INFLUENCE OF GREEN HUMAN RESOURCE PRACTICES ON SUSTAINABLE ORGANIZATIONAL PERFORMANCE: A REVIEW OF LITERATURE

Dilrukshi M.H.S.¹ and Aluthge C.²

Abstract

The concept of “going green” has revolutionized business operations, leading organizations to prioritize social and environmental sustainability, including financial benefits. The Triple Bottom Line (TBL) theory’s three pillars of sustainable performance - economic, social, and environmental performance have also come to dominate contemporary business trends and have influenced the field of human resource management (HRM). Human resource management plays a crucial role in achieving sustainable organizational performance, with the enactment of green HR practices becoming a prominent strategy for aligning financial objectives with sustainable goals. This study aims to examine green HRM practices and their influence on achieving sustainable organizational performance to advance the ideology of green HRM and identify the research gap in this area. The study employed desk-based research using well-recognized academic databases such as ELSEVIER, Emerald Insight, Google Scholar, JSTOR, SCOPUS, etc. and extracted 66 articles using keywords such as green HRM, HRM practices, and sustainable organizational performance. The findings of the study extend that green recruitment and selection, green induction, green training, green rewards and compensation, and green employee discipline management significantly foster the green behavior of employees ultimately achieving sustainable organizational performance. This review contributes to the current literature on green HRM and eventually helps HR managers incorporate sustainability into their HR practices successfully.

Keywords: Employee Performance, Environmental Performance, Green Human Resource Management, Green HRM practices, Sustainable Organizational Performance

¹ Graduate Student, Graduate School of Economics, Kyushu University, Japan, Lecturer (Probationary), Department of Economics, University of Colombo. *Corresponding author. Email: saumya@econ.cmb.ac.lk
² Professor, Department of Economics, University of Colombo.
1. Introduction
Many countries are confronted by a multitude of challenges, such as limited resources and environmental issues. Consequently, the latest economic outlook has shifted towards the promotion of environmental sustainability to foster economic progress and advancement. This trend commenced during the 1990s, as sustainability obtained public policy support in some advanced economies, primarily in Europe, and green consumerism rose, with the concept of sustainable development adopted by large conventional corporations (Bergquist, 2017). These stakeholders have realized that prioritizing profit maximization alone, without considering businesses’ interactions with their operating environment, will not be a feasible approach in the long run. Consequently, organizations tend to adopt eco-friendly practices. The heightened consciousness surrounding environmental sustainability has provoked nations to formulate new economic frameworks that prioritize sustainability and fulfill corporate social responsibility. Nations are striving for both economic growth and environmental sustainability. This emphasizes that businesses must prioritize green practices, as they have historically driven a country’s development. Therefore, it is incumbent upon these firms to focus on preserving and conserving resources while minimizing environmental harm. As society becomes more environmentally conscious, firms are expanding their environmental regulations and investing in upgrading their management systems in an eco-friendly manner. Consumers also have a high tendency to purchase eco-friendly products and are also concerned about the environmental behavior of the firms. To earn consumer loyalty, many firms have made sustainability a top priority.

Similarly, current discussions of sustainability also emphasize the need for organizations to consider economic, environmental, and social factors in carrying out their operations. The economic aspect of sustainability reflects strategies for organizations to thrive while considering the impact on the environment and society. At the same time, environmental and social evaluation provides insights to assess the long-term consequences of organizational activities on the well-being of the environment and society. The synchronization of these three strands is imperative to achieving overall sustainability. Effective resource management is key to ensuring an organization’s sustainable performance. Among all the resources, human resources play a vital role as their eco-friendly behavior promotes the organization’s sustainable performance.

