Green Human Resource Management in Financial Institutions

Green Human Resource Management in Financial Institutions:

A Strategic Pathway to Sustainability

By

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Cambridge Scholars Publishing

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This book first published 2025

Cambridge Scholars Publishing

Lady Stephenson Library, Newcastle upon Tyne, NE6 2PA, UK

British Library Cataloguing in Publication Data
A catalogue record for this book is available from the British Library

ISBN: 978-1-0364-5769-3
ISBN (Ebook): 978-1-0364-5770-9

To my family — my source of strength and purpose.

To my father, whose unseen presence continues to guide me.
To my mother, whose resilience shaped mine.
To my brother Vikram, for his quiet support through every phase.
To my husband, whose faith in me never wavers.
And to Aman, whose innocent light is my daily inspiration.

This book is a reflection of all that you've given me — love, courage, and belief.

What we have once enjoyed we can never lose. All that we love deeply becomes a part of us.
— Helen Keller

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AUTHOR’S PREFACE

The genesis of this book lies in both personal conviction and academic pursuit. Over the past several years, my engagement with the evolving discourse on sustainability and human resource management led me to a fundamental question: *How can the people function within organizations truly contribute to ecological responsibility—especially in sectors that influence the economy at scale, such as finance?*

This book began as a doctoral thesis, grounded in both empirical inquiry and conceptual exploration. It has since evolved into a broader conversation—one that connects the theories of Green Human Resource Management (Green HRM) with real-world practices in financial institutions across the global and Indian landscapes. Through this transition, my aim has remained consistent: to bridge the gap between sustainability ambitions and actionable HR strategies.

As environmental concerns move from the periphery to the core of corporate responsibility, the role of HR professionals is becoming increasingly strategic. This work examines how institutions can align human capital with environmental goals through recruitment, training, engagement, performance management, and reward systems—not as afterthoughts, but as integral to their sustainability frameworks.

This book is intended for students, researchers, HR professionals, and policy thinkers who wish to understand and implement Green HRM practices. My hope is that it offers not only knowledge but also practical pathways toward transformation.

I am deeply grateful to those who have supported me throughout this journey—mentors, peers, institutions, and especially my family, whose encouragement sustained me through every challenge.

May this book serve as a small but meaningful contribution to building more conscious, responsible, and resilient organizations.

Kirandeep Kaur Bajwa, Punjab 2025

PREFACE TO THE FIRST EDITION

This first edition emerges at a time when the dialogue around sustainability, climate change, and corporate responsibility is no longer limited to environmental scientists or policy analysts—it has now entered the strategic boardrooms of organizations across sectors, particularly finance. Financial institutions, once considered distant from environmental action, are today under growing pressure to integrate sustainability into their core values, operations, and workforce strategies.

In this context, the role of Human Resource Management is undergoing a transformative shift. No longer confined to administrative or compliance functions, HR now stands as a strategic enabler of sustainable culture, behavior, and impact. This book is my attempt to explore and consolidate the emerging discourse on Green Human Resource Management (Green HRM), specifically within financial institutions—a sector that is both influential and evolving in its response to environmental challenges.

This edition lays the foundation for a broader inquiry into how HR practices—from recruitment to performance management—can be aligned with ecological goals without compromising institutional effectiveness. Drawing on conceptual frameworks, policy developments, case studies, and empirical insights, this book is intended to serve researchers, educators, HR professionals, and policy stakeholders who seek to integrate sustainability into the very fabric of workforce management.

As the first edition, this work is inherently bound by the scope and limitations of the current research and policy environment. However, I view it not as a conclusion but as a conversation starter—one that I hope will grow richer and more nuanced with time, future scholarship, and evolving business realities. Should future editions follow, they will aim to expand the empirical base, include diverse institutional perspectives, and respond to the global shifts in ESG expectations and sustainable finance.

I am deeply grateful for the opportunity to share this work and hope it contributes meaningfully to the growing body of knowledge and practice in sustainable human resource management.

Kirandeep Kaur Bajwa, Punjab 2025

CHAPTER 1

INTRODUCTION: GREEN HRM AND THE SUSTAINABILITY IMPERATIVE IN FINANCE

The world stands at a critical juncture. The escalating climate crisis, characterized by rising global temperatures, extreme weather events, and widespread environmental degradation, poses an unprecedented threat to human civilization and the planet's ecosystems. The Intergovernmental Panel on Climate Change (IPCC) warns that without swift and drastic action, we face irreversible consequences, including severe economic disruption, social unrest, and widespread human suffering. This crisis demands a fundamental transformation of our economic systems, business practices, and societal values. The financial sector, as the lifeblood of the global economy, plays a pivotal role in this transformation.

