

IMPLEMENTATION OF GREEN HUMAN RESOURCE MANAGEMENT IN MANUFACTURING INDUSTRY PERFORMANCE

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ABSTRACT

This research explores the crucial role of human resources (HR) in encouraging the implementation of sustainable manufacturing practices. Qualitative research is used in this type of research. Through an in-depth review of the literature and case studies from various manufacturing industries, this research identifies the core competencies needed by the workforce to be able to adapt to changes towards more environmentally friendly production. These competencies include knowledge of sustainability principles, skills in operating green technology, and the ability to collaborate in multidisciplinary teams. Apart from competencies, this research also investigates the motivational factors that encourage employees to be actively involved in sustainability initiatives. These factors include personal values, perceptions of environmental and social benefits, and support from management. Furthermore, this research analyzes the obstacles that companies often face in developing sustainability-oriented human resources, such as lack of awareness, resistance to change, and limited resources. Based on these findings, this research proposes a sustainable human resource development framework. This framework includes recruitment, training and development strategies that focus on developing employee competency and motivation.

Keywords: Human Resources, Sustainable Manufacturing, Competency, Motivation, HR Development, Sustainability, Organizational Culture

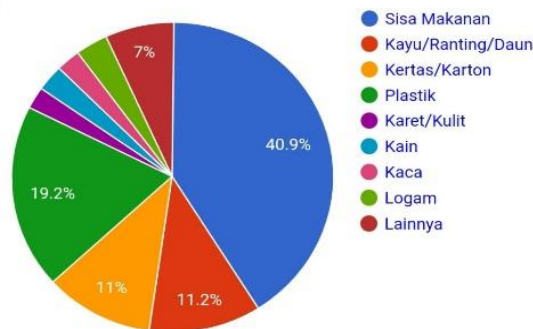
1. INTRODUCTION

GHRM is an innovative approach to the performance and function of human resources in an organization where the environmental context is the basis of all efforts. Environmentally friendly human resource management (GRHM) is the involvement of all activities in the development, implementation and maintenance of sustainable systems that aim to make an organization's workforce environmentally friendly (Owino & Kwasira, 2016). Another definition was also presented by (Opatha & Arulrajah, 2014). Environmentally friendly human resource management refers to policies, practices, and systems that make an organization's workforce environmentally friendly for the benefit of individuals, society, the natural environment, and the company. Ridhi Sharma (2015) defines GHRM as the application of HRM practices that aim to encourage sustainable use of resources and prioritize environmental protection in general, thereby increasing employee involvement in environmental management issues in particular. (2015). Resource management as an organizational strategy to increase employee environmental awareness.

Manufacturing companies are companies that convert raw materials or semi-finished products into finished or semi-finished products. To produce these goods, manufacturing companies use equipment, production machines, and large amounts of labor. Manufacturing companies buy raw materials, process them into finished products, and sell them. Products produced by manufacturing companies usually have a higher selling value. This manufacturing company is one of the developing industries in Indonesia. The role of human resources in manufacturing companies is very important, from recruiting employees, managing projects, to implementing technology that increases the efficiency of production systems.

Global environmental changes are changing an organization's business strategy, including its manufacturing facilities. To achieve this development, manufacturing companies must strive to build and implement formal environmental management systems. Human resource management is one element of implementing the green movement (Prathima & Misra, 2012). Human resource management is considered the most important asset of a company that can integrate all activities and achieve good performance (Rawashdeh & Karim Al-Adwan, 2012). The alignment of human resource management and environmental management is called environmentally friendly human resource management, which aims to improve the company's environmental performance by strengthening employees' environmental commitment (Schuler & Jackson, 2014).

Figure 1.1. Garbage Composition Graph Based on Type



Source: National Waste Management Information System (SIPSN) 2023

Based on SIPSN data in 2023, it is clear that the most waste produced in Indonesia is food waste and the second is plastic waste, the third is wood and the fourth is paper. This waste is an important component that is needed by companies in the manufacturing industry. So it is important for the organization's drivers to be aware of the importance of environmental sustainability in order to avoid damage caused by manufacturing industry waste, therefore Green Human Resource is here to overcome the problems that need to be faced

2. LITERATURE REVIEW

A manufacturing industry is a sector of an economy that is primarily concerned with the processing of raw materials and the manufacture of goods. It involves the conversion of raw materials, components, or parts into finished goods that may be for direct consumption or used for further manufacturing.

Jabbour (2013): "Green HRM is concerned with the systematic and planned alignment of typical HR management practices with the environmental goals of the organization." Renwick et al. (2013): "Green HRM is the integration of human resource management with environmental objectives." Green HRM plays a crucial role in the manufacturing industry by aligning human resource practices with environmental goals. By integrating sustainability into various HR functions, organizations can reduce their environmental footprint, enhance their reputation, and achieve long-term sustainability.

Green HRM in Manufacturing:

- a. Employee Engagement: Involving employees in environmental initiatives can boost morale and productivity, leading to a more sustainable manufacturing process.
- b. Recruitment and Selection: Hiring employees who are passionate about sustainability can contribute to a greener workforce.
- c. Training and Development: Providing training on environmental issues equips employees with the skills to implement sustainable practices.
- d. Performance Management: Linking environmental performance to employee evaluations reinforces the importance of sustainability.