According to Jabbour et al. (2019, as cited in Mousa & Othman, 2020), environmental sustainability may be at the center of and the focus of emergent Green Human Resource Management (GHRM) research studies, and human resources can be recognized as a powerful tool for facilitating green and sustainable initiatives in this regard. Executing GHRM practices is crucial in attaining a sustainable competitive edge and environmental sustainability, as it ensures that individuals' actions are in line with the company's strategic objectives (Jermsittiparsert, 2021). With the incorporation of environmental sustainability into HR practices, firms can effectively address environmental issues and promote corporate social sustainability. The concept of green HRM and green HRM practices adopted by organizations have been subject to many studies. However, few have attempted to determine the impact of green HR practices on sustainable organizational performance, especially since
most of the research has focused on one or a few green HR practices separately. As an aftermath, this study contributes to the literature by attempting to consider practically significant green HR practices used by organizations and their impact on sustainable organizational performance and overall sustainability. Henceforth, by examining a comprehensive range of studies on green HR practices and sustainable organizational performance, this study aims to provide a more holistic understanding of the impact of green HR practices on sustainable organizational performance. Likewise, researching and compounding the knowledge of the sustainable HRM practices currently in use and those planned for implementation by organizations can make a valuable academic and practical contribution to the HRM field.

1.1 Objective of the study
This study's primary goal is to provide a thorough analysis of the theoretical and empirical research on green HRM practices that have already been done. The review aimed to investigate how green HRM practices may help a company achieve its financial and social objectives, enhance its environmental performance, and contribute to global sustainability, based on the knowledge gathered from the current literature. The ultimate attempt of this study is to provide firms with a thorough grasp of the state of green HRM practices and allow them to decide on ways to incorporate sustainability into their HRM strategies. Additionally, the study aimed to identify the gaps in this research field as a guide to the researchers in the field of HRM and assist the field of green HRM's continued development.

1.3 Methodology
A desk-based research approach was employed to evaluate the literature to examine the impact of green HRM practices on sustainable organizational performance. The study used academic search engines: ELSVIER, Emerald Insight, Frontier, Google Scholar, JSTOR, MDPI, Research Gate, SCOPUS, Semantic Scholar, Social Science Research Network (SSRN), Taylor and Francis Online, Wiley Online Library, and other academic databases. Without any limitation on a country or the date of publication, the study retrieved 66 research publications using keywords such as green HRM, HRM methods, sustainable organizational performance, and sustainability. As recommended by Darlow & Wen (2016), a backward search strategy was used to find relevant articles by looking through the references of previously identified articles. Furthermore, the forward search approach was also applied to locate more recent articles that referenced the original cited paper.

2. Literature Review
Greening is a strategy to obtain a competitive edge in the current business world since environmental concerns have evolved into a critical issue that can reduce competition globally. The conservation of resources and energy for sustainability and compliance with governmental requirements are the two main driving forces of the development of green concepts in business (Arumugam & Vijai, 2018). With these, the world now realizes the necessity of green HRM. Individuals’ ecological consciousness has become the major forcing factor behind the environment and way of life. According to Deepika & Karpagam (2016), due to its significance and necessity in the modern
workplace, green HRM has gained the interest of general employees. As further argued by the same researchers, the corporate world is mainly responsible for escalating environmental problems, therefore, adopting green HRM practices is one of the solutions provided by the modern business world. GHRM practices have a positive impact on corporate social responsibility, which in turn affects the sustainability of the organization, as examined by Ziyadeh, Othman, & Zaid (2023).

According to Daily and Huang (2001), HRM can facilitate the successful formulation and implementation of environmental management in the context of environmental protection. Jabbour et al. (2010) argued that HR processes such as selection, performance assessment, and training should be affiliated with environmental objectives to accomplish sustainable development goals. Nonetheless, while it is recommended that organizations incorporate sustainability into all the operations that HR supervises to reap the greatest benefit, this does not imply that all HR-related activities should be paperless or that processes should be solely focused on sustainability (Pallavi and Bhanu, 2015). According to Mishra et al. (2014), green HRM is a collection of specific HRM practices that highlight the environmental consequences of corporate operations and the fragility of ecosystems while reflecting an organization’s orientation toward environmental protection. On the other hand, green HRM is more directly advantageous to external stakeholders than general HRM practices, which mainly focus on enhancing the organizational performance of profit, except for improvements to internal production processes or performance (Tang et al., 2017). However, the current trend for organizations is to achieve sustainable organizational performance, which covers the three dimensions of the sustainability approach: economic, social, and environmental performance.

