

Review of Green HRM Practices of Indian Companies

Marinal Gupta

Assistant Professor

Sri Aurobindo College of Commerce and Management, Ludhiana

Abstract

With bundle of stress being laid by the business on sustainability, green practices have been embraced and implemented, and contemporary conglomerates are in the process of developing manpower policies for promotion of environment management initiatives. Previously, the success story of business used to be dependent on quantum of economic value. But these days business firms are supposed to focus on social and environmental factors along with monetary variables. Because of rising pollution levels and industrial waste, government via formulation of policies and partnering with the private sector is trying level hard to reduce the destruction caused to non-renewable resources. This paper attempts to study green practices followed by selected Indian organizations, highlighting the impact created by green human resource practices & the gain such selected companies have over their equivalents and complements.

Keywords: Green HR, Green-ness, green initiatives etc.

Introduction

In the dynamic business environment, you need to have dynamic and a valueable workforce as the business these days come to grips with deficit of skilled people. The PwC anticipates, the business houses have to come up with innovative and effectual models to cater to the social and personal upliftment of its workforce. The societal satisfaction and relationship would be the key parameters of the business success for the days to come as a drastic change is expected in business models with a squeezed line between work and domestic life. This calls for a stern technique to evaluate the productivity of the people comprising the workforce. In a futuristic anticipation of newer business ethics and work culture, The PwC, the Human resources function may custom itself in one of the following ways:

- With a proactive mind-set and focused business strategy, HR will become the heart of the organisation

- HR function will become the driver of the corporate social responsibility agenda within the organisation
- HR function will be seen as transactional and almost entirely outsourced.

The business concerns are likely to ally the business perspective with the societal values. It is expected in line to the changing priorities of the consumers demanding moral conduct of business along with gratifying social obligations. The companies would probably more socially responsible in the times to come and the glimpse of the same can be had from succession below:

Table 1: Companies Going Green

2010	2012	2013	2018	2020
UK launches the London Carbon Trading Exchange.	US signs the Kyoto II agreement and becomes a leading advocate for actions to reduce the rate of global warming.	India becomes a key player in the CSR agenda with a focus on preserving the Indian culture and heritage.	Hybrid or fully electric cars outnumber petrol-powered cars.	A group of scientists confirm that the rate of global warming is slowing.

Source: PWC Report: *Managing Tomorrow's People*

With the globalisation, business concerns have more stress to cater to the corporate social responsibility along with other stringent operative and regulatory norms. The organisation have to strategies their tools and technology to be eco-friendly thereby prohibiting the adverse impact on the environment contributing in direction to have sustainable environment. The buying habits of the consumers are also being directed to ecofriendly products with the rising awareness on environmental concerns. This puts further pressure for the business organisations to go green and become environmental friendly. The term 'green businesses' is defined by Smith (2003) and Friend (2009) as businesses and practices that are viewed as environmentally sound, including the use of organic and natural products to build factories, tighter protection against emissions and environmentally friendly sourcing of materials. Zsolnai (2002) defines a green business as a business that has adopted the concept of environmentalism across the various functions of the business. Gilbert (2007) identifies a green business activity as any activity that is performed in a manner that has either limited negative ecological impact or directly benefits the natural environment in some way. Morebusiness.com (2009) describes a green business as using less natural resources to

