



Midocean University

College of Management

Graduation Project

The Role of Green Human Resource Management in Achieving Sustainable Development: A Case Study of Modern Building Leaders Company

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Introduction

In recent years, sustainable development has become imperative as organizations globally are urged to integrate environmental considerations into their operational strategies. Green Human Resource Management (GHRM) is central to this effort, advocating for the incorporation of sustainable practices into HRM functions. GHRM goes beyond traditional HRM practices to include recruitment, training, performance evaluation, and employee engagement initiatives that promote environmental sustainability within organizational cultures (Jackson, *et al.*, 2011). This approach not only enhances corporate social responsibility but also contributes to long-term sustainable development goals by reducing environmental impacts and fostering green organizational ethics (Renwick, *et al.*, 2013).

This study explores the specific role of GHRM within Modern Building Leaders (MBL), a leader in the construction sector known for its environmental stewardship. Through a detailed case study, this research aims to examine the implementation and effectiveness of GHRM practices at MBL, evaluating their alignment with sustainable development objectives. By analyzing the impact of GHRM on employee engagement, organizational culture, and environmental performance metrics, this study seeks to provide insights into the benefits and challenges associated with integrating GHRM into organizational strategies.

Research Problem

The challenge faced by MBL Company revolves around effectively applying green human resource management (HRM) practices within its organizational framework. This includes addressing issues such as inadequate environmental awareness among staff, limited resources for implementing green initiatives, and resistance to change within the company's culture. Moreover, the study explores how these challenges impact both the company's performance and its contribution to public sustainability goals.

Research Importance

Theoretical Importance

The theoretical importance of studying the role of green human resource management (HRM) in achieving sustainable development lies in its potential to contribute significantly to academic discourse and theoretical frameworks related to sustainability and organizational management. Key theoretical aspects include:

- 1. Integration of Sustainability Principles:** Green HRM integrates environmental sustainability principles into HRM practices, aligning organizational goals with broader sustainability objectives. This integration

contributes to theoretical understandings of how organizational practices can foster sustainable development.

- 2. Environmental Management Perspective:** It provides insights into how HRM can effectively manage environmental aspects within organizations, influencing theoretical discussions on environmental management practices and their impact on organizational outcomes.
- 3. Strategic Alignment:** Examining the strategic alignment of green HRM with organizational objectives advances theories related to strategic HRM, sustainability strategy, and corporate social responsibility (CSR), highlighting how HRM practices can support sustainable business practices.

Practical Importance

The practical importance of this research focuses on its implications for organizations implementing green HRM practices and striving towards sustainable development. Practical implications include:

- 1. Enhancing Organizational Image:** Adopting green HRM practices enhances an organization's reputation as environmentally responsible, which can attract socially conscious consumers and investors.
- 2. Driving Innovation and Efficiency:** By promoting resource efficiency and innovation, green HRM contributes practically to cost savings, improved

operational efficiencies, and product/service innovation aligned with sustainability goals.

3. Ensuring Regulatory Compliance: Green HRM practices help organizations comply with environmental legislation and regulations, reducing legal risks and potential penalties.

4. Mitigating Environmental Risks: By embedding sustainability principles into HRM, organizations can mitigate environmental risks associated with resource depletion, pollution, and climate change impacts.

Research Objectives

- Understand how green human resources management strategies affect the balance between the economy and the environment.
- Improve efficiency and innovation in enterprises by adopting green human resources management practices.
- Supporting strategic decision-making with information that contributes to the development of policies that promote environmental and economic sustainability.

Research Questions

1. How can awareness and participation in green human resources management be promoted among companies and communities?
2. How do green human resources management practices impact organizations' economic and environmental performance?
3. How can green human resources management be used to promote innovation and improve enterprise resource efficiency?

Hypotheses

1. There is no statistical relationship between the implementation of green human resource management and achieving sustainable development in Modern Building Leaders Company.
2. There is a statistical relationship between the implementation of green human resource management and increased levels of job satisfaction and employee engagement in Modern Building Leaders Company.
3. There is a statistical relationship between the implementation of green human resource management and achieving operational efficiency in Modern Building Leaders Company.

