Sustainable Development on the Organizational Level: The Importance of Human Resource Management for Employee Greening

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ABSTRACT

Environmental issues have become hot topic since several decades and day by day new concepts including environmental protection in business performance have risen in many countries (“Estrategia española de responsabilidad social de las empresas,” 2014; Linnenluecke & Griffiths, 2013; Pojasek, 2007; Shrivastava, Ivanaj, & Persson, 2013). Many authors have offered practices to be applied for greening of enterprises: business cases for corporate sustainability is widely discussed from the point of view of various management theories (Salzmann, Ionescu-somers, & Steger, 2005). Considering the worker as a key unit of any organization (Saifulina and Carballo-Panela, 2016), a cuidadosa gestión de los recursos humanos puede conducir a un mejor desempeño ambiental de la empresa ya un menor impacto en el entorno externo, tanto en los sectores de producción como de los servicios. Al fusionar dos conceptos, el autor de la investigación actual discute la importancia de los nuevos recursos humanos sostenibles a largo plazo, los cuales incluyen prácticas importantes y patrones de comportamiento (Clarke, 2011) que pueden contribuir enormemente a la ecologización organizacional. La investigación actual se centra en la identificación de las posibles prácticas y factores que influyen en el comportamiento sostenible corporativo y contribuir a que las organizaciones sean socialmente responsables basándose en una cuidadosa revisión bibliográfica de los resultados de la investigación anterior.

Keywords: sustainable development, corporate social responsibility, sustainable human resource management, green human resources, environmental management, employee behaviour, green employee behavior.
whose business practices are in special importance in nowadays, equally in production or service sectors, equally in production or service sectors. Merging two concepts the author of the current investigation discusses the importance of newly emerged term sustainable human resources, which includes important practices and behavioral patterns (Clarke, 2011) that may contribute immensely to organizational greening. Current research is focused on identification of the possible practices and factors influencing corporate sustainable behavior and contributing to the organizations being socially responsible based on careful literature review of the previous research results.

1. Introducción

The discussion on sustainable development goes back to several decades after industrialization boosted the natural resource consumption. However, as it is widely known the official definition used by the majority of the investigators is one of the Brundtland report (WCED, 1987). Before developing the topic with the definition of the concept, it should be said that there are two known terms – sustainable development and sustainability. There are research investigators who use the terms interchangeably. However, some studies identify significant differences of two concepts. Focusing on the distinctions between sustainability and sustainable development connotations, we could consider the following argument: i). sustainable development is a broader term, which includes not only environmental protection, but also social and economic goals; ii). Sustainability concerns are limited with the environment; iii). sustainability, though, is related to the resilience of ecology and ecosystems in general without considering other important pillars (Drummond & Marsden, 2005; Turner, 1988). Since we are interested in all three dimensions of the term, not only in environmental pillar, the further analysis would be done considering sustainable development concept with its implications.

According to previous investigations, “the resources that are available to the firm fall into three general categories: physical, organizational, and human” (Thite & Kavanagh, 2009, p. 5). It is logical, that in order to be able to process and utilize resources available “processors” or, in other words, humans are needed. To clarify, even if direct production process is done by the machines, human beings are responsible for how the machines would operate and, for instance, what is a quantity needed for the production. In service sector, the role of human labour is extremely important. Sustainable development begun to be linked with business areas such as management and business strategy, including human resources lately (Ehnert & Harry, 2012). Since the human resource of the organization has the actual function to implement of policies and rules and regulation of the organization (Hitchcock and Willard, 2009), it could be said that it is a key function on implementation sustainable development at an organization level.

The success in reaching sustainability on economic, social and environmental fields while doing business is a kind of the utopic theory which could be achieved if only the organization is able to change the whole business strategy and company’s culture (Ehnert & Harry, 2012). Consequently, HR managers could start by introducing the sustainability concept to top executives, then change the strategy aiming to sustainability issues by aligning HR systems and modelling appropriate behaviors (Hitchcock & Willard, 2009). Since workers could actively be involved into their activities and significantly change their working environment through behavioral patterns (Parker, Bindl, & Strauss, 2010), HR managers could boost the positive environmental activities of the employees through various processes.

