

Factors affecting Green Human Resource Management: Study of a Public Listed Bank in Sri Lanka

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Abstract: The aim of this study is to unearth and bridge a population gap. The identified research gap is that there is no evidence of Green HRM, organizational culture, leadership, and personal character in a nomological network/conceptual framework in the banking sector. This was bridged through a quantitative study. Unit of analysis is individual, and the sampling technique is non-probability convenience sampling. Sample size is 94. This is a cross-sectional study which was done in a non-contrived environment. Researcher interference to the study is minimal. Human Resource Management functions should be done in an eco-friendly manner. Therefore, there is a trend in Green Human Resource Management. This study analysis the hypothesis based on partial least squares regression model. Leadership, organizational culture, and personal character has a positive impact on Green HRM.

Keywords: *Green HRM, Leadership, Organizational Culture, Personal Character*

Introduction

The practice of "green HRM" involves integrating environmental management ideas into daily business operations. In order to solve environmental problems, green human resource management is essential. Ramanayake et al., (2022) states that Green Human Resource Management (Green HRM) comprises two key elements: environmentally friendly HR practices and knowledge capital preservation. The study of Ramanayake et al., in 2022 tested the mediating effect of employee engagement on the relationship between Green Human Resource Management and employee job performance in the banking sector Sri Lanka. Iddagoda et al., (2021) tested a nomological network/conceptual framework including the construct of Green Human Resource Management in the Public Listed Banking sector in Sri Lanka. Opatha and Arulrajah, (2014) who are the two Sri Lankan researchers did an empirical study of Green HRM.

Go green culture is implemented in organizations to improve and protect the internal and external environment. Although more organizations in western countries have understood that the environmental sustainability as one of their competitive advantages, the Asian companies must develop this concept furthermore. This research was based on factors affecting Green HRM with special reference to the Public Listed Bank. When considering last few years, it has identified that Public Listed Bank is facing increasing rate of resource wastage than previous years. Therefore, it is essential to find out the actual reasons behind the resource wastage and provide suggestions to implement GHRM practices to reduce resource wastage. Based on this evidence the researchers of the study unearthed a population gap. The identified population gap is that there is no evidence of Green HRM, organizational culture, leadership, and personal character in a nomological network/conceptual framework in Public Listed Bank. The objectives of the study are: to identify the impact of leadership on

Green HRM; to identify the impact of organizational culture on Green HRM; to identify the impact of personal character on Green HRM.

Green Human Resource Management

Green HRM is the use of HRM policies, philosophies, and practices to promote sustainable resource usage and lessen environmental harm brought on by organizations (Zoogah, 2011). In addition, Zoogah (2011) advocates Green HRM can adopted by reducing carbon footprint by, among other things, video conferencing, interviews, and less paper printing.

Green Human Resource Management is alignment of HRM practices with the business's environmental goals. Incorporating Human resources with environmental management system, organizations can solve the environmental issues easily (Jabbar and Abid, 2015). Green culture has four main practices as preservation, environmental conservation, avoidance and minimization of environmental pollution, generation of more natural places (Dingra and Padmavathy, 2019). According to Rani and Mishra (2014), green HRM efforts result in electronic filing, teleconferencing and virtual interviews, ride-sharing, job-sharing, recycling, telecommuting, online training, and the creation of more energy-efficient office spaces, all of which improve environmental safety, redesign HR tools and procedures, lower costs, and increase efficiency. Iddagoda et al., (2021) defined Green HRM as the integration of HRM practices within organizational goals of environmental sustainability. This serves as the working definition of the study.

Pham et al., (2019) present the Green HRM bundle with recruitment and selection, training and development, job description and analysis, performance management/appraisal, pay and reward system, employee involvement and

empowerment, organizational culture, role of unions in environmental management, organizational learning, work-life balance and green health and safety. The Green HRM bundle introduced by Jabbour et al.'s (2010) consists of job description and analysis, recruitment and selection, training and development and performance appraisal and rewards.