The Sustainability Imperative

The concept of sustainability, which emphasizes meeting the needs of the present without compromising the ability of future generations to meet their own needs (WCED, 1987), has moved from the periphery to the mainstream of business discourse. Organizations across all sectors are facing increasing pressure from stakeholders – including investors, customers, regulators, and employees – to adopt sustainable practices. This pressure stems from a growing recognition that environmental degradation and social inequality pose significant risks to long-term economic stability and business viability. The financial sector, in particular, is under intense scrutiny due to its unique position in allocating capital and shaping economic activity.

The concept of sustainability has evolved significantly over time. Initially focused on environmental concerns, it has broadened to encompass social and economic dimensions, often referred to as the "triple bottom line"

(Elkington, 1997)[1]. This framework emphasizes that businesses should consider their impact not only on profits but also on people and the planet. More recently, the concept of "strong sustainability" has emerged, emphasizing the need to maintain natural capital stocks, recognizing that natural resources are finite and essential for human well-being (Daly, 2005)[2]. The triple bottom line, while influential, has been criticized for its potential to allow trade-offs between the three dimensions. Strong sustainability addresses this by setting stronger boundaries.

The sustainability imperative is further reinforced by a number of global trends and developments. Increasingly frequent and severe extreme weather events, such as hurricanes, droughts, and floods, are causing significant economic damage and disrupting supply chains, highlighting the vulnerability of businesses to climate change. For example, the World Economic Forum's Global Risks Report consistently identifies extreme weather events and climate change as among the top risks facing the global economy. These events not only disrupt business operations but also lead to significant financial losses, infrastructure damage, and humanitarian crises. The increasing frequency of these events is a clear signal that climate change is not a distant threat but a present reality with significant economic implications. The financial sector itself is highly vulnerable to these risks. For example, banks with large mortgage portfolios in coastal areas are exposed to increased risks of defaults due to rising sea levels and more intense storms. Insurance companies face escalating payouts due to climate-related damages, potentially threatening their solvency. A recent example is the increased number of defaults in mortgages and property loans in areas affected by Hurricanes in the US. (IPCC, 2021)

Growing resource scarcity, including water shortages and depletion of fossil fuels, is driving up costs and creating new risks for companies. The depletion of fossil fuels, for instance, is not only driving the development of renewable energy sources but also creating uncertainty for industries that rely heavily on these resources. The transition to a low-carbon economy presents both challenges and opportunities for the financial sector. Banks and investors face the risk of "stranded assets," which are assets that lose their value due to changes in environmental regulations or technological advancements. At the same time, there is a growing demand for financing

[1] Elkington, J. (1997). Cannibals with forks: The triple bottom line of 21st century business. Capstone.

[2] Daly, H. E. (2005). Economics in a full world. Scientific American, 293(3), 100-107.

for renewable energy projects, energy-efficient technologies, and other sustainable solutions. Water scarcity is also becoming an increasingly pressing issue in many parts of the world, affecting agricultural production, industrial processes, and even the availability of drinking water. Businesses that fail to address these resource constraints face the risk of increased operating costs, supply chain disruptions, and reputational damage. (Dibley et al., 2021)[3]

Rising social inequality and growing awareness of social justice issues are also putting pressure on businesses to adopt more equitable and inclusive practices. Consumers are increasingly demanding that companies operate in a socially responsible manner, and they are willing to boycott brands that engage in unethical labor practices or contribute to social inequality. Investors, too, are paying more attention to social factors, with a growing number of funds focused on socially responsible investing. Businesses that fail to address social concerns risk alienating customers, investors, and employees, ultimately harming their bottom line. The financial sector plays a key role in addressing social inequality through its lending and investment practices. For example, banks can promote financial inclusion by providing access to credit and other financial services to underserved communities. They can also invest in affordable housing, education, and other social programs that benefit disadvantaged populations. (United Nations, 2015)

These trends are not isolated incidents; they represent systemic challenges that require a fundamental shift in how businesses operate. The traditional model of prioritizing short-term profits at the expense of long-term sustainability is no longer viable in a world facing increasing environmental and social pressures. Businesses must adopt a more holistic and integrated approach to sustainability, one that considers the interconnectedness of environmental, social, and economic factors. This systemic shift necessitates new ways of measuring and managing performance, with a greater emphasis on long-term value creation and stakeholder engagement.

