Impact Of Green Hrm Practices On Employee Retention

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Abstract

To achieve long-term, sustainable growth, businesses are increasingly adopting "Green HRM," a relatively new concept in management that describes the incorporation of eco-friendly practices within the HR department. This study is also to learn about Green HRM practices that can help company in employee retention. The survey includes responses from 220 workers at MSMEs. Employee retention was analyzed, focusing on "Green" initiatives such as green training and development, green recruiting and selection, employee engagement and communication, a green workplace, and rewards and recognition. Based on standardized regression coefficients, the influence of green training and development and work environment on employee retention is most substantial among other Green HRM practices.

Keywords: Green HRM, Employee retention, Sustainability

1.1 Introduction

The rapid pace of global industrialization has created substantial environmental performance issues for several sectors of organizational management. The ecological and social health of the planet is in jeopardy because of the manufacturing processes that produce waste. In light of this dire situation, people must learn more about green issues, including reducing emissions, composting, and using renewable energy sources like solar, wind, and hydropower. Environmental efforts, coaching, and retraining in green performance have lately gained traction across industries due to growing awareness of the risks posed by environmental issues (Johar et al., 2020). The term "Green Human Resources Management" has exploded in popularity recently, and its significance in the business world has grown increasingly nuanced. Many academics have highlighted the significance of green practices in businesses to increase employee engagement toward environmental behavior. GHRM currently plays a critical role in attaining sustainable development in organizations. One of the most severe issues in the world now is going green.

New environmental regulations and practices have been implemented because of growing international environmental concerns. The GHRM is an example of an environmental sustainability-focused strategy and practices practice for green development. Egypt, like the rest of the Arab world, lacks attention to the environment and human resource management despite a growing interest in these topics in the most affluent countries. Sobaih (2019) corroborated the preceding observation by pointing out the need for systematic studies examining GHRM's impact on employee engagement and retention.

According to (Mandago, 2019), GHRM's eco-friendly actions and initiatives boost productivity, cut costs, and keep employees more satisfied. Using carbon-reducing practices like video conferencing, online interviews, online courses, and electronic filing, GHRM practices like green recruitment and selection, green career development, green performance appraisal, and the green reward system can boost an organization's environmental performance and maintain employee behavior. Employing pro-environment workers, providing training in cutting-edge technology and innovation, and rewarding and incentivizing employees are just a few ways GHRM policies are expected to bolster an organization's already eco-friendly culture.

1.2 Literature Review

Although "green human resources management practices" has been defined in various ways, there is widespread agreement that it refers to strategies for combining and bolstering human resource management and environmental management. Masri and Jaaron (2017) state that "green human resource management practices" involve bolstering ecologically friendly practices and increasing employee dedication to these causes. Human resources (HR) policies, strategies, and practices will be utilized as environmental management tools in the workplace. According to Hamod and Majeed (2021), "green human resource management practices practice" has surpassed all other business jargon in popularity. With growing global concern for environmental management and sustainable development, this phrase has also established itself as a topic at the forefront of contemporary scholarship. Human resource management that considers the environment and the social and financial well-being of the business and its workers is called "green" (Hamod & Majeed, 2021).

As a result, the authors of this study used a variety of metrics developed by other researchers to assess aspects of green HR practices, such as green approaches to managing employee performance, interactions, and discipline. Green employee performance management is defined by Raj and Verma (2019) as the process of monitoring and guiding employees' activities to meet the desired environmental performance goals and is included as part of green human resource practices by Sobaih (2019). As described by Ahmad (2015), Green employee relations is a subset of human resource management that aims to improve the likelihood of environmentally conscious decision-making by cultivating positive connections between employers and employees.

The past two decades have seen the international community's focus on environmental concerns rise. Researching how diverse businesses contribute to achieving environmental goals becomes increasingly relevant as the global green movement gains popularity. According to (Dissanayake et al., 2019), the industrial sector must adopt environmentally friendly practices to achieve Sustainable Goals. A green economy, to the advantage of all, could result from this. Human resource management was pivotal in this effort because it is crucial for building a sustainable business (Sharma & Gupta, 2015). Ecologically sound HR practices and the conservation of intellectual capital are two primary components of global human resource management (GHRM). These help businesses lower their carbon footprints through greater efficiency, reduced costs, and higher employee engagement and retention levels.

2.1 Research methodology

The study employs descriptive research as a survey to assess the link between green HRM and employee retention. In this method, responses from employees of MSMEs were collected from 250 people, and data was used from 220 completed surveys (88% response rate). In this study, a questionnaire in the form of Google Forms is employed to employ the quantitative approach. Respondents were contacted through email or a link to encourage them to participate in the survey. As a result, participants finish the survey in a reasonable amount of time, and researchers can design an aesthetically pleasing questionnaire that is easy to complete (Szwarc, 2005).