Leadership

A “leader,” as defined in the Pocket Oxford English Dictionary (2007), is a “person or thing that leads and as a person or thing that is the most successful or advanced in a particular area.” In addition to being able to improve performance, a leader can also have an impact on employee engagement, according to Truss et al. (2013). A leader should be able to inspire others. According to Hogan and Kaiser (2005), effective team performance is encouraged by competent leadership, which enhances the wellbeing of the occupants. According to Winkler (2010), the Leader Member Exchange (LMX) theory conceptualizes leadership as a process of interaction between a leader and a follower that is based on dyadic interactions between the two. According to Juneja (2019), leadership is the process by which a leader may direct, influence, and guide the behavior and performance of others to achieve specified objectives in a given scenario. Iddagoda (2021) defined leadership conceptualized as a system, basically consists of three dimensions: inspire, guide and influence. This serves as the working definition of the study.

Organizational Culture

According to Ojo (2009), the culture is one of the most valuable features of an organization. The culture, according to Soeters et al., (2006), distinguishes categories of people from others, and the members within these cultural groups

have a more and less similar views of the world, which is, according to researchers, common in the military culture. Iddagoda et al., (2021) who is a Sri Lankan researcher conducted a study on military organization culture and they come up with a definition i.e. Organizational culture in the military context is a combination of values, beliefs, symbols, stories and heroes that characterize the manner in which teams and military personnel engage in their tasks to protect the sovereignty of the country. Greenberg and Baron (2007) as cited in Opatha (2015) define organizational culture as a cognitive framework consisting of attitudes, values, behavioural norms, and expectations shared by organizational members. This serves as the working definition for the construct called organizational culture of this study.

Personal Character

According to Opatha (2010), a person with good character has a high propensity to live a good life, behave appropriately in any situation, contribute to their own development, that of their family, organization, and community, as well as that of others, the nation, and even the international community. Murphy (2002) claims that the word "character" originates from the Greek word *charakter*, which meaning "enduring mark". The phrase "highest level of the good character" refers to a character that is completely moral and free of vices (Iddagoda, 2020). The combination of virtues and vices that make up an individual's character are those that are good for the world and those that are bad for the world. Compassion, caring, honesty, and thankfulness are virtues. Anger, greed, and revenge are vices. Iddagoda (2020) claims that a person's ability to think critically about the value of a high level of virtues in their life while eradicating vices or badness is a measure of their personal character. This

definition serves as the study's operational definition.

Hypothesis Development

The view of Kessler in 2013 that establishing exchange relationships with and become dependent on other organizations for resources, the latter gain in relative power over the former.

Kessler (2013) wrote:

"Specifically, they can enhance their position in the network by establishing numerous ties with potential resource providers (and thereby reduce their dependence by having numerous alternative suppliers) and by restricting or mediating access to resource exchange ties they have that others value."

If there is a healthy organizational culture that encourage the Green HRM then the employee also in return motivated on the Green HRM initiatives. Then in return Green HRM initiatives flourishes. If the leader guide, instruct and inspire or motivate the Green HRM practices such as green recruitment, green selection green training and development the on the other hand employees also participate the Green HRM initiatives enthusiastically. Honesty and caring are virtues. Personal character is a combination of virtues and vices. An employee should have a good personal character with high level of virtues. If the employee has a caring mindset on eco friendliness, then he/she performs the green HRM practices well.in return Green HRM practice flourishes. Based on these theoretical assertions the below mentioned hypothesis developed.

H1: Leadership has an impact on Green HRM

H2: Organizational culture has an impact on Green HRM

H3: Personal Character has an impact on Green HRM

Conceptual Framework in this study illustrated in Figure 1.