[3] Dibley, D., Millar, J., & Stevens, S. (2021). Stranded assets and the environment: A critical review. Accounting, Auditing & Accountability Journal.

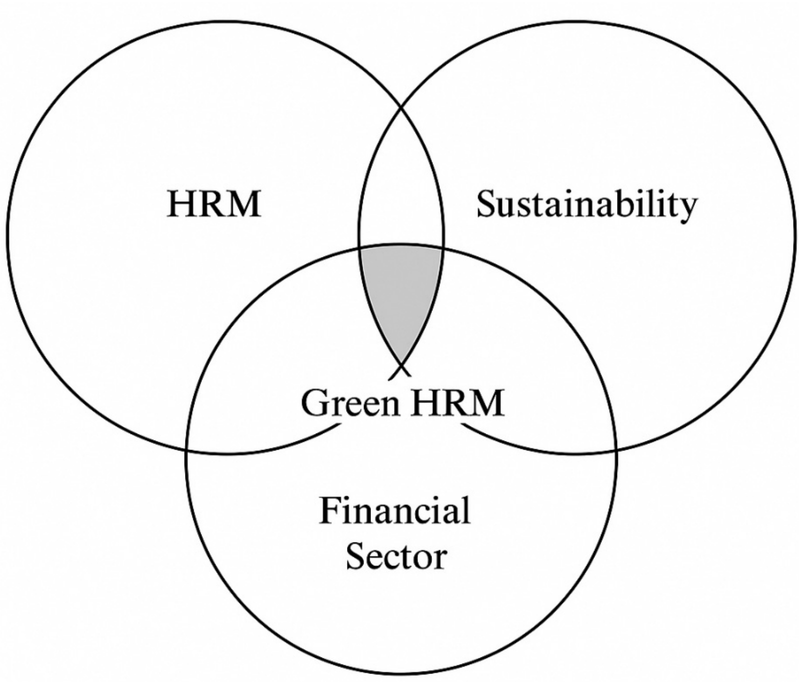

Fig. 1-1: Green HRM and Sustainability Imperative

The Financial Sector's Role

Financial institutions are not merely passive observers in the unfolding sustainability crisis. Rather, they are active agents whose decisions have profound implications for the environment and society. Through their lending, investment, and insurance activities, banks and other financial institutions channel capital to various sectors of the economy, effectively determining which activities are encouraged and which are discouraged. This power creates both a tremendous responsibility and a unique opportunity.

On one hand, the financial sector has historically been a major contributor to environmental problems. Investments in fossil fuel industries, deforestation, and other environmentally damaging activities have fueled climate change and exacerbated ecological degradation. The pursuit of short-term profits, often at the expense of long-term sustainability, has been a defining characteristic of much of the financial industry. As your thesis indicates, there is a growing recognition that banks need to adopt a "go green" approach to minimize their environmental impact. For example, a significant portion of global bank lending has historically been directed towards fossil fuel extraction and production, contributing to greenhouse gas emissions and exacerbating climate change. This has led to a situation where the financial sector is deeply intertwined with the very industries that are driving the climate crisis. (Clark et al., 2015)[4]

The 2008 financial crisis served as a stark reminder of the interconnectedness of the global financial system and the potential for systemic risks. Many argue that the crisis was, in part, a consequence of short-sighted financial practices that prioritized short-term gains over long-term stability and failed to account for the environmental and social consequences of investment decisions. For instance, the mispricing of risk associated with subprime mortgages, which were often packaged into complex financial instruments, contributed to the collapse of the housing market and triggered a global financial meltdown. This has led to increased calls for greater transparency and accountability in the financial sector, with a focus on integrating sustainability considerations into risk management and decision-making processes. There is a growing recognition that systemic risks, such as those posed by climate change, can have significant and potentially catastrophic impacts on the financial system. Central banks and financial regulators are increasingly concerned about the potential for climate change to trigger a future financial crisis. For example, the Bank of England has conducted stress tests to assess the resilience of financial institutions to climate-related risks. (Carney, 2015)[5]

The regulatory landscape for sustainable finance is rapidly evolving. Governments and international organizations are introducing new rules and guidelines to encourage financial institutions to consider environmental, social, and governance (ESG) factors in their decision-making. For example, the European Union has been at the forefront of this effort with the EU Taxonomy Regulation, which establishes a classification system for sustainable economic activities, and the Sustainable Finance Disclosure Regulation (SFDR), which requires financial institutions to disclose how

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[4] Clark, G. L., Feiner, A., & Viehs, M. (2015). From the stockholder to the stakeholder: How sustainability can drive financial outperformance. Saïd Business School, University of Oxford.

