"GREEN" HRM: AN EVALUATION AND THE FUTURE AGENDA

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ABSTRACT

The application of “green” Human Resource Management Practices (HRMP) to achieve a company’s competitive advantage particularly in the hospitality industry is arguably derives from its Human Resource Management strategy. This has been driven by both customer requirements and increasing intensity of competition. It seems essential these days to invest in quality of Human Resources in order to improve its competitive advantage. However, far from being investigated as the difficulty for the consistency and integrity of the application of ‘green’ HRMP in the workplace. Furthermore, a frame of reference for “Green” HRM has yet to emerge. It is suggested that “green” HRMP concepts and frameworks could be utilized to improve the hospitality industry maintaining its green environment. This paper examines critical aspects of ‘green’ HRMP theory and practices to underpinning business service performance. Indeed, the paper suggests a research agenda that could begin to investigate these propositions.

Keywords: “Green” human resource management practices (HRMP)
INTRODUCTION

Sheehan (2005) stressed that in the face of increasing international competition, organisations particularly in the service business firms had to focus on the value of investments in human resources as a major source of competitive advantage. HRM Strategy has become important because it provides a means by which business firms can enhance their competitiveness and promote managerial efficiency (Chun Huang, 1998). One of the factors considered to have an impact on successful HRM integration is the role of the people working within the HR area itself. Specifically this role requires that the HR professional has a clear understanding of how HR fits with, and supports, the organisation’s mission and strategy as well as an understanding of basic business processes (Dyer, 1999; Compton, 2009) put emphasis on environmental management (Renwick, Redman & Maguire, 2008). It is for those reasons “Green” HRM practices and policies have become the area that needs to be further explored.

Over the years and until recently a number of studies have reported a positive relationship between “Green” HRM practices and polices and organisational performance but, only limited focused on “Green” HRM system that is able to create a source of sustained competitive advantage (Haynes and Fryer, 2000; Chand and Katou, 2007). Most of the service sector has linked HRM strategy with HRM practices to re-invent their customer service activities to achieve customers delight. In this context, HRM strategy and procedures including its practices in the service sector may support services, services quality and the service encounter. “Green” best practices in HRM has been developed over decades but, the question remains whether these practices lend themselves to the service context (Redman and Mathews, 1998; Sheehan, 2005). As stated earlier, far from being investigated as the difficulty for the consistency and integrity of the application of ‘green’ HRMP in the workplace. Additionally there is a growing need for the integration of environmental management “Green” HRM research practice and a frame of reference for “Green” HRM has yet to emerge (Renwick, Redman & Maguire, 2008). Before addressing particular “green” HRM issues the paper will explore critical aspects of ‘green’ HRMP theory and practices to determine the extent to which current theory and managerial techniques contribute to underpinning business service performance. The article then suggests a research agenda that could begin to investigate these propositions.

THEORETICAL FRAMEWORK AND HYPOTHESIS DEVELOPMENT

“Green” HRM practices can be said as a “unitary system” of management that attempts to elicit employee’s commitment to (Guest, 2001), obtain work performance (Dixon, 2007), the purposes of goal of organisations (Baptiste, 2008). In addition, “Green” HRM strategy has achieved its prominence because it unquestionably provides a means by which business service firms can enhance their competitiveness and promote managerial efficiency (Huang, 2001). Also Huang (2001 : 132) argues “by effectively managing their human resources, business service firms cultivate the type of employee behavior that is essential to the success of their firms competitive strategy”, particularly
when delivering service quality to their customers (Haynes and Fryer, 2000).

Huang (2001) says the assumption of a close link between business firms strategy and “Green” HRM practices is based on the type of competitive strategy adopted by a business. It moreover assumes that companies that closely coordinate their business firms strategy and “Green” HRM practices can achieve better performance than companies that do not. It can argued therefore “Green” HRM practices and applying business strategy are mutually independent in determining service firms performance (Claus, 2003; Chand and Katao, 2007). In line with this view is a study conducted by Alvarez and Khanna (2006) in four and five star hotels in France, Switzerland and the UK and found that practitioners and academics alike agree that effective of “Green” HRM has never been more important than at the present time. Their research has provided convincing support for the link between “Green” HRM practices and the profitability and economic value of an organization. As a result, there is now increasingly widespread acceptance of the fact that “Green” HRM practices can play a key role in making a business successful (Alvarez and Khanna, 2006). In the context of the hospitality industry, the importance of HRM is even more noticeable (Huang, 2001; Chand and Katao, 2007; Haynes and Fryer, 2000).

