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## Green Human Resource Management Practices And Employee Engagement: Banking Context.

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### ABSTRACT

This paper investigation on green human resource management practice and employee engagement on banking. Especially we explore how green human resource management practices influence on employee engagement, and how play the role in banking context. We used a random sample of 150 green banking employees in Karnataka (India). Data was collected through online survey and analysed using regression modelling. The result shows that in general, green human resource management practices are positively and significantly related to employee engagement is shows to moderate the relationship. However green recruitment and selection only affects the behavioural factors of employee engagement perhaps but not affective and cognitive factors. hence training and development only affect the affective factors of employee engagement but not cognitive and behavioural factors. This research explores how the interplay of contextual and institutional factors between employee engagement and green human resource management practices can promote employee engagement.

**Keywords:** Green Banking, Human Resource management, Employee engagement in Banking sector.

### 1. Introduction :

In present scenarios, issues regarding green banking have been wild scope discussed by people of society in the world. This issues arises along with the increasing global concern about the harmful effects pollution and environmental contamination. In simple terms, green banking can have interpreted as the banking business concept with a green environmental perspective. This research paper main intention at creating a green industry in the context of restoring environmental pollution and sustainable eco-system balance. Present scenarios the majority of banks around the world have implemented this concept into their business, which is governed by formal rule and laws. However, will they be successful in achieving the goals of the concept. Many of researchers argue that successful attainment of an organization's strategic sustainability goals relies on having employee of competent, possessing an extensive technical and managerial skill. That human resources are the main factor for achieving organizational goals, including in building a sustainable organization. Green human resource management practices are needed to produce quality, manage and develop environmentally skilled employees or effective performance employees. However, this practices also not fully guarantee the natural resources and its environment preservation. Therefore, this practices becomes more important when its able to foster employee involvement when carrying out activates related to the environment and encourages innovation environment. When employees involved both formally and informally, this can encourage high level initiative behaviour, role expansion, and have the ability to adopt to change.

## 2. Review of Literature:

“Green human resource management” practices have been broadly defined, but all definitions lead to green environment-oriented aspects.

**Al-Romeedy** defines it as “the involvement of all activities in the development, implementation and maintenance of a sustainable system, with the aim of making employees and organizations environmentally aware.” Meanwhile,

**Amrutha and Geetha(2018)** define it as “policies, practices and systems that make organizational employees green for the benefit of individuals, society, the environment and business.”

**Rana and Sharma (2018)** define it as “the application of “green human resource management” practices with the aim of promoting the use of sustainable resources, which prioritizes environmental preservation to increase employee awareness and commitment to environmental management issues.”

**Mir & Bhat,( 2022)** The pursuit of sustainable development is essential for achieving desired future outcomes. This model focuses on promoting enduring cultural, socioeconomic, and environmental well-being as its primary objective with a strong emphasis on long-term sustainability. The social, economic, and environmental aspects must be seamlessly integrated to achieve this goal

This is in line with **Deshwal (2019)** who views it as “an organizational strategy to increase employees’ environmental awareness.” As such, the “green human resource management” practice refers to traditional “human resource management” practices with a focus on a green environment orientation. So, in principle, “green human resource management” practices are the same as traditional “human resource management” practices. Conventional “human resource management” practices centre on hiring and choosing personnel, enhancing their skills and expertise, providing remuneration, evaluating their performance, while “green human resource management” practices do more than just that. “Green human resource management” practices need to integrate conventional “human resource management” practices with managing the environment with the aim of promoting and affecting attitudes, knowledge, motivation, and behaviour related to employee sustainability . This practice adopts a comprehensive comprehension of the “triple bottom-line concept,” which involves practices that are aligned with the three pillars of “environmental, social, and economic balance sustainability” and bring long-term benefits . Just like traditional “human resource management” practice, “green human resource management” practice also includes factors, such as “green recruitment and selection,” “green training and development,” performance evaluation, compensation, etc., but all of them are green environment oriented. To illustrate, in a green recruitment and selection process, “green human resource management”

2.1.Green banking means integrating environmental sustainability into a bank's operations, products, and services. It involves promoting environmentally friendly practices, reducing the bank's carbon footprint, and supporting projects that benefit the environment. In essence, it's about making banking operations sustainable and environmentally conscious.