[5] Carney, M. (2015). Breaking the tragedy of the horizon - climate change and financial stability. Bank of England.

sustainability risks are integrated into their investment processes.[6] The Task Force on Climate-related Financial Disclosures (TCFD), established by the Financial Stability Board, provides recommendations for how companies should disclose their climate-related risks and opportunities. These regulatory developments are driving significant changes in how financial institutions assess risk, allocate capital, and report their performance. (EU, 2020)

On the other hand, the financial sector also holds the key to unlocking a more sustainable future. By shifting capital flows away from harmful industries and towards environmentally sound and socially responsible activities, financial institutions can drive the transition to a low-carbon economy. This "greening" of finance involves a range of activities, including:

- **Green Lending:** Providing loans to businesses that are engaged in environmentally sustainable practices, such as renewable energy, energy efficiency, and sustainable agriculture. For example, banks are increasingly offering green loans with favorable terms to companies that invest in renewable energy projects, such as solar or wind power. These loans may be used to finance the construction of renewable energy facilities, the installation of energy-efficient equipment, or the adoption of sustainable agricultural practices. (IFC, 2019)
- **Sustainable Investment:** Directing capital to companies that demonstrate strong environmental, social, and governance (ESG) performance. Sustainable investing is growing rapidly, with investors increasingly seeking to align their portfolios with their values and to mitigate risks associated with climate change and other sustainability issues. ESG integration involves systematically considering environmental, social, and governance factors in investment analysis and portfolio construction. (GSIA, 2020)
- **Green Bonds:** Issuing bonds to finance specific green projects with environmental benefits. Green bonds have become an important tool for raising capital for projects such as renewable energy installations, energy-efficient buildings, and sustainable transportation systems. The green bond market has grown exponentially in recent years, with increasing issuance from both corporations and governments. (CBI, 2021)

[6] EU. (2020). Taxonomy Regulation (EU) 2020/852. Official Journal of the European Union.

The growth of green finance is being driven by a combination of factors, including increasing investor demand for sustainable investments, growing regulatory pressure, and a recognition by financial institutions that sustainable practices can enhance long-term profitability and reduce risk. For example, the Principles for Responsible Investment (PRI), a UN-supported network of investors, has grown rapidly in recent years, demonstrating the increasing demand for sustainable investment strategies. Regulatory bodies around the world are also introducing new rules and guidelines to promote sustainable finance and to require financial institutions to disclose their exposure to climate-related risks. This is leading to a fundamental shift in how financial institutions operate and how they perceive their role in society. (PRI, 2023)[7]

Several financial institutions are emerging as leaders in sustainable finance. For example, ING Group has set ambitious targets for green lending and has integrated sustainability into its core business strategy. Similarly, ABN AMRO has been recognized for its efforts to promote circular economy financing. These institutions demonstrate that it is possible to align financial success with environmental and social responsibility.

However, the transition to a sustainable financial system requires more than just shifting investment portfolios. It also requires a fundamental shift in the mindset and practices of the people who work within financial institutions. This is where Green Human Resource Management (GHRM) comes in.

The Rise of Green HRM

Green HRM represents a critical yet often overlooked dimension of organizational sustainability. It involves aligning HRM policies and practices with an organization's environmental objectives, with the goal of fostering a green workforce and promoting environmentally responsible behavior (Ehnert & Harry, 2012). In essence, GHRM seeks to embed sustainability into the very fabric of an organization's human capital management.

Traditional HRM practices, focused primarily on maximizing productivity and efficiency, often neglect the environmental consequences of organizational activities. Green HRM, by contrast, recognizes that employees are not

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[7] PRI. (2023). About the PRI. Principles for Responsible Investment. https://www.unpri.org/about-us/what-is-the-pri

merely instruments of production but also key actors in driving environmental sustainability. It, therefore, seeks to:

- **Attract and retain** employees who are passionate about sustainability.
- **Develop** employees' knowledge and skills related to environmental issues.
- **Motivate** employees to engage in environmentally friendly behaviors.
- **Embed** environmental values into the organization's culture.