The level of green HRM practices and retention is analyzed using the Likert scale. The target respondents for the study are HR of MSMEs, and the survey was conducted through a random sampling method. A semi-structured questionnaire was prepared and consisted of two sections: one about the details of respondents and another section containing questions on research variables. The respondents were requested to give their opinion on a 5-point Likert scale (where five strongly agree and one strongly disagree). The regression analysis determines which equation best fits observations of dependent and independent variables (Green HRM). The hypothesis of this study can be better understood if the regression method is used to analyze the data.

2.2 Research Hypothesis Development

According to Al-Hajri (2020), we may make a big difference by making minor adjustments to our behavior. An organization can do its part to reduce its adverse economic effects by implementing a few easy green workplace measures. Installing recycling bins, turning off the lights when not in use, purchasing environmentally friendly bean bag fill, launching sustainable challenges for employees, going paperless, and launching re-useable options to replace plastic are all examples of green initiatives that can be implemented in the workplace (Islam et al., 2022).

In their 2014 study, Pillai and Sivathanu noted the numerous Green HR Practices companies use worldwide. Both the difficulties and the rewards of green HRM were underlined in the study. To gain insight into how green HR practices are implemented in the workplace, a study was conducted through in-depth interviews with HR managers. Barriers to green human resource management in Iran's oil industry were identified in a study conducted by Marjan, Saeed, Zahra, and Shahbazmoradic (2014). Interviews with 12 experts and HR managers in the oil business revealed a need for a cohesive strategy for implementing green HRM and some vague definitions. Green principles were seen as an obstacle to Green HRM. Staff resistance was likewise shown to be relatively unimportant in the study.

Goyal (2013) and Dutta (2012) conducted the research. In order to have a conversation on the several actions the government may take to encourage eco-friendly behaviors. Carpooling, teleconferencing, recycling, online training, emailing, and other similar green HR practices were also highlighted in the report. Sayed (2015) has compiled and analyzed the most recent environmentally friendly solution and recommended a green human resource management model as part of a study on "Green HR practices." Kim (2005) looked into the opinions of hotel workers on environmental initiatives. After surveying 220 workers at eight green-certified hotels in Orlando, researchers found that hotels' actual performance on green practices was lower than their employees' perceptions of the relevance of these practices. The research also shows that green practices are associated with a company's dedication to environmental sustainability.

Employee retention

According to Priya (2019), employee retention is achieved when workers are convinced they will remain with the organization until the most momentous date in its history or until the project is completed. Companies can only compete economically with the knowledge and abilities of their employees. Thus, they must find and keep competent workers. Today, this is the greatest obstacle facing businesses.

Retaining valuable employees is crucial to a company's health, growth, and bottom line, as pointed out by Kumar and Mathimaran (2017). Today's businesses have a significant challenge in retaining their best personnel. Maintaining human resources is one of the organization's most significant challenges in the modern corporate world. However, in this age of intense competition, every society does its utmost to provide the best services to its employees. Competition for scarce skills has made attracting and retaining quality people a giant experiment in the organization.

H: Green HRM practices influence employee retention.
H1: Green training and development influence employee retention
H2: Green recruitment and selection influence employee retention
H3: Employee engagement & communication influence employee retention
H4: Green work environment influence employee retention
H5: Reward and recognition influence employee retention

3.1 Results and Discussion

Table 1 provides in-depth demographic data. Whereas female representation is quite low, at just 27.3%, men make up the vast majority (72.7%). The median age of respondents is 29, and the largest percentage (76.4%) are between the ages of 18 and 35. The greatest income bracket among respondents was those making between up to 250000 per year (45.5% of the total). More than half (53.2%) of respondents is from medium enterprises and 54.5% belongs to the service sectors.

Table1; Details of the respondents (N=220):

Characteristics		Frequency	Percent
Gender	Male	160	72.7
	Female	60	27.3
Age	Below 18 years	3	1.4
	18-35 years	168	76.4
	36-54 years	31	14.1
	55 years or above	18	8.2
Annual Income	Up to 2,50,000	100	45.5
	2,50,001-5,00,000	75	34.1
	5,00,001-10,00,000	27	12.3
	Above Rs. 10,00,000	18	8.2
Type of MSME	Medium	117	53.2
	Small	65	29.5
	Micro	38	17.3
Working in Sector	Services	120	54.5
	Manufacturing	100	45.5

Table 2: Correlation among variables

The below table explained about the correlation between all the influential factors. The correlation between employee retention and green training and development is highest 0.587 followed by green work environment 0.456 and green recruitment and selection 0.444. All the correlation values are positive. Green HRM practices are Green training and development, Green recruitment and selection, employee engagement & communication, green work environment, and reward and recognition.