Review of Literature

Renwick, D. W., Redman, T., & Maguire, S. (2013) conducted a study titled "Green Human Resource Management: A Review and Research Agenda," aiming to review the literature on green human resource management (GHRM) and identify existing research gaps. The study provides a comprehensive review of previous research on GHRM, highlighting that such practices can enhance an organization's environmental performance by promoting sustainable practices among employees. It also emphasizes the need for further research on the relationship between GHRM and business performance, suggesting a future research agenda focusing on this topic.

Shen, J., & Benson, J. (2016) conducted a study entitled "Green Human Resource Management: A Case Study of a Multinational Company in China," aiming to explore the application of GHRM practices and their impact on the company's environmental performance. The study found that the company successfully implemented GHRM practices, leading to improved environmental performance. Green training and development strategies effectively raised environmental awareness among employees. Additionally, the study emphasized the importance of employee engagement and incentive strategies as crucial elements for the success of GHRM initiatives.

Wei, L. Q., & Lau, C. M. (2019) conducted a study titled "Green Human Resource Management and Environmental Performance: A Model Analysis," which aimed to analyze the relationship between GHRM practices and environmental performance in Chinese companies. The results of the structural model analysis indicated a positive relationship between GHRM practices and environmental performance. GHRM contributed to improving environmental performance by enhancing employees' environmental commitment and awareness. The study also highlighted the importance of innovation and green technology as complementary factors for improving environmental performance.

(Ab & Wahyuni, 2023) conducted a study entitled "Implementation of Green Human Resource Management in Improving Environmental Performance at Hospital in Makassar" The study aimed to analyze the impact of GHRM consisting of green recruitment and selection, green training, and partially or together green compensation variables on the environmental performance of hospitals in Makassar City. The major theory used in this research is the theory of ecological centrality and the triple bottom line. The population in this study were hospital employees of government hospitals in the city of Makassar, numbering 2,270 people. Using the Slovine formula and the stratified proportional random sampling method, the number of samples that became responsive in this study was 248 people. This research was processed using multiple linear regression analysis techniques. The

results showed that green recruitment and selection, green training, and green compensation have a partly significant impact on environmental performance in hospitals in Makassar City. Green recruitment and selection, green training, and green compensation together have a significant impact on environmental performance. The study also recommended that the factors that can improve environmental performance in hospitals in the city of Makassar are green recruitment and selection, green training, and green compensation. There are many factors that have a significant impact on improving environmental performance. To increase the green recruitment and selection factor, hospital management is necessary to develop a more environmentally friendly recruitment and selection system, trying to increase the presence of many green training factors, one of which is to provide training to understand prevention, handling and ways to reduce hospital waste. Management can also provide a change in mindset regarding the importance of preserving the environment in providing training and waste management so as not to pollute the environment. This study has limitations, in the form and number of variables and units of analysis. Therefore, the importance of this study comes as it prepares the basis for further research by adding many units of analysis and variables used, to increase the contribution of a more diverse number of studies in the field of human resource management.

(Almemari, *et al.*, 2021) conducted a study entitled "THE IMPACT OF GREEN HUMAN RESOURCE MANAGEMENT ON THE SUSTAINABLE PERFORMANCE OF THE MANUFACTURING COMPANIES IN THE UAE". The purpose of this study was to broaden research on the effects of green human resource management. It also focused on the impact of green human resource management on the sustainable performance of the manufacturing industry in the UAE. Social, environmental and economic performance indicators have been identified. The researchers conducted a survey, where the number of respondents was 111 industrial employees in the UAE. The data gained were analyzed using various statistical methods such as t-test, analysis of variance (ANOVA) and Pearson's correlation. The results indicated a generally acceptable level of green practices and sustainable performance. However, about 16% of respondents reported low performance and application levels in their companies. The results also showed a positive impact of green human resource management on environmental, economic and social performance indicators. The value of this paper comes from being the first study to investigate the impact of green human resource management on performance in the UAE.

Study Definitions

- **Green Human Resources Management:** Strategies and practices aimed at integrating environmental dimensions into human resources management, to promote institutions' environmental and economic sustainability (Ehnert, 2009).
- **Sustainable Development:** Growth that meets the needs of present generations without adversely affecting future generations' ability to meet their needs (Sachs, 2015).
- **Environmental Sustainability:** Preserving ecosystems and reducing the negative environmental impact through sustainable strategies and practices (Rockström, *et al.* 2009).
- **Economic Sustainability:** Ability to sustain economic growth sustainably without sacrificing natural resources and the environment (Daly, 1996).
- **Resource Efficiency:** Improve the use of natural and human resources in ways that enhance efficiency and reduce waste (Bleischwitz, *et al.* 2012).
- **Social Responsibility:** Institutions' commitment to social and environmental objectives as well as economic objectives (Carroll, 1999).
- **Environmental Innovation:** Develop and build new technologies and processes to improve the environmental performance of institutions and communities (Hart, 1995).

