Green HRM: A Sustainable Approach Adopted By Green Banks

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ABSTRACT
Currently, our environment is deteriorating as a result of remorseless human activities leading to global warming and changes in worldwide weather patterns. Environmental protection has become the most pressing matter of the moment. To strengthen the call for environmental protection, various green standards have been established which aims at mitigating corporate practices that are not eco-friendly. Subsequently, a fast growing corporate trend of integrating green practices into HR can be seen. Corporations have taken a green turn while focusing on the “go green” concept to find a fine balance between their pursuit of profits and environmental protection. The banking sector has also taken various green initiatives in recent years in order to adopt the “go green” concept. Their objective is to conduct all banking operations in an efficient manner by taking care of earth’s ecosystems with minimal environmental impact. The paper largely focuses on various green components which can be incorporated into basic HR practices and attempts to highlight the present position of Green HRM practices implemented in selected green banks through systematic review of collected literature. Finally, it helps in understanding the role of HR professionals in achieving green goals of the organisation.

1. Introduction
Green HRM is an emerging concept that has come into light in recent years. The green ways of management refers to the unification of enterprise behaviour and environmental consciousness. It requires a corporation to take specific actions to prevent pollution and wastage of resources in the process of production, to minimise environmental impact. Moreover, it demands inclusion of environmental considerations into different functions of HR role like Recruitment, Performance Management (PM) and Performance Appraisal (PA), Training and Development, Employment Relations – Employee Involvement (EI) and Employee Participation (EP), Pay and Reward and Exit procedures.

The Green Human Resource Management practices involves both traditional “HR practices” aligned with environmental goals and “strategic HRM” dimensions (Gholami et al., 2016). Green management is based on systematic approach of incorporating environmental theme at every level of the organisation. Green initiatives within HR corresponds to a much wider area, that is Corporate Social Responsibility (CSR) of a corporation. This is an interdisciplinary and emerging field of study which requires greater understanding and awareness for effective implementation of Green HRM practices.

The role of HR professionals in this regard is the most crucial, as HR practices serve as a value-added function in implementing the green practices at the root level in every sector. The eco-friendly culture within a corporation can be achieved by engaging employees in sustainable practices at work. HR is the key resource of any organisation and can have a significant impact on how the organisation operates (Singh and Goyal, 2015). The process of support from Human Resources (HR) to Environmental Management (EM) objectives is called Green Human Resource Management (GHRM).

GHRM practices provide supportive framework for sustainable development and cleaner production (CP). The notion of sustainable development reflects “long-lasting”, “deep-rooted”, “substantial” and “consistent” development. In the corporate context, International Institute for Sustainable Development (IISD) defines sustainable development as taking up specific business plans and practices that would help an enterprise to incorporate green initiatives to meet the needs of itself and its stakeholders today, while protecting and enhancing the living resources that will be needed by our future generations.

The banking sector has taken various green initiatives in recent years in order to adopt “go green” concept. According to Indian Banks Association (IBA, 2014) “Green Bank is like a normal bank, which considers all the social and environmental/ecological factors with an aim to protect the environment and conserve natural resources”.

It can be characterized as a bank which takes up sustainable activities as its moral obligation. There have been three green banks in India which have got ranked among the “Top Green Companies in the World 2016” list of Newsweek Green Score, namely ICICI Bank at rank 437, HDFC Bank at rank 445 and SBI at rank 449 (www.newsweek.com). The Newsweek Green Rankings are one of the world’s foremost corporate environmental rankings. The project ranks the 500 largest publicly-traded companies in the United States (the U.S. 500) and the 500 largest publicly-traded companies globally (the Global 500) on overall environmental performance (newsweek green rankings final methodology 2016). The Global 500
The main purpose of this study is to highlight various green components that can be incorporated into basic HR practices and to examine the present position of Green HRM practices implemented in selected green banks namely ICICI Bank, HDFC Bank and SBI Bank. The study also contributes in explaining the role of HR professionals in achieving green goals of the organisation and provides avenues for further research.