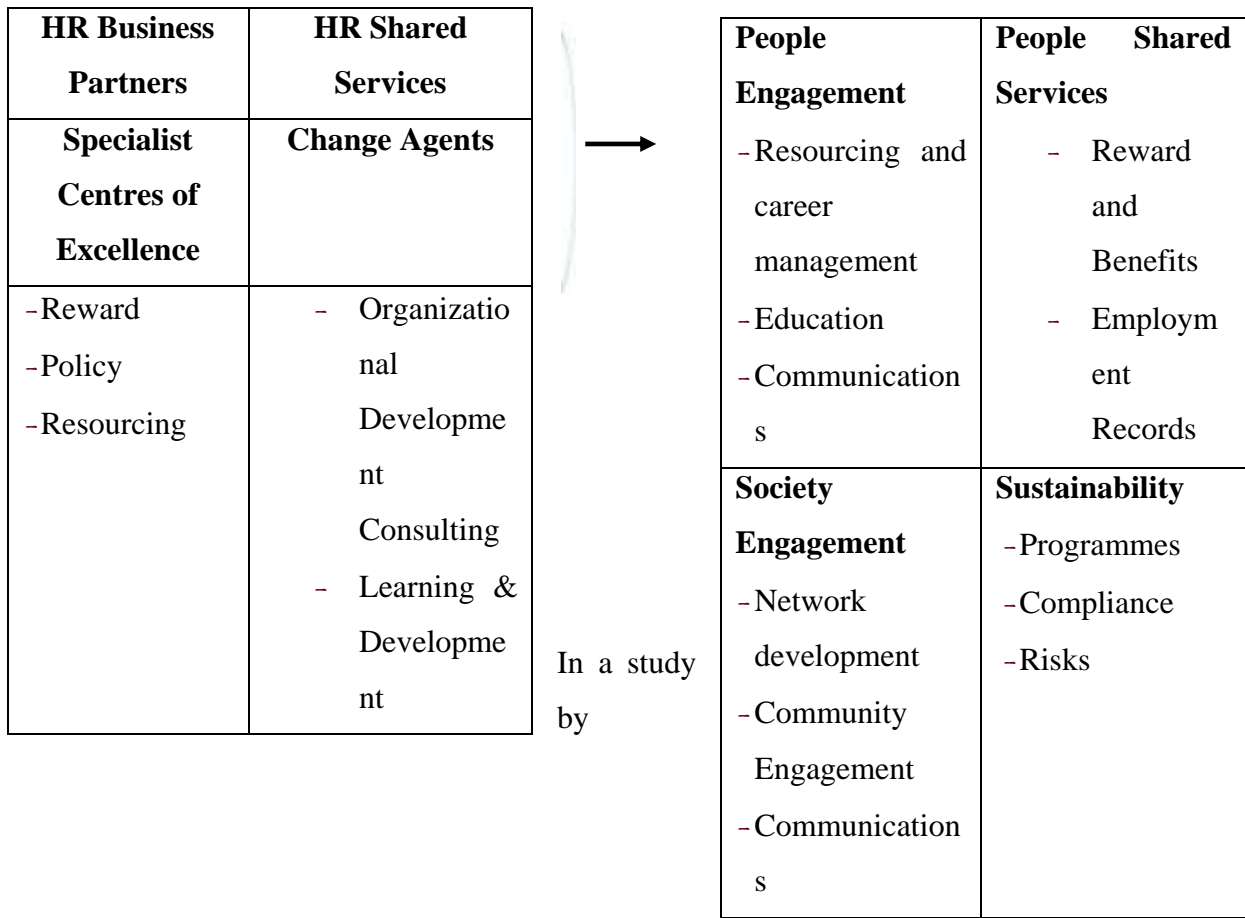
complete the tasks needed and using sustainable methods and materials such as recycling and using sustainable products.

The trending business environment is knocking the doors for uniting the Human Resource Management and the environment management. In this pretext, a sea change is expected in the HR of the companies with a dominance of Green HR in all the corporate decisions, no matter how big or small. Edifying the role of Human resource to get into practice the Green HR, considering the demand and need of the hour of uniting Human resource management and environmental management, literature classification has been done by the scholars considering the job cycle of an employee in an organisation. Green HR strategizes companies policies and procedures aiming to restrict carbon footprints of its people. The aim is to go for initiatives that are eco-friendly and cost effective with enhanced productivity and effective people engagement. This comes with the objective of promoting environment friendly practices like virtual meetings and car pooling, reduce-recycle-reuse and making use of digital platform to the extent possible. The present Human Resource Management verses expected Human resource Management model by the year 2020 is as being depicted in below table.

Figure1: Current HRM vs Future HRM

Human Resources: The Current Model

People and Society: The 2020 Model



Renwick et al (2008), the authors draw together the extant literature in the area of Green HRM, and map the terrain in this field to propose a new process model and research agenda in Green HRM. The same is summarized in the table (Table 2) below. All the critical functions of HRM viz. Recruitment, Performance Management, Training and Development, Employee Relations, Pay and Reward and Exit have been taken here to propose how each of them 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.