As Huang (2001) stated an effective “Green” HRM practices and policies should be able to systematically coordinate all individual HRM measures and implements them so as to directly influence employee attitude and behavior in a way that helps a business to achieve its competitive strategy. In line with Huang is explained by Compton (2009) that strategic “Green” HRM emphasises the need for HR plans and strategies to be formulated within the context of overall organisational strategies and objectives, and to be responsive to the changing nature of the organisation’s external ‘environment’ (i.e., its competitors, the national and international arenas). Furthermore, Compton (2009) implies a strong implication of “Green” HRM theory is that HR plans and strategies should be developed on a long term basis, taking into account likely changes in the society, industrial relations systems, economic conditions, legislation, global and technological issues as well as new directions in business operations.

It is therefore “Green” HRM is a model for practice, which, like all models, requires interpretation and adaptation by HR practitioners to ensure the most suitable alignment or ‘fit’ between HR and business strategies and plans (Compton, 2009) particulary in applying “Green” HRM strategies and practices in the hospitality industry to achieve its performance (Claus, 2003; Chand and Katao, 2007). According to Huang (2001) the concept of ‘fit’ refers mainly to the close linkage of HRM strategies and business strategies in ways that will help retain and motivate employees. This view is supported by Tzafrir & Gur (2007) saying “Green” HRM plays a central role in the exchange relationships between the organisation’s management and its employees in order to achieve customer satisfaction.

While it appears arduous to foresee the nature of “Green” HRM in the future, there seem strong indications that its theory and practice will be transformed as a result of globalisation, apply new technology and changes in the nature of work and jobs (Compton, 2009). In addition, Compton (2009 : 84) says “it is sufficient, at this stage, to suggest that earlier concepts of “Green” HRM and the roles of HR professionals will need to change significantly in order to remain relevant in the knowledge era”.

Huang (2001) notes that businesses require employees to possess specific skills, knowledge, and abilities (SKAs) needed to implement their competitive strategies, and that development of the desired behavior and abilities depends on the design and implementation of specific “Green” HRM policies and practices. For example, businesses that prefer a cost-reduction strategy must rigorously control and minimize expenses, and strive for greater economies of scale. Required for the achievement of this strategy is the adoption of the utilization type of HRM strategy. Businesses adopting utilization strategy recruit their employees chiefly from the external labor market. The selection of their employees should focus on the ability to begin work immediately and minimizing training expense. The job content of such workers is definite, career development focuses on specialization, performance evaluation emphasizes the short-term and the individual, pay is based on external equity with other workers, and bonuses and other monetary incentives are rare. Because worker recruitment emphasizes technological ability and organizational requirements, job security is poor. Businesses adopting an innovation strategy must be prepared to adapt to rapid market change and technological progress. Their employees need to be creative; to be cooperative with each other; to be able to pursue long-term objectives; to devote proper consideration to the quality and quantity of products and services provided; to be able to take risks; and to cope successfully with ambiguity and uncertainty. To develop employees with these qualities, job descriptions should be broad, employee interaction should be strongly encouraged, career options should be extensive, training and career development should be emphasized, pay scales should be based on internal equity, there should be excellent job security, and performance evaluations should stress team work and a long-term orientation.

Linking “Green” HRM Practices and Policies to Business Service Performance

There has been much debate in the study about the nature of the linkage between “Green” HRM practices and policies to service business performance particularly in the hospitality industry (Kelliher and Perrett, 2000). However, the growth of theory has not in line the encouraging empirical results (Haynes and Fryer, 2000; Chand and Katou, 2007) and this theoretical weakness has become critical in the case of the hospitality industry (Haynes and Fryer, 2000).

