Conceptualization of Green Human Resource Management: An Exploratory Study from Malaysian-based Multinational Companies

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Abstract
This exploratory study contributes to the conceptual and empirical understanding about the nature of Green Human Resource Management (HRM) in multinational companies in Malaysia, an under-researched area in the field. The required data for this study were collected using semi-structured interviews with head of HR in four multinational companies. The results revealed that most of the investigated companies place a very high importance on Green HRM reflecting on five concepts – Corporate Social Responsibility (CSR), Electronic HRM (E-HRM), Work-life Balance (WLB), Green Policies and Extra Care Program. Towards the end of the interview, the informants realized that HR practices are classified as Green HRM. The approach of this investigation recognizes that ‘Green HRM’ is a new term in this field.

Index Terms
Explorative study, Green HRM concept, multinational companies, Malaysia.

I. INTRODUCTION
Green Human Resource Management (HRM) has gained its unique position in the recent research since the awareness towards environmental management and sustainable development has gradually increased. There have been numerous debates about the issues of environmental degradation, climate change, ethics, social responsibility, marginalization and formation of strong voices of groups, radicalism and protest on capitalism [1], [2]. Societies have formed non-governmental organizations (NGOs) or non-profit organizations to become watchdogs for industries, governments and organizations’ activities in order to enhance and strengthen sustainability efforts. The uncontrolled activities of sustainable products, services, policies and practices have negative consequences on all aspects of humans’ life.

Regulation and awareness are the two main motivational factors which have driven organizations to go green [3]. Specifically, by setting regulation at the international level, organization and industries are pushed to practice certain green values. Besides, increased awareness among ‘green consumers’ or ‘environmentalists’ leads to buying products and services that are safe and not harmful to the environment and society. Either outputs or the society-related activities, practiced by the companies, are watched by this group. Therefore, it is essential that companies do not overlook on any unsustainable management activities.

In order to ensure the continuity and success of the green efforts, there must be an urge for the industries and organizations to understand and seek for more opportunities and benefits in the future. Greening HRM practices to a certain extent cannot be counted and it is called ‘intangible’ in value. In fact, Chen and Chang [4] pointed out that environmental technologies or environmental management at individual and organizational level is considered as a form of green intangible asset.

Research up to date has tried to look on green marketing [5, 6], green supply chain [7, 8], green finance [9], and green system [10]. However, Green HRM in the literature has been paid little attention [11] and its concept and practices are still unclear. Thus, the understanding and practices under Green HRM is worth to be explored and developed. This is in line with the statement by Jackson et al. [12, p. 104] "in order for Green HRM to be developed and mature, scholarship addressing a broad array of issues is needed".

Renwick et al. [11] highlighted that, as yet, there have been no reported studies on the impacts of Green HRM systems as a whole on either environmental outcomes, such as waste reduction, or on wider organizational performance metrics. Hence, studies that examine the impact of Green HRM systems, rather than individual practices, would be useful in this regard. Subsequently, the current study aims to capture this impact through an explorative study.
Jackson et al. [12] called for more research on Green HRM in relation to environmental sustainability in order to illuminate the role of HRM activities in supporting and driving environmental management initiatives. They suggested this line of research promises to help organizations reduce environmental degradation and in return, reap the benefits of environmental protection and renewal. It would further contribute to the benefits of all organizational stakeholders in the future.

Researchers and practitioners have found out that HR may play a role in helping firms operate within sustainability framework (economic, social, and environmental), and identifying skills and competencies in the strategic leadership [13, 14]. Renwick et al. [11] proposed that Green HRM has a considerable potential in management research area, but that academic research is rather lagging behind in practice. This indicates there is an imbalance between practitioner and academic publications. Jackson et al. [12, p.102] hoped HRM scholarship might address “a discussion of the pros and cons for research and/or practice of focusing narrowly on environmental management versus addressing environmental concerns as part of a more expansive approach”.

The Green HRM literature largely provides insights about Western societies. However, given the importance of Asian economic development for environmental management, this is an important gap to be addressed in future studies [11]. In Malaysia, green HRM is still an under-researched area. Therefore this study attempts to fill up this existing gap by comparing the green HRM understanding and practices found in the literature with that of the Malaysian context.