2. Previous Work

Renwick et al [1], takes a coherent view of the literature in Green HRM, using it to organise the literature on the basis of entry-to-exit processes in HRM (from recruitment to exit), revealing the role that HR processes in providing supportive framework to Green HR policy in an organisation. The contribution of this research study has provided a concrete base for better understanding of Green HRM practices by proposing a new process model and research agenda in Green HRM.

Boiral and Paille [2], have put forward and validated an instrument for measuring organizational citizenship behaviour for the environment (OCBE) and specified that there are three main categories of OCBEs defined as eco-initiatives, eco-civic engagement and eco-helping. Further analysis of these three types of OCBEs highlighted various voluntary initiatives that must be taken for the protection of environment at workplace.

Teixeira et al [3], comprehends the relationship between green management and environmental training in Brazilian companies, depicting how this relationship takes place and its underlying factors. It proposes for a theoretical framework relating the evolutionary stages of green management and the characteristics of environmental training, and ascertained that organizational culture and teamwork, top management support and more technical green management practices are the factors that seem to connect and convert environmental training into more proactive green management, especially for companies in the proactive green management stage.

Ehret and Harry [4], examined the role of HRM taking into consideration the previous and current state of studies in the field of sustainability. Specifically, this paper drew attention to a variety of definitions of ‘sustainability’ and to various different approaches to Sustainable HRM. Finally, there are suggestions provided regarding avenues for further research in this recently emerging field of study – for academics, for practitioners and for humanity in general.

Renwick et al [5], have worked on the unification of two extremely distinct literatures of Environmental Management (EM) and Human Resource Management (HRM). The paper classifies the existing literature on the basis of Ability-Motivation-Opportunity (AMO) theory exhibiting the role human resource management practices in implementing Green Human Resource Management (GHRM) processes. This paper contributes in identifying certain gaps in the existing literature and suggesting some potentially productive future research agendas.

Wu and Wu [6], applied the theory of planned behavior (TPB) to examine the awareness of green management among executives in the Top 5000 corporations (as listed in the China Credit Information Service (CCIS)). Perceived risk, perceived benefit, justice, moral obligation, control force, and control beliefs have been considered as antecedents to the three components of the TPB (attitude, subjective norms and perceived behavior control, PBC).

Jabbour and Jabbour [7], proposes a consolidated framework for the GHRM-GSCM relationship and also proposed a research agenda for the same. This paper draws attention to the implications of GHRM-GSCM integration for scholars, managers, and practitioners in the fields of organizational sustainability and truly sustainable supply chains.

Gholami et al [8], conducted research work on “Green Human Resource Management” practices, in combination with the Ability-Motivation-Opportunity theory to bring about sustainability in the sports centers. This paper defined key practices to implement a cleaner sustainability strategy within the sports centre that produce multiple effects at the macro, meso, and micro levels of society.

Pinzone et al [9], investigated the mediating role of collective commitment to change and EM with regard to the relationship between ‘Green’ HRM practices and collective voluntary behaviours towards the environment. The results have shown that Green HRM practices are helpful for generating voluntary behaviours for environmental protection at the collective level. Moreover, employees’ willingness to support their organisation in its EM endeavour mediates this relationship.

3. Proposed Methodology

The study is primarily based on the secondary data. To draw together the extant of literature in this field, secondary has been
4. Green HRM components and their adoption by Green banks

Green Human Resource Practices plays a key role in functioning of green banks. The various green components that are attached in each general HR practice have been discussed in this part of the paper which conforms to sustainability and cleaner production.

4.1 Green Recruitment Solutions

Green recruitment means using online methods and hiring candidates who have knowledge and skills that converge with environment management systems within an organisation. It takes into account the approaches and behaviours of the new recruits. This main components of green solutions for recruitment may include online recruitment which involves usage of online application forms, online uploading of requisite documents by the candidates which will help in reducing paper wastage; green job descriptions which consist of activities that would substantially contribute to preserve or restore environmental quality; green employer branding because a green employer attracts high quality staff in the war of talent. The recruits are always more passionate to work for an environment friendly organisation as it would provide them with safe and healthy work environment to work in; green job vacancies which are related to environmental reporting roles or roles that deal with recycling and waste reduction such as Environment Specialists, Solar cell technicians, Green design professionals etc.; ‘Green awareness’ questions can become a part of interviews to analyse environmental competencies; and online selection methods that are undertaken remotely such as conducting online tests in nearby centres to reduce the need of commuting to longer distances, and it also helps in reducing paper wastage and conducting online interviews through video conferencing/ video chatting.