2.2. Green Human Resource Management (Green HRM) practices integrate environmental sustainability into all aspects of HR functions, aiming to minimize an organization's environmental impact and promote a sustainable workplace culture. This involves incorporating environmental considerations into recruitment, training, performance management, and employee engagement. another formation of mean The term Green HRM has become the buzz word within the business field at present and its significance is increasing manifold with the passage of time. This term has also its secured position as a hot topic in recent research works since the awareness on environmental management and sustainable development has been increasingly rising day by day all round the globe. Today the topic Green HRM not only includes awareness toward environmental affairs, but also stands for the social as well as economical well-being of both the organization and the employees within a broader prospect.

2.3. Performance management (PM) is the process by which employees are prompted to enhance their professional skills that help to achieve the organizational goals and objectives in a better way. The recognition of the corporate strategy culminates into the PM. With the EM affecting global business strategy, PM is also being influenced by the green wave in a possible positive manner. Green performance

management consists of issues related to environmental concerns and policies of the company. It also concentrates on use of environmental responsibilities. Epstein and Roy (Citation1997) in their study concluded that when HR managers integrate environmental performance into PM systems they safeguard environment management against any damage. Today some firms deal with the issue of PM by installing corporate-wide environmental performance standards, and Green information systems/audits to gain useful data on environmental performance (Marcus & Fremeth, Citation2009).

2.4. Employee engagement Saks and Gruman defined employee engagement as “a multidimensional construct consisting of physical, cognitive, affective, and behavioral components.” Employees who are engaged feel capable of completing their assigned tasks, as they possess higher levels of energy and connection towards their work. identified four types of employee engagement: (1) “personal resource development,” the focus of personal resource development is on enhancing individual strengths, such as “self-efficacy, resilience, and optimism”; (2) “development of employment resources,” the aim of employment resource development is to cultivate positive dimensions of the employee engagement, such as “autonomy, social support, feedback, and development opportunities”; (3) “leadership training,” leadership training is designed to enhance managerial leadership skills through a combination of educational and hands-on training methods, such as group-based exercises in “goal-setting and problem-solving”; and (4) “health promotion,” the main objective of health promotion is to enhance individual health and well-being while minimizing stress.

2.5. Relationship between GHRM practices and employee engagement Park et al. developed the Ability Motivation Opportunity (AMO) theory. They give a framework for examining the relationship between employee engagement and “green human resource management” practices. This theory posits that employee capabilities can be enhanced through the recruitment of skilled and competent staff, and/or by effective training and development program implementations. The selection of competent employees is aligned with employee engagement’s task-performance dimension, in which engaged employees are present psychologically when performing their formal duties [9,33]. While it is not always necessary for employees to be creative and innovative when dealing with environmental issues, there are instances where adherence to pre-developed policies and procedures is required to control certain behaviours in the workplace. Therefore, efforts to improve the alignment between employee competencies, values, and goals, and organizational goals are important [16]. Hiring environmentally knowledgeable employees positively influences their perceptions and cognitive evaluations of corporate environmental initiatives, which leads to their full engagement in carrying out tasks in an environmentally friendly manner. Engagement variables can also link training and development to the goal orientation and task performance domains. Designing training and orientation and programs that focus on environmental aspects can increase employee awareness of their surrounding environment and their role in achieving these goals effectively. Several studies have also confirmed the positive association “green recruitment and selection” and “green training and development” with “green employee engagement”.

Thus, this study hypothesizes that:

H1a. Green recruitment and selection are positively associated with green employee engagement.

H1b. green training and development are positively associated with green employee engagement.

3. The research objectives of this study are fallows:

1. To investigation between the Green banking and human resource management.
2. To the potential moderating role of Green human resource management and employee engagement.

4. Hypothesis:

Therefore, this research aims to address the aforementioned gaps in knowledge. In this study, we analyse green HRM practices associate with organizational and individual levels in order to address the following research questions:

RQ1a. Do “green recruitment and selection” associate with employee engagement? RQ1b. Do “green training and development” associate with employee engagement?

## 5. Methodology:

Sample and procedure Data was collected through the distribution of electronic questionnaires to employees working in green banking in Karnataka. The questionnaire contains a number of questions, which are measured with a 5 Likert scale, namely “strongly disagree,” “disagree,” “undecided, agree,” and “strongly agree.” This electronic questionnaire was distributed via social media in the period from 1 to 30 January 2024. Until the specified deadline, only 150 questionnaires were filled in. Specifically, 54.1 % of them were filled by female respondents and the other 45.9 % by men. Based on age, 39.1 % of them were filled by respondents aged 21–30 years, 43.6 % aged 31–40 years, and 17.3 % aged more than 40 years. Based on education, 33.1 % were respondents with diploma education, 53.4 % undergraduate, and 13.5 % postgraduate. Based on tenure, 35.3 % were filled by respondents with tenures of 3–5 years, 54.2 % with tenures of 6–10 years, and 10.5 % with tenures of more than 10 years.

