

# The Conceptual Model of Green Human Resource Management in Business Organization: A Literature Review

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## Abstract

The conceptual model of Green Human Resource Management (GHRM) in business organizations focuses on integrating green practices into human resource management strategies, the research model can support organizations in minimizing expenses without losing talent, reducing total costs, and driving business success in an ever-evolving world. GHRM is a program that helps create a green workforce that can understand and appreciate green culture in an organization that requires a high level of technical and management skills in employees. This research aims to see the implementation of GHRM in organizations that support environmental performance and see the dimensions of GHRM practices in supporting sustainable business organizations. This research used a qualitative research design with a literature study approach. The results of this study state that GHRM involves integrating green practices into human resource management functions, such as recruitment, training, performance appraisal, and compensation. Implementing GHRM can improve environmental performance, financial savings, and competitive advantage. The research limitation only refers to the research of the GHRM conceptual model. In the research "Conceptual Model of Green Human Resource Management in Organizational Business," the originality can be found in the specific focus on developing a conceptual model for green human resource management (GHRM) in the context of organizational business.era demands a tight competition among organizations, and employee engagement plays pivotal factors in determining the organizational success, especially in the manufacturing companies. This research examines the effect of organizational leadership, employee development, and performance management on employee engagement in the manufacturing sector. Through a comprehensive case study approach, data were collected from several manufacturing companies to analyze the relationships among these key variables. Quantitative approach was applied. Respondents were employees of manufacturing companies in food and beverage, automotive, textile, electronic, and other sectors, recruited using saturation sampling technique. The causal model was applied, and data were analyzed using Structural Equation Modeling, which was operated through SmartPLS. The results of the study demonstrated a positive and significant effect of organizational leadership and performance management on employee engagement. However, training and development were found to have no significant effect on employee engagement.

**Keywords:** Green Human Resource Management; Organizational Sustainability; Human Resource Management; Environmental Management

## Introduction

Over the past two decades, there has been a global increase in awareness of the need to manage the environment. This awareness extends not only to sectors directly linked to natural outcomes but also to operations and management. It is in response to the world's grave concerns about environmental degradation and climate change that the exploration of Green Human Resource Management (GHRM) has become a crucial foundation. GHRM holds great importance in today's society. It is a strategic approach to HR management that incorporates sustainability ideas into organizational policies and practices. This is significant for several reasons. Firstly, it helps companies reduce their environmental impact by promoting green practices and activities among employees. GHRM has gained prominence due to the increasing awareness of the importance of environmental management and sustainable development worldwide. The global warming factor has triggered an increase in environmental ethics as an effort to protect the Earth and the environment from harm (Megaster, 2022). Secondly, GHRM is linked to the growing need for corporate social responsibility, enhancing a company's reputation, and attracting socially conscious staff and consumers. Thirdly, it ensures compliance with environmental standards, thus reducing the likelihood of legal claims and associated costs. In the context of developing a sustainable work environment, GHRM helps promote employees' engagement and well-being.

It includes a workforce that understands, appreciates, and applies green principles, as well as upholding green goals in all aspects of human resource management, including recruitment processes, training, employee management, compensation, and separation. According to Bansal, P., & Sharma, B. (2020), GHRM is a realistic approach for companies to adapt and succeed in an environmentally conscious world, and it is also an ethical obligation. It is a strategic approach to managing human resources in an organization with a primary focus on integrating sustainability principles into HR policies, practices, and processes. This concept emphasizes the creation of a work environment that not only considers traditional HR issues such as recruitment, training, and employee development but also places a strong emphasis on environmental and social responsibility. GHRM aims to reduce the environmental impact of organizations by promoting green practices among their workforce, ranging from energy conservation to waste reduction. It also involves aligning HR strategies with the sustainability goals of the company, such as promoting green innovation and adopting eco-friendly technologies. Ultimately, GHRM plays a crucial role in fostering a culture of sustainability within organizations, ensuring that employees are not only aware of environmental issues but also actively engaged in efforts to achieve a more sustainable and responsible business approach (Renwick et al., 2013).

## **Theoretical Review**

The concept of management has incorporated GHRM as the foundation for planning, implementation, and well-integrated systems, especially for all team members to achieve positive outcomes. GHRM refers to policies, operational systems, and practices in an organization aimed at directing operational practices carried out by employees to focus on environmentally friendly practices at the individual, societal, and business levels (Shoaib et al., 2021).

