

IMPACT OF GREEN HUMAN RESOURCE MANAGEMENT PRACTICES ON ORGANIZATIONAL SUSTAINABILITY

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ABSTRACT

Green Human Resource Management practices are recognized for their substantial impact on organizational sustainability, enhancing employee retention, public image, attraction of talent, productivity, resource efficiency, environmental protection, cost reduction, and business opportunities. This study addresses a research gap in the Sri Lankan tourism industry, where limited research exists on Green Human Resource Management practices. The purpose was to evaluate the impact of Green Human Resource Management practices on organizational sustainability within this context. The study examined various Green Human Resource Management practices, including green recruitment, green selection, green training and development, green health and safety, green compensation management, green performance management, and green employee involvement. The sample comprised 22 out of 38 publicly listed hotel companies in the Colombo Stock Exchange, selected based on market capitalization, representing the tourism sector. Data were analyzed using multiple regression analysis to assess the impact of Green Human Resource Management practices on organizational sustainability. The multiple R value of 0.731 indicated a strong correlation between Green Human Resource Management practices and organizational sustainability, with R-squared value showing that 53.4% of the variance in sustainability was explained by the practices. Significant positive influences on sustainability were found for green compensation management, green employee involvement, green health and safety, and green performance management. Conversely, green recruitment, green selection, and green training and development showed an insignificant positive influence on organizational sustainability.

Keywords: Green Human Resource Management, Organizational Sustainability, Sri Lankan Tourism Industry.

INTRODUCTION

Green Human Resource Management (GHRM) is an emerging concept in Sri Lankan organizations, with many individuals and professionals still unfamiliar with it. Opatha (2013) notes that GHRM is relatively novel to most Sri Lankans, including HR academics and practitioners. While some organizations are beginning to adopt GHRM practices, widespread knowledge and implementation remain limited. According to the Central Environmental Authority of Sri Lanka (2019), several companies, such as Siam City Cement (Lanka) Ltd and Unilever Sri Lanka Limited, have been recognized for their environmental conservation efforts and sustained commitment to clean production. However, there remains a critical need for broader adoption of GHRM practices to enhance organizational performance. Tourism is one of the world's largest and fastest-growing industries. The United Nations World Tourism Organization (UNWTO) reported a 6% increase in international tourist arrivals to 1.4 billion in 2018, outpacing the global economic growth rate of 3.7% (UNWTO, 2019). The World Travel and Tourism Council (WTTC) noted that the sector generated 122,891,000 jobs directly in 2018, contributing 3.2% of global GDP, with projections for continued growth (WTTC, 2019). In Sri Lanka, tourism is the fourth-largest foreign exchange earner, with significant growth noted since the end of the separatist war in 2009. The industry saw 1.27 million visitors in 2013, a 26.7% increase from previous years, and it continues to play a vital role in the national economy (Sri Lanka Tourism Development Authority, 2007; Fernando, Bandara, & Smith, 2016).

The tourism industry's growth underscores the importance of examining GHRM practices within this sector. Green practices, such as pollution prevention and energy efficiency measures, can reduce costs and enhance sustainability (Graci & Kuehnel, 2017). GHRM and organizational sustainability are increasingly interlinked, with GHRM processes aiming to integrate environmental stewardship into HR practices. The World Commission on Environment and Development (WCED) defines sustainability as meeting present needs without compromising future generations' ability to meet theirs. Effective GHRM supports sustainability by fostering environmental responsibility and enhancing organizational performance (Bolch, 2008; Rani & Mishra, 2014). Sustainability benefits include improved brand image, competitive advantage, and reduced operational costs (Rogers, 2016; Legas, 2015). GHRM aims to align HR practices with sustainability goals, addressing both macro-level ecological concerns and micro-level organizational issues, such as resource management and employee engagement (Ehnert & Harry, 2012; Van Veslor & Quinn, 2012). Effective GHRM can lead to increased employee commitment and improved organizational outcomes (McWilliams & Siegel, 2001; Mesmer-Magnus et al., 2012). Studies on GHRM globally and locally have shown that GHRM

practices enhance organizational sustainability by improving environmental performance and employee engagement (Deepika & Karpangam, 2016; Bassam & Rahman, 2016; Nisa et al., 2016; Zubair & Khan, 2019).

RESEARCH GAP

In the Sri Lankan context, research on Green Human Resource Management (GHRM) within the tourism industry is limited. Previous studies, such as those by Siyambalapitiya, Zhang, and Liu (2018), focused on three GHRM dimensions; green induction, green performance management, and green employee involvement. Another study by Upamali and Darshika (2018) examined four dimensions; green job description, green performance, green training and development, and green rewards. Given the limited scope of these studies, which cover only a few GHRM dimensions within the Sri Lankan tourism industry, there is a notable research gap. To address this, the present study aims to explore the impact of a broader range of GHRM practices, specifically green recruitment, green selection, green training and development, green health and safety, green compensation management, green performance management, and green employee involvement on organizational sustainability. This study seeks to provide a more comprehensive understanding of how these practices influence sustainability outcomes in the Sri Lankan tourism sector.