2.1 Sustainable organizational performance
As defined by the United Nations World Commission on Environment and Development, sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs (Brundtland, 1987). Further, the Sustainability Committee of the University of California, Los Angeles (UCLA) has defined sustainability as integrating environmental health, social equity, and economic vitality to create thriving, healthy, diverse, and resilient communities for this generation and future generations. With this influence, the business sector is taking the initiative to guarantee the sustainability of ecosystems on which the global economy depends through the approach of sustainable organizational performance.

According to Aina and Atan (2020), sustainable organizational performance is the ability of firms to fulfill the needs of their stakeholders while, at the same time, constantly increasing investment and managerial policies and strategies to ensure future profitability, social welfare, and environmental responsibility. Similarly, for an organization to obtain sustainable performance, executives should be capable of planning strategies to lower costs and employee turnover while increasing market share, talent, and profits for stakeholders (Banker et al., 2014). In such a context, organizations are counseled to take a proactive approach to their environmental and social stance and move towards more sustainable manufacturing practices (Fazli et
al., 2023), which emphasizes the adoption of the well-known Triple Bottom Line (TBL) sustainability conceptualization.

TBL is currently being explored in research on sustainability. The economic, social, and environmental performance of an organization is the emphasis of TBL, and businesses and other organizations typically utilize TBL to assess their sustainability and accountability to stakeholders. As suggested by the concept of TBL, if an organization were able to boost its environmental, social, and economic performance simultaneously, it would be able to achieve sustainable performance. As depicted by Lacy and Hayward (2011), TBL can be considered a major proxy to represent and measure sustainability in organizations. Similarly, Abdul-Rashid et al. (2017) have examined three critical dimensions of measuring sustainable performance: financial, environmental, and social.

**Financial Performance:** Both operational and financial results can be used to gauge financial performance. From an operational standpoint, financial performance is linked to a manufacturing company’s ability to reduce expenses associated with inputs, waste treatment and discharge, energy usage, and fines and penalties for environmental mishaps (Abdul-Rashid et al., 2017). The core of this concept aligns with the idea of economic sustainability. Leaders with a higher sense of purpose are realizing that they can use their organizations to make the world a better place while maintaining profitable operations, as adopting sustainability strategies has frequently been demonstrated to lead to corporate success (Miller, 2020).

**Environmental Performance:** Environmental performance is attained by manufacturing organizations when they minimize the use of natural sources such as trees, water waste, carbon emissions, the use of contaminated and hazardous inputs, the frequency of environmental accidents, and the overall negative impact on the environment (Abdul-Rashid et al., 2017; Shashi et al., 2019). This refers to holding firms liable for their environmental effect and this encompasses everything from the energy and water they consume at their corporate offices to the waste and greenhouse gas emissions (GHG) produced at their plants (Farnham, 2023).

**Social Performance:** This ensures that a company’s social mission is carried out in practice. And with the increased awareness of organizations about corporate social responsibility (CSR), social performance has become crucial for assessing the present supply chain (Wang & Dai, 2018). As explained by Miller (2020), the firms have shifted their focus toward creating value for all stakeholders impacted by business decisions, including customers, employees, and community members, as current firms have increasingly embraced sustainability. Nevertheless, there is a notable difference between TBL conceptualization and the sustainability approach in general. TBL is a particular framework that is adopted as a comprehensive evaluation strategy to assess organizations’ sustainability performance, whereas the three pillars of sustainability are a broader idea that includes the economic, social, and environmental aspects of sustainable development. In other words, this broader perspective is crucial to creating a sustainable future for all stakeholders involved. Since organizational performance relies heavily on human resources within the organization, it can be claimed that human resource management is an important tool for achieving sustainable organizational performance. By inspiring policies and
practices that are sustainable for people and the environment, human resources have the potential to serve as the organization's moral compass. However, the core concept of the above discussion implies that the environmental performance of the organization has the potential to ensure the accomplishment of financial and social benefits. Hence, there is an increasing awareness that the environmental effects of HRM processes should be considered at every stage of the procedure because these practices assist organizations in implementing and maintaining environmental management systems (EMS), which in turn helps them achieve higher environmental performance (Awwad Al-Shammari et al., 2022). The definitions and concepts of sustainability indicate the importance of adopting green practices. The notion is directly incorporated into the environment, society, and economy. Therefore, industries are responsible for implementing and sustaining green practices, as green practices lead to overall sustainability. Nowadays, organizations tend to formulate policies and systems to assist in the process of creating an environmentally conscious workforce to achieve sustainability goals.

