

Green Sustainable Human Resource Management

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Illustration of Green Human Resource Management Photo by Christina Morillo (USA)

Abstract : The purpose of this study is to examine the practice of green human resource management, namely the management of environmentally friendly human resources including employee behaviour in the workplace and the environment around the workplace. We used secondary data on 112 companies in Indonesia by conducting online interviews with 1123 employees about human resource and environmental management practices by quantifying them using the likert scale and analyzing them using the ordinary least square model. We measure environmentally friendly management which includes the level of social responsibility awareness, the level of waste management including whether or not industrial waste pollutes the environment, regulations in the form of Standard Operational Procedures for waste handling and corporate social responsibility programs as well as the level of employee concern for business and environmental sustainability both in the workplace and around the workplace. We found a positive relationship between the level of environmental and social awareness of the organization as reflected in the environmentally friendly regulations and Standard Operating Procedures with human resource management as well as the level of employee compliance with company regulations and the level of employee welfare.

Keywords: Industry, Corporate Social Responsibility, Employees

JEL Classification : C23, J24, J64

1 INTRODUCTION

Management of green human resources takes into account the organization or company including the welfare of the organization or company, employees include employee welfare and employee morality, and the environment includes environmental and social sustainability so that environmental sustainability and organizational financial performance go hand in hand so that a healthy business climate is formed by maintaining environmental and social sustainability (Renwick,2018). Human resources are important resources in running a business and maintaining environmental and social sustainability. Human resources must be developed in a knowledge and skill manner so that they are able to run a healthy business while protecting nature and the surrounding community (Dainty & Loosemore,2013).

Humans are the main foundation in developing environmentally friendly technology that supports business activities as well as organizational structures along with organizational rules that support the natural environment and the community around the organization to remain sustainable (Adenle et al,2020). Human development and management must be based on good intentions to promote business while protecting the environment (Fowler & Malunga,2020).

2 LITERATUR REVIEW

Green human resource management is a combination of human resource strategy, technology-based human resource management and environmental awareness (Wehrmeyer,2017). The combination of strategy, technology development and environmental awareness build the concept of green human resource management (Geenhuizen et al,2010). Where in managing human resources, humans are developed to be able to master and develop technology, increase human capital continuously so as to improve human performance and be able to preserve nature and have a sense of concern for nature and the community around business organizations (Akenji & Briggs,2010). So that is running a business, human resources maintain a balance between healthy business performance and sustainable environmental sustainability (Ehnert et al,2013).

Business must be managed in an innovative way by using and developing technology and knowledge while preserving the environment (Martin-de Castro & González-Masip,2020). To achieve this goal, a human resource strategy is needed to be developed into a person who is moral, ethical, able to master, use and develop technology and be able to run a business with performance. high without damaging the environment (Sethy,2018).

3 RESEARCH OBJECTIVE AND METHODOLOGY

This study examines the impact of business management, employee income, the level of employee compliance with company regulations on environmental sustainability around

the company using ordinary least squares (OLS) with the following equation:

$$ES_t = C_t + \beta_1 Bm_{t1} + \beta_2 Ei_t + \beta_3 Ec_t + e_t$$

- Where,
- ES = Environmental Sustainability
- Bm = Business Management
- Ei = Employee Income
- Ec = Employee Compliance
- e = Error term

Business management in this study is a management factor that is calculated based on the results of interviews about the level of business management that is friendly to the environment and sees the impact of business on the environment using the Likert scale in quantifying the results of the interview. Environmental sustainability is calculated by comparing the state of the environment before the business or company was founded with environmental changes due to the company's activities in the time series using the Likert scale to quantify the results of the interview. Employee income is a reflection of employee welfare by adding up salaries and bonuses as well as other income obtained from the company which is compared with the regional minimum wage for each region where he works and his family lives so that a fair comparison is obtained for each sample of employees even though they have different operational areas in working in the Republic. Indonesia. Employee compliance is a quantification of the Likert scale of employee management levels against the rules and standard operating procedures of the company.

5 RESULTS AND DISCUSSION

The estimation results are as follows:

$$ES = 0.242132 + 0.413172*Bm + 0.312132*Ei + 0.212581*Ec$$

From the OLS estimation results, Business Management has an effect on environmental sustainability of 0.413172. If Business Management increases by 1%, then Environmental Sustainability will increase by 0.413172%. Employee income and employee compliance have a positive effect on environmental sustainability. Table 1 illustrates the estimation results as follows:

Table 1. Estimation Results

Dependent variabel ES			
Variable	Coefficient	t-Statistic	Prob
C	0.242132	0.101781	0.0004
Bm	0.413172	0.121491	0.0015
Ei	0.312132	0.120189	0.0012
Ec	0.212581	0.112460	0.0018
R-squared	0.850301	Mean dependent var	2.18131
Adjusted R-squared	0.862161	S.D. dependent var	4.13021
S.E. of regression	1.0130	Sum squared resid	2.21173
F-statistic	1.1211	Durbin-Watson stat	0.41421
Prob(F-statistic)	0		

Based on the estimation results described in Table 1. This shows that the level of environmental sustainability is influenced by business management, employee welfare and the level of employee compliance with company rules. Where the level of environmental concern in business activities needs to be owned by all employees so that nature remains sustainable.

6 CONCLUSION

Environmental care is an awareness that needs to be instilled so that business activities can be managed without damaging the environment and preserving nature. A sustainable nature will provide good to all humans so that humans can live properly and comfortably on this earth.

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