Nevertheless, this paper seeks to expand the concept of “Green” HRM practices and policies to achieve the bottom line of business service performance. In accordance to find out the effectiveness of such “Green” HRM activities, the four generic human resource activities of all organizations as stated by Edgar & Geare (2005) : (1) Selection/promotion/placement process, (2) Reward process, (3) Development process and (4) Appraisal process”. In line with Edgar & Geare (2005), Renwick et al. (2008) proposed similar concept of “Green” HRM activities as follow:

Recruitment

General job descriptions can be used to specify a number of environmental aspects. These include environmental reporting roles and health and safety tasks, which staff are exposed to harmful substances/potential emissions (and their extent), and matching personal attributes to needed
environmental competencies, i.e. buying-in specialist competencies via new hies or investing in training. Induction for new recruits is seen to be needed to ensure they understand and approach their corporate environmental culture in a serious way

**Performance Management (PM) and Performance Appraisal (PA)**

Using Performance Management (PM) in Environmental Management (EM) presents the challenges of how to measure environmental performance standards across different units of the firm, and gaining useful data on the environmental performance of managers. One way in which PM systems can be successfully initiated in an organisation is to develop performance indicators for each risk area in environmental awareness and education, whereas, Performance Appraisal (PA) can cover such topics as environmental incidents, usage of environmental responsibilities, and the communication of environmental concerns and policy. Such issues involved in environmental PA’s concern the need for managers to be held accountable, so that they familiarise themselves with compliance issues. In addition, business service firms (e.g., the hospitality industry) appears need more work to develop measures of Green performance baselines so organisations can compare managerial environmental performance more accurately across different plants/units, and to work out how to set goals for supervisors and employees (like assembly and manufacturing staff). There is also a need to bridge any differences in corporate rhetoric and action, and develop HR systems in PA and reward so that environmental management initiatives are not seen simply as a management failure. It can be said that, the literature suggests that if environmental criteria are integrated into the process of staff appraisal (by writing such responsibilities into all staff action plans), then a learning culture in environmental management can be encouraged.

**Training and Development**

Training is seen in the literature as a key intervention to manage waste (in terms of both prevention and reduction), and occurs through organisations training teams of front-line employees to produce a waste analysis of their work areas. Such employees are seen as ideal staff to spot and reduce waste as they are closest to it, but they must be knowledgeable on how to collect the relevant data. A number of steps may be used to establish an environmental training system, such as an audit of existing training system resources and activities, forming a corporate environmental committee (with HR representatives, environmental professionals and other executives on it), a job analysis producing a job description, and environmental awareness as part of induction training, or to use a performance management system to monitor and review performance on productivity, quality, wastage and accidents. This may be followed by training to do the job, and an assessment of the attitudes, knowledge and skills staff may need for future roles. The timing or sequencing of training then needs to be assessed, as it could be that the firm can build it into their existing provision (as health and safety training could include an environmental element, or management development programmes could include environmental exercises), with organisations needing to evaluate and review the success of the training they have provided
Figure 1: The Linkage Between Applying “Green” HRM Policies and Practices and Service Business Firms

Figure 1 displays the application of “Green” HRM policies and practices identified by management as critical to the success of the strategy along with the affect it may have to increase employee commitment as well as employee competencies to deliver service quality. Greater emphasis is also placed on the communication which can be used as a review process focus on the performance targets. At the end, customer delight is the final objectives in implementing “Green” HRM policies and practices which also emphasis on environmental management that will affect on business service firms image in customers’ mind.

CONCLUSIONS

This paper attempts to review the concept of “Green” HRM, whilst acknowledging the limitation of the literature provided in the public domain which may act to limit the development of a Green HRM approach. In addition, the paper see that what appears lacking in most of the studies reviewed above is an overarching “Green” HRM process model, which integrates the beginning in further developing “Green” HRM, which hopely, can enable policy in Green HRM to be translated into...
practice in service business performance that stress in managing its environment. Achieving a proper linkage between business strategy and “Green” HRM strategy is also essential. By implementing these “Green” HRM policies and practices, business service firms are expected to improve their organisational performance. It is to suggest that by implementing such “Green” HRM policies and practices could effectively improve business service firms competitive advantage while maintaining environmental management practices.

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