For example, all green banks are using online recruitment and selection methods such as making job seekers to apply through online portals and conduct online tests in nearby centres to reduce paper wastage and fuel consumption. ICICI Bank conducts ‘Green Test’ to assess ‘Green Quotient’ of the candidates and analyse their environmental competencies. SBI Bank and HDFC Bank have made green awareness questions a part of their online tests under general awareness section.

4.2 Green Performance Management and Performance Appraisal

Greening of Performance Management and Performance Appraisal takes into account environmental concerns and environmental policies. It is to make formal assessment of environmental responsibilities of managers and staff which will help in developing a learning culture in long run, with required motivation at each step. This may include some specific parameters while making appraisal decisions such as implication of new strategies/facilities; waste management; communicating environmental concerns and policies effectively and managers to be held accountable for this. Establishing firm-wide dialogue on green matters; Checking compliance of green directions by conducting environmental audits known as ‘green audit programs’; implication of GIS (Green Information Systems) which provide predefined set of green performance standards for managers and staff, to compare with actual performances; green action plans designed for staff and their compliance, and associating appraisal and rewards with green performances of the staff; including green performance indicators into performance management and appraisal; managers to be assigned green goals and responsibilities and same to be included in their appraisal reports; penalties for non-compliance of EM policies; to establish a Performance Management System to monitor and review performance, productivity, quality, wastage and accidents/green incidents.

For example, managers in all green banks are appraised for effective implementation of E-waste Management practices, such as implementing centralised printing and photocopying facilities, making buy-back arrangements with vendors/authorised dealers for new purchase of electronic devices, identification of E-waste and its timely disposal, timely repairs and upgradations; reckoning of the usefulness of items and donating them to schools and NGOs. In ICICI Banks, ‘Green Compliance’ is made part of Performance Appraisal reports. It formally assesses whether managers and staff satisfy regulatory compliance norms of newly launched green products and services. In HDFC Banks, Manager’s appraisal report contains a parameter regarding effective implementation of Energy Efficiency programs which includes using star rated and energy efficient A/Cs and Diesel Gensets and usage of automated server and desktop shutdowns to reduce energy consumption.

4.3 Green components of Training and Development

Green components of training and development focus on educating and training employees about how to conserve energy and reduce waste. It is about increasing employees’ awareness regarding value of EM, because the most successful environmental reforms are people intensive and work through employee development. These may involve Total Waste Minimization which includes training on environmental management which would emphasize an efficient use of process and material; education initiatives in general waste
minimization which helps in inculcating Eco-values among employees; train Green Executives to make them aware of regulatory compliance and possible consequences in case of negligence and violation of the same; integrated training that focuses on employees’ skills and competence building in EM; Green Induction training to familiarize with the ongoing green projects and efforts of the organisation to build a serious attitude among new hires from the beginning itself; training on TQEM (Total Quality Environmental Management) which trains an organisation’s management and employees on how to work systematically and achieve desired green goals by timely identification and elimination of potential environmental problems; Environmental training related to hazardous waste/dangerous substances (in-house training elements); train staff to conduct green analysis of workspace; inculcating Green Culture in which induction training can be organised for new hires familiarizing them with ongoing green projects, awareness training for more experienced employees can be conducted to make them aware of new facilities and greener strategies, and training on specific green topics can be conducted for staff specifically associated with environmental reporting roles, to instigate a link between organisational eco-literacy and success of Environmental Management. Corporate Environmental Committee can be constituted to make sure that green components are added into job descriptions; environmental awareness is made part of induction training; to decide upon timing and sequence of training on green elements; and Health and Safety training and MDPs include environmental considerations. Constituting ‘Green teams’ in each department to prepare EM departmental agendas so as to evaluate and review success of trainings provided. These teams also work on new innovative ideas to address environmental concerns; training related to safety, energy efficiency and recycling; and re-training of staff who worked previously in relatively polluter industries.