The evolution of GHRM reflects the growing recognition of the importance of human capital in achieving organizational sustainability goals. Early research on HRM and environmental management focused primarily on compliance with environmental regulations and the implementation of environmental management systems (EMS). However, it soon became clear that employee involvement and commitment were essential for the success of these initiatives. As your thesis rightly points out, Green HRM is an interdisciplinary and emerging field of study. Organizations are increasingly recognizing that their employees can be powerful drivers of change, contributing to both environmental protection and improved business outcomes. The focus has shifted from a narrow, compliance-based approach to a more strategic and holistic view of how HRM can contribute to organizational sustainability. (Ren et al., 2017)[8]

Green HRM goes beyond simply training employees on environmental procedures. It involves creating a work environment that fosters environmental consciousness, encourages employee participation in sustainability initiatives, and rewards employees for their contributions to environmental goals. It requires a holistic approach that integrates sustainability into all aspects of HRM, from recruitment and selection to performance management and compensation. This requires a fundamental shift in the way HR professionals view their role, moving from a traditional administrative function to a strategic partner in driving organizational sustainability.

The adoption of GHRM is not simply a matter of corporate social responsibility; it is also a strategic imperative. Organizations that effectively

[8] Ren, S., Tang, G., & Jackson, S. E. (2017). Green human resource management practices and employee green behaviors: Investigating the role of three mediators. Human Resource Management, 56(5), 877-893.

implement GHRM practices can gain a number of competitive advantages, including:

- **Enhanced Reputation:** A commitment to sustainability enhances an organization's reputation and strengthens its brand image, attracting environmentally conscious customers and investors. Consumers are increasingly likely to support companies that demonstrate a commitment to sustainability, and investors are increasingly incorporating ESG factors into their investment decisions. A strong sustainability reputation can differentiate a company from its competitors and enhance its brand value. (Story et al., 2016)[9]
- **Improved Employee Engagement:** Employees who believe their organization is committed to sustainability are more likely to be engaged, motivated, and committed to their work. As your thesis indicates, Green HRM can positively influence employee QWL and OCBE. Furthermore, research has shown a positive link between employee engagement and organizational performance. Green HRM practices can foster a sense of purpose among employees, making them feel that their work contributes to a greater good. This can lead to increased productivity, reduced absenteeism, and lower turnover rates. (Guerci et al., 2016)
- **Reduced Costs:** Green HRM practices, such as energy efficiency programs and waste reduction initiatives, can lead to significant cost savings. By reducing waste, conserving energy, and minimizing resource consumption, organizations can lower their operating expenses and improve their bottom line. These cost savings can be substantial and can provide a significant return on investment for GHRM initiatives.
- **Attracting and Retaining Talent:** As younger generations increasingly prioritize environmental and social responsibility, organizations with strong green credentials are better positioned to attract and retain top talent. Millennials and Gen Z are more likely to seek employment with companies that share their values and are committed to making a positive impact on the world. This can give

[9] Story, J., Neves, P., & Bernardino, J. (2016). Organizational benefits of adopting sustainable HRM practices: Evidence from a Portuguese context. Journal of Business Ethics, 130(1), 149-161.

organizations a competitive edge in the war for talent (Jones et al., 2014).[10]

- **Increased Innovation:** By fostering a culture of environmental responsibility, organizations can encourage employees to identify new and innovative ways to reduce their environmental impact and improve sustainability performance. Employees who are empowered to contribute to sustainability initiatives are more likely to come up with creative solutions and to drive innovation within the organization. Green HRM can help to unlock the creative potential of employees and to drive the development of new sustainable products, services, and processes. (Amrutha & Geetha, 2021)

However, the implementation of Green HRM in the financial sector is not without its challenges. One key obstacle is the prevailing organizational culture in many financial institutions, which often prioritizes short-term financial performance over long-term sustainability goals. This can create resistance to change and make it difficult to gain buy-in for Green HRM initiatives from senior management and employees alike. Another challenge is the lack of awareness and understanding of Green HRM among HR professionals in the financial sector. Many HR practitioners may not have the necessary knowledge and skills to design and implement effective Green HRM programs.

Despite these challenges, there are also significant opportunities for financial institutions to embrace Green HRM. As the pressure from stakeholders for sustainable practices continues to mount, financial institutions that proactively adopt Green HRM will be better positioned to manage risks, enhance their reputation, attract and retain talent, and drive innovation. Moreover, the integration of technology into HRM practices can facilitate the implementation of Green HRM initiatives.

