introducing green whistle-blowing and help-lines. The existing and certain new HRM practices under green employee relations are presented in Table 4.

Table 4- Green employee relations

Authors	Practices	
Renwick et al, 2008 and 2013	1	Providing opportunities to the employee to involve and participate in green suggestion schemes.
Renwick et al, 2008 and 2013	2	Introducing green whistle-blowing and help-lines.
Renwick et al, 2008 and 2013	3	Providing training to the union representatives in environmental management.
	4	Joint consultations in solving environmental issues of the organization.
	5	Gain sharing in relation to environmental initiatives or programs.
	6	Recognizing union as a key stakeholder in environmental management.
	7	Providing opportunities to the unions to negotiate with management about green workplace agreement

Conclusion

Based on this review, it is possible to conclude that by understanding and increasing the scope and depth of green HRM practices, organizations can improve their environmental performance in a more sustainable manner than before. The green HRM practices are more powerful tools in making organizations and their operations green. The green performance, green behaviours, green attitude, and green competencies of human resources can be shaped and reshaped through adaptation of green HRM practices. Hence, we suggest that organizations be required to give more priority to make each function of HRM green.

References

- [1] Abbaspour, M., A. R. Karbassi, and S. Khadivi. (2006). Implementation of green management concepts in sport complexes. *International Journal of Environmental Science and Technology* 3 (3):213-219.
- [2] Al-Najjar, B., and A. Anfimiadou. (2012). Environmental policies and firm value. *Business Strategy and the Environment* 21 (1):49-59.
- [3] Alniacik, U., E. Alniacik, and N. Genc. (2011). How corporate social responsibility information influences stakeholders' intentions. *Corporate Social Responsibility and Environmental Management* 18 (4):234-245.
- [4] Babiak, K., and S. Trendafilova. (2011). CSR and environmental responsibility: motives and pressures to adopt green management practices. *Corporate Social Responsibility and Environmental Management* 18 (1):11-24.
- [5] Caliskan, E. N. (2010). The impact of strategic human resource management on organizational performance. *Journal of Naval science and engineering* 6 (2):100-116.
- [6] Cherian, J. P., and J. Jacob. (2012). A study of green HR practices and Its effective implementation in the organization: a review.

- International Journal of Business and Management 7 (21):25-33.
- [7] Cook, J. and Seith, B. J. (1992), Designing an effective environmental EMS training program, *Journal of Environmental Regulation*, Vol. 2, No. 1, pp. 53-62.
- [8] Creswell, J. W., 2014. *Research Design : Qualitative, Quantitative, and Mixed Methods Approaches*. 4th Edition ed. Los Angeles|London| New Delhi | Singapore: SAGE Publications, Inc..
- [9] Dash, R. N. (2008). Sustainable 'Green' Banking: the story of triodos bank. *CAB Calling*:26-29.
- [10] Fenwick, T., and L. Bierema. (2008). Corporate social responsibility: issues for human resource development professionals. *International Journal of training and Development* 12 (1):24-35.
- [11] Ferris, G. R., P. L. Perrewe, A. L. Ranft, R. Zinko, J. S. Stoner, R. L. Brouer, and M. D. Laird. (2007). Human resources reputation and effectiveness. *Human Resource Management Review* 17 (2):117-130.
- [12] Gimenez Leal, G., M. Casadesus Fa, and J. Valls Pasola. (2003). Using environmental management systems to increase firms' competitiveness. *Corporate Social Responsibility and Environmental Management* 10(2):101-110.
- [13] Haden, S. S. P., J. D. Oyler, and J. H. Humphreys. (2009). Historical, practical, and theoretical perspectives on green management: an exploratory analysis. *Management Decision* 47 (7):1041-1055.
- [14] Ilic, D. K., and N. i. A. Ayyildiz Unnu. (2012). Web sites as a tool of creating value and green image: the case of istanbul stock exchange. *International Journal of Contemporary Economics and Administrative Sciences* 2 (2):94-116.
- [15] Lawler, E. E. (2005). From human resource management to organizational effectiveness. *Human resource management* 44 (2):165-169.
- [16] Molina-Azorin, J. F., E. Claver-Cortes, M. D. Lopez-Gamero, and J. J. Tari. (2009). Green management and financial performance: a literature review. *Management Decision* 47 (7):1080-1100.
- [17] Montiel, I. (2008). Corporate social responsibility and corporate sustainability separate pasts, common futures. *Organization & Environment* 21 (3):245-269.
- [18] North, K. (1997), *Environmental Business Management – An Introduction*, 2nd ed, International Labour Office: Geneva.
- [19] Opatha, H. H. D. N. P. (2013), *Green Human Resource Management: A Simplified Introduction*, HR Dialogue, Department of HRM, Faculty of Management Studies and Commerce, University of Sri Jayewardenepura, pp. 22-41.
- [20] Renwick, D.W.S. Redman, T. and Maguire, S. (2008), *Green HRM: A Review, Process Model, and Research Agenda*, University of Sheffield Working Paper.
- [21] Renwick, D.W.S. Redman, T. and Maguire, S. (2013), *Green Human Resource Management: A Review, and Research Agenda*, *International Journal of Management Review*, Vol. 15, pp. 1-14.
- [22] Sarkar, R. (2008). Public policy and corporate environmental behaviour: A broader view. *Corporate Social Responsibility and Environmental Management* 15 (5):281-297.
- [23] Saunders, M., Lewis, P. & Thornhill, A., 2009. *Research Methods for Business Students*. 5th Edition ed. London: Pitman Publishing Imprint.
- [24] Shaikh, M. W. (2012). Green HRM, a requirement of 21st century. *Abhinav Journal of research in Commerce and management I* 1 (10):122-127.
- [25] Wehrmeyer, W. (1996), *Greening People – Human Resources and Environmental Management*, Sheffield, England: Greenleaf Publishing.
- [26] Wells, et al, (1993), In Milliman, J., and Clair, J. (1996), *Best Environmental HRM Practices in the USA*, In Wehrmeyer, W. (eds),

(1996), Greening People - Human Resources and Environmental Management, First Edition, Sheffield, England: Greenleaf Publishin