



Developing New Corporate Culture through Green Human Resource Practice

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Abstract

The impact of our daily activities on the environment and the desire to go green has expanded from just individuals to organization. Growing global environmental concerns and the development of international environmental standard are creating the need for businesses to adopt formal environmental strategies. Many studies argued that system of environmental management can only be effectively implemented if the companies have the right people with the right skills and competencies. Green human resource (HR) is one which involves two essential elements: environmentally friendly HR practices and the preservation of knowledge capital. Green HR practices involve reducing carbon footprint via less printing of paper, video conferencing and interviews, and etc. Green HR initiatives help companies find alternative ways to cut cost without losing their top talent. Focus on Green HRM as a strategic initiative promotes sustainable business practices. Therefore, developing new organization culture through Green HR practices becomes manager's concern. Developing green culture has the ability to affect employee behavior and instill certain values that build an internal culture. Green behavior is assumed to be instrumental in the implementation of the green HR culture and adopting formal environmental strategies. Assimilation approach becomes an alternative on developing green culture. Finally, emerging new corporate culture through Green HR practices resulting in greater efficiencies, lower costs and create an atmosphere of better employee engagement, which in turn helps organization to operate in an environmentally sustainable business practices.

Keywords: Green HR practices, Enviromnent, Corporate Culture, Sustainability

INTRODUCTION

The impact of our daily activities on the environment and the desire to go green has expanded from just individuals to organizations. Now days, many organizations are volunteering to operate in a more environmentally responsible way, therefore in the near future; “being green” could become the norm. The awareness of green action can be



demonstrated into natural environment, such as green product (no animal testing); green technology; green education; green life (work-life balance).

There is a growing need for the integration of environmental management into Human Resource (HR) and it is called Green HR. Many studies argued that system of environmental management can only be effectively implemented if the companies have the right people with the right skills and competencies (Daily and Huang, 2001). Therefore, the HR function becomes the driver of environmental sustainability within the organization by aligning its practices and policies with sustainability goals reflecting an environment focus. The HR strategy must reflect and inspire the ambitions of the HR team and other employees, aligning with the company's strategy, values and culture, deliver sustainable returns to investors, address customer needs, identify and respond to emerging societal trends, respond to governmental and regulatory expectations, and influence the public policy agenda. For example, HR division of Astra International plays as an *enabler* or promoter in creates, support all of the green programs, and all the programs should involved the employees.

According to Mandip (2012), Green HR is the use of Human Resource Management policies to promote the sustainable use of resources within business organizations and, more generally, promotes the cause of environmental sustainability. Due to the responsibility of the present generations, HR managers are to create awareness amongst the youngsters and among the people working for the organization about the Green HRM. In September 2007, the Society for Human Resource Management (SHRM) conducted the SHRM 2007 Green Workplace Survey (Society for Human Resource Management, 2008). The purpose of the survey is to examine environmentally responsible practices from the perspective of HR professionals and employees. The survey brief explores types of practices organizations have in place, human resource professionals' and employees' perceptions of their organizations' practices, and HR professionals' role in their organizations' environmentally friendly programs. Overall 50 percent of HR professionals reported that their organization had a formal (written) or informal environmental responsibility policy. Seven percent indicated that although their organization did not have a policy, they plan to establish a policy in the next 12 months. Forty-three percent reported that their organization had no policy and do not plan to have one in the next 12 months. These data are represented HR professionals indicated that encouraging employees to be more environmentally friendly in the workplace was the top practice for their organizations. This means that organizations are encouraging their employees to perform activities such as making double-sided photocopies, powering down computers after a few minutes of inactivity, using energy-efficient bulbs for desk



lamps, ensuring blinds are lowered in the summer to conserve energy, etc (Society for Human Resource Management, 2008).