Some indicators in GHRM practices, according to Wijonarko (2023), include several activities, such as green involvement, which refers to employees' involvement in green management-based activities within the organization. Employee involvement in these green management activities stimulates and inspires employees to support pollution prevention and waste reduction. Green Recruitment and green selection practices, according to Wijonarko (2023), is another forms of HRM practices that provide companies with the initial step in introducing GHRM to job applicants. In the context of human resources, hiring and retaining employees with talent and good skills are the most challenging tasks faced by managers in managing their employees in the global business environment Another GHRM practice is known as green training, a training session aimed at providing green education on environmental

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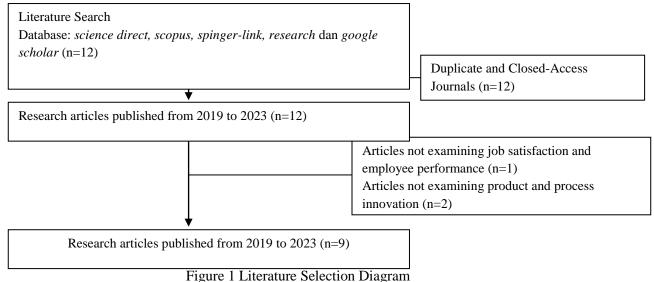
awareness to bring about attitude and behavior change in managerial and non-managerial staff. Regarding green management and training context, Amjad et al. (2021) assert that organizations should update their employees' knowledge regarding green management policies and procedures, the benefits of environmental performance, and environmental performance through increased organizational initiatives. Green Pay and Rewards (GPR) are defined as a strategic approach to management in managing rewards for management in the form of suggesting green payments and rewards, which are "financial and non-financial reward systems" aimed at achieving attractive, retaining, and ultimately motivating employees most suited to contribute to the company's green goals (Jamal et al., 2021).

Damaianti (2022) defines GHRM as "a phenomenon related to the understanding of the relationship between organizational activities impacting the natural environment, as well as the design, evolution, implementation, and influence of HRM systems." This bibliometric approach has the potential to introduce a systematic, transparent, and reproducible review process, which can enhance the quality of reviews. GHRM is a useful tool in conducting literature reviews by guiding researchers to identify the most influential works and describe research areas while reducing subjective bias (Fachada, 2022). This approach also enables researchers to connect their findings with bibliographic data sets created by other researchers, whether through citations, collaborations, or contributions to publications, thereby assisting researchers in exploring the structure of the knowledge domain, social networks, and key topics.

#### **Research Methods**

This study employed a literature review methodology aimed at selectively identifying research topics relevant to the study using the Preferred Reporting Items for Systematic Reviews and Meta-Analysis (PRISMA) guidelines. The literature reviewed for this study could be descriptive, explanatory, or intervention-based. Data were collected from various databases, including Science Direct, Scopus, Springer-Link, Research, and Google Scholar, using the keywords "Green Human Resource Management," "Organization Business," and "Human Resource Management." The population comprised studies focusing on Human Resource Management related to organizational business and environmental management. Total sampling technique was applied to select the study sample. Qualitative and quantitative data obtained were systematically analyzed to derive discussions and conclusions that represented the content of the literature review.

#### **Result and Discussions**



Based on the literature search results, we identified nine journals that met the criteria and could be used as research literature from 2019 to 2023.

Author & Year	Title	Method	Result
Adriana (2020)	A review the important of green human resource management practices toward employee green behaviour in organization	Literature Study	The findings of this research emphasize the importance of incorporating green human resource practices into organizations. This includes various aspects such as eco-friendly recruitment and selection, eco-friendly recruitment and selection, eco-friendly engagement, as well as eco-friendly compensation and rewards. These green HR practices have been directly linked to the development of green behaviors among employees, both in the performance of their job duties and on a voluntary basis. Employee green behaviors are characterized by their commitment to environmental sustainability, the demonstration of environmentally beneficial behaviors, and the minimization of adverse environmental impacts. This research serves as a valuable resource by providing a comprehensive literature review, highlighting various dimensions of human resource practices that contribute to green behavior among employees. It serves as a foundation for further research efforts in this field and offers practical insights for HR practitioners seeking to implement sustainable practices within their organizations. The significance of this study is particularly evident in developing countries, where environmental challenges are often more acute, and government regulations may not be effectively enforced. Therefore, the implementation of GHRM practices becomes increasingly important in addressing these issues.
Amrutha (2020)	A systematic review on green human resource management: Implications for social sustainability	Cross- sectional study	The results show three clusters: GHRM practices, employee green behavior in the workplace, and organizational sustainability. Further manual analysis suggests that social sustainability is the least explored area compared to economic and environmental sustainability pillars. Thus, the authors conceptually explore a

