

## **Green HRM and OCBE in the Banking Sector: An Empirical View**

**Habil Slade Ogalo\*\***

Arab Open University, Bahrain

[drhabislade@aou.org.bh](mailto:drhabislade@aou.org.bh)

**Seerat Fatima**

Institute of Management Sciences Bahauddin Zakariya University Multan, Pakistan

[seeratfatima@bzu.edu.pk](mailto:seeratfatima@bzu.edu.pk)

**Amna Hasnain**

Institute of Management Sciences Bahauddin Zakariya University Multan, Pakistan

[Amna.hasnain@bzu.edu.pk](mailto:Amna.hasnain@bzu.edu.pk)

\*\*Corresponding Author

### **Abstract:**

The aim of the present study was to examine the relationship between green HRM and Organizational citizenship behavior to environment (OCBE). The study tested the impact of green recruitment, green training and green rewards on OCBE in the banking sector of Bahrain. The bootstrapping results on the hypothesized relationship confirmed significant relationship between green recruitment and OCBE. Accordingly, the study also found support for green training and OCBE followed by empirical significance for green rewards and OCBE relationship simultaneously. The study has conclusively confirmed the significance of green human resource management practices towards enhancing organizational citizenship behaviors for environment. The study has forwarded noteworthy results for implications and future studies.

Keywords: Green hrm, green recruitment, green training, green rewards, OCBE

### **Introduction:**

With growing environmental concerns, businesses are pushed to opt for greener practices. Therein, international entities have been established to cater to this element that are following up with the organizations to ensure they are keeping up with the environmental concerns. A variety of regulations have also been in place these days pertaining to various organizational activities to push them to comply with the requirements. (Perez, Amichai-Hamburger & Shterental, 2009). Notably, organizations that have managed to work effectively in this regard have managed to reap many benefits including enhancing their citizenship outlook in the society (Gorman & Chavez Reyes, 2018).

However, the issue is still grave and to what length it could be effectively controlled is still not clear. Businesses to the best of their capability and capacity

may work on elements yet still, many areas are yet to be taken into consideration in this regard. Parallel to other organizational functions, human resource management department activities are also been advised to follow the same path (Graham, 1991). To some scholars, the human resource department can serve is an initiating force on all such matters through establishing effective policies and code of conduct that encourages green practices (Mayrhofer, Gooderham & Brewster, 2019). Though, they ought to start the process through transforming their practices into green at the first place.

Keeping this idea beforehand, the current paper has attempted to investigate how green practices of HR could be of viability and how it can help them to further their citizenship behavior towards larger environment for more promising efforts in this direction.

### **Literature Review:**

#### **Organizational Citizenship Behavior:**

Organizational citizenship behaviors popularly known as OCB is one of the salient management concepts these days and has received much empirical attention over the recent past across organizational behavior domain (Chan & Lai, 2017). The concept has received much prominence particularly due to the fact that businesses these days require their employees to put greater efforts with a more personalized concern for the company. OCB is a behavior that goes beyond the agreed job duties and/or job specification (Podsakoff, McKenzie & Podsakoff, 2018). Such a behavior is generally not rewarded and not assigned formally but outlines a greater deal of individual focus, belongingness and concern towards the business (Ng, Lam & Feldman, 2016). Individuals showcasing citizenship behavior express civic virtue, courtesy towards others and company matters, sportsmanship, conscientiousness and altruism (Organ, 1988).

#### **Organizational Citizenship Behavior Environmental:**

Organizational citizenship behavior environmental caters to matters pertaining looking at behaviors that cultivate eco-friendly behaviors by making healthier impact on the environment (Luu, 2017). Organizations who express citizenship behavior can strive for expressing more enriched behavior in this regard that goes beyond organizational boundaries (Chang, Chen, Luan & Chen, 2019).

Organizations expressing OCBE produce more objective work which strives for increasing eco-friendly initiatives in the society, express eco-engagement and taking eco-helping efforts. These pro-environmental behaviors help businesses to make enhance their impact on the societal prospects that are vital for the place of operation thus, boosting environmental citizenship behavior. In addition, OCBE energizes individuals to feel passion for unrewarded work outside the workplace and/or put efforts towards an entity that will have more positive impact on the environment (Boiral & Paillé, 2012). Research studies have worked on several antecedents of OCBE, with particularized influence from green practices including green HRM (Dutta, 2012).

### **Green HRM:**

HRM has been long underlined as a notable resource prospects for businesses for enhance individual (Ahmed, Kura, Umrani & Pahi, 2019) and organizational outcomes (Wood, 2018).

Scholars have provided various explanations to the concept of green HRM. In the views of Renwick et al. (2008) the incorporation of environmental management concerns in the human resource management is known as green HRM. Accordingly, Nagendra and Kansal (2014) asserted that green HRM refers to transforming of personnel practices to suit the ecological preferences of the society. The concept of green HRM gives a completely new outlook to the existing business practices related to employees as the way how things are perceived and performed changes dramatically. Henceforth, green HRM can said to be different from conventional HRM (Ahmed, AlZgool & Shah, 2019).