	Employee retention	GRS	GTD	EEC	GWE	RR
Employee retention	1	.444**	.587**	.411**	.456**	.385**
GRS	.444**	1	.474**	.329**	.492	.401**
GTD	.587**	.474**	1	.360**	.428**	.369**
EEC	.411**	.329**	.360**	1	.505**	.308**
GWE	.456**	.492**	.428**	.505**	1	.379**
RR	.385**	.401**	.369**	.308**	.379**	1

** indicates correlation significant at 0.01 level.

Table 2 - The Correlation of employee retention is positive and significant with all the Green HRM practices as p value for relationship is less than 0.05.

3.2 Influence of Green HRM practices on employee retention

Green training and development, Green recruitment and selection, employee engagement & communication, green work environment, and reward and recognition were all examined as potential predictors of employee retention using multiple regression analysis. Prior to performing the regression test, it is verified that the multicollinearity assumption was not violated.

Table 3: Multi-collinearity Tests

Independent Variables	Tolerance	VIF	Durbin-Watson
Green training and development	.961	1.040	1.843
Green recruitment and selection	.726	1.375	
Employee engagement & communication	.710	1.407	
Green work environment	.645	1.547	
Reward and recognition	.790	1.264	

Note: VIF = variance inflation factor

When the inflation factor of a variable is greater than 5, there will be significant multicollinearity in the data. Correlations are considered strong if the VIF is greater than five and weak if it is less than

one. Two independent variables (predictors) were tested for their level of correlation by calculating their variance inflation factor (VIF) and their tolerance value. The VIF and Tolerance values in table 3 are both less than the cutoff value, indicating that multicollinearity is not a concern. The Durbin-Watson test (DW = 1.844) further demonstrates that the residuals are not auto correlated between the 1.5 and 2.5 critical values.

Table 4 ANOVA

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	47.176	5	9.435	52.752	.000
	Residual	38.280	214	.178		
	Total	85.471	219			

A statistically significant regression model found out and in predicting the dependent variable (employee retention), as shown by the F-test value =52.752 at the p less than 0.05 (p=0.000) level of significance in ANOVA table 4.

Table 5: Coefficients of Multiple Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.091	.203		5.353	.000
	Green recruitment and selection	0.202	.027	0.353	7.812	0.000
	Green training and development	0.245	.038	0.365	6.557	0.000
	Employee engagement & communication	0.123	.043	0.160	2.931	0.004
	Green work environment	0.101	.045	0.133	2.316	0.021
	Reward and recognition	0.089	.031	0.156	3.010	0.003
Dependent Variable: employee retention						

Table 5 displays the coefficients of a multiple regression model that explains the effect of several aspects of online food service providers' service quality on customers' happiness. Coefficients not normalized One unit change in the DV (Dependent variable) will result in a one-unit change in the B value of the DV; a positive sign indicates an increase in the DV, while a negative sign indicates a drop.

The effect of the independent variable green recruitment and selection on the dependent variable was deduced from the standardized coefficient (beta) values. With a p value of 0.000 for beta =0.353, H1 was supported.

Green training and development is positively and significantly affect employee retention. The β value for this path is =0.365 with p = 0.000, which is less than 0.05. Thus, hypothesis H2 is accepted.

Similarly, Employee engagement and communication (β=0.160, p=0.004), green work environment (β=0.133, p=0.021) and reward recognition (β=0.156, p=0.003) services of online food delivery providers significantly influenced employee retention. The p value for all these paths is less than 0.05 with t-value above 1.96, confirmed the acceptance of hypotheses H3, H4 and H5.

Based on standardized regression coefficients the influence of green training and development on employee retention is highest amongst other Green HRM practices.

Table 6: Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.745	0.582	0.572	0.42297

Table 6 shows that there is a modest level of association, represented by a R value of 0.745. $R^2 = 0.582$ indicates that 58% of the variation in employee retention can be attributed to the independent factors.

The current study expanded the body of knowledge by include resource-based perspective theory (Barney, 1991) and its generalization of green HRM practices (Akbar & Islam, 2019) as independent variables in the research. Findings from recent research on the positive benefits of green HRM practices on work engagement and the positive effects of job engagement on employee retention have contributed to this understanding. However, reports of a strong correlation between green HRM practices and staff retention were found.

4. Conclusion

Managers could use the research to better implement Green HRM practices in their organizations. This research shows managers just how to persuade their staff to care deeply about retention issues. The many green measures that can be taken for sustainable growth are therefore concluded to be electronic filing, ride sharing, flexi work place, teleconferencing and virtual interviews, recycling, and developing more energy efficient office spaces. Greater efficiency, lower costs, and happy, engaged workers are the benefits of these initiatives, which in turn contribute to the sustainability of their respective organizations and help in retention of employees.

5. Limitation and future research suggestions

The current research focused on green HRM practices as a unidimensional factor influencing employee retention in Karnataka's MSMEs. Green HRM practices aspects in other industries and in the business and service sectors can be taken into account in future research. In addition, the current research has accounted for industrial employees generally as a separate analytical unit. Research at the organizational level, including studies of upper-level management, may become possible in the near future. Future research can take the form of a longitudinal study, tracking the impact of green HRM practices on retention rates.

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