## 6. Sample: in this study purpose have collected 150 samples from different banks employee in Karnataka

Measures in this study, employee engagement is defined as an employee’s assessment of his or her feelings, which reflects the extent to which an employee is psychologically present in an organizational role. The indicators and questionnaire to measure employee engagement were adopted from Ren et al. and Schaufeli et al. Meanwhile, GHRM practice is defined as an employee’s assessment of the process of finding and selecting prospective employees to fill job vacancies in their organization. The indicators and questionnaires to measure this were adopted from Tang et al. Meanwhile, transformational leadership is defined as an assessment of the way leaders build close relationships with their subordinates. The indicators and questionnaires for their measurement are adopted from Singh et al.

7. Data analysis: The relationship between the dependent variable (y) and the independent variables (x) is expressed through a regression equation, which captures the functional connection between them [45]. When there is more than one independent variable, it is referred to as multiple regression. In this study, we employ the method of ordinary least squares (OLS) regression to construct a multivariate regression model [46]. “OLS is a statistical technique that minimizes the sum of squared differences between the observed values and the predicted values based on a set of functions and desired variables.” [45]. Data analysis using the regression model. The regression models developed for this research are:  $EE = \beta_1 RS + \beta_2 TD + \beta_3 TL + \beta_4 (RS * TL) + \beta_5 (TD * TL) + \beta_6 \text{Gender} + \beta_7 \text{Age} + \beta_8 \text{Edu} + \beta_9 \text{Tenure} + \epsilon$  (1) where: EE is “green employee engagement;” RS is “green recruitment and selection;” TD is “green training and development;” TL stands for “green transformational leadership;” (RS\*TL) is the interaction between recruitment and selection with transformational leadership; (TD\*TL) is the interaction between training and development and transformational leadership; Gender, Age, Education, and Tenure are the demographic factors of the respondents (control variables);  $\beta$  is the slope; and  $\epsilon$  is the residual error.

Fig:1

**Descriptive statistics** The results of the study show that employee engagement (EE) in activities with a green environmental perspective is not optimal. This can be seen from the average value of the indicators which is still smaller than a scale of 5 (mean =2.49), which means that respondents are doubtful about their involvement in activities with a green environmental perspective. Likewise with green recruitment and selection (RS) (mean =2.56), and green training and development (TD) (mean =2.36). Meanwhile, the bank's leadership style is also not completely transformational (mean =2.45). These four aspects are positively correlated with each other, indicating that if one of these aspects is improved, the other aspects will also increase. Their correlation level is very large, which is more than 50 % (see Table 1).

8. Study area: the study conducted among the Green banking and Green Resource management in banking sector of Karnataka.

9. Findings:

This study makes several theoretical contributions to the relevant literature. It contributes to the examination of how different resources impact the engagement of employees in green initiatives. All resources, such as “green transformational leadership” and “green human resources management,” work together to expand the resources available to bank employees. This underscores their importance in driving “green employee engagement” and offers a coherent theoretical framework.

10. Suggestions and Conclusions:

While the current study provides valuable insights into the theory and practice of “green human resources management,” there are several areas that require further investigation. Firstly, considering the limitation of the study being confined to the banking industry in Indonesia, external validity may be a concern. Therefore, future research should explore the proposed framework in other non-bank financial industries and various financial or non-financial sectors to examine the consistency of results across different industries. Secondly, this study focuses on the Indonesian context and examines the influence of “green recruitment and selection,” “green training and development,” “green transformational leadership,” and “green employee engagement.” Extending these findings to developing countries and countries with different cultural backgrounds would provide valuable insights for future research. Thirdly, while this study examines the role of moderating “green transformational leadership” in the relationship between “green recruitment and selection,” “green training and development,” with “green employee engagement,” future research should enhance the data source by incorporating qualitative data through methods such as “in-depth interviews” or “focus groups.” Adopting such an approach would offer supplementary insights into the mediating effect of “green transformational leadership” on “green employee engagement.”

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