

A STUDY ON THE IMPACT OF GREEN HUMAN RESOURCES MANAGEMENT PRACTICES ON ENVIRONMENTAL PERFORMANCE IN HOTEL INDUSTRY

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Abstract

Hotel industry is a part of the tourism sector which contributes majorly to the economy of a country. As a resource intensive industry, hotels are known to consume larger quantity of water, energy, etc. Hence, this industry is constantly criticized for poor environmental performance and sustainability management. Green Human Resource Management (HRM) is an evolving paradigm in corporate world with a special focus on enhancing the green management, green performance and sustainable utilization of resources in the organizations. Thus, embracing green HRM has become a trendy factor in businesses focusing on improving their green performance and management of environment. In this study, the relationship between green HRM practices (like “Green HRM - Performance Management and Appraisal”, “Green HRM - Remuneration/ Incentives/Benefits”, “Green HRM - Grievance Handling”, “Green HRM - Recruitment and Selection”, “Green HRM – Training and Development”) and “Green/Environmental Performance of the “hotel industry has been explored. The study was conducted 300 employees from fifteen hotels in the category of 3-, 4- and 5- star ratings in the state of Andhra Pradesh and Telangana, India. The study used descriptive research method and a questionnaire designed by the authors was used for data collection. The results of the empirical analysis proved that all the green HRM factors are significantly correlated with the green/environmental performance of the hotels. The findings of the study have several implications for key stake holders like management of hotel industry, employees, government agencies and customers of hotel services.

Keywords: *Green Human Resource Management, Sustainability, Environmental Management*

Introduction

Globally, business communities are facing significant challenge in addressing environmental problems confronting their day-to-day operations, as unsustainable corporate practices result in faster depletion of natural resources (Hall et al.2010). Therefore, businesses operating in different sector are urged to take a proactive approach in the preservation of environment from the impacts of their commercial operations on the biophysical environment, such as the overconsumption of natural resources and waste generation (López-Gamero et al., 2011; Fraj et al., 2015). It is common to observe that the environmental considerations are frequently compromised for economic reasons and profitability. Despite the fact that social pressures and environmental regulations can force organizations to become more active in environmental management (Barber, 2014), businesses operating in certain sector have limited incentive and motivations to adopt environmental management practices, so they either ignore them or only implement them to comply with regulations. As a result, they may not be able to capitalize on the economic opportunities connected with environmental management owing to a preoccupation with short-term profits or a lack of knowledge regarding environmental protection measures (Schaltegger&Synnestvedt, 2002). Other organizations, on the other hand, go above and beyond regulatory requirements to implement proactive environmental strategies (PES) in order to obtain a competitive edge and enhance long-term financial performance (Aragón-Correa &Sharma, 2003).

Human Resource Management (HRM) systems are the basic foundation for a business. HRM is an important task in the hotel industry as it deals with most valuable assets “human resources”. The concept of sustainability has become the buzzword in the corporate world and organizations operating across different domain have started considering sustainability as the core theme in their corporate socialresponsibility programs (Charles,2012).

Green Human Resource Management

Green HRM is defined as “the use of HRM policies to encourage the sustainable use of resources within business enterprises and promote the cause of environmentalism which further boosts up employee morale and satisfaction” (Rao, 2004). The main aim of green HRM in organizations are promoting environment friendly practices in the human resource domain. The focus of green HRM is enhancing the employee involvement in each and every aspect of the organization which promotes sustainable development and enhances commitment towards the issues of sustainability.

According to Sharma and Gupta (2015), green HRM is related with HRM practices to promote sustainable resource use which increases employee awareness and commitments towards environmental management issues. The term ‘green HR’ is often used to refer to the contribution of HR policies and practices towards the environmental issue and which broadly categorized into two elements i.e. Environmentally friendly HR practices and the preservation of human capita. The green HRM practices are focussed on co-friendly policies and creating green atmosphere. Without the support of human resource team and enacting sustainable policies, becoming green would be difficult for an organization (Charles, 2012).

Hotel Industry in India

Hotels along with tourism industry are one of the largest contributors to Indian economy in the services sector. This sector provides largest chunk of foreign exchange to the government of India. India's hotel and tourism industry has considerable growth potential. The foreign exchange profits climbed at a CAGR of 7% from 2016 to 2019, but declined in 2020 because to the COVID-19 epidemic (IBEF Report, 2022). The persistent efforts of the federal and state governments have enabled the tourism and hotel industry recover from the impact of the covid-19 epidemic and return to its pre-pandemic level of performance (IBEF Report, 2022). The hotel sector in India is projected to reach a value of INR 1,210.87 billion by the end of 2023, rising at a compound annual growth rate (CAGR) of 13% between 2018 and 2023 because of the large number of international visitors and business delegations (www.marketresearch.com).