For example, Green banks like SBI, HDFC and ICICI are providing requisite training to its staff to operate solar based UPS used for ATMs implemented under Social Environment Management System Plan (SEMSP) under its Independent ATM Deployment (IAD) Model; the green teams at SBI Bhawan have implemented a recycling plant housed at the basement of the building which converts waste into compost. The compost is then used at the headquarters and residential quarters of bank; ICICI Bank distributes its monthly newsletter named ‘Chlorophyll’ during induction training to make new recruits familiar with ongoing green projects, showcasing ‘Go Green’ initiatives within ICICI Group; The green teams of SBI have also implemented rainwater harvesting projects in a number of branches across India; ICICI Bank also covers updates on ‘Go Green’ mechanisms in existing team newsletters; HDFC Bank and ICICI Bank provides training in waste management which includes recycling of paper and plastic and E-waste management. Periodic collection is being made from all branches and recycling plants have been implemented at one of the hub locations; HDFC Bank and SBI Bank provides training to its staff for Lithium UPS installation and its functioning in areas of fluctuating power supply to conserve energy; all green banks provide periodic trainings related to Green Channel Banking/Digital Banking and emphasize paperless banking; and ICICI Bank has started a training program named ‘Green Bytes’ which disseminates green facts about environment and green tips to help contribute towards greener earth.

4.4 Innovative Green Solutions through Employee Involvement and Employee Participation

Green Employee Involvement and Employee Participation will boost up “employee environmental creativity”. Using EI in EM not only generates innovative ideas and better practices, but also increases employees’ pride and commitment towards their work, accompanied with greater levels of motivation to generate enhanced green performance. This allows workers to make timely contributions towards EM and helps organisation to tap the advantages of workers’ know-how and creativity. It helps in promoting feedback and improving internal communications, thus giving enough space for creative solutions to address environmental concerns. It might involve components such as ‘Pollution Prevention Pays’ programme, also known as 3P/PPP programme. This intends to encourage employees to propose changes to generate revenue and reduce pollution; Productive Maintenance Approach which emphasize regular employee inputs in maintaining and improving production efficiency, and quality of machines, processes and materials, as they are closest to it; Suggestion programmes through which employees can suggest green solutions; constituting problem solving circles specifically to work on environmental concerns; staff independence to form and experiment with green ideas; employee helpline for guidance in green matters; green forms of transport that will encourage employees to use electric vehicles, or hybrid vehicles to commute as these modes of transport make use of rechargeable batteries. Another best option is car pooling which helps in reducing each person’s fuel consumption and related pollution; set up low carbon chiefs to increase action in EM which emphasizes to involve organisation’s CEO and Board of Directors in the EM planning; introducing green whistleblower helplines which encourages internal whistle blowing regarding environmental breaches; and Discipline and dismissal for EM breaches under which disciplinary procedures are attached to environmental rules and duties where non-compliance occurs (including clauses in staff contracts too) and breach of contract may create possible ground for dismissal.

For example, ‘Power Go Green’ Contest is organised by ICICI to get innovative green ideas from employees; a tree plantation drive is undertaken in SBI periodically during monsoon across all circles; ICICI Group has launched ‘Green Alert’ information tab in its employees’ online accounts which provides its green teams and problem solving circles with recent updates on developments in the green field across the world; HDFC Bank celebrates Green events such World Environment Day and Earth Hour to encourage its employees to get connected with its green goals more strongly; and in ICICI, employees gift ‘Money Plants’ to customers during ‘Utsav’ season and saplings during special occasions.