The top four of human resource practices are training and development, contingent pay and reward schemes, performance management (including appraisal) and careful recruitment and selection (Roehling et al., 2005). Sustainable human resource function includes practices such as attracting and retaining qualified human capital to the company overtime (Ehnert, 2009a), establishing employer branding, and by this attracting talented workforce (App et al., 2012), fairness of the recruitment process, equal pay and career opportunities for men and women, absence of discrimination at work (European Commission, 2001).

Green human resource management issues are included in the environmental branch of sustainable human resources. Supporting the idea, the training of eco-literacy of the employees is considered to be one of the major sources of promoting the awareness of how is important to be environmentally friendly during every day activities (Renwick, Redman, & Maguire, 2013). Promotion of workplace environmentally friendly behavior (WEFB) by establishing organizational policies and organizational culture aimed towards such kind of the behavior is considered to be a halfway on the road of corporate greening (Lülfs & Hahn, 2013). In other words, the significant part of the organizational greening lies on initiatives and volunteer behavior of the employees towards eco-friendliness.
The practices of green human resources could be application of environmentally preferable purchasing guidelines, collaboration with green suppliers, allowance of electronic signatures in the office daily operations, training programs for personnel related to greening practices, provision of effective and efficient incentives for using of alternative transportations, using telecommuting and distance working practices to reduce emissions (Hitchcock and Willard, 2009) and the creation of a green organizational culture through the promotion of the environmentally friendly behaviour of the employees.

The main objective of the current investigation is the development of a theoretical framework on the importance of sustainable human resource management as a key factor in implementing organizational greening behavioural patterns.

The structure of the current paper is as follows. Firstly, the concept of sustainable development and corporate social responsibility are explained. Secondly, the human resource management concept is described. Finally, we link those concepts together and analyse sustainable human resource practices and their role in organizational greening on a business level.

2. Sustainable Development: Triple Bottom Line

“Our common future” report claims that sustainability has three dimensions – societal, economic and environmental that are closely connected and could not be considered one without another (WCED, 1987). “Sustainable economic growth means that real GNP per capita is increasing over time and the increase is not threatened by “feedback” from either biophysical impacts (pollution, resource degradation) or from social impacts.” (Rogers, Jalal, & Boyd, 2012, p. 43).

Economic dimension focuses on the idea of maximizing income “while maintaining constant or increasing stock of capital” (Rogers et al., 2012, p. 43). In general terms defined, economics is focused on distribution and maximization of wealth and also on the allocation of resources, sometimes scarce ones (Rogers et al., 2012). Variables are considering flow of money such as taxes, expenditures, business climate factors, business diversity, employment and could include the following: “personal income, cost of underemployment, establishment churn, establishment sizes, job growth, employment distribution by sector, percentage of firms in each sector, revenue by sector contributing to gross state product” (Slaper & Hall, 2011, p. 5).

Social dimension, in turn, could be defined as follows: “sustainable economic development is directly concerned with increasing the standard of living of the poor, which can be measured in terms of increased food, real income, education, health care, water supply, sanitation, and only indirectly concerned with economic growth at the aggregate.” (Rogers et al., 2012, p. 44). It means that while being focused on profit maximization some public goods with increasing living standards should be also pursued.

Environmental criteria includes resources, climate change, impact on ecosystems and waste; in turn, economy involves such set of criteria as impacts on customers, in the overall economic development and on the utility; to complete, social aspects includes security and reliability of provision of energy, political stability and legitimacy, social and individual risk, and quality of life (Hirschberg et al., 2007).

Since the only case of respecting all three dimensions could lead to being sustainable, any project (organizational, governmental, and private) should satisfy the requirements of each pillar.

For instance, let us think about imaginary projects A and B. Project A introducing new harvest control with free use of pesticides on a large scale, which is profitable. That initiative affects local small farmers that are offered to sell their lands to large farming entities due to the value of land itself, since now the same territory gives twice or more harvest results than before the program. So, small farmers are becoming freelancers working for money on the land that was their property. Even if economic bottom line is perceived in it, social bottom line is not respected in Project A as well as environmental one, so it is not sustainable. On the other hand, Project B of bio food supply for starving areas could be considered sustainable since social bottom line is respected through increasing quality of life of the
population, environmental and economic dimension – by making better off the food suppliers and bio food production without worsening of environmental conditions.