Table 2: Summary of Entry to Exit HR processes as seen involved in Green HRM*Recruitment*

- Green job descriptions for employees (and green goals included into managerial job descriptions)
- Graduate perceptions of Green practises (applicants use green criteria)
- Green job candidates
- Recruitment of employees who are 'Green aware' becomes part of the interview schedule
- Green employer branding (green employer of choice)
- Green aspects introduced to the induction process (familiarisation)
- Becoming a green employer may produce other HR benefits, like increased staff motivation and/or engagement, reductions in labour turnover, and increasing workforce health

Performance Management

- Green performance indicators into performance management system, and appraisals (PMA)
- Communication of Green schemes to all levels of staff through PMA scheme, establishing firm-wide dialogue on green matters
- Managers are set green targets, goals and responsibilities
- Roles of managers in achieving Green outcomes included in appraisals
- Writing & integrating green criteria in appraisals
- Appraisals assess number of green incidents, use of environment responsibly, & successful communication of environmental policy

Training and Development

- Introduce training on EM, & processes/material use
- EM training needs analysis
- Integrating training on instruction and generation of eco-values
- Development of employee skills, and competence building in EM
- Socialisation in Green values/management
- Use of Green teams in EM
- Train staff to produce green analysis of workspace
- Job rotation to train green managers of the future
- Integrating training to increase staff knowledge

- Training in EM aspects of safety, energy efficiency, waste management, and recycling
- Safety representatives to give data on green courses
- Establish development of Green personal skills
- Re-training of staff losing jobs in relevant polluter industries

Employment Relations

- Employee involvement & participation (EI&P) in Green suggestion schemes, & problem-solving circles
- Staff independence to form & experiment with green ideas
- Integrate staff EI&P into maintenance (cleaning)
- Employee help-line for guidance in green matters
- Tailor Green EI scheme to industry/company standards
- Increase line/supervisory support behaviours in EM
- Unions negotiating Green workplace agreements
- Training of union representatives in EM
- Green elements into the health and safety process
- Encouraging employees to use green forms of transport
- Set-up low carbon chiefs (including CEO and Board) to increase action in EM
- Introduce green whistle-blowing helpline
- Discipline and/or dismissal for EM breaches

Pay and Reward

- Green pay/reward system
- Tailor packages to reward green skills acquisition
- Use of monetary EM rewards (bonuses, cash, premiums)
- Use of non-monetary EM rewards (sabbaticals, leave, gifts)
- Use of recognition-based EM rewards (awards, dinners, publicity, external roles, daily praise)
- Develop negative reinforcements in EM (criticism, warnings, suspensions for lapses)
- Develop positive rewards in EM (feedback)
- Link suggestion scheme to rewards system
- Link participation in Green initiatives to promotion/career gains (managers advance through supporting staff in EM)

<ul style="list-style-type: none"> - Use green tax breaks
<p><i>Exit</i></p> <ul style="list-style-type: none"> - Staff de-briefings in EM in cases of dismissal - Managers to ask if Green issues are reasons for resignations - Role of exit interviews to gauge perceptions of firm Green-ness - Whistle-blower accounts on state of firm Green-ness - Legal protection for green whistle-blowers

Source: Renwick et al, 2008

Green work-life balance (WLB) is also a concept that is being discussed, although the full potential of Green HRM in theory and practice has not yet been realized. One conceivable deficit which could hamper the greening process is that the green HR policies focus only on employees' working role. There is a need to acknowledge that environmentally relevant attitudes and behaviour are not learned exclusively at the workplace, but also in private life. Therefore, employees' role as consumer is considered crucial for learning and practicing environmental attitudes and behaviour. Some actions that companies can take to go green includes conducting an energy audit, recycle, reuse, reduce, telecommuting, buying green, implement green manufacturing processes and implementing green policies.

Contemporary Green HR Practices in Selected Companies

Numerous Indian companies have initiated the process of integrating environmental concerns with their business strategy, with HR taking centre stage. Google is taking a lead not just in environmental practices but also in exposing and airing their environmental approach. Google has engaged a director who liaisons the corporate environmental efforts for complementing their corporate business strategy with their environment friendly practices and policies. Companies such as Honda, S.C. Johnson, Goldman Sachs, Starbucks, Patagonia, Timberland, and GE have successfully used their environment friendly policies to sell their products and gain media exposure. In India, green movement and adoption of green HR practices is still in a budding stage only a few companies following the green agenda. Green Toyota has made a public pledge that it would do business only with those concerns that are certified "Green". The Tata Group has gone "Green" and has prepared a list of third parties, vendors and suppliers whom it deals with in the course of business without releasing toxic emissions that could harm the environment. There are number of companies implementing Corporate Social Responsibility (CSR) initiatives which also have green projects. ITC Ltd. and The Associated Cement Companies Ltd. (ACC Ltd.) have practised CSR with emphasis on environment management. HRM must play key role in creating consciousness about

environment management besides taking the lead in implementing Green HR practices as part of the bigger role to save planet earth. The companies that have been selected for this study are business giants having robust HR practices, known to be favourable employers in India and across the world.