2.3 Green human resource practices
Incorporating Environmental Business Management (EMS) as a proactive business practice would yield benefits such as cross-functional efficiencies, early environmental advancements to gain a competitive edge, shorter new product development cycle time, and valuable insights to facilitate cost-benefit decision-making (Sroufe et al., 1998). Since human resources are considered the most important assets of an organization, greening human resource practices can lead to achieving corporate sustainability goals.

As Kulshrestha and Srivastava (2018) mentioned in their study, the Green HR approach incorporates HR practices prioritizing environmental respect and preserving knowledge capital. Further, business professionals explain that environmental initiatives focus on minimizing employees’ carbon footprint. This implies that achieving solid economic performance for the company is not the only factor that ensures corporate success. Nowadays, economic, and financial outcomes must be incorporated with environmental aspects. Similarly, Mendelson and Pillai (1999) claimed that the effectiveness of organizational strategies for environmental management and sustainable development is only possible when they are incorporated with human resource practices. Similarly, to achieve successful environmental performance, firms must have human resource practices that completely support the adoption and maintenance of environmental management systems (Jabour & Santos, 2008). Furthermore, when firms link their HRM practices with their environmental management objectives, they can achieve the intended goal or outcomes in corporate environmental management initiatives (José Chiappetta Jabbour, 2011). Previous research has emphasized the relevance of applying GHRM strategies to help firms achieve their corporate sustainability goals.

It is crucial to examine the ways and means by which organizations have changed the scope of HRM practices. According to Renwick et al. (2012), the application of GHRM practices refers to the HRM aspects of the environmental management system aimed at encouraging improvements in employees’ attitudes and
behaviors. Adopting or modifying HRM functions to align with green standards is essential to ensuring that the organization recruits the right green employees and obtains the right employee green performance (Opatha, 2013). This refers to transferring traditional HRM functions to GHRM practices that aim to promote environmentally sustainable asset use, enhance the company’s environmental performance, improve employee awareness, and demonstrate a commitment to environmental issues (Jermsittiparsert, 2021).

Previous studies have identified the green scope of HRM practices differently. Tang et al. (2017) identify a total of five GHRM practices, for instance: green performance management (GPM), green pay and reward (GPR), green involvement and participation (GIP), green training (GT), and green recruitment and selection (GRS). However, according to Opatha (2013), it is possible to make each HRM function, for instance, green job analysis, green recruitment, green selection, green induction, green training, green performance evaluation, green rewards management, and green discipline management. On the other hand, Amin & Salehin (2021) attempted to identify the impact of five green HRM practices on employee work performance, and these practices include green job design and analysis, green HR planning, green recruitment and selection, green training and development, and green compensation. Likewise, organizations have implemented environmental and social responsibilities, ensuring that each employee is assigned tasks related to ecological protection whenever possible (Renwick et al., 2012).

As highlighted in the previous studies, Figure 1 illustrates that green HR planning, green job design and analysis, green recruitment, green induction, green training and development, green employee discipline and performance evaluation, and green rewards and compensation are the key green HRM practices that significantly contribute to achieving sustainable organization performance.
2.3.1 Green HR planning

Human resource planning ensures the right person gets the right job at the right time while avoiding employee shortages or surpluses. In the process of greening the HR planning process, nowadays, certain organizations engage in predicting the required number and type of employees for executing corporate environmental management initiatives, programs, and activities such as ISO 14001, cleaner production, responsible care, etc. (Ullah, 2017; Opatha et al., 2015). Additionally, this process incorporates collaborating to determine strategies for meeting projected demand for environmental initiatives, such as appointing consultants or experts to conduct energy or environmental audits. To implement such initiatives, sets of expectations can be adopted to decide the quantity of environmental security-related tasks, responsibilities, and duties (Renwick et al., 2012). Improving this idea, Ali et al. (2020) pointed out that the sets of responsibilities and individual (work) particulars collaborate with social, environmental, and individual in the organizations. Simply put, organizations can initiate green HR planning to include responsibilities such as insurance, environmental duties, and safety tasks. This can be realized by promoting collaboration and utilizing cross-functional teams to address environmental concerns.