Table 1. Extraction Result

Author & Year	Title	Method	Result
			theoretical model suggesting the mediating role of 'employee green behavior in the workplace' in the relationship between 'GHRM practices' and 'social sustainability' of organizations using a grounded theory approach. Therefore, prioritizing social equality, health, and well-being, this research examines recent research in GHRM to reveal the significant potential of core green practices envisioning social sustainability, which has not been firmly established to date. Based on content coding, grouping, and further analysis, propositions, future directions, and implications are also presented.
Budiani (2022)	Green Human Resource Management: A Systematic Literature Review (Slr) And Bibliometric Analysis	Literature Study	In the article selection procedure, the PRISMA flow diagram yielded 32 articles and journals. Then, a bibliometric review of journals related to GHRM from the 2017 to 2022 was conducted using Web Science and analyzed using VOSviewer software version 1.6.16, resulting in 32 interconnected articles discussing GHRM.
Isrososiawan (2020)	Green Human Resources Management practices in support of better environmental performance	Literature Study	To enhance employee environmental motivation and foster a culture of environmental engagement and responsibility, it is crucial to implement practices across various departments within an organization. For example, organizations can hold workshops or forums dedicated to environmental protection, creating spaces where employees can actively participate in discussions and problem-solving related to environmental initiatives. These platforms provide opportunities for employees to exchange ideas and collaborate on sustainability projects, enabling them to contribute to and influence environmental activities within the organization. Additionally, organizations can encourage their employees to communicate actively with industry leaders in the hospitality sector about environmental initiatives. By facilitating such interactions, employees can share their insights and experiences, gaining a deeper understanding of best practices in sustainability.

Author & Year	Title	Method	Result
Ari (2022)	A conceptual model for green human resource management: Indicators, differential pathways, and multiple pro- environmental outcomes	Literature Study	Furthermore, green performance assessment has emerged as a crucial component in achieving environmental performance goals. This practice involves evaluating employee performance based on specific environmental criteria and includes different elements from traditional performance metrics. Green performance assessments not only measure individual contributions to environmental sustainability but also provide a structured framework for discussing and improving environmental progress during performance feedback discussions. This approach not only aligns employee efforts with the organization's environmental goals but also ensures that employees receive constructive feedback, motivating them to enhance their environmental performance. Therefore, integrating these practices into an organization's HR strategy can significantly enhance overall environmental sustainability efforts. This research plays a crucial role in establishing a significant relationship between GHRM practices and the cultivation of environmentally valued pro- environmental behavior within the organization. Specifically, this report underscores the positive impact of GHRM in promoting behavior that significantly contributes to environmental sustainability and corporate social responsibility. These behaviors encompass task-related pro- environmental behaviors, where employees actively engage in tasks and actions that directly promote environmental behaviors, where employees in identifying and implementing green initiatives; green recovery performance, highlighting the capacity to effectively rebound from environmental behavior. This relationship is facilitated through the mediating roles

Author & Year	Title	Method	Result
			of job engagement and job satisfaction, emphasizing the crucial role of GHRM in shaping employees' attitudes and commitments to environmental sustainability. Furthermore, this research identifies eight key GHRM indicators that are an integral part of driving pro- environmental behavior, including practices such as green staffing, green training, green empowerment, green rewards, green career opportunities, green teamwork, green work-life balance, and green participation in decision-making. These indicators serve as a comprehensive framework for organizations to effectively integrate GHRM strategies, ultimately nurturing a culture of sustainability and environmental awareness in the workplace.
Mwita (2019)	Conceptual review of green human resource management practices	Literature Study	This paper contributes to a better understanding of GHRM and related concepts. Simply put, Green HRM integrates Human Resource Management with Environmental issues. Five Green HRM practices are reviewed in this paper. These practices include green recruitment and selection, green job analysis and design, green training and development, green performance management, and green rewards management.
Pham (2019)	Greening human resource management and employee commitment toward the environment: an interaction model	Quantitative	Findings indicate that: (1) three GHRM practices are crucial tools in directly stimulating employee commitment to environmental activities, (2) a two-way interaction between green training and green organizational culture can enhance employee commitment to the environment, especially at high and moderate levels of green organizational culture, (3) commitment also significantly increases through a three-way interaction. Three-way interaction, two strongest effects were acknowledged with high green organizational culture, high and moderate green organizational culture and high green rewards, whereas (4) the interaction between green training and green rewards is an insignificant factor in promoting employee commitment to the