Background

Al-Tuwaijri et al. (2004) examined the relationships between environmental performance and economic performance. The study found that environmental performance of organizations is significantly associated with their economic performance. Young et al. (2015) observed that organizations are progressively utilizing employee participation in behavior change to address environmental challenges such as lowering energy and water use, reducing greenhouse gas emissions, expanding recycling operations, and promoting the usage of public transportation. Chan and Hawkins (2010) stated that the greatest problem in promoting environmental performance programs in the hotel sector is convincing employees to modify their behavior and contribute their ideas to the implementation of environmental performance programs. According to Harvey et al. (2010), employees are more interested in working for an organization that is concerned with environmental concerns. Chan et al. (2014) claimed that there has been lack of research studies to establish the association between employee preparedness to implement green policies and environmental programs.

Gap in Research

Prior studies on green HRM in the hotel and tourism industry have mostly focused on developed nations (Leonidou et al., 2013; Fraj et al., 2015; Leonidou et al., 2015; Molina-Azorn et al., 2015). In contrast, a literature assessment conducted by Myunget et al. (2012) have revealed that research on green HJRM practices in developing nations is still in its infancy.

Rationale of the Study

This study aims to shed light on the relationship between different Green HRM practices and Environmental Performance of organizations involved in hotel business. This study also highlights how Green HRM could enhance the environmental/Environmental Performance of the hotel sector. Due to detrimental human and business activities, the environmental challenges are significantly impacting the performance and growth of organizations throughout the world. Therefore, environmental concerns within the hotel businesses require a detailed investigation. Thus, a large body of multidisciplinary research focuses on the connection between environmental performance plans and natural environmental conservation (Shwom, 2009). The implementation of environmental performance initiatives in the hotel sector is supported by HRM practices and generates widespread acceptance (Jabbour et al., 2008; Teixeira et al., 2012). However, there are still scattered developments in existence (Kramar, 2014).

Green HRM Practices and Environmental Performance

The aim of the study was measuring the relationship between different green human resource management (HRM) practices and also analyzing the impact of different green HRM practices on the green/environmental performance of the organization. The key green practices considered in the study included “Green HRM - Performance Management and Appraisal”, “Green HRM - Remuneration/Incentives/Benefits”, “Green HRM - Grievance Handling”, “Green HRM - Recruitment and Selection”, “Green HRM – Training and Development”.

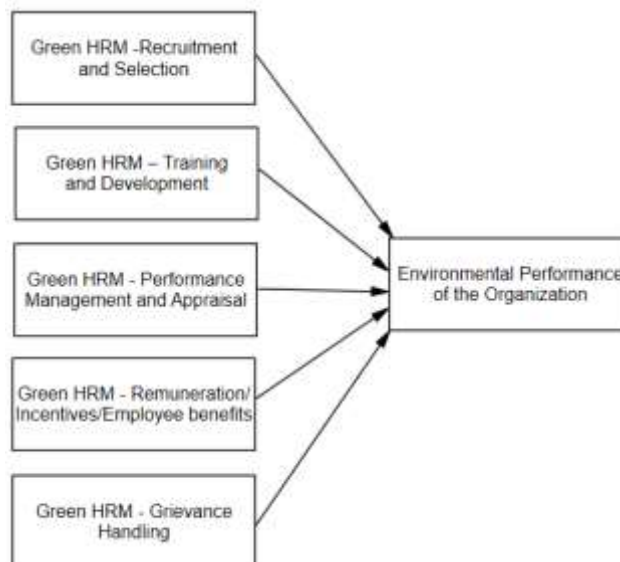


Figure 1: Conceptual Model

Research Methodology

This study adopted descriptive research methodology (Churchill et al. 2006). A quantitative questionnaire was designed by the authors to collect data from the respondents of the study consisting of employees of hotels in the state of Andhra Pradesh and Telangana. The employees represented 15 prominent hotels in the category of 3-, 4- and 5- star ratings. In total, 350 questionnaires were distributed to the employees of the 15 hotels in the state of Andhra Pradesh and Telangana. The determination of the sample size was based on calculations by Krejcie and Morgan (1970). Out of these 350 questionnaires, 325 questionnaires were returned from the respondents. Around 25 of the submitted response sheets included missing information, rendering them worthless. The ultimate number of acceptable surveys was 300, representing an 85.7% response rate.