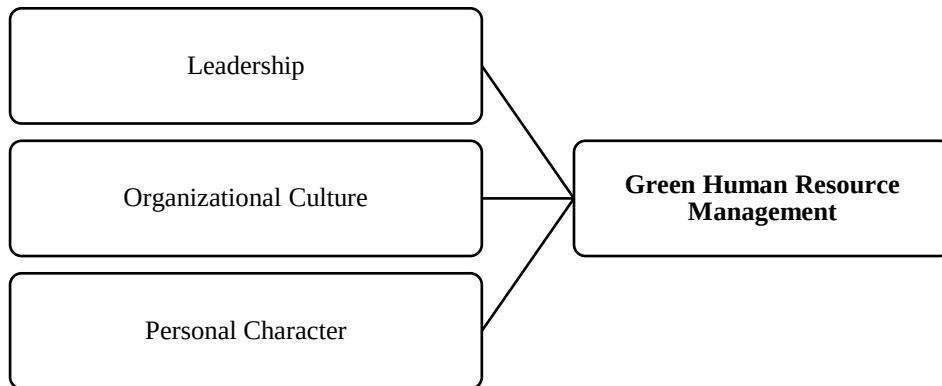


Figure 1: Conceptual Framework

Methodology

This is a quantitative study. Sampling technique is non-probability convenience sampling. Sample size is 94. Researchers adhered to the rule laid down by Roscoe (1975) as cited in Sekaran (2003); that the sample size should be larger than 30 and less than 500. Data were collected through a self-administered questionnaire that consists of a 5-point Likert scale. Sekaran (2003) has identified six components of research design. The purpose of the study is hypothesis testing. The type of investigation is correlational. The extent of the researcher's interference is minimal because the study setting is non-contrived. Unit of analysis is individual, i.e. employees in the Public Listed Bank. Here the researchers of the study got the permission to do this research in the selected bank, without revealing the actual name.

Examining the impact of leadership, organizational culture and personal impact on green human resource management is the primary goal of the study. PLS-SEM can work with tiny and non-normal distribution data and and it can be conduct confirmatory factor analysis before testing the model. Therefore, this study applied

Partial Least Squares Model using SMART PLS 4.0 for the analysis.

Analysis and Results

Male employees make up more than half of the respondents (64%) out of 94 respondents. Only 2% of the respondents have doctoral degrees, compared to 41% of respondents with bachelor's degrees. Employees with 25-29 years of age make up 33% of the total; in contrast, the lowest percentage of employees (2%) years of age 45-49 years.

Common Method Bias

Before the model was put to the test, the common method Bias, also known as same source bias, that may arise when using self-report measures from a similar sample in survey methods was looked into (Podsakoff et al., 2003). One of the methods used in this research to locate Common Method Bias was the correlation matrix approach (Tehseen et al., 2017). Common Method Bias occurs when there is a significant high correlation ($r > 0.9$) among latent variables (Hossen et al., 2020). The results of the correlation test showed that none of the latent variables had correlations greater than 0.90. The results showed that Common Method Bias was not a concern in this investigation.

Table 1: Correlation Analysis

	GHRM	LEAD	CUL	CHR
GHRM	1			
LEAD	.314**	1		
CUL	.295**	.321**	1	
CHR	.189	.393**	.539**	1

Source: Constructed by the authors

Partial Least Squares Modeling

Partial Least Squares Modeling analysis was performed on each of the proposed hypotheses. Smart-PLS 4.0 was used to carry out two-stage analytical procedures. The structural model was evaluated after the measurement model.

Measurement Model

The measurement model is evaluated the reliability and two different forms of validity namely convergent validity and discriminant validity.

Reliability

In order to determine the measurement model's reliability, Cronbach Alpha, Composite Reliability (rho a) and composite reliability(rho c) were analyzed

(Hair et al., 2019). The Cronbach's alpha, Composite reliability (rho_a), Composite reliability (rho_c) are greater than 0.7 ensures reliability of the questionnaire (See Table 2).

Convergent Validity

In order to determine the measurement model's convergent validity, factor loadings and average variance extracted (AVE) were analyzed (Hair et al., 2019) . All Factor loadings were greater than 0.4 but certain items were less than 0.7 (See Table 2). We can't remove them because the reliability and validity will be reduced with the removal. Fourteen items with factors loading less than 0.7, were deleted. In addition, Average Variance Extracted (AVE) is greater than 0.5 ensures convergent validity.