Particularly, the objective of this study is to explore the understanding of HR managers of multinational companies operating in Malaysia about Green HRM. HR managers may simplify their explanations based on their own experience with their respective companies that could be different or similar with the practices introduced by the other companies. Furthermore, this study seeks to identify similarities and differences between Malaysia and Western countries on Green HRM concepts and practices based on the literature search. Such findings could provide valuable insights for HR managers/practitioners and academicians particularly the team of academia from Graduate School of Business. For academicians, this exploratory research may serve as the foundation for subsequent quantitative research.

II. LITERATURE REVIEW

A. Earlier Concept and Definition of Green HRM

The manner in which HRM can be greened is often observed and studied in terms of a continuum surpassing all HRM practices – recruitment and selection of talent; compensation and rewards; performance and appraisal; training and development; employment relations and organizational existence [15, 16, 17]. The researchers suggest that green HRM efforts should begin by hiring ‘green’ candidates and talents. In addition, HRM needs to introduce training, and develop employees’ skills in environmental management. It is also suggested that HRM has a written-based indicator into performance management systems and appraisals. Thus, it is easier for the HR managers to reward and compensate ‘green’ employees. In addition, Green HRM practices need to be appreciated. They also should be provide platforms for employees to present ‘green’ ideas, participate and implement the related initiatives such as greening workplace and encouraging Corporate Social Responsibilities (CSR).

As sustainability is the ultimate outcome, organization is suggested to foster work-life balance. Green work-life balance is proposed as a new perspective of Green HRM by Muster and Schrader [18]. In their study, it is argued that organizations should consider employees in their two-folded role – for the organization and their family. This consideration helps employees boost their motivation at work and reduce job hopping.

In addition, Green HRM is often studied in relation with the implementation of technologies. Technologies applied to HRM processes have undeniable positive impacts on people management in easing applications of leaves and making available HR information online. It allows reduction of HR process time, speedier information sharing in employments’ relations, a reduction on cost of papers, easing internal communication and training, and alignment with business strategy [19, 20, 21]. Technologies allow employees to interact with HR department from their own cubes. Imagine if an employee’s office is located offshore and not even in the same building, let alone in the same city. Previous researches have proven that there is a positive influence of e-HRM on HRM effectiveness [2, 22, 23]; market share [24] and sustainable development [25].

To sum up, the earlier concept of strategic green HRM is depicted in Figure 1. It includes CSR activities, work-life balance, E-HRM that could help enhance sustainability of all stakeholders of organizations which requires consideration of its economic, social, and environmental aspects.
B. Theoretical Approaches to Understanding Green HRM Implementation

Following the notion of drivers from the implementation of greener HRM, this study argues that green HRM draws on the orientation for organizational change. Employees in organization need to change their basic orientation towards sustainability. Two basic dimensions in organizational change are called change outcomes and change process [26]. Outcome orientation focuses on ‘what’ may be affected due to the change while process orientation focuses on ‘how’ the change can be realized [27]. For instance, the outcome orientation can be in the form of green reward or incentives given to the employees or the department they represent. The process orientation for instance, can be in the form of policies developed, sustainable HRM activities, and green HRM trainings provided.

In addition to the orientation for organizational change, it is also important for the organization to give pressures and do reorientation to bring forward sustainability issues in the HRM activities. In order to make changes, organization should have certain characteristics namely; openness, flexibility, adaptability, and more importantly readiness of the employees towards change in the organization [28]. In addition Shipton et al. [28] mentioned that in order to make changes succeed, it takes a highly skilled and committed workforce, knowledge and skills in the leadership, reward and recognition system, toleration and encouragement and embraced creativity for the new direction.