Author & Year	Title	Method	Result
			environment.
Siburian (2022)	Implementation of Green Human Resource Management Practices	Literature Study	environment. The findings of this research illustrate the fact that, despite not achieving a perfect and explicit implementation of GHRM, companies have made commendable efforts to instill green behaviors in their employees across various operational aspects. These efforts are particularly evident in critical HR functions such as recruitment and selection, where more companies seek candidates whose values align with environmental sustainability. Similarly, in the realm of employee training and development, there is an increasing emphasis on equipping the workforce with the knowledge and skills required for environmentally conscious practices. Furthermore, organizations have developed an environmentally-oriented organizational culture, incentivized green behavior through compensation and benefits, and incorporated sustainability criteria into their performance management systems. The benefits derived from these efforts have multiple facets, including employees leading healthier lives, strengthening the company's reputation as an environmental impacts, and concurrently decreasing waste generation and promoting recycling initiatives, ultimately resulting in cost savings in the production process. These results underscore the compelling business rationale for implementing GHRM as a holistic approach that not only aligns with environmental objectives but also
			contributes to the overall success of the organization and the well-being of society.
Yong (2020)	Green human resource management: A systematic literature	Literature Study	Research in Green HRM has significantly evolved over the past 12 years, focusing on Green HRM. A total of 70 articles were reviewed, and most of these articles used
	review from 2007 to 2019		quantitative methods and were conducted in developing countries. Based on the five identified areas of focus in this literature

Author & Year	Title	Method	Result
			review, the performance outcomes of Green HRM, both at the organizational and individual levels, received the most attention from researchers.

Based on the literature review in the nine journals, several direct research findings on the concept of GHRM in business organizations have been obtained with four aspects or measurement dimensions: Green Involvement, Green Training, Green Recruitment and Selection, and Green Pay and Rewards in business organizations for better employee performance in the organization.

Andriana (2020) found that in their research, they highlighted the status of green human resource practices such as green recruitment and selection, green training and development, green performance management, green involvement, and green payment and rewards, simultaneously related to the behavior of green employees, both in their job-related and voluntary roles within the organization. Employee green behavior is assessed to provide significant benefits without harming the environment. This research provides a comprehensive literature review to measure human resource practices that can provide a broader focus for further research and for practitioners. The study is more critical for developing countries facing environmental concerns and insufficiently implemented government regulations. Meanwhile, Amrutha (2020) shows three clusters: green human resource management practices, green employee behavior in the workplace, and organizational sustainability. Further manual analysis indicates that social sustainability is the least explored area compared to economic and environmental sustainability pillars. From here, the authors conceptually explore a theoretical model suggesting the mediating role of 'employee green behavior in the workplace' in the relationship between 'GHRM practices' and 'social sustainability' of the organization using a grounded theory approach. Therefore, by prioritizing social equality, health, and well-being, this research examines recent research in GHRM to reveal the significant potential of core green practices envisioning social sustainability, which has not been firmly established to date. Based on content coding, grouping, and further analysis, propositions, future directions, and implications are also presented.

According to Budiani (2022), in the article selection procedure, the PRISMA article selection steps, or the recommended PRISMA flow diagram for SLR, yielded 32 articles and journals. Subsequently, a bibliometric review of journals related to GHRM from the period 2017 to 2022 was conducted using Web Science and analyzed using VOSviewer software version 1.6.16, resulting in 32 interconnected articles discussing GHRM. Isrososiawan (2020) in practice, generates green employee motivation should be mandated in all relevant departments to enhance employee environmental commitment and responsibility, such as conducting workshops or forums on environmental protection or creating opportunities for employees to participate in green suggestions and problem-solving groups and actively communicate with hospitality industry leaders about environmental activities. Green performance assessment plays a vital role in achieving environmental performance because this practice provides a strategy to evaluate employee performance based on green-related standards and consists of unlinked elements for green progress in performance feedback discussions.