Moreover, *The Greening of HR Survey* by Buck Consultants (2009) examines the types of environmentally friendly "green" initiatives that companies are utilizing involving their workforce and human resource practices. The results confirm that companies are incorporating and working toward integrating a number of green practices. Over half of the companies surveyed have incorporated environmental management into business operations and have a formal green program in place or plan to implement one in the next 12 months. More than half of the survey participants currently have the following green programs in place: (1) using the internet or teleconferencing to cut down on business travel (78%); (2) putting Summary Plan Descriptions (SPDs) or other company information online to reduce printing (77%); (3) promoting the reduction of paper usage (76%); (4) implementing wellness programs around proper nutrition, fitness, and healthy living (68%); (4) offering opportunities for employees to "telework" or work from home (57%); (5) Ride/Share programs (52%). Greater than 60 percent of companies surveyed have made environmental responsibility a part of their organization's mission statement and view the promotion of social responsibility as the most critical objective of their green programs. In nearly 50 percent of companies, only five percent or less of their employees are actively involved in green programs. Findings illustrate that companies who have appointed individuals to lead organizational green efforts have a much higher prevalence of employees actively involved in their green practices than companies who have not. Findings also demonstrate that corporate Operations and HR departments are most often responsible for green programs.

From the surveys above indicated the important role of HR processes play in translating Green HR policy into practice. The objective of this paper tried to explain the concept of green human resource and its practices and how the organization can create new corporate culture through Green HR practices that will give greater efficiencies, lower costs and create an atmosphere of better employee engagement, which in turn helps organization to operate in an environmentally sustainable business practices.

GREEN HUMAN RESOURCE AND PRACTICES

Shaikh (2010) stated that Green Human Resource (HR) plays an important role in industry to promote the environment related issues by adopting it, and in management philosophy, HR policies and practices, training people and implementation of laws related to Environment Protection. It will also make employees and society members aware of the utilization of natural resources more economically and encourage eco-friendly



products. Mandip (2012) also mentioned that Green HR refers to using every employee interface to promote sustainable practices and increase employee awareness and commitments on the issues of sustainability and it involves undertaking environment-friendly HR initiatives resulting in greater efficiencies, lower costs and better employee engagement and retention which in turn, help organizations to reduce employee carbon footprints by the likes of electronic filing, car-sharing, job-sharing, teleconferencing and virtual interviews, recycling, telecommuting, online training, energy-efficient office spaces and etc. Moreover, Jain (2009) explained that green HRM is one which involves two essential elements: environmentally friendly HR practices and the preservation of knowledge capital. Green HR involves reducing carbon footprint via less printing of paper, video conferencing and interviews, and etc. Companies are quick to layoff when times are tough before realizing the future implications of losing that knowledge capital. Green HR initiatives help companies find alternative ways to cut cost without losing their top talent; furloughs, part time work (Jain, 2009).

From the definitions stated above, it can be concluded that Green HR needs the participation of all the organization member in order to create organization becomes green. The practices to be green HR can be started from ordinary practice among the employees in their working area.

Moreover, according to Mandip (2012) the practice of green HR should be translate in to the HR processes, such as recruitment, training, compensation and etc. therefore, the following HR processes namely recruitment; performance management and appraisal; training and development; employment relations; and compensation will be explained bellowed on how organizations should do related to create Green HR through HR processes.

RECRUITMENT & SELECTION

Induction for new recruits is seen to be needed to ensure employee understand and approach their corporate environmental culture in a serious way (Anthony; in Mandid, 2012). Therefore green environment issues must be integrated into the recruitment process. This involves monitoring the long-term competency requirements for the company, providing new employees with information about sustainable development policies and commitments, using recruitment procedures which support the equitable representation of applicants and recruits in terms of gender, age, racial and ethnic groups, sexual orientation, disabled people and other relevant groups. General Job descriptions can be used to specify a number of environmental aspects (Wehrmeyer, in Renwick, 2008). These include environmental reporting roles and health and safety tasks,



which staffs are exposed to harmful substances/potential emissions and matching personal attributes to needed environmental competencies. In the interview questions should be tailored to flesh out potential compatibility with the company's green goals. Recruitment of employees who are 'Green aware' becomes part of the interview schedule. Survey data in the United Kingdom (U.K.) show that high achieving graduates judge the environmental performance and reputation of a company as a criterion for decision making when applying for jobs (Wehrmeyer; Oates, in Renwick, 2008). The latest CIPD/KPMG survey of 1,000 respondents states that 47% of HR professionals feel that employees would prefer working for firms that have a strong green approach and 46% stating that having one would help attract potential recruits (Mandid, 2012). Therefore, it can be concluded by being green employer, it will help and increase employee motivation, engagement and attitude of green.