In other words, if environment, society and economy are better off because of the project, only in this case it should be launched.

3. Corporate Social Responsibility as a Driver of Competitive Advantage: Myth or Reality?

Sustainable development is seen as a basis for CSR and its implementation. In other words we can say that CSR is representing sustainable development in a micro-level (Ebner & Baumgartner, 2006). According to that, the promotion of sustainability within the company lies in the implementation of corporate social responsibility (CSR). The concept of CSR is very important for the business world (Babiak & Trendafilova, 2011; Cohen, Taylor, & Muller-Camen, 2012; Dahlsrud, 2008; Elkington, 1999) and during decades the topic has been under the research focus (Fifka, 2013).

It is said that corporate social responsibility has internal and external practices. Internal CSR mainly deals with CSR practices which are directly related to the physical and psychological working environment of employees. It is expressed in concern for the health and well-being of employees, their training and participation in the business, equality of opportunities, work-family relationship while external CSR refers to corporate socially responsible issues for local community, business partners and suppliers, customers, public authorities and NGOs representing local communities, and the environment such as philanthropy, volunteerism and environmental protection (Al-bdour, Soh Keng Lin, & Nasruddin, 2010).

So, why to be sustainable? Why to be socially responsible? Since the main goal of any business entity is to gain profits (Elkington, 1999), let us discuss this point from the perspective of financial benefits: if it pays off for the companies to apply CSR practices.

Being socially responsible includes costs such as investing in environmentally friendly production innovations, decreasing consequences of production and service offering, offering acceptable working conditions, investing in employee trainings, education and on-the-job services. Some researchers argue, that financial performance of socially responsible companies may result in negative balance when comparing those costs with actual benefits (Posner & Schmidt, 1992; Vance, 1975). On the other hand, some studies have found no significant correlations between the two (Salzmann et al., 2005).

Lastly, there is an opposite opinion that positively affecting society and working environment might lead to positive financial results, conditioning good management of the company (Pava & Krausz, 1996).

The author of the current paper tends to think that on the global scale being sustainable pays off in terms of environmental situation at least. Even if CSR concept is not usually linked with climate change (Linnenluecke & Griffiths, 2013), the author strongly believes that environmental situation is dependent on corporations also. In addition, social responsibility includes all stakeholders of any given company, including fair trade with suppliers, well-treated employees and not-cheated consumers (Eweje & Sakaki, 2015), which is extremely important.

The last conclusion leads us to the topic of human resource management – in particular, good management depends on careful guidance of human resources.

4. Human Resources and Sustainable Development: Joint Paradigm

Firm resources could be described as all the assets – tangible or intangible – that are available to the company, including competencies, information, skills and knowledge (Barney, 1991; Kamoche, 1996). As Kamoche defines, “for Grant (1991) resources are the inputs into the production process; capabilities are what the firm can do with those resources.” (in Kamoche, 1996, p. 214).

Human resources could be defined as “accumulated stock of knowledge, skills, and abilities that the individuals possess, which the firm has built up over time into an identifiable expertise” (Kamoche, 1996, p. 216). However, many
researchers claim that human resources are employees of the company, while their skills and capabilities are human capital (e.g. Benhabib & Spiegel, 2005). Resuming, we could define human resources as people or individuals working in a particular organization, which also could be called personnel, employees or associates depending on the company preferences and policies (Gomez-Mejia, Balkin, & Cardy, 2004).

Nowadays, HRM could be defined as a broad set of tools and strategies to help to management of the firm’s employees, the resolution of the conflict between management and employees which is present due to the growing importance of a human resources of the companies, rather than just “hired hands” as HR was known in early American industry (Kaufman, 2010). Among duties of HR function of a company are the recognition of the impact of operating environment, the recognition of the competition and the dynamics of the labour market, the integration with the corporate strategy.