### **Green Recruitment:**

Green Recruitment is one of the most crucial elements for a business to showcase its green focus and emphasis. Green practices in recruitment caters to looking into deploying green practices and approaches in attracting employees and secondly, opting for candidates who are enthusiasm for green practices. Organizations today hire and attract talented individuals through projecting green practices and green aspects of HR (Guerci, Montanari, Scapolan & Epifanio, 2016). Therein, firms with such a mindset prefer to hire employees who have an environment friendly approach in doing things at work and appreciate organizations efforts towards harnessing green elements in the business. Typically, such firms also prefer to hire employees who showcase a green mindset and environment friendly approach towards work and other job prospects. Notably, there has been many evidences suggesting the promising role of green recruitment for instance, recent study by Ahmed, AlZgool & Shah

(2019) indicated towards the positive impact of green recruitment on employees' behaviors and outcomes (engagement) thus resulting in boosting environment wide positive impact. Accordingly, Silvester, Sarip & Hassan (2019) confirmed significant relationship between green recruitment and organizational citizenship behavior from the environmental prospect. Thus, these evidences encouraged to test the following hypothesis:

H1: there will be a significant positive relationship between green recruitment and OCBE.

### **Green Training:**

Training and employee development is one of the most promising features for businesses to ensure they elevate employee skills and competencies to the level whereby, they could facilitate in achieving organizational goals (Mozammel, 2019). Here, green HR policies would look into establishing training programs that are following green prospects and advocate green practices amongst employees. HR department with green focus have been noticed developing green training programs to enhance skills of their employees in dealing with issues and challenges arising from green prospects (Pinzone, Guerci, Lettieri & Huisingh, 2019). Green training activities energize individuals to learn on doing things the green way. This on the notable side also showcases a good image of the organization in the society thus outlining it as a socially responsible entity. (Silvester, Sarip & Hassan (2019). Scholars have also outlined that green training boosts pro-environmental behaviors across the organization and portrays a better socially responsible image in the operating environment. Hence, it was asserted that green training will positively enhance OCBE.

H2: There will be a significant positive relationship between green training and OCBE.

### **Green Rewards:**

There is a great deal of scholarly understanding on the factors (recruitment and training) discussed above. However, to what length, businesses will be able to enhance through other HR activities is less known. For example, some of the organizations offer recognition to their employee on practicing green (Mandago, 2018). Accordingly, some offer tangible rewards to employees on going green (Dumont, Shen & Deng, 2017). When organizations offer rewards to employees practicing green behaviors, it elevates the green culture across the business and results significantly in enhancing the social image in the

society. In addition, it also encourages employees to showcase a promising image in the society whilst spreading apposite word of mouth (Green, Mohammed, Patel & Solver-Cummons, 2017). Conclusively, these assertions suggest that businesses can make a considerable impact on harnessing their citizenship behaviors through offering rewards to employees against showcasing green behaviors and achievements.

H3: There will be a significant positive relationship between green rewards and OCBE.

### **Sampling:**

Four major banks in Bahrain were selected for the present study. The banks were chosen based on initial information obtained pertaining to their implementation of Green HR practices (green recruitment, training and rewards) in the company over the past three years. Therein, all the employees hired in the past years were taken into consideration for the present study. A total of 112 candidates were finalized out of which 105 responded. Conclusively, 101 were taken further for final assessment of the relationships.

### **Methodology:**

Structural equation modelling using Smart PLS 2.0 has been deployed to assess the hypothesized relationships (Ringle et al., 2005). Therein, the paper followed the two-stage process whereby, the first stage caters to measurement of the model through testing reliability, validity of the model to confirm its suitability for assessment. Once the assessment was obtained, the study moved to stage two whereby, the significance of the hypothesized relationships was examined.

### **Assessment of Measurement Model:**

The measurement model assessment works to check to ensure the individual item reliability, convergent validity and reliability and discriminant validity. Table 1 below shows that individual item loadings were assessed for each construct whereby, the study reported all loadings achieving the required threshold of 0.50 as per the recommendations of Hulland (1999). In parallel, the study also examined the AVE scores which also turned to be meeting the minimum threshold requirement of 0.50 as per Fornell and Larcker (1981). The Cronbach alpha coefficients were also examined and were found to be meeting the considerable mark of 0.70 as per Bagozzi and Yi (1988). Thus, the model expressed significant level of reliability and validity.