PERFORMANCE MANAGEMENT SYSTEM (PMS)

Using performance management in green HR presents the challenges of how to measure environmental performance standards and indicators in performance management at all department levels and gaining useful data on the environmental performance of managers. Performance management systems can also be successfully initiated in an organization is by tying the performance evaluations to the job descriptions mentioning the specific green goals and tasks. Electronic HR system (e-HR) can be introduced to be able to help management and employees track their own carbon emissions. The roles of managers in achieving green outcomes included in appraisals such as familiarisation, and encourage green HR learning, are needed. Managers can ask employees to bring specific green ideas. These ideas can be brainstormed together to include them into the objectives for the upcoming year. Attaining these objectives would be the basis of performance evaluation and link to payment and reward (Mandid, 2012)

TRAINING AND DEVELOPMENT

In the process of employee training and development programmers, it should include social and environmental issues at all levels. Still, focus of the training should be on developing competencies for different business functions. Green orientation programs for the newly hired employees should be an integral part of the training and development process. The training itself should inform the employees about the green procedures and policies including the vision/mission statement of the company, the sustainability oriented benefits, company-wide initiatives like reducing greenhouse gases, creating green products etc. Examples of best company practice in training and development in green HR in the U.S. comes from Allied Signal Inc., who includes a Total Waste



Minimization (TWM) component into their training (May & Flannery, in Renwick, 2008). At the Body Shop in the UK, environmental awareness as part of induction/orientation training especially for new employees. Moreover, green teams can be established in each department, producing general awareness and specific training in environmental management, and to assess the training required in environmental management, a training needs analysis can be done in terms of assessing what environmental knowledge and skills staff.

EMPLOYEE INVOLVEMENT AND PARTICIPATION

Employee involvement is creating an environment in which people have an impact on decisions and actions that affect their jobs. By encouraging employee involvement and participation will create entrepreneurs within the organization who are socially or ecologically oriented. Therefore, employees need to be involved in formulating environmental strategy, so that they can create and expand the knowledge needed to market green products. A recent HSBC initiative in the U.K. found benefits in carbon saving being seen to come from employee initiatives, including one where staffs at first direct can bring rubbish in from home and recycle it at work. Employee involvement teams can not only bring about a change in how work processes are performed, but also improve worker health and safety too. For example, American Airlines claim their flight attendants recycle over 616,000 pounds of aluminum cans, earning at least \$40,000 to them in one year (May & Flannery, in Renwick, 2008). The use of employee participation in green HR has been noted to help prevent pollution from workplaces (Phillips, 2007). There are two ways in which the workers can participate on environmental projects: a suggestion programmed and problem solving circles wherein the specialist staff is more involved in project initiation while line level workers are more likely to participate in project implementation. Other ways in which employees can be encouraged are to pursue green commuting habits like allowing flexible work weeks, establishing a car pool-program, offering free or discounted free transportation passes, adding car sharing as a employee benefit and setting up transportation savings account (Mandip, 2012). There are also changes in HR policy regarding the implementation of green HR in organization such as telecommuting or e-work an arrangement whereby workers perform tasks for their employers via a telecommunication link at their home which will decreases the cost of commuting staff independence to form and experiment with green ideas.

COMPENSATION: PAY AND REWARD SYSTEM

Compensation should be link to motivate the changing behaviors of employee green performance. A benefit package and variable pay element can be added to the



compensation system for rewarding employee, because the organizations will get the benefit from rewarding waste reduction practices. For example, DuPont has an Environmental Respect Awards program which recognizes employee environmental achievements. 3M offers rewards for suggestions that individual staff make to help the environment and increase firm profitability (Govindarajulu and Daily, 2004). Reward packages should be related to acquiring designated skills and competencies in performance over the long-term. In general, organizations are seen to need to develop reward systems to produce desirable behaviors in green performance, and doing so requires effective employment of both incentives and disincentives (in Mandip, 2012). Disincentives include negative reinforcements like suspensions, criticisms and warnings and may be needed to get employees to make environmental improvements, for example if employees engage in lapses in the handling of hazardous waste. Organizations may wish to engage in giving employees positive rewards in terms of verbal feedback from supervisors, as such informal verbal and written feedback which might help motivate employees towards environmental improvements (Milliman & Clair in Mandip, 2012).