Paying the attention to the HRM practices, the top four of them are training and development, contingent pay and reward schemes, performance management (including appraisal) and careful recruitment and selection (Roehling et al., 2005). According to the authors, those mentioned above could be named as a core principles of HRM strategic tasks in every organization. As far as it is widely known the main task of HR manager is careful selection of the employee which perfectly fits to the current needs of the company, recruitment process of that employee, training activities in order to integrate the selected person into the organization and future development of the skills, and, finally, development of reward schemes and motivational strategy in order to provide high level of commitment and hard work. Also, the basic tasks of HRM, within named above, includes monitoring of the employee’s work.

As one of the HR functions is the implementation of organizational strategy, one of such could be making company sustainable. From that sustainable human resource management concept emerged that is gaining importance in current literature on the topic (App et al., 2012; Ehnert, 2009a, 2009b; Ehnert & Harry, 2012; Elkington, 1999; Gomes, Kneipp, Kruglianskas, da Rosa, & Bichuetti, 2014; Mariappanadar, 2003; Warhurst, 2002; WCED, 1987).

The sustainable human resource management should be a part of strategic planning of the company, including specific planned actions regarding human capital of the firm. “Sustainable HRM is the pattern of planned or emerging human resource strategies and practices intended to enable organizational goal achievement while simultaneously reproducing the HR base over a long-lasting calendar time and controlling for self-induced side and feedback effects of HR systems on the HR base and thus on the company itself”, to be specific (Ehnert, 2009b, p. 74). The definition embraces two sustainable HR functions first of which is strategic planning and second – human capital resource renovation.

Among discussed obligations and practices of sustainable HRM, there is a specific focus on environmental practices.

5. **Green Human Resources and Employee Green Behavior**

Since sustainability issue (Ehnert, 2009a; Elkington, 1999) and green policies (Al-Najjar & Anfimiadou, 2012) are becoming the key factor for the companies nowadays, the application of the concept to the HR is a critical must-do in today’s business strategies. The application of green policies could be considered as one of the reasons that organizations try to minimize their ecological footprint and energy level consumptions (Bolderdijk, Steg, & Postmes, 2013). Moreover, human resource managers are in a preferable position to affect the sustainable development application process of the organizations (Hitchcock & Willard, 2009). Since workers could actively be involved into their activities and significantly change their working environment through behavioral patterns (Parker et al., 2010), HR managers could boost the positive environmental activities of the employees through various processes.

The application of environmental practices is positively related with company’s performance (Dangelico, 2014). The application of green policies is related to higher profits, corporate image and sales growth. Probably, it could be considered as one of the reasons that organizations try to minimize their ecological footprint and energy level consumptions (Bolderdijk et al., 2013).

Several HR activities could include green management initiatives (Jackson, Renwick, Jabbour, & Muller-Camen, 2011): green recruitment process, green performance management measures, environmental training and development, rewards and compensation system for pro-environmental behavior, establishment of green organizational culture.

One of the key factors of the activities described above is the promotion of pro-environmental behavior among employees of the organization. Supporting the idea, the training of eco-literacy of the employees is considered to be one of the major sources of promoting the awareness of how is important to be environmentally friendly during every day activities (Renwick et al., 2013).
Recent studies claim that in order to encourage green behavior on the workplace it is important that the individual has the same green patterns in the real life (Muster & Schrader, 2011). For instance, it is believed that person’s environmental behavior is influenced by the consumption patterns. As a result, the motivational factors should affect the working process of the employees, but also the private life choices. “While Green HRM focuses on promoting employees’ environmental behavior in the company, employees carry on with their consumption practices in private life” (Muster & Schrader, 2011, p. 143).

Moreover, Boiral supports the idea that many of the private life activities such as saving water and energy, using less polluting transportation means and recycling, could be also repeated on the workplace and could meet the company’s green behavior pattern requirements (Boiral, 2009).

Activities related to pro-environmental behavior of employees could include decrease in power consumption, using public transportation (or drive a car), usage of environmentally sourced products (Clarke, 2011), double sided printing and recycling of used paper (Hitchcock and Willard, 2009) to name just a few.