Ari (2022) links GHRM to organization-valued pro-environmental behaviors such as environmentally related task behaviors, proactive pro-environmental behaviors, green recovery performance, and behavior through the mediation role of job engagement and job satisfaction. Additionally, our literature review highlights eight GHRM indicators such as green selective staffing, green training, green empowerment, green rewards, green career opportunities, green teamwork, green work-life balance, and green participation in decision-making. On the other hand, Mwita (2019) contributes to a better understanding of GHRM and related concepts. Simply put, Green HRM integrates Human Resource Management with Environmental issues. This paper reviews five GHRM practices, including green recruitment and selection, green job analysis and design, green training and development, green performance management, and green rewards management. In Pham's study (2019), it is shown that: (1) three GHRM practices are crucial tools in directly stimulating employees to commit to environmental activities, (2) a two-way interaction between green training and green organizational culture can enhance employee commitment to the environment, especially at high and moderate levels of green organizational culture, (3) commitment also significantly increases through a three-way interaction. Two strongest effects were observed with high green organizational culture, high and moderate green organizational culture, and high green rewards, while (4) the interaction between green training and green rewards is an insignificant factor in promoting employee commitment to the environment.

Siburian's study (2022) indicates that companies have not yet perfectly and explicitly implemented GHRM. Nevertheless, they have made efforts to cultivate green employee behavior in aspects such as recruitment and selection, training and employee development, compensation and organizational culture allowances, and performance management. Some benefits obtained from implementing GHRM include healthier employees, a good reputation for the company, skilled and committed employees, a reduction in negative environmental impacts, waste reduction, and recycling, leading to reduced production costs. On the other hand, Yong's study (2020) reveals that research has significantly evolved over the past 12 years, focusing on GHRM. A total of 70 articles were reviewed, with most of these articles employing quantitative methods and conducted in developing countries. Based on the five identified focus areas in this literature review, the performance outcomes of GHRM at both organizational and individual levels received the most attention from researchers.on the data analysis using Smart-PLS, it was found that Organizational Leadership and Performance Management significantly and positively affects Employee Engagement. This finding is further supported by previous research, which indicates that leadership styles in an organization have a greater influence on employee engagement. (Kaur et al., 2022). This is consistent with the situation in the manufacturing industry where leadership that trusts employees' work outcomes, listens to employee input and appreciates their work has been shown to influence job motivation, indirectly impacting employee engagement. In the manufacturing industry, senior leaders also play an indirect role in employee engagement. Senior leaders are expected to apply organizational values in company programs, which indirectly support employee well-being and undoubtedly support employee engagement.

## **Conclusion and Recommendation**

This study provides sample evidence that Green Human Resource Management (GHRM) practices are directly related to the creation of environmentally supportive employee behaviors. The primary driving factors of GHRM are green recruitment and selection, green training and development, green performance management, green engagement, as well as green compensation and rewards. These approaches can be implemented synergistically to encourage the adoption and application of environmentally responsible habits in the workplace and within companies. GHRM policies not only promote pro-environmental behavior but also lead to increased employee engagement and a heightened sense of environmental responsibility. GHRM policies not only encourage pro-environmental behavior but also lead to increase of environmental responsibility.

Furthermore, this research identifies specific GHRM indicators that have a significant impact on the observed relationship between GHRM practices and employee pro-environmental behavior. These indicators include aspects such as green staff placement, which focuses on recruiting individuals demonstrating a strong commitment to environmental values; green training, providing the knowledge and skills required for environmentally responsible actions; green empowerment, encouraging employees to feel ownership over environmental impact; green rewards, recognizing and incentivizing proenvironmental actions; and green career opportunities, offering opportunities to work in an environmentally responsible manner. These indicators enable employees to have a say in environmentally responsible policies and practices. Overall, this research not only reinforces the importance of GHRM practices in fostering pro-environmental behavior but also identifies specific GHRM indicators that serve as critical drivers in achieving environmental sustainability goals while enhancing employee engagement and responsibility. These findings have significant implications for companies striving to integrate their human resource practices with environmental goals and values.

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