III. METHODOLOGY

An exploratory pre-study in order to gain insights about how organizations define and understand the concept of Green HRM was conducted. This study is comprised of four semi-structured face-to-face interviews with heads of HR in large multinational companies (MNCs) carried out from December 2013 until February 2014, in connection with a wider research project concerning Green HRM and Sustainability in MNCs. The names of the head of HR were obtained from the researcher’s personal contacts. McCracken [29] recommended that respondents should know the interviewer or each other; however, this could not be fully achieved due to the difficulty in finding respondents. The principal researcher had met a few of the respondents through her personal contact. Given that Green HRM is a relatively new concept, it was conjectured that larger organizations were most likely to have introduced formalized practices and would therefore serve a good reference for exploring different approaches to Green HRM.

Once the companies agreed to participate in the study, the interview questions were emailed to the head of HR approximately two weeks prior to the face-to-face interview. This allowed the head of HR to consider well thought-out and detailed answers.

For precautionary reasons and to avoid loss of data during the interview, all interviews were digitally-recorded. Recording ensures that everything said is preserved for analysis [30]. The interviews were then transcribed into verbatim notes. This helps to increase the reliability and validity of the findings. Interviewees were rewarded with a token of appreciation after the face-to-face interview.

This study can be considered as one of the early investigation of the practices in the multinational companies in Malaysia. Five researchers in the project team independently analysed the results for recurring words, themes and concepts. After the analysis, these researchers discussed the results and resolved the differences in interpretations.

IV. PRELIMINARY FINDINGS

A. Company V

Company V is a global corporation and has incredible opportunities everywhere. Today, Company V is home to a high-tech campus with few buildings; including one of the Company’s V largest assembly and test sites and a design and development center.

Employees in the Company’s V Group Malaysia engineer technological innovations for microprocessors, chipsets and system-on-a-chip. Company V is committed to enhance the quality of life in the communities where
they live and work. Employees of Company seek to help their communities in the areas of education, environment and disaster aid relief.

**Definition of Green HRM**

The HR Shared Service Director defined Green HRM as:

“Green HRM is not very common. People talk about green industry, but they have not talk about green HRM. I know there has been research that talk about green HRM, but that has not penetrate Malaysia and even Asia. A lot of activities considered green that we also done but it is not classified as green HRM.”

She also stated that:

“Green is not talking on green HRM alone. We have each of the pockets, actually it is green company. So every department need to go ahead with what are other things can go green. It is not purely green HRM that the employees work under ‘green HRM’. That does not come out vividly yet. But we have been doing a couple of functions which already associated with green company concept.”

**Green HR Practices**

Green HR practices are assessed through cost saving initiatives these processes have to offer. Online networking provides the means to reach out the masses. Social media are seen as the popular and engaging means to conduct the hiring process.

“We use social media and now we have blog, Twitter and Facebook for hiring and recruit talents.”

In addition, people management to minimise excess through on-demand appointment such as outsourcing, offering flexibility in work and keeping part timers are also considered to be green HRM practices. For this company, part time capability is seen as part of maintaining HRM green.

“What we are trying to do is to offer part-time capability in which employees can work part-time. For example, there was one employee who her kid was sick. We gave her part-time work for months, and now she came back and works full-time.”

**Mobility and flexibility:**

“Type of talent we want now is different from previous talent and they asked for a lot of benefits such as mobility and flexibility at work. So, if we want to go ahead and get the talent, we need to make sure of how the package of talent acquisition appeals to the talent.”

“Employee can work from home, but they need to negotiate with the manager.”

This company’s HR is also involved in identifying aspects that keeps employees’ welfare checked. In this example, cafeteria management is an aspect considered part of managing employees’ green initiatives.

**Green cafeteria:**

“We actually give free drinks to employees, but we never use any paper, plastic cups, polystyrene and other materials that are not disposable. Employees will use mugs, which is washable and they will keep them.”

**Incentive/compensation:**

“If employees contribute toward green such as recycling, they will get the bonus point and get additional amount of bonus payment.”

“This company also initiate a programme so that all employees can enrol themselves into community or green services. The hours spent for the services will be translated into dollars, and the company will give to the organization. This is also a part of our CSR programme.”

**B. Company W**

Company W was set up in 1970s; both manufacturing operations and the product development functions have achieved several accreditation. The facilities in State A only belong to the company in Asia Pacific that caters to two-way radio manufacturing, and acts as a one-stop radio communication solutions centre. It is equipped for the design, development, manufacturing, distribution and