Survey Instruments

From an extensive review of literature, measurement scale was developed. The measurement scale was validated by an expert team comprising of two industry experts and two academicians. The validity and reliability of the instrument was ascertained in a pilot study with a representative sample of 30 respondents drawn from hotel industry. All questionnaire items were assessed using a 5-point Likert

scale. The scale values were: 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, and 5 = Strongly Agree.

Hypothesis

H1: Green HRM practices in the hotel industry are significantly correlated with Environmental Performance of the hotels.

H2: Green HRM practices in the hotel industry have significant impact on their Environmental Performance of the hotels.

Descriptive Statistics and Reliability

Descriptive statistics for the different study variables like “Green HRM - Performance Management and Appraisal”, “Green HRM - Remuneration/ Incentives/Benefits”, “Green HRM - Grievance Handling”, “Green HRM - Recruitment and Selection”, “Green HRM – Training and Development” and “Environmental Performance of the Organization” is presented in Table 1. In addition, the table contains a reliability measure that quantifies the consistency of the scale as evaluated by the coefficient of reliability (Cronbach's Alpha). The coefficient of reliability computed for all constructs exceeds the minimal threshold value of 0.6. (Nunnally, 1967). This demonstrates that the scale is robust, reliable and trustworthy and may be used for data collection. The values of skewness and kurtosis for the variables are within the threshold limit of ±2, indicating that the variables satisfy the condition of normality.

Table 2: Descriptive Statistics and Reliability

Variables	Items	Mean	Std. Deviation	Skewness	Kurtosis	Reliability
Green HRM -Recruitment and Selection	6	3.68	1.00	0.95	0.03	0.77
Green HRM – Training and Development	5	3.69	1.22	0.95	0.29	0.84
Green HRM - Performance Management and Appraisal	5	3.67	0.89	0.57	0.94	0.71
Green HRM - Remuneration/ Incentives/Employee benefits	6	3.56	0.95	0.28	1.13	0.82
Green HRM - Grievance Handling	4	3.88	0.71087	1.48	1.32	0.74
Environmental Performance of the Organization	3	3.69	0.57	0.47	0.28	0.84

Correlation Analysis

Pearson bivariate correlation analysis was performed to analyze the association between the predictor variables (Green HRM - Performance Management and Appraisal, Green HRM - Remuneration/ Incentives/Benefits, Green HRM - Grievance Handling, Green HRM -Recruitment and Selection, Green HRM – Training and Development) and outcome variable (Environmental Performance of the Organization). It is inferred from the Table 2 that there is a significant correlation between the outcome variables and predictor variable of the study. The level of significance was 0.01 level.

Table 2: Pearson Bivariate Correlation Analysis

Variables	RS	TD	PMA	RIB	GH	EPO
Green HRM -Recruitment and Selection (RS)	1					
Green HRM – Training and Development (TD)	0.31** [0.00]	1				
Green HRM - Performance Management and Appraisal (PMA)	0.06 [0.06]	0.13** [0.00]	1			
Green HRM - Remuneration/ Incentives/Benefits (RIB)	0.12** [0.00]	0.10** [0.00]	0.46** [0.00]	1		
	0.24**	0.06*	0.30**	0.09**	1	

Green HRM - Grievance Handling (GH)	[0.00]	[0.04]	[0.00]	[0.00]		
Environmental Performance of the Organization (EPO)	0.55** [0.00]	0.52** [0.00]	0.62** [0.00]	0.55** [0.00]	0.48** [0.00]	1

** Correlation is significant at the 0.01 level (2-tailed).

From the Table 2, it is clear that the environmental performance of the hotels is strongly correlated with all green HRM practices. Hence the hypothesis “Green HRM practices in the hotel industry are significantly correlated with Environmental Performance of the hotels” was accepted and the level of significance as 0.01 level.

Regression Analysis

Linear Regression Analysis was performed to establish the extent of relationship between the predictor variables (Green HRM - Performance Management and Appraisal, Green HRM - Remuneration/ Incentives/Benefits, Green HRM - Grievance Handling, Green HRM -Recruitment and Selection, Green HRM – Training and Development) and outcome variable (Environmental Performance of the Organization). The predictor variables were added concurrently into the regression model to examine their influence on Environmental Performance of the Organization. The selected variable entry method was "Enter."