For example, digital platforms can be used to deliver green training programs, track employee environmental performance, and facilitate communication about sustainability initiatives. Artificial intelligence (AI) can also play a role in automating certain HR processes, such as identifying candidates with green skills and values during the recruitment process.

[10] Jones, D. A., Willness, C. R., & Madey, G. R. (2014). Why are job seekers attracted by corporate social responsibility? Investigating the role of organizational reputation and applicant values. Business & Society, 53(5), 733-772.

To further illustrate the practical application and benefits of Green HRM in the financial sector, the following case studies highlight the initiatives undertaken by leading financial institutions:

Case Study 1: Banco Santander

Banco Santander, a multinational financial services company, has demonstrated a strong commitment to sustainability through various Green HRM initiatives. The bank has implemented comprehensive environmental training programs for its employees, focusing on topics such as energy efficiency, waste reduction, and sustainable finance. Santander also encourages employee participation in environmental initiatives through volunteer programs and internal communication campaigns.

Moreover, Santander has integrated sustainability into its performance management system by setting environmental targets for employees and rewarding those who contribute to the bank's sustainability goals. This approach has not only enhanced the bank's environmental performance but has also improved employee engagement and satisfaction.

Case Study 2: ING Group

ING Group, a Dutch multinational banking and financial services company, has also made significant strides in implementing Green HRM practices. ING has a strong focus on sustainable finance and has integrated this commitment into its HR policies. The bank provides its employees with training on sustainable finance products and services, enabling them to better serve clients who are seeking environmentally responsible investment options.

ING also promotes a culture of sustainability through employee engagement initiatives such as "Think Forward," a program that encourages employees to come up with innovative ideas for improving the bank's sustainability performance. The bank's commitment to Green HRM has not only helped it to attract and retain top talent but has also enhanced its reputation as a leader in sustainable finance.

Case Study 3: Westpac

Westpac, an Australian banking and financial services provider, has incorporated sustainability into its core business strategy, which is reflected in its Green HRM practices. The bank has established a "Sustainability

Leadership Program" to develop the environmental awareness and leadership skills of its employees. Westpac also encourages employees to participate in community-based environmental initiatives through its "Matching Gifts" program, where the bank matches employee donations to environmental organizations.

Westpac's holistic approach to Green HRM has not only improved its environmental performance but has also strengthened its employee value proposition, making it an attractive employer for environmentally conscious individuals.

These case studies demonstrate that Green HRM is not only a theoretical concept but a practical approach that can be successfully implemented in financial institutions. By aligning their HRM practices with their sustainability goals, banks can enhance their reputation, improve employee engagement, reduce costs, attract and retain talent, and drive innovation.

Purpose and Scope of the Book

This book argues that Green HRM is not only relevant to manufacturing or energy-intensive industries but is also crucial for the financial sector. Despite its pivotal role in driving sustainability, the financial industry has been slow to fully embrace GHRM. This book seeks to fill this gap by:

- Providing a comprehensive overview of the concepts and principles of Green HRM.
- Examining the specific challenges and opportunities for implementing Green HRM in financial institutions.
- Analyzing the current state of GHRM practices in the global banking sector, with a particular focus on the Indian context.
- Presenting best practices and practical frameworks for designing and implementing effective Green HRM initiatives.
- Exploring the impact of Green HRM on key organizational outcomes, such as employee well-being, organizational citizenship behavior, and customer satisfaction, drawing upon the research presented in your thesis.
- Offering insights and recommendations for HR professionals and banking leaders who are committed to building a more sustainable financial future.

The book is structured as follows:

- **Chapter 2** provides a foundational understanding of Green HRM, exploring its definition, evolution, and core dimensions, and examining global trends in its adoption within the banking sector.
- **Chapter 3** analyzes the financial sector's role in driving sustainability, explaining the concepts of green finance and sustainable banking, outlining the relevant regulatory landscape, and providing real-world examples.
- **Chapter 4** delves into the specific context of Green HRM implementation in Global and Indian financial institutions, providing in-depth case studies and analyzing the unique challenges and opportunities they face.
- **Chapter 5** focuses on green recruitment and selection, offering practical guidance on how financial institutions can attract and hire employees who are committed to sustainability.
- **Chapter 6** explores green training and employee engagement, providing strategies for educating employees about sustainability and fostering a culture of environmental responsibility.
- **Chapter 7** examines green performance management and rewards, discussing how financial institutions can integrate sustainability considerations into their performance management systems.
- **Chapter 8** synthesizes the key findings of the research, drawing upon the insights from your thesis, and discusses their implications for HR professionals and banking leaders, offering practical frameworks and policy recommendations.
- **Chapter 9** concludes the book by looking at the future of Green HRM in financial institutions, discussing emerging trends, potential challenges, and outlining a global roadmap for sustainable HR practices.