IBM: Over the past decade IBM has undergone a significant and well-publicized transformation, turning a strong multinational business into a globally integrated enterprise. For being aligned with this strategy and support other business needs, IBM's human resources (HR) organization analyzed its policies and processes, separating core HR roles, such as designing policy and internal business consulting, from noncore back-office administrative tasks. To this, HR has shifted its focus to a globally based and process-driven model. IBM's has realized that by going green, the pocketbook and the planet gets impacted. Double your IT capacity in the same energy footprint reduce operational costs by half, energy savings amount to \$1.3M / year and positive environmental impact 1,300 less cars or 3.5M less pounds of coal Diagnose. IBM Project Big Green Use has initiated innovative cooling solutions and has a holistic Green IT approach.

Walmart: Walmart is gaining a considerable amount of attention from its big-picture strategic goal to be supplied 100 percent by using renewable energy, creating zero waste and selling products that ensures environment sustainability. It aims to initiate a green supply chain by reducing greenhouse gas emissions by 20 million metric ton, and the generation of environmental product ratings. Walmart is engaging its 2+ million associates, located across four continents, to convert its strategies into tangible results through a volunteer associate sustainability program. Walmart's associates around the world have been genuinely focusing on wellness, community and environment. By following practice of continuous recognition of associates and their success stories, Walmart is enabling collaborative management/associate thinking via which it has succeeded in growing green revenues, profits and environmental improvements.

ITC: ITC is one of India's foremost private sector companies with a strong commitment to the triple bottom line. It has been a frontrunner in adopting eco-responsible processes, much ahead of legislation – setting benchmarks for the industry to follow. It has a market capitalization of over US \$ 22 billion and a turnover of over US \$ 5 billion with a 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. ITC as a responsible corporate citizen is doing many activities for the welfare of the society: Environment, health & safety (EHS) initiatives; Reaching out to society; Preserving national heritage and Supporting sustainable development. It is equally committed to ensuring very high standard of safety at the work place. In the conduct of the Company's business, the practice of good corporate citizenship is a prerequisite and for this ITC upholds the values which are at the core of their HR Philosophy namely trust, teamwork, mutuality, collaboration, meritocracy, objectivity, self-respect and human dignity. These values form the basis of their HR management systems and processes. The HR function in their department is contributing significantly to the green management practices of the company. The Company attaches great importance to a healthy and safe, green work environment. ITC is committed to provide good physical working conditions and encourages high standards of hygiene and housekeeping. Particular attention is paid to training of employees to increase safety awareness and adoption of safe working methods, particularly designed to prevent serious or fatal accidents. The Company believes that commitment to sustainable development is a key component of responsible corporate citizenship and therefore is accorded the highest priority. Accordingly, the Company is committed to Best Practices in environmental matters arising out of its business activities and expects each business to fully demonstrate this commitment.

ONGC: ONGC is the only Indian energy major in Fortune's Most Admired List 2012 under 'Mining, Crude Oil Production' category. It is ranked 171th in Forbes Global 2000 list of the World's biggest companies for 2012 based on Sales (US\$ 26.3 billion), Profits (US\$ 5 billion), Assets (US\$ 51 billion) and Market Capitalization (US\$ 46.6 billion). ONGC has been ranked 39th among the world's 105 largest listed companies in 'transparency in corporate reporting' by Transparency International making it the most transparent company in India. Project of Landscaping, designing of garden and greening of area in the campus of Jollygrant Airport, Dehradun is on the cards. ONGC has many such initiatives towards green HRM. Another one is Vadodara Movement with Indian Express.

Conclusion

Green Human Resources Management is related to the protection of the environment and to save the planet Earth from future disasters. Making the mother planet Earth liveable for future generations has become an imperative goal for mankind. Selected companies for this study have emerged as leaders in their respective areas of operations and they strive towards green business management. Green HRM is set to play an important role in the industry to endorse and sponsor environment related issues by adopting it in true sense, in management philosophy, HR policies and practices, training people and enactment and execution of environmental protection laws. It has the potential of creating a tremendous impact on the multiple stakeholders involved as it will enable both the employers and the manufacturers in their image and brand building by strictly implementing the ISO 14000 standards and environmental audit, changing the organizational culture, formulating policies for disposal management, and helping the society. Green HRM is the buzzword for the times to come.

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