RESEARCH QUESTION

Based on the above stated research gap, research question is identified as follows;

1. What is the impact of GHRM practices on the organizational sustainability?

RESEARCH OBJECTIVE

To explore the impact of GHRM practices on the organizational sustainability.

RESEARCH METHODOLOGY

This study investigates the impact of Green Human Resource Management (GHRM) practices on organizational sustainability within the tourism sector, specifically focusing on Hotels PLCs in Sri Lanka. The research utilizes a combination of primary and secondary data collection methods. Study population consists of Human resource managers from 38 hotel companies listed on the Colombo Stock Exchange (CSE) as of July 5, 2019. Out of these 38 companies, 22 were selected based on a market capitalization of ≥ 1 billion, representing 58% of the population. This selection is intended to ensure a representative sample of high market capitalization firms. A self-developed questionnaire, informed by existing literature (Arulrajah, Opatha & Nawarathna, 2015, Arulrajah & Opatha, 2016,

Obaid & Alias, 2015, Deshwal, 2015, Likhitar & Verma, 2017, Haridas & Sivasubramanian, 2016, Jahan & Ullah, 2016, Nayak & Mohanthy, 2017), was administered to HR employees. Data on organizational sustainability and GHRM practices were extracted from the annual reports of the selected companies. Descriptive analysis was used to summarize data from the questionnaires and annual reports to provide an overview of GHRM practices and sustainability outcomes. Regression analysis was conducted using SPSS-25.0 to examine the impact of the seven GHRM dimensions on organizational sustainability. The analytical model is specified as:

RESULTS

The study outcomes were as follows which are the data were analyzed using the multiple regression analytical tool. The following tables show the study findings.

Table 4.1: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.731 ^a	.534	.520	1.893

a. Predictors: (Constant), GEI, GR, GS, GHS, GPM, GCM, GTD.

(Source: Survey Data)

The multiple correlation coefficient (R) reveals a strong correlation between the seven predictor variables and the dependent variable, organizational sustainability (R = 0.731). The R-squared value indicates that approximately 53.4% of the variance in organizational sustainability (OS) is explained by the seven predictor variables. Thus, about 53.4% of the variation in organizational sustainability is accounted for by green employee involvement (GEI), green recruitment (GR), green selection (GS), green health and safety (GHS), green performance management (GPM), green compensation management (GCM), and green training and development (GTD).

Table 4.2. ANOVA Analysis for the Overall Model

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	992.008	7	141.715	39.565	.000 ^b
	Residual	866.796	242	3.852		
	Total	1858.804	249			

a. Dependent Variable: OS
 b. Predictors: (Constant), GEI, GR, GS, GHS, GPM, GCM, GTD

(Source: Survey Data)

The ANOVA analysis in Table 4.2 evaluates the effect of the independent variables on organizational sustainability in the tourism industry. The results show a p-value of 0.000, which is less than the significance level of 0.05. This indicates that the model is statistically significant and effectively explains the impact of the independent variables on organizational sustainability in the tourism industry.

Table 4.3. Coefficient of Determination

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.223	.982		.227	.820
	GR	.027	.028	.051	.956	.340
	GS	.087	.076	.067	1.146	.253
	GTD	.020	.041	.034	.489	.625
	GHS	.109	.029	.229	3.702	.000
	GCM	.165	.053	.208	3.132	.002
	GPM	.073	.036	.130	2.036	.043
	GEI	.111	.040	.185	2.739	.007
a. Dependent Variable: OS						

(Source: Survey Data)

The β values reflect the relative impact of each dimension of the independent variables on organizational sustainability. The analysis reveals that Green Compensation Management (GCM) has the greatest influence on organizational sustainability, with a β value of 0.165. This is followed by Green Employee Involvement (GEI) with a β value of 0.111, Green Health & Safety (GHS) with a β value of 0.109, Green Selection (GS) with a β value of 0.087, Green Performance Management (GPM) with a β value of 0.073, Green Recruitment (GR) with a β value of 0.027, and Green Training and Development (GTD) with a β value of 0.020. All seven predictors have a positive influence on organizational sustainability. Based on these findings, the equation for the linear regression model is as follows:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \beta_7 X_7 + \epsilon$$

$$OS = 0.223 + 0.027(GR) + 0.087(GS) + 0.020(GTD) + 0.109(GHS) + 0.165(GCM) + 0.073(GPM) + 0.111(GEI)$$

Hypothesis Testing

This study tested seven hypotheses to evaluate the impact of Green Human Resource Management (GHRM) practices on organizational sustainability in Sri Lanka's tourism industry:

- Hypothesis 01: Green recruitment (GR) has a significant positive impact on organizational sustainability.
 - Result: $p = 0.340$ ($p > 0.05$). Not supported. There is no evidence that Green Recruitment significantly impacts organizational sustainability. The Unstandardized Coefficient (B) of 0.027 indicates minimal influence.
- Hypothesis 02: Green selection (GS) has a significant positive impact on organizational sustainability.
 - Result: $p = 0.253$ ($p > 0.05$). Not supported. No evidence suggests that Green Selection positively affects organizational sustainability.
- Hypothesis 03: Green training and development (GTD) has a significant positive impact on organizational sustainability.
 - Result: $p = 0.625$ ($p > 0.05$). Not supported. Green Training and Development does not significantly impact organizational sustainability, with a B value of 0.020 indicating limited influence.
- Hypothesis 04: Green health and safety (GHS) has a significant positive impact on organizational sustainability.
 - Result: $p = 0.000$ ($p < 0.05$). Supported. Green Health and Safety significantly positively impacts organizational sustainability.
- Hypothesis 05: Green compensation management (GCM) has a significant positive impact on organizational sustainability.
 - Result: $p = 0.002$ ($p < 0.05$). Supported. Green Compensation Management significantly positively affects organizational sustainability.
- Hypothesis 06: Green performance management (GPM) has a significant positive impact on organizational sustainability.
 - Result: $p = 0.043$ ($p < 0.05$). Supported. Green Performance Management significantly positively impacts organizational sustainability.
- Hypothesis 07: There is no impact of green employee involvement (GEI) on organizational sustainability.
 - Result: $p = 0.007$ ($p < 0.05$). Rejected. Green Employee Involvement does impact organizational sustainability.

DISCUSSION OF FINDINGS

The findings show that there is an impact of GHRM practices on Organizational sustainability. Green Recruitment: Contrary to previous studies indicating a positive impact (e.g., Weerakotuwa, 2018; Nayak & Mohanthy, 2017; Silva & Tennakoon, 2017; Haridas et al., 2016; Arulrajah, et al., 2015), the current study found no significant impact of green recruitment on organizational sustainability in the Sri Lankan tourism industry. Green Selection: Similar to green recruitment, previous research (e.g., Nayak & Mohanthy, 2017; Arulrajah et al., 2015) suggested a positive influence, but this study found no significant impact of green selection on organizational sustainability. Green Training and Development: While earlier studies (e.g., Haridas et al., 2016; Uddin & Islam, 2015; Venkatsh, Lisst & Bhatt, 2014; Nijhawan, 2014) reported a significant positive effect, this study found no significant impact of green training and development on organizational sustainability. Green Health and Safety: The study confirmed a positive impact of green health and safety on organizational sustainability, consistent with findings from previous research (e.g., Arulrajah et al., 2015; Schulte, Mckernan, Heidel, Okun, Dotson, Lentz, Geraci, Heckel & Branche, 2013; Kaluza, Hauke, Starren, Drupsteen & Bell, 2012; Cunningham et al., 2010; Adei & Kunfaa, 2007). Green Compensation Management: The study found a positive impact of green compensation management on organizational sustainability, aligning with past research (e.g., Nayak & Mohanthy, 2017; Silva & Tennakoon, 2017; Haridas et al., 2016; Uddin and Islam, 2015; Ahmed, 2015; Arulrajah et al., 2015; Nijhawan, 2014; Prasad, 2013). Green Performance Management: Consistent with previous studies (e.g., Nayak & Mohanthy, 2017, Owino & Kwasira, 2016; Arulrajah et al., 2016; Uddin & Islam, 2015; Nijhawan, 2014; Renwick et al., 2008), the study found a significant positive impact of green performance management on organizational sustainability. Green Employee Involvement: The study found that green employee involvement positively affects organizational sustainability, supported by previous research (e.g., Haridas et al., 2016; Sengupta & Sengupta, 2015).

CONCLUSION

This study investigated the impact of Green Human Resource Management (GHRM) practices on organizational sustainability within the Sri Lankan tourism industry. The analysis of the collected data revealed that Green Recruitment (GR) found to have an insignificant influence on organizational sustainability ($\beta=0.027$, $p=0.340$). Green Selection (GS) demonstrated an insignificant but positive influence on organizational sustainability ($\beta=0.087$, $p=0.253$). Green Training and Development (GTD) had an insignificant influence on organizational sustainability ($\beta=0.020$, $p=0.625$). Green Health and Safety (GHS) showed a significant positive impact on organizational sustainability

($\beta=0.109$, $p=0.000$). Green Compensation Management (GCM) had a significant positive influence on organizational sustainability ($\beta=0.165$, $p=0.002$). Green Performance Management (GPM) indicated a significant positive effect on organizational sustainability ($\beta=0.073$, $p=0.043$). Green Employee Involvement (GEI) demonstrated a significant positive impact on organizational sustainability ($\beta=0.111$, $p=0.007$).

Based on these findings, it is concluded that while certain GHRM practices such as green health and safety, green compensation management, green performance management, and green employee involvement significantly contribute to organizational sustainability, others like green recruitment, green selection, and green training and development do not show a significant impact. This suggests that organizations in the Sri Lankan tourism industry may benefit more from focusing on the practices with proven positive effects to enhance their sustainability efforts.

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