By providing a comprehensive and practical guide to Green HRM in the financial sector, this book aims to empower HR professionals and banking leaders to become agents of change, driving the transition to a more sustainable and resilient financial future.

CHAPTER 2

UNDERSTANDING GREEN HRM: CONCEPTS AND GLOBAL TRENDS

Defining Green HRM

Green HRM is a strategic approach that aligns an organization's policies and practices with its environmental objectives. It goes beyond mere compliance with environmental regulations, involving a proactive and integrated approach to managing human capital. Green HRM seeks to achieve organizational goals while minimizing negative environmental impact and promoting long-term sustainability. This approach shifts the focus from short-term gains to long-term sustainability, and from individual performance to collective environmental responsibility. The core principles of Green HRM include:

- Environmental sustainability
- Employee engagement
- Alignment of HRM practices with environmental goals
- Fostering a green-conscious organizational culture

Several scholars have contributed to the definition and understanding of Green HRM. For instance, Renwick et al. (2013)[1] define Green HRM as a set of HRM practices aimed at fostering environmental sustainability, while Jabbour and de Sousa Jabbour (2016) emphasize its role in improving both environmental and organizational performance. Dumont et al. (2017) further explain that Green HRM practices influence employees' green behavior, which in turn contributes to organizational environmental performance. Additionally, Green HRM is recognized for enhancing employer branding, making organizations more attractive to environmentally conscious talent (Jackson et al., 2011).

[1] Renwick, D. W. S., Redman, T., & Maguire, S. (2013). Green human resource management: A review and research agenda. International Journal of Management Reviews, 15(1), 1-14.

To further elaborate, Green HRM can be viewed as the human resource management function's contribution to the broader organizational sustainability agenda. It necessitates a holistic perspective, integrating environmental considerations into every stage of the employee lifecycle, from recruitment and selection to training and development, performance management, and even employee separation. This integration ensures that sustainability is not a siloed initiative but rather an intrinsic part of how the organization operates and how its people contribute to its environmental goals.

Moreover, the scope of Green HRM extends beyond internal organizational practices. It also encompasses managing the environmental impact of the workforce itself, such as reducing carbon emissions from commuting and business travel, promoting paperless work environments, and encouraging resource conservation among employees. This broader perspective acknowledges that employees are not only agents of organizational change but also individuals with their own environmental footprint.

The Evolution and Growing Importance of Green HRM

The emergence of Green HRM is closely linked to the increasing global awareness of environmental challenges such as climate change, resource depletion, and biodiversity loss. Growing stakeholder pressure from customers, investors, regulatory bodies, and even employees has compelled organizations to adopt more sustainable practices. Initially, environmental concerns were primarily addressed through operational and technological changes.[2] However, the recognition that human behavior and organizational culture play a crucial role in achieving environmental sustainability has led to the rise of Green HRM (Wehrmeyer, 1996).

The evolution of Green HRM can be seen in stages. The initial stage often involved basic compliance with environmental regulations and a focus on "end-of-pipe" solutions. As environmental awareness grew, organizations began to adopt more proactive measures, including environmental management systems. Green HRM represents a more mature stage where environmental sustainability is integrated into the core HRM functions, recognizing employees as key drivers of environmental performance (Daily et al., 2007).

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[2] Wehrmeyer, W. (1996). Greening people: Human resources and environmental management. Greenleaf Publishing.

The importance of Green HRM continues to grow for several reasons:

- **Enhanced Environmental Performance:** By engaging employees in environmental initiatives and fostering green behaviors, organizations can significantly improve their environmental performance, reduce waste, conserve resources, and lower their carbon footprint.
- **Improved Organizational Performance:** Research suggests a positive link between Green HRM practices and overall organizational performance, including increased efficiency, innovation, and profitability (Saeed et al., 2019).
- **Stronger Employer Branding and Talent Attraction:** In an increasingly environmentally conscious world, organizations with strong green credentials and a commitment to sustainability are more attractive to potential employees, particularly younger generations who prioritize environmental values.[3]
- **Increased Employee Engagement and Motivation:** When employees feel that their organization cares about the environment and provides opportunities for them to contribute to sustainability efforts, it can lead to higher levels of engagement, motivation, and job satisfaction.
- **Risk Mitigation and Regulatory Compliance:** Proactive Green HRM practices can help organizations to better manage environmental risks, ensure compliance with evolving environmental regulations, and avoid potential penalties and reputational damage.
- **Enhanced Stakeholder Relations:** A genuine commitment to environmental sustainability, demonstrated through Green HRM, can improve relationships with customers, investors, communities, and other stakeholders who are increasingly concerned about environmental issues.