**Table 1: Loadings, AVE and Alpha Coefficients**

CONSTRUCT	LOADINGS	AVE	CRONBACH APLHA	R <sup>2</sup>
<b>GTRAINING</b>		0.599210	0.832427	
GT1	0.781888			
GT2	0.730626			
GT3	0.792077			
GT4	0.806243			
GT5	0.757280			
<b>GRECRUITMENT</b>		0.676128	0.903696	
GR1	0.767175			
GR2	0.818713			
GR3	0.862668			
GR4	0.840387			
GR5	0.851875			
GR6	0.788531			
<b>OCBE</b>		0.792153	0.912317	0.579394
OC1	0.902214			
OC2	0.908812			
OC3	0.894422			
OC4	0.853633			
<b>GREWARD</b>		0.642678	0.888013	
GRE1	0.778619			
GRE2	0.833297			
GRE3	0.850760			
GRE4	0.836186			
GRE5	0.794944			
GRE7	0.707463			

**Table 2: Discriminant Validity**

CONSTRUCT	GRECRT	GREWARD	GTRAIN	OCBE
<b>GRECRT</b>	<b>0.82227003</b>			
<b>GREWARD</b>	0.775218	<b>0.801672</b>		
<b>GTRAIN</b>	0.510057	0.544364	<b>0.77408656</b>	
<b>OCBE</b>	0.635067	0.678892	0.640129	<b>0.89002977</b>

Note: BOLD values are Square Root Values

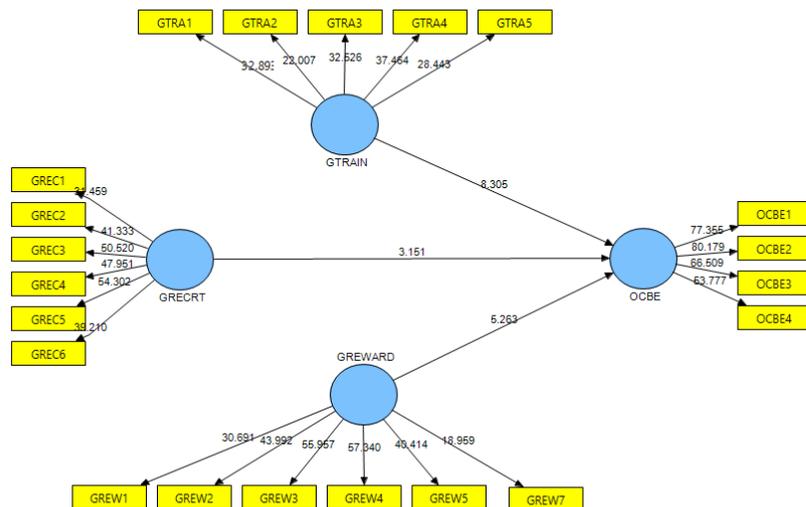
Accordingly, the paper, following the recommendations of Fornell and Larcker (1981) tested the discriminant validity. Table 2 above shows that the square root of the AVE scores have resulted higher against the values in the cross table.

### Structural Model:

Upon the successful test of the measurement model, the present study proceeded further with structural model examination whereby, significance of the hypothesized relationships was tested. Through running bootstrapping approach with 5000 samples, the study found significant relationship between green recruitment and OCBE thus confirming hypothesis 1. Accordingly, the results also found significant relationship between green training and organizational citizenship behavior environmental thus confirming hypothesis 2. Accordingly, the research also reported significant relationship between green reward and OCBE henceforth, the study found significant relationship between all predictor and outcomes variables.

**Table 3:** Hypothesis Testing

HYPOTHESIS	BETA	STD (STERR)	T VALUE
GRECRT -> OCBE	0.193084	0.06127	3.151338
GTRAIN -> OCBE	0.360344	0.043387	8.30529
GREWARD -> OCBE	-0.33305	0.063286	5.262614



**Figure 1:** Structural Model

### **Discussion:**

The aim of the present study was to assess the relationship between green HRM practices and OCBE. The structural equation modelling results of the study reported significant relationship between green recruitment and OCBE. The results are in line with the scholarly assertions of Silvester, Sarip and Hassan (2019) suggesting that when organizations follow green practices pertaining to recruitment and attracting candidates it makes a healthy impact on the environment by minimizing the use of certain resources thus enhancing an organization's citizenship behavior towards the environment. In parallel, when organizations offer green training it enhances individual as well as organizational citizenship role and contribution towards the larger society. This statement could be supported from the empirical results of Teixeira et al. (2016) who confirmed the significance of green training in boosting organizations positive influences towards the environment. Generally training resources have been termed as highly significant for businesses to enhance their behaviors and outcomes in many ways such as engagement (Majid, Ahmed & Zin, 2017). Accordingly, when organizations offer green reward whereby, they are rewarded for green practices and efforts, it showcases a positive encouragement and improves contribution in the shape of enhance organizational citizenship behavior of employees towards the environment at large.

The study therefore forwards several implications for practice. The study offer insight to top management to understand the role of green practices in general and of green HR in particular on how it can enhance several noteworthy employee behaviors and outcomes. Organizations therefore should strive to transform conventional HR unit into green which would not only bring efficiency in terms of resource utilization but will also yield great citizenship outcomes which would have strategic benefits for businesses.

### **Conclusion:**

The paper hence confirmed the significance of green HRM towards boosting organizational citizenship behavior towards the environment. The study therefore utilized the assertions of past scholars and reported empirical strength pertaining to the role of green recruitment, green training and green rewards towards citizenship behaviors for the greater organizational external environment.

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