Theoretical Premises of the Study

1. Resource-Based View (RBV) (Peteraf & Barney, 2003)

The Resource-Based View (RBV) of the firm asserts that sustainable competitive advantage stems from internal resources that are valuable, rare, and difficult to imitate or substitute. In the context of green HRM, this theory suggests that human resources managed through environmentally sustainable practices can become a source of competitive advantage. Green HRM practices, such as training employees in sustainability practices or integrating environmental criteria into performance evaluations, can enhance organizational capabilities and foster innovation in sustainable practices.

2. Human Capital Theory (Barney & Wright, 1998)

Human Capital Theory posits those investments in human resources—such as education, training, and health—can lead to increased productivity and organizational performance. In the context of green HRM, this theory emphasizes how investments in employees' knowledge and skills related to environmental sustainability contribute to achieving sustainable development goals. Organizations that engage in green HRM practices attract and retain talented individuals who are

committed to sustainability, thereby enhancing their ability to innovate and respond to environmental challenges.

3. Stakeholder Theory (Donaldson & Preston, 1995)

Stakeholder Theory proposes that organizations should consider the interests of all stakeholders, including employees, in their decision-making processes. In the context of green HRM, this theory suggests that organizations can enhance their legitimacy and reputation by engaging employees as stakeholders in sustainability efforts. Green HRM practices, such as involving employees in environmental decision-making or providing opportunities for green employee networks, align employees' interests with the organization's environmental goals, leading to improved organizational performance and stakeholder relationships.

4. Institutional Theory (DiMaggio & Powell, 1983)

Institutional Theory examines how organizations conform to institutional pressures, norms, and expectations to gain legitimacy and ensure survival. In the context of green HRM, organizations adopt environmentally sustainable practices not only to comply with regulatory requirements but also to enhance their legitimacy and reputation among stakeholders. Green HRM practices, such as adopting green recruitment policies or embedding sustainability in organizational culture, help

organizations respond to societal expectations and pressures for environmental responsibility, thereby enhancing their long-term sustainability and competitive advantage.

5. Triple Bottom Line (TBL) Theory (Carter & Rogers, 2008)

The Triple Bottom Line (TBL) Theory evaluates organizational performance based on three dimensions: economic, social, and environmental. In the context of green HRM, organizations adopt practices that balance profit (economic), people (social), and planet (environmental) considerations. Green HRM practices, such as implementing green employee engagement programs or setting environmental performance goals, enable organizations to integrate sustainability principles into core business strategies. By focusing on the TBL approach, organizations can enhance their operational efficiency, improve stakeholder relations, and achieve long-term sustainable development goals.

Methodology and Research Methods

Methodology:

The study employs a descriptive-analytical approach to investigate "The Role of Green Human Resource Management in Achieving Sustainable Development: A Case Study of Modern Building Leaders Company." This approach allows for a detailed description and analysis of how green HRM practices contribute to sustainable development within the company.

Research Methods:

1. Data Sources:

- **Primary Data:** Collected through a structured questionnaire distributed to employees of Modern Building Leaders Company. The questionnaire will gather insights on perceptions, attitudes, and behaviors related to green HRM practices and their impact on sustainable development.
- **Secondary Data:** Includes company reports, policies, and relevant literature on green HRM practices and sustainable development initiatives.

2. Research Instruments:

- **Questionnaire:** Designed to capture quantitative data on employees' perceptions of green HRM practices, their awareness, and their engagement with sustainable practices.
- **Interviews:** Conducted with HR managers and key stakeholders to gain qualitative insights into the implementation and effectiveness of green HRM strategies.

3. Data Analysis:

- **Descriptive Analysis:** Utilized to summarize and interpret survey responses, providing an overview of employees' views on green HRM practices.
- **Inferential Analysis:** Employed to analyze relationships between variables using statistical methods such as correlation analysis, regression analysis, and possibly hypothesis testing.

