



# Green HRM for Sustainable Competitive Advantage

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## Abstract:

The study is to examine the impact of Green HRM as a tool for sustainable competitive advantage. Human Resource Management has become one of the inseparable components of the business. It has strategic significance in management and organizational decision making. Top management in today's organization has lot of importance and focus on sustainability thus, green practices are being adopted and corporate today is developing human resource policies for promoting environment management initiatives.

Environmental management system includes a structure allowing a better control of environmental footprint in businesses. Green HRM represents the most significant dimension of environmental management system. Earlier the success of a firm was strongly dependent on promotion of economic value. However today, organizations have to consider the reduction of ecological footprints and give importance to social and environmental factors along with economical and financial factors in order to enable the organization to be successful in the corporate sector thereby enabling attainment of profit by the shareholders

**Key Words:** Green Human Resource Management, Sustainability, Competitive advantage, Environmental management.

## Introduction

Green HRM is the latest buzzword in organizations today, in recent years; numerous businesses have implemented a strategic tool known as green human resources management to gain a competitive advantage. The success of these strategies is totally dependent on proper selection and implementation. Awareness of employees and their responsibility towards environmental protection is the key to success of this process. Many businesses amend environmental regulation just because of the increasing pressure from the

government and other active groups, but not as their responsibility towards the environment. Businesses should make conscious and willing effort to build green business.

### **Sustainable competitive advantage**

Sustainable competitive advantage is required for all the companies to prosper in today's global competitive environment.

Sustainable competitive advantage is company's assets, attributes, or the abilities that are difficult to duplicate or the long term position over the competitors. Public prefer to purchase the stocks of the companies which are real value investment.

There are two ways to achieve competitive advantage

1. Comparative advantage
2. Differential advantage

#### **Comparative advantage**

The comparative advantage is the ability of the firm to efficiently produce its products and services as compared to its competitors.

#### **Differential advantage**

A differential advantage is where a firm product or service differ from its competitors offering and are seen superior.

Green Human Resource Management helps the company to attain differential competitive advantage by taking environmental management initiatives.

### **HR Management and sustainable competitive advantage**

One of the main functions of human resources management is to translate organizational values and objectives into HR policies and practices. The proposition of competitive advantage of the firm depends on effectively formulating and implementing human resource management strategies. From an environmental perspective, Borges and Michalisin (2009) state that human resource practices must be created and directed toward a National Resource Based View approach for organizations to obtain a sustainable competitive advantage. Specifically, environmental concerns may be included in recruitment and selection processes (Dubois & Dubois, 2012; Parkes & Borland, 2012). Human Resource management in modern enterprises has two inter-related roles: (i) to advance the performance of the organization and (ii) to act as pillar for achieving competitiveness through human capital. Thus, HR strategy is an important determinant of intensity and

diversity of human resource practices that assist and guide managers, and affect the success of the organization.

### **GHRM Practices adopted in leading Organizations**

#### **Tata Group:**

The Tata Group has gone “Green” and it has taken an initiative to deal only with the business intermediaries such as wholesalers, vendors and traders who conduct their business without releasing toxic emissions that could harm the environment. Spotted 11<sup>th</sup> under Newsweek’s annual rankings of the worlds greenest company with the green score of 80.4 globally

#### **ITC**

ITC is one of India's leading private sector companies with a strong commitment to the triple bottom line which evaluates its performance based on social, environmental and functional perspective. It has been adopting eco-responsible processes, much ahead of legislation – setting benchmarks for the industry to follow. It has diversified presence in cigarettes, hotels, paper boards and specialty papers, packaging, agribusiness, packaged foods and a whole range of other services. ITC Ltd Sustainable Initiatives at ITC Green Products are Premium Business Paper. For the first time in India ITC has launched an environment friendly multipurpose paper ‘Paperkraft Premium Business Paper’, for office and home use using a new technology 'Ozone Treated Elemental Chlorine Free Technology' replacing Elemental Chlorine which was conventionally used in the bleaching process during paper manufacture. ITC's Green Leaf Threshing plant in Chirala is the first in India and among the first 10 units in the world to bag the Social Accountability (SA 8000) certification.

#### **Indusind Bank**

Indusind bank is operating its ATM on solar power and has pioneered an eco friendly change in the Indian banking sector. It has been awarded the NASSCOM IT User Award for Environmental sustainability.

#### **Google:**

Google has hired a director who coordinates corporate environmental efforts in an attempt to match their corporate business strategy with their environmental efforts.

### **GHRM function -future Directions**

Past two decades of this century have witnessed a unanimous consensus for the need of realistic environmental management drive all over the world

Organizations can propose new process model and research agenda to implement Green HRM. All the important functions of HRM viz. Recruitment, Performance Management, Training and Development,

Employee Relations, Pay and Reward can go green, indicating the huge scope HRM has in contributing to the Green Strategy of the organizations, and playing a significant role to the society and the environment at large.

- **Green recruitment:**

Recruitment practice can support effective environment management by making sure new entrants are familiar with the organizational environmental culture and are capable of maintaining its environmental values. To make environmental responsibility and qualifications part of every job profile.

- **Green job description**

Description of some of the green goals that should to be accomplished by the candidate along with other managerial & regular job tasks.

- **Green Performance appraisals**

Managers should set green targets, goals and responsibilities, roles of managers in achieving Green outcomes should be included in appraisals .Appraiser should assess number of green incidents, use of environment responsibly, & successful communication of environmental policy along with the regular job performance.

- **.Green Training**

Organizations can provide training in environmental management aspects of safety, energy efficiency, waste management, and recycling .Managers can try to integrate regular job training with eco-values.

- **Green Audit**

Annual audit can be conducted on annual energy consumption, use of recycled materials, using natural sources of energy like solar panels and reduction of natural resources consumption (reducing water wastage, paperless communication). This will help the organization to improve their environmental management.

## **Conclusion**

Green HRM is an environmental protection oriented movement to save the earth from future disasters. It will encourage management and employee to utilize the natural resources more economically. The same through the corporate can be inculcated to the society. The green HRM initiatives by the companies will become one of the key points to turn entire human being toward environmental conservation.

The big organizations along with implementing Green HRM practices in their organization they should also take the imitative to promote the same to small companies. Green Human Resource practices are more powerful tool in making organization and their operations green.

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