2.3.2 Green job analysis and job design

Njoroge and Kwasira (2015) highlighted that job design and job analysis primarily determine ability requirements and opportunity, and furthering the theory of ability, motivation, and opportunity (AMO) sufficiently reflects the need for job analysis and design in enhancing green behavior among human resources in organizations.
Henceforth, green job analysis and green job design can be defined as a process of gathering information for a specific job to create a job description and specification, which will eventually result in the hiring of employees who can engage in their duties and responsibilities in an environmentally friendly manner (Mwita, 2019). Expanding this viewpoint, Opatha (2013) described that a job analysis can be transformed into a green job analysis through the inclusion of an environmental dimension as a responsibility to the job description while adding green competencies as a unique element in the job specification.

These viewpoints emphasize that employers can utilize green job design to ensure that employees are formally mandated to perform their jobs in an eco-friendly manner while ensuring that employees possess eco-literacy as one of the requirements to perform a specific job efficiently. The reason is that green jobs improve the efficiency of utilizing natural resources, reduce greenhouse gas emissions, increase energy efficiency, lessen waste and pollution, provide support while mitigating the effects of climate change, and preserve and restore the environment according to necessity (Lee, 2017). These insights imply that green job analysis and design positively assist the global transition to a sustainable economy, as the transformation of job design into green can become an engine of development in both developed and developing countries. Nevertheless, a notable research gap exists, as only a few studies have focused on the impact of job analysis and design on sustainable organizational performance. This gap limits the understanding of the possible benefits and challenges incorporated with green job analysis and design in various industries. Further studies in this area are crucial to make organizations aware of necessary policy decisions and guide them in implementing sustainable practices that can contribute to a greener economy.

2.3.3 Green recruitment and selection
Recruitment refers to the process of actively seeking, and hiring individuals for a specific job position which encompasses all the stages from the beginning to the integration of the newly hired individual into the company. However, green recruiting is a novel concept companies adopt, emphasizing their commitment to environmental protection and sustainability as a crucial recruitment strategy (Gupta & Gupta, 2013). In green recruitment, it is essential to ensure that new employees are aware of green practices and the environmental framework that supports effective environmental management within the organization (Wehrmeyer, 1998). Similarly, according to Yong et al. (2019), green recruitment refers to hiring employees who possess the necessary skills, knowledge, approach, and behaviors to identify environmental management systems. Therefore, green recruitment is considered a significant dimension of GHRM, resulting in the creation of a green workforce that efficiently contributes to the ecological practices of the organizations (Danilwan et al., 2020). The practice of actively seeking and recruiting people for a particular job post is referred to as recruitment. It includes every step of the hiring process up until the point at which the newly hired employee is fully integrated into the organization. Nonetheless, green recruiting is a cutting-edge tactic that businesses use to highlight their dedication to sustainability and environmental preservation as a key component of their recruitment process (Gupta & Gupta, 2013).
knowledgeable about green practices and the environmental framework supporting efficient environmental management inside the company is crucial when it comes to green recruiting (Wehrmeyer, 1998). In a similar vein, Yong et al. (2019) defined "green recruitment" as the process of employing staff members who can recognize environmental management systems via their approach, knowledge, and skills. Martins et al. (2021) investigated the impact of green hiring on the sustainable performance of public and private healthcare organizations using 160 responses, and the findings of the study suggested that green recruitment has a positive and significant impact on environmental, economic, and social performance. Further, the study identifies that there is a relationship between green recruitment and sustainable performance, which is significantly mediated by green performance management and compensation. Correspondingly, Don-Baridam and Diri (2021) also examined a positive, significant relationship between green recruitment and selection and corporate social responsibility. Contrasting Martins et al. (2021), this study separately examined the relationship between green recruitment and selection and environmental and social responsibility by eliciting data from oil and gas-producing companies in River State. The results of the Spearman Rank correlation depict that green recruitment and selection have a moderate but significant relationship with environmental sustainability, while green recruitment and selection have a strongly positive and significant relationship with social sustainability.