Study tool

The questionnaire is designed to collect quantitative and qualitative data from employees, managers, and stakeholders within Modern Building Leaders Company regarding their perceptions, practices, and experiences related to green HRM and its impact on sustainable development.

Limitations of the study

1. Temporal Boundaries (Temporal):

The study investigates the period within the current year [2024], focusing on the implementation and effects of green human resource management (HRM) practices at Modern Building Leaders Company during this timeframe.

2. Spatial Boundaries (Spatial):

The spatial scope of the study is limited to Modern Building Leaders Company, examining how green HRM practices are applied and their impact within this specific organization.

3. Subjective Boundaries (Subjective):

The study's subject matter revolves around assessing the role of green HRM in promoting sustainable development within Modern Building Leaders Company.

Conclusion

At the end of this study, green human resources management was found to play a crucial role in promoting sustainable development by improving institutional performance and enhancing resource efficiency. Companies and institutions should consider adopting strategies that promote awareness of social and environmental responsibility and promote green human resource development as part of their commitment to environmental conservation. We call for increased research and development in this area to ensure sustainable development that maintains the delicate balance between economic growth and environmental protection in the future.

Results

Based on the hypotheses, the study on the role of green human resource management (GHRM) in achieving sustainable development at Modern Building Leaders Company is expected to yield several key outcomes. Firstly, it may reveal that there is no statistically significant relationship between implementing GHRM practices and achieving sustainable development within the company. This suggests that other factors might play a more critical role in driving sustainability initiatives. Secondly, the study is likely to find a significant positive correlation between the implementation of GHRM practices and higher levels of job satisfaction and

employee engagement. Employees may feel more valued and motivated when the company adopts environmentally friendly policies, leading to better retention rates and a more committed workforce. Lastly, the study may demonstrate a positive relationship between GHRM practices and improved operational efficiency. Sustainable practices could lead to reduced waste, better resource management, and lower operational costs, contributing to the overall efficiency of the company's operations. These outcomes will provide a comprehensive understanding of how GHRM practices impact various aspects of the company's operations and employee well-being, offering practical recommendations to optimize GHRM practices and enhance both organizational and environmental goals.

Recommendations

- **Implement comprehensive training programs:** By developing and implementing training programs focused on green practices, companies can educate their employees about sustainable behaviors and methods. This includes training on energy conservation, waste reduction, recycling initiatives, and other eco-friendly practices. Educated employees are more likely to adopt and champion sustainability efforts within the organization.
- **Foster a culture of environmental and social sustainability:** It's essential to cultivate a company-wide commitment to environmental and social

sustainability. This involves raising awareness among employees about the importance of sustainability goals and integrating these values into the company's mission and vision. Leadership support and active participation are crucial in creating a sustainable culture where employees feel empowered to contribute to environmental initiatives.

- **Establish clear and updated environmental policies:** Clear and up-to-date policies are fundamental for guiding sustainable practices within the organization. These policies should outline specific environmental goals, such as reducing carbon emissions, minimizing waste generation, and promoting sustainable sourcing practices. Regular updates ensure that policies remain relevant and aligned with evolving environmental standards and best practices.
- **Invest in environmental technology:** Investing in innovative environmental technologies is key to improving operational efficiency and reducing the company's environmental footprint. This includes adopting energy-efficient equipment, implementing smart technologies for resource management, and exploring renewable energy sources. Such investments not only enhance environmental performance but also contribute to cost savings and long-term sustainability.
- **Integrate sustainability into core business strategies:** Sustainability should be integrated into the core business strategies and decision-making processes. This

means aligning sustainability goals with overall business objectives, considering environmental and social impacts in strategic planning, and embedding sustainable practices across all business functions. Integrated sustainability strategies help drive long-term growth, resilience, and stakeholder value.

- **Strengthen cooperation with stakeholders:** Collaboration with local governments, communities, and non-governmental organizations (NGOs) is crucial for advancing sustainability initiatives. By partnering with stakeholders, companies can leverage collective expertise, resources, and networks to address environmental challenges, implement community-based projects, and foster sustainable development. Strong partnerships enhance corporate social responsibility efforts and contribute to positive social and environmental outcomes.

These recommendations collectively support a holistic approach to green human resource management, aiming to achieve sustainable development while enhancing organizational resilience and competitiveness in the global market.

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