Involving the employees into decision-making process of the organization it is more likely that commitment would be higher (Gollan, 2005). In other words, the delegation of authority may increase the voluntary involvement of the employees in participation in the company’s policies, including green ones.

Promotion of workplace environmentally friendly behavior by establishing organizational policies and organizational culture aimed towards such kind of the behavior is considered to be a half-way on the road of corporate greening (Lülfs & Hahn, 2013). In other words, the significant part of the organizational greening lies on initiatives and volunteer behavior of the employees towards eco-friendliness.

However, the researchers have different opinions about the existence of the direct link between the employee pro-ecological behavior and its impact on corporate greening (Dangelico, 2014; Paillé & Boiral, 2013). However, Boiral proposes that the organizational citizenship behavior or OCB (volunteer behavior that is indirectly recognized by the organization as a positive behavior, which contributes to the increase of the effectiveness and efficiency of the organization) for the environment is the pro-environmental behavior, which contributes to the corporate greening (Boiral, 2009; Boiral, Talbot, & Paillé, 2013; Paillé & Boiral, 2013). For instance, the application of ISO 14001 (environmental parameter of the production process) requires involvement of workers of the organization (Boiral, 2009).

Based on the literature review (Andersson, Jackson, & Russell, 2013; Boiral, 2009; Paillé & Boiral, 2013), pro-environmental behavior could be defined as a behavioral pattern derived from capacity of individuals to analyse, choose and perform eco-friendly actions such as participation in green committees, recycling domestic wastes, suggesting energy efficiency actions, and so on. (Paillé & Boiral, 2013).

Consequently, the recent research investigations were aimed to find the factors by which HRM could influence personnel green behavior. Likewise, direct (particular HR policies towards greening) and indirect (job satisfaction, work-life balance, commitment of the organization) effects of HRM were found on greening the personnel behavior (Harvey, Williams, & Probert, 2013).

The direct effects could be seen considering green policies of the company – new talented personnel selecting a future job often pay attention to the reputation of the company and its greening social responsibility. As a result, HR could gather new skilled workforce by introducing greening policies. On the other hand, job satisfaction and work-life balance could indirectly influence the “compliance with green objectives and reduces the risks of the expression of discontent by, for example, acts of industrial sabotage” (Harvey et al., 2013, p. 154).

6. Conclusion

Currently the environmental sustainability is considered to be so important, that workers are forming green employee teams. Those kind of unions are involved in environmental management activities and sometimes are initiatives of trade unions that are highly interested in promoting green ideas such as decreasing the pollution from workplaces, reducing wastes and energy usage (Renwick et al., 2013). Moreover, it is proved that there is a positive correlation between company’s reputation and environmental performance and green employee teams (Dangelico, 2014). Those initiatives clearly show that greening HR policies are coming not only from top-bottom approach but also bottom-top that underlines the importance of employee environmental behavior.

According to the research done in the period of 2002 and 2013 among scientific journals devoted to the environmental management and pro-environmental research, only 21% of the investigations were done considering
employees as a key unit of study (Robertson & Barling, 2015). Taking into account our discussion made above, the importance of employee volunteer green behavior is hardly overrated. Back in time, when profits were the only bothering issue for companies, no one would worry for being sustainable. The term even did not exist. The concept of corporate social responsibility as a narrow application to the corporate world of sustainable development emerged in 1980s “in attempt to explore the relationship between development and environment” (Banerjee, 2008, p. 64). However, time passed and nowadays sustainable development contributed immensely to the creation of company image in terms of fairness, honesty and social values.

By the same token, if in production sector application of sustainable development principles may result in immediate cost reduction such as efficient energy and raw material usage (Huselid, Jackson, & Schuler, 1997), service sector organizations may resist in application of such practices since the positive results may appear only in the long-run perspective (Bouma, Jeucken, & Klinkers, 2001). However, these very days HR function should and must apply sustainable practices that reflect organizational strategy not only to gain competitive advantage (App et al., 2012; Dangelico, 2014), but also in order to provide fair working conditions with respect of employee rights securing safe working conditions and work life balance (Schuler & Jackson, 2005).

7. References