3. METHODOLOGY

According to Creswell, J. W (2009: 25), qualitative research is used in this type of research. He defines qualitative research as research that investigates human and social problems. Researchers report the results of their research based on views and analysis of data obtained in the field, and document them in detailed research reports. The author used this method because this research did not use statistical testing tools in collecting data.

4. RESULTS AND DISCUSSION

Nowadays, commercial companies emphasize the importance of environmental management and green management and adapt them to corporate goals and strategies. To achieve the environmental goals of green companies, GHRM is an important strategic tool. This can be achieved by attracting and retaining environmentally friendly talent who have special skills and knowledge in environmentally

friendly human resource management (Sudin, 2011). Humanities professionals are responsible for gaining employee support in environmental protection (Sathyapriya et al., 2013).

Many studies focus on environmentally friendly management and environmentally friendly HRM practices (Ahmad, 2015; Masri and Jaroun, 2017; Mittal and Sangwan, 2014) and the relationship between environmentally friendly human resource management practices such as environmentally friendly recruitment and selection, training and development. , environmentally friendly focus. Work environment, environmentally friendly salary and reward system and good work environment.

- a. First, environmentally friendly recruitment and selection is one of the GHRM activities, which provides an opportunity for companies to introduce GRHM practices to future job seekers. Recruiting and retaining skilled workers is a bigger problem for HR managers in the global environment (Sodin, 2011). Business organizations are now promoting themselves as environmental activists to attract highly skilled professionals with excellent green knowledge, who are also adopting social and environmental issues. On the other hand, job seekers organize themselves as green workers in accordance with international green culture standards.
- b. Second, induction training for newcomers should focus on conveying information about the company's guidelines, values, and goals for environmental protection. Interviews should be designed to assess the candidate's credibility regarding the company's environmentally friendly initiatives (Razab, Odin and Osman, 2015) which suggests that when interviewing potential candidates, environmental issues should be an important part of the interview criteria. Environmental education is also one of the main tools for human resource development. This program aims to increase public awareness and understanding of environmental issues, create positive attitudes, take a proactive approach to green initiatives, and contribute to waste reduction and energy savings (Zogah, 2011). Environmental education is an important part in the successful implementation of environmental management systems and creating green management practices (Teixeira, Jabbour, & Jabbour, 2012).
- c. Third, applicant selection should focus on ensuring that applicants who are committed to environmental protection are selected. Corporate greening programs are one of the main GHRM practices required for successful environmental management in a company. This training program must be designed based on training needs to obtain maximum environmental benefits from training (Cherian & Jacob, 2012). Performance management in environmental management poses challenges in measuring environmental performance standards of various business units and obtaining data that is useful for managers regarding environmental performance.
- d. Finally, environmental performance evaluation plays an important role in achieving environmental performance. This is because these practices provide strategies for evaluating employee performance based on environmental criteria and consist of elements unrelated to

green progress in performance feedback conversations (Jabbour et al., 2010). As stated in (Sheopuri & Sheopuri, 2015), environmental criteria are included in employee performance evaluations so that an environmental performance culture can be promoted in the organization.

Therefore, individual employee performance is considered along with environmental performance, influencing the overall level of incentive bonuses and flexible compensation that can be offered to employees (Jabour, 2011). In addition, environmental performance evaluation covers topics such as implementation of environmental responsibilities, environmental incidents, and knowledge of environmental policies and issues. This is because the topics included in environmental performance evaluation relate to the requirements of managers who are responsible for the environment. performance (Renwick et al., 2013).

Therefore, this study hypothesizes that environmentally friendly performance evaluation practices have a positive impact on environmental performance. Environmentally friendly reward systems play an important role in increasing people's motivation and determining important performance in environmental management (Teixeira et al., 2012). The aim of implementing award standards is to enable, maintain and motivate people to work well and realize the importance of environmental protection.

Environmentally friendly human resource management practices such as environmentally friendly recruitment, environmentally friendly training, and environmentally friendly compensation can improve and support an organization's environmental performance and create competitive advantages (Ahmad, 2015; Masri & Jaaron, 2017; Roy & Khastagir, 2016). The manufacturing industry is critical in achieving environmental performance by implementing HRM practices at a strategic level. However, this assumes that everyone (from management to employees) believes in and participates in environmental sustainability.

5. CONCLUSIONS

The implementation of Green Human Resources (GHR) in the manufacturing industry has shown promising results. By focusing on waste reduction, energy efficiency and the use of environmentally friendly raw materials, manufacturing companies not only contribute to environmental conservation but also improve overall business performance. However, the journey towards sustainable manufacturing is not without challenges. Resistance to change, lack of awareness, and large initial investments are often obstacles.

Therefore, it is important for companies to involve all employees in the transformation process, provide adequate training, and build an organizational culture that is oriented towards sustainability. Manufacturing companies that successfully adopt GHR practices will have a significant competitive advantage. They will be able to attract environmentally conscious investors, build a strong

brand reputation, and attract young talent who share the same values. GHR is a long-term investment that will provide benefits to the company, employees and society as a whole. With a strong commitment and systematic approach, the manufacturing industry can be a pioneer in building a more sustainable future.

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