From Table 3, it is inferred that 85.0% of variance in the dependent variable “Environmental Performance of the Organization” is accounted by the predictor variable of the study. The change in R² was 0.85 and it was highly significant (p<0.001).

Table 3: Model Summary

R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change
0.92	0.85	0.85	0.22	0.85	339.76	5	294	0.00

Predictors: (Constant), Green HRM – Training and Development, Green HRM - Grievance Handling, Green HRM - Remuneration/ Incentives/Employee benefits, Green HRM -Recruitment and Selection, Green HRM - Performance Management and Appraisal

The results of the Analysis of Variance (ANOVA) test, which analyses the overall significance of the model, are presented in Table 4. The model is valid since the stated p-value is less than 0.05 (significant).

Table 4: ANOVA

Model	Sum of Squares	df	Mean Square	F-value	p-value
Regression	82.29	5.00	16.46	339.76	0.000
Residual	14.24	294.00	0.05		
Total	96.53	299.00			

Predictors: (Constant), Green HRM – Training and Development, Green HRM - Grievance Handling, Green HRM - Remuneration/ Incentives/Employee benefits, Green HRM -Recruitment and Selection, Green HRM - Performance Management and Appraisal

Dependent Variable: Environmental Performance of the Organization

The Standardized Coefficients (Beta) is used to measure the contribution of each predictor on the model. The "t-value" and Significance (p-value) indicates the approximate estimate of the influence of each of the predictor variables on the outcome variable. A large absolute "t-value" and a small "p-value" imply that a predictor variable has a substantial effect on the outcome variable. From the values of Standardized Coefficients (Beta) as shown in Table 5, it is inferred that Green HRM - Performance Management (B=0.34) and Appraisal as well as Green HRM - Grievance Handling (B=0.34) have maximum impact on Environmental Performance of the Organization, followed by Green HRM -

Remuneration/ Incentives/Benefits (B=0.32), Green HRM -Recruitment & Selection (B=0.34) and Green HRM – Training and Development (B=0.25).

Table 5: Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t-value	p-value
	B	Std. Error	Beta		
(Constant)	0.23	0.09		2.56	0.01
Green HRM - Performance Management and Appraisal	0.19	0.01	0.34	13.85	0.00**
Green HRM - Remuneration/ Incentives/Benefits	0.15	0.01	0.32	13.48	0.00**
Green HRM - Grievance Handling	0.22	0.02	0.34	12.81	0.00**
Green HRM -Recruitment and Selection	0.18	0.02	0.30	11.91	0.00**
Green HRM – Training and Development	0.20	0.02	0.25	10.35	0.00**

Dependent Variable: Environmental Performance of the Organization

From the Table 5, it is clear that the green HRM practices have significance impact on environmental performance of the hotels. Hence the hypothesis “Green HRM practices in the hotel industry have significant impact on their Environmental Performance of the hotels” was accepted and the level of significance as 0.01 level.

Discussion

Consistent with the findings of previous studies (Jabbour2013; Paillé et al.2013; Aragón-Correa et al. 2015; Ahmad & Nisar, 2015; Yusoff et al. 2020), this study has also found that green HRM practices have significant influence on the green/environmental performance of the organization. Thus, it is can be inferred that green performance in hotels can be attained by following green HRM practices. In general, employees in hotel industry lack awareness and knowledge toward green environment and sustainability, hence hotel management must organize training and intervention programs to enhance the level of green attitude in employees (Ahmad & Nisar, 2015). It has been hypothesized that when businesses use environmentally sustainable strategies (green HRM), they get competitive advantages such as environmental performance, social welfare, and financial success (Yusoff et al. 2020).

Conclusions and Implications

The findings of the study have major implications for enhancing green HRM practices in hotel industry in the state. The environmental/green performance of hotel can be improved by strategizing the implementation of green HRM practices. The study recommends that integration of green concepts throughout the lifecycle of human resources management practices right from the recruitment and selection of employee to reward and recognition will have positive impact on the green performance of the organization. Such an integration process enables employees embed in the concept of green environment and sustainability management. Green HRM in hotel industry is inevitable to stay ahead of the competition and remaining environmentally sustainable in comparison with their peers. Considering the size of the sample, the findings of the study have to be carefully interpreted for larger population and other industries.

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