2.3.4 Green induction

Newly hired personnel must have a solid understanding and commitment to the environment and culture of their business. Opatha (2013) states that to make the induction program green, it is essential to inform new hires about the company's green goals and to design the program in a way that highlights the conduct of current workers that is ecologically responsible. Similarly, the company offers induction and orientation programs to new hires to educate them about green practices. These programs cover topics like workplace hygiene, material usage, health and safety, and other green issues (Arumugam & Vijai, 2018). But when it comes to green induction, businesses have two options: general induction and job-specific induction. It is required of HR professionals to start this procedure as soon as new hires are made. Providing both forms of induction, ensuring that new hires are informed of the company's green initiatives, and encouraging them to engage in green interpersonal citizenship behavior are among the HRM practices associated with green induction (Rathi & Nath, 2018). Renwick et al. (2008) state that businesses must ensure that newly hired employees understand their responsibilities concerning the environment, and familiar with health and safety protocols, and follow the company's corporate environmental culture. In addition, the new employees must embrace the firm's environmental policies and procedures and know who to get in touch with inside the company to get further details. One way to promote a sustainable culture and contribute to a greener future is to make sure recently hired staff members are well-informed about their environmental duties and are directed to adapt to the organization's environmental culture (Shah et al., 2021).
In a study by Mishra (2017) conducted in India, the focus was on the status and challenges of green HRM practices intended to promote sustainable organizations, and the researcher emphasized that the green behavior of the employees can be encouraged during the induction program. In essence, it emphasizes the potential for employee conduct to transform in a more environmentally friendly direction through an effective green induction program. This not only confirms the sustainability of the organization but also plays a significant role in promoting the broader sustainability of the nation. In a similar perspective, Lakshmi & Battu (2018) conducted a study to discover green HRM practices within organizations and emphasize the significance of aligning human resource management principles. Their findings specified the importance of providing proper induction for recruits to ensure they possess a comprehensive understanding and approach towards the corporate environmental culture of the organization. The studies have examined the cruciality of green induction in shaping the green behavior of recruits and achieving the corporate sustainability goals of the organization. However, the previous studies have not focused on examining the direct impact of effective green induction on environmental sustainability. Nevertheless, the findings imply that green induction is a strategy to be employed to transform employee behavior into eco-friendly behavior, which finally generates an environmentally sustainable society.

The studies have examined the cruciality of green induction in influencing new hires’ green behavior and assisting organizations in reaching their corporate sustainability goals. The direct impact of efficient green induction on overall sustainability, however, has not been the subject of prior investigations. Nevertheless, the outcomes suggest that green induction can be used as a strategy to transform employee behavior toward eco-friendly conduct, which will eventually result in an environmentally sustainable society. This research gap highlights the need for further examination of the specific outcomes of effective green induction programs. Comprehensive knowledge of the direct impact of such programs on environmental sustainability can provide valuable insights for firms looking to improve their corporate social responsibility efforts.

2.3.5. Green training and development
It has been discovered that the negative impact of organizational activities on the environment can be reduced by providing employees with the necessary green competencies or skills (Yong et al., 2019), which can be achieved through green training and development. The practice of training and development is essential for cultivating and sustaining employees’ skills, knowledge, and attitudes, especially in the field of environmental management (Rathi & Nath, 2018). In that sense, green training and development incorporate educating employees on the importance of environmental sustainability and making them equipped with methods for energy conservation. Waste reduction and the promotion of environmental awareness within the organization. Such approaches offer opportunities for employees to engage in solving environmental problems, ensuring that knowledge and skills are relevant and updated. Intending to examine the effect of green training and development practices on environmental sustainability while identifying the relationship between the development of green abilities and employees’ commitment to the environment,
Fapohunda et al. (2021) conducted research based on data collected from employees of WAMCO Nigeria plc. The results of the analysis revealed that developing green abilities through training and development has a significant positive effect on environmental awareness as an indicator of environmental sustainability. A review conducted by Ren et al. (2017) identified green training as a major dimension in enhancing not only organizational performance but also societal well-being and sustainability. However, these findings are proved again by Usman et al. (2022) by examining the direct and indirect relationships between green training and employees’ eco-friendly behaviors outside of work. The study explored that organizations seeking to build competitive advantage and promote sustainability through environmental stewardship would do well to invest in and develop green-turning initiatives.