CORPORATE CULTURE AND GREEN CULTURE

Corporate culture is one of the basic requirements for business in searching for excellence. A good, well known company always has some common corporate culture. A company's life-force is to keep to its corporate culture. A strong corporate culture will help a company to fight against failures and challenges during its growth history. Corporate culture represents an active, living, phenomenon by which key members of the organization, such as executives, create share meaning (Morgan, 1997). The meaning of the corporate culture differs from company to company and based upon differently of industry, business and leadership style (Shih, 2000). Members continuously interpret aspects of their work environment and these interpretations, as well as the ways in which they are enacted, form the culture of the organization.

Corporate culture fulfills four functions (Kreiner and Kinicki, 2004; 85). *First*, corporate culture gives members an organization identity. Organization identity expresses organizational understandings. Organization's value will lead to identity that mirrors the image of others. The image formed and held by externals is a credit for organization due to its sustainability. *Second*, corporate culture facilitates collective commitment. Organizational development is the result of group efforts. Corporate culture is that invisible bond of emotions and feeling that ties employees at various levels to develop collective commitment. *Third*, corporate culture promotes social system stability. Social system stability reflects the extent to which the work environment is perceived as



positive and reinforcing, and conflict and change are managed effectively. *Forth*, shape behavior by helping members make sense of their surroundings. This function of culture helps employees understand why the organization does what it does and how intends to accomplish its long-term goals.

The nature of corporate culture that exists in a company is going to decide the degree to which the desired results from the employees are obtained. As discussion before, there is a growing need for organizations to be more “greener”. Therefore, the integration of environmental management into corporate culture to be more “greener” is a must. Cherian and Jacob (2012) discussed that the adoption of these practices has been presented with a number of different advantages which would ultimately benefit the firm which has led to the emergence of “green and competitive” mantra.

Green culture means green values and people’s recognitions and evaluation about green environmental value. Under the guidance of green values, subjects observe and understand things, analyze and grasp objects, solve problems and formulate strategies. As entire guideline of green culture, the formation of green values is based on various elements such as green knowledge, green habits and so on and reflects specific spirits of times. Green values is the deepest hierarchy of green culture and the most basic value target that green culture pursues, as well as fundamental mark distinguished from other culture, which comprises of the core link of green culture structure (Li et al., 2011).

DEVELOPING NEW CORPORATE CULTURE THROUGH GREEN HR PRACTICES

Previous research (Mandip, 2011; Jabbar et al., 2012; Daily et al., 2012 in Cherian and Jacob, 2012) have shown that HR function will become the driver of green culture within the organization by aligning its practices and policies with sustainability goals reflecting an eco-focus. Green HR policies focus on collective and individual capabilities to bring about green behavior and such policies aimed at developing an environmental corporate culture. The HR strategy must reflect and inspire the ambitions of the HR team and other employees, aligning with the company’s strategy, values and culture, deliver sustainable returns to investors, address customer needs, identify and respond to emerging societal trends.

Developing new culture that lead to green behavior become a key of competetitive advantage. Therefore, important share assumption should be manifest in objects (shared things), talks (shared saying), behavior (shared doings), and emotion (shared feelings) in organization (Sobirin, 2002). Manifest of green culture through objects, talks, behavior, and emotion can be done through HR practices as explained



above. However, It takes time to let the manifests of culture to be infer meaning for organization members.

Although corporate culture's change is possible, manager might face resistance to change. That's why the changing need the appropriate approach so that organization do not lose it's identity (Sobirin, 2002). Assimilation approach is the process by which an individual or group loses its original culture when absorbed into another culture. This strategy works best when the acquired company has a weak culture that is dysfunctional, whereas the acquiring company's culture is strong and focused on clearly defined values. Culture clash is rare with assimilation because the acquired firm's culture is weak and employees are looking for better cultural alternatives. Therefore, assimilation approach is good option to develop new corporate culture.

CONCLUSION

Green culture becomes a key of competitive advantage in the organization. This happened because this issue has already become organization's important issue. Being greener needs integration of environmental management into human resource management practices. The HR strategy must reflect and inspire the ambitions of the HR team and other employees, aligning with the company's strategy, values and culture, deliver sustainable returns to investors, address customer needs, identify and respond to emerging societal trends, respond to governmental and regulatory expectations, and influence the public policy agenda. According to Mandip (2012) the practice of green HR should be translate in to the HR processes, namely recruitment; performance management and appraisal; training and development; employment relations; and compensation. Finally, by developing green culture, it would give some benefits for organization.

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