Key Areas and Practices of Green HRM

Green Recruitment and Selection

Beyond simply stating the aim of attracting environmentally conscious candidates, the practical implementation of green recruitment and selection involves a multi-faceted approach. Organizations are increasingly

[3] Daily, B. F., Bishop, J. W., & Govindarajulu, N. (2009). A conceptual model for organizational citizenship behavior directed toward the environment. Business & Society, 48(2), 245-268.

incorporating environmental competencies into job descriptions across various roles, not just those directly related to sustainability. For instance, a marketing manager might be evaluated on their ability to develop environmentally friendly marketing campaigns, or a supply chain analyst on their understanding of sustainable sourcing practices.

Innovative assessment methods are also being employed. Situational judgment tests might present candidates with scenarios involving environmental dilemmas, requiring them to demonstrate their problem-solving skills and commitment to sustainability principles. Behavioral interviews can delve into past experiences where candidates have championed environmental initiatives or demonstrated environmentally responsible behavior. Some organizations are even incorporating "green skills" assessments, evaluating a candidate's knowledge of environmental regulations, sustainability frameworks, or specific green technologies relevant to the role[4].

Furthermore, the employer branding strategy plays a crucial role in attracting environmentally conscious talent. Organizations that authentically communicate their commitment to sustainability through their websites, social media, and recruitment materials are more likely to attract candidates who align with these values. Participating in green career fairs or partnering with environmental organizations can also enhance the reach to this specific talent pool. The entire recruitment process itself is also becoming greener, with a shift towards virtual interviews, online applications, and digital communication to minimize the carbon footprint associated with traditional recruitment methods.

Green Training and Development

Effective green training and development programs go beyond basic awareness sessions. They are tailored to specific roles and responsibilities, equipping employees with the practical skills and knowledge needed to integrate sustainability into their daily work. For example, employees in manufacturing might receive training on waste reduction techniques and energy efficiency measures specific to their production processes. Office

[4] Renwick, D. W. S., Redman, T., & Maguire, S. (2013). Green human resource management: A review and research agenda. International Journal of Management Reviews, 15(1), 1-14.

staff might be trained on paperless workflows and sustainable procurement practices.

To enhance engagement and knowledge retention, organizations are leveraging innovative training methodologies. E-learning modules offer flexibility and accessibility, allowing employees to learn at their own pace. Interactive workshops and simulations provide hands-on experience and encourage collaborative problem-solving around environmental challenges. Gamification, incorporating elements like points, badges, and leaderboards, can make green training more engaging and motivating.

Moreover, green training is not a one-time event but an ongoing process. Organizations are implementing continuous learning initiatives, providing employees with regular updates on environmental regulations, emerging sustainability trends, and best practices within the industry. This can include webinars, online forums, and internal knowledge-sharing platforms. Mentoring programs, where experienced employees guide newer colleagues on sustainability initiatives, can also be highly effective in fostering a green-conscious culture and building internal expertise.

Green Performance Management

Integrating environmental objectives into performance management requires careful consideration of what to measure and how to evaluate it fairly. Green performance indicators can range from individual actions (e.g., reducing personal waste, using sustainable transportation) to team-based goals (e.g., achieving energy reduction targets for a department) and organizational-level metrics (e.g., reducing the company's carbon footprint).

The performance review process should include constructive feedback on an employee's environmental performance, highlighting both successes and areas for improvement. It's crucial to ensure that these environmental goals are realistic, measurable, and aligned with the organization's overall sustainability objectives. Recognizing and rewarding employees for their contributions to environmental sustainability during performance reviews can further reinforce the importance of these behaviors.

Furthermore, some organizations are adopting 360-degree feedback mechanisms that include input from peers and subordinates on an individual's commitment to and demonstration of green behaviors in the workplace. This provides a more holistic view of an employee's environmental