These findings infer that the green training obtained through organizations can shape the employees’ behavior, where benefits can be extended to the overall society. From a different perspective, Yafi et al. (2021) scrutinized the impact of green training on environmental performance through the mediating role of green competencies and motivation on the adoption of GHRM. Likewise, other studies found that green training has a significant impact on environmental performance. However, the study further revealed that all six dimensions of green competencies, namely, skills, abilities, knowledge, behavior, attitude, and awareness, were also green motivations that play a positive and significant mediating role between green training and environmental performance, thus ensuring sustainability.

2.3.6. Green compensation and reward management

Rewards and compensation play a crucial role in motivating employees, which ensures employee job satisfaction. On the other hand, competitive rewards and compensation can be recognized as strategic tools that can be directly linked to the use of green skills that assist management in retaining top talent, leading to productivity and overall success. Therefore, providing financial and non-financial incentives for employees who promote environmentally friendly practices within the organization can be defined as green compensation and reward (Opatha, 2013; Mandago, 2007). For instance, there are several organization-specific green reward management practices such as 3M’s Pollution Prevention Pays program, Dow’s Waste Reduction Always Pays program, Monsanto’s Priority One program for waste reduction, and Chevron’s SMART (Save Money and Reduce Toxic) program, and these programs enable organizations to prioritize eco-friendly practices while obtaining financial benefits (Berry and Randinelli, 1998). This will stimulate employees to engage in their green efforts toward sustainability. Similarly, it is revealed that reward systems can enhance the organization’s efforts in implementing sustainable practices, and they incorporate more than just monetary compensation (Daily & Huang, 2001; Mandip, 2012).

As explained by Renwick et al. (2012), employee willingness to develop eco-initiatives is thought to be significantly influenced using environmental incentives and rewards such as daily praise and company rewards. Green rewards have the potential to encourage employees to be committed to environmental management programs (Forman & Jørgensen, 2001). It can be noted that many studies have
examine the impact of green rewards and compensation on employee green behavior, and only a few have attempted to examine its direct effect on sustainability. It is noteworthy that Jerónimo et al. (2020) explored the role of green compensation in sustaining the organizational rationale for sustainability using a sample of 275 Portuguese employees and found that green compensation is irrelevant.

Green HRM does, however, include green incentive and compensation management as a critical element. Previous research has found that the use of green incentive management systems by firms has a noteworthy effect on the environmental performance of the organization. Remarkably, green incentives and pay management have a significant role in inspiring managerial and non-managerial staff to support corporate environmental management initiatives, which facilitates the achievement of sustainable objectives (Lakshmi & Battu, 2018). These results demonstrate how employers can utilize green incentives and rewards to assure sustainability, increase employee retention rates, and draw in skilled labor—all of which will enhance their commitment to environmental stewardship.

2.3.7 Green employee discipline management
Encouraging environmentally friendly behavior among employees is mandatory for successful corporate environmental management through the implementation of green discipline practices in the workplace. Emphasizing the same, D'Mello et al. (2015) pointed out that green discipline management is a tool that enables the organization to accomplish environmental management objectives and strategies. In this context, certain companies have implemented “discipline management” as a means of encouraging employees to self-regulate their behavior when taking part in environmentally friendly initiatives within the organization, adopting rules and guidelines within the company (Arulrajah et al., 2015). Henceforth, organizations must include policy manuals in employee disciplinary management and rules and regulations, so the employee can self-regulate in the organization's environmental protection operations (Karande & Bihade, 2018). According to Berry & Rondinelli (1998) and Haden et al. (2009), effective environmental discipline management incorporates the implementation of consequences or termination for failure to comply with the environmental management policies, creating clear guidelines for environmentally friendly behavior, and establishing a fair disciplinary system to address any violations committed by employees. Also, Renwick et al. (2008) also highlight that setting penalties for noncompliance with environmental management targets, disciplining and/or dismissing employees for environmental management violations, and creating negative reinforcements for environmental management like criticism, warnings, and suspensions for lapses are all worthwhile procedures under the purview of managing green employee discipline. Consistently, Veluchamy et al. (2021) elaborated that to ensure environmental sustainability objectives are achieved, fines can be set, and penalties or dismissals given for violations of environmental management, while developing and distributing codes of conduct related to greening would also assist in this regard. As further explained by these researchers, a simple set of rules and regulations requiring employees to be environmentally conscious should be established. Though previous studies rarely investigated the direct impact of green employee discipline management, the disciplinary actions emphasized by
those studies serve as a deterrent and ensure that workers realize the importance of adhering to environmentally conservative measures. Additionally, having a policy manual, as suggested by Karande and Bihade (2018), helps organizations maintain a consistent approach to green discipline management and foster a cultural responsibility towards sustainability among employees.