4.5 Greening of Pay and Rewards

It deals with establishing a pay and reward system which is directly connected to green activities developed by green teams/individual staff. There is a constant need to develop reward systems to produce desirable behaviours in EM and it requires effective employment of both incentives and
disincentives. It may involve components such as Green Pay/Reward system which helps in establishing a reward system for waste reduction practices that green teams develop; ‘Environmental Respect Awards’ for employees’ environmental achievements and awards for suggestions; tailoring Reward packages related to acquiring designated skills and competencies (and not just for performance), as these are seen as important factors in performance over long term. Example: knowledge of environmental legislation may prevent serious accidents or illegal emissions; Monetary based EM rewards which involves Greening of Performance Related Pay (PRP) in which an important proportion of monthly managerial bonuses are dependent upon performance outcomes in EM. That is, including EM issues into PRP systems, as an extra performance criterion or as a baseline standard to be met to qualify for PRP; Non-monetary recognition and rewards which may involve conferring recognition in public meetings, via news articles, delegating more important external roles, providing sabbaticals, paid vacations, time off, gifts, dinners and favoured parking; Disincentives for developing negative reinforcements in EM that may involve criticism, warnings and suspensions for lapses; link suggestion scheme to reward system; providing green tax breaks; and link participation in Green initiatives to promotion/career gains such as managers advance through supporting staff in EM.

For example, in ICICI Bank, managers and employees are rewarded in case they are able to encourage and indulge customers to go for green products which involves ‘green vehicle loans’ and ‘green home loans’. 50% processing fee waivers are provided for customers choosing eco-friendly vehicles and green buildings; HDFC Bank has been awarded for its ‘Resource Efficiency’ efforts such as implementing motion sensors to switch off lights in unoccupied rooms, emphasize usage of reusable cups and plates, and installing its washrooms with proximity sensors; ICICI has been conferred ‘Gold Category’ recognition at Energy and Environmental Foundation Global Safety Awards 2017 for its constant efforts encouraging safe work practices across operations; HDFC was conferred with CII’s Centre for Excellence for Sustainable Development: Sustainable Plus Gold for efforts in Environmental Protection 2015-16; ICICI Bank won State Level Energy Conservation Award organised by Maharashtra Energy Development Agency 2014-15; SBI won Best Bank Award for Electronic Payment Systems among Large Banks for 2017, organised by IDRBT Banking Technology Excellence Awards; and ICICI Foundation won Best CSR and Sustainability Practices Award for 2016 at 4th Asia Business Responsibility Summit.

4.6 Greening of Exit process

An exit interview is an invaluable source of information which can be utilised by HR department to improve quality of work life, encourage employee involvement and reduce labour turnovers. The information about green elements and its implementation can be obtained from exiting employees. For this, debriefings can be carried out to gather information about greener reforms being made in the organisation; Legal protection for green whistle blowers is must as there are no safety provisions for them. Employees’ perceptions and expectations regarding this can be gauged through an exit interview.; employees should be enquired if green issues are the reasons for their resignations, for example, they might be moving to a more green employer; and to get an idea about their perceptions about taking a green turn.

5. Conclusion

Green policies and strategies have now become a part of HR agendas which helps in inculcating a green culture within an organisation. The role of HR professionals in this regard is of vital importance. The innovative green turns taken by selected green banks of India namely ICICI Bank, HDFC Bank and SBI Bank reflects an integrated approach adopted by these financial institutions to deliver maximum benefits to their key stakeholders through sustainable use of resources. The incorporation of green components within HR practices has helped these institutions make their position in the "Top Green Companies in the World 2016" list of Newsweek Green Score. This helps in increasing awareness and setting an example for other organisations in India to turn their focus towards environment-friendly HR practices, and embrace waste management, recycling and production of greener products.

6. Future Scopes

The many possible avenues of research into Green HRM suggests that further studies can be conducted to identify key parameters to measure environmental performance of managers against a set of green standards (GS); the awareness among employees and top executives regarding Green HRM training and practices can be examined; it would be interesting to investigate whether green corporations are able to attract more customers for their products and services; and to evaluate key challenges that an organisation may face while taking a green turn.

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