Table 2: Factor loadings, Average Variance Extracted (AVE), Cronbach Alpha, Composite Reliability (rho a) and composite reliability (rho c)

	CHR	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
CHR1	0.722	0.713	0.736	0.815	0.526
CHR15	0.702				
CHR18	0.659				
CHR2	0.809				
CUL1	0.647	0.816	0.951	0.858	0.55

	CHR	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
CUL2	0.758				
CUL3	0.863				
CUL4	0.724				
CUL5	0.7				
GHRM1	0.782	0.943	0.956	0.95	0.611
GHRM10	0.797				
GHRM11	0.747				
GHRM12	0.697				
GHRM2	0.746				
GHRM3	0.785				
GHRM4	0.839				
GHRM5	0.816				
GHRM6	0.811				
GHRM7	0.792				
GHRM8	0.811				
GHRM9	0.746				
LEAD1	0.791				
LEAD10	0.403	0.943	0.956	0.95	0.611
LEAD2	0.7				
LEAD3	0.773				
LEAD4	0.885				
LEAD5	0.841				
LEAD6	0.735				
LEAD7	0.818				
LEAD8	0.797				
LEAD9	0.773				

Source: Constructed by the authors

Discriminant Validity

Discriminant validity was evaluated using two criteria: Fornell-Larcker criterion

(Fornell & Larcker, 1981) and Heterotrait-Monotrait (HTMT) (Henseler et al., 2015). By comparing the square root of the AVE with the correlations between the

constructs, the Fornell-Larcker (1981) criterion was investigated. According to Table 3, all of the square roots of AVE (diagonal values) are greater than the correlation coefficient between the components (off-diagonal values),

indicating that discriminant validity is satisfactory (Fornell & Larcker, 1981). All of the HTMT values obtained are less than the one(1) ensured discriminant validity of the questionnaire (Henseler et al., 2015).

Table 3: Fornell Larcker Criterion

	CHR	CUL	GHRM	LEAD
CHR	0.725			
CUL	0.477	0.742		
GHRM	0.443	0.411	0.782	
LEAD	0.312	0.346	0.367	0.762

Source: Constructed by the authors

Table 4: HTMT Values

	CHR	CUL	GHRM
CHR			
CUL	0.572		
GHRM	0.461	0.357	
LEAD	0.403	0.395	0.35

Source: Constructed by the authors

Structural Model Analysis

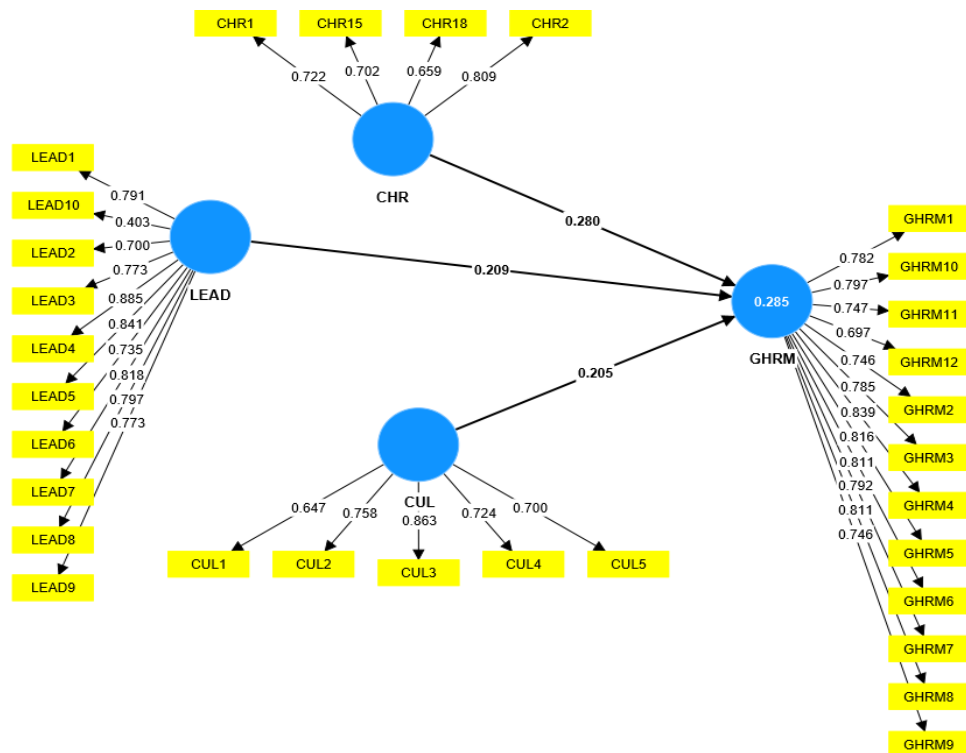
Collinearity problem is detected when the Variance Inflation Factor(VIF) is greater than 0.5(Hair et al., 2019). This study VIF values were all less than 5 ensures that no collinearity issues faced by the structural model (See Table 5). The predictors of Character ($\beta = 0.28$, $t = 2.995$, $P < 0.05$), Culture ($\beta = 0.205$, $t = 2.495$, $P < 0.05$) and Leadership ($\beta = 0.209$, $t = 3.171$, $P < 0.05$), were found to have a positively significant