2.3.8 Green performance evaluation
Measuring employees’ green performance is a crucial function in green HRM, and without this technique, no organization can ensure its long-term realistic environmental behavior (firm level) (Arulrajah et al., 2015). Similarly, Jabbour et al. (2010) explained that green performance evaluation entails evaluating employee performance in their respective job areas and providing feedback on their performance solely to assist them in improving their conduct. Additionally, according to Renwick et al. (2012), for effective execution of a green performance evaluation strategy, managers need to set green objectives, targets, and accountabilities for their respective areas, and this should entail an assessment of the number of green incidents that occurred, the level of demonstrated environmental responsibility, and the successful communication of environmental policies within their operational scope. Focusing on the relationship between green performance evaluation and sustainability, Malik et al. (2020) examined a positive correlation between green performance evaluation and sustainable performance by evaluating green HRM practices adopted by the manufacturing sector in Pakistan. Aligning with these findings, Azam et al. (2022) found that green performance evaluation has a significant and positive impact on sustainable performance and organizational citizenship behavior toward the environment (OCBE). Further, Ardiza et al. (2021) revealed the same by examining the effect of green performance appraisal and OCBE on employee performance in two groups of employees based on employee length of service. However, the study by Yong et al. (2019), which examined the influence of green HRM practices on sustainability using 112 large Malaysian manufacturing companies, claimed that the influence of green performance evaluation on sustainable performance is insignificant. Based on this review, it can be inferred that the green performance evaluation of employees of an organization is linked to promoting sustainable practices. Further, the use of incentives based on environmental sustainability has a beneficial influence on employee willingness to try our green projects (Ahmad, 2015). This emphasizes that green performance evaluation inspires employees to follow sustainable practices, which ultimately lead to a sustainable society.

3. Conclusion
Effective management of human resources is crucial to achieving successful organizational performance. The influence of global sustainability movements has inspired the corporate sector to prioritize sustainability by adopting eco-friendly HR practices while ensuring financial success and social sustainability. Therefore, managing human resources plays a vigorous role in attaining successful organizational performance. As examined in this study, green HRM practices focus on the three sustainability pillars of economic, social, and environmental balance.
Concerning the theory of TBL, initiating green HR practices allows organizations to achieve the three aspects of sustainable organizational performance. Green HR practices have been studied in areas such as recruitment, training, rewards, and performance evaluation, but there is less focus on HR planning, job design, and analysis. Future research should explore the effectiveness of these elements in promoting green behavior. Further, the potential of green HRM has not been fully realized in practices and academic research. Though green HRM has become a crucial aspect of HRM with immense potential to contribute to sustainability, there has been only limited research on individual employee-level environmental behaviors within the organization (Daily et al., 2009). The review of literature has examined that although previous studies have explored green HRM practices in various organizations and industries, there is a noticeable gap in the research when it comes to evaluating green HRM practices in manufacturing and transport sector industries from the employee perspective. Such collaboration would be a guide to evaluating the effectiveness of green HRM practices in industries that highly contribute to environmental pollution, as such green initiatives improve the financial health of the organization while promoting sustainable organizational performance.

References


Sri Lankan Journal of Business Economics, 2024 13 (1)


University of California. (n.d.). What is Sustainability? Retrieved from UCLA Sustainability website: https://www.sustain.ucla.edu/what-is-sustainability/#:~:text=In%20the%20charter%20for%20the