relationship with Green HRM. All hypothesis of the conceptual model is supported by these data. Character, Culture, and Leadership were found to account for R Squared of 0.285, which indicates that 28.5% of the variation in green HRM was explained. F Square is greater than 0.02 and less than 0.15 for all constructs suggests small effect size. Q Squared greater than zero indicates higher predictive power of the model(Hair et al., 2019). Table 5 and Figure 2 illustrates the results of structural model.

Table 5: Results of Structural Model

Hypothesis	Standard Beta	Standard Error	t- value	p- Value	Decision	R ²	Q ²	F ²	VIF
H2	0.209	0.066	3.171	0.002	Supported	0.285	0.212	0.052	1.173
H2	0.205	0.082	2.495	0.013	Supported			0.043	1.371
H1	0.280	0.094	2.995	0.003	Supported			0.082	1.338

Source: Constructed by the authors

**Figure 2: Structural Model**

Discussion

Twenty-first century has been showing heightened interest in the environmental concerns all around the globe irrespective of related fields be it politics, public, or business. Ahmad (2015) states that Human Resource Management (HRM) is

an important faction of management that deals with the most valuable assets of an organization which is human resources. Ahmad (2015) further states that the whole context of HRM is currently being considered in the light of sustainability all

over. Personal character is a combination of virtues and vices. Virtues are honesty, integrity, caring and empathy. Personal character should be a good personal character which enriched with virtues. This study reveals that personal character has an impact of Green HRM. Organizational culture and leadership are also having an impact on Green HRM. The organization should have awareness programs on the importance of cultivating virtues among the employees. Leadership is inspiring, guide and influence. Therefore, the organization should have more leadership development programs. Culture consists of values, norms, believes and stories. Culture is another important factor for Green HRM. Therefore, the organization should have a culture that enrich Green HRM.

Limitations of the Study

This study is limited to a cross-sectional study.

Future Studies

This nomological network/conceptual framework can be tested in other sectors such as education, travel, and tourism and pharmaceutical etc. as well. And a longitudinal study can be done with this nomological network / conceptual framework.

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Conclusion

In conclusion, this study has identified leadership, organizational culture and personal character that can lead to increase green human resource management practices adoption in organizations. There are various managerial implications of the study. The study suggested that organizations need to create a supportive culture, Environmental focused leadership, and Personal character of employees towards green attention. First and foremost, if the organizations want to establish a green resource management practice, they need to ensure the useful predictors of green HRM. Organizations can focus on environmental sustainability by implementing these dimensions and applying green HRM practices.

Only the staff of one private commercial bank are included in the current study. To improve the accuracy of the data and the ability to draw generalizations, more respondents from the same or various banks may be added in future surveys. A comparison of the green HRM methods used by local and global companies can also be made in a future study because it will give useful details about these practices. Additionally, this can be tried in various industries, including travel and tourism, pharmaceuticals, and fashion, among others. Another limitation of the study is cross-sectional study. Therefore, future researchers can conduct longitudinal study to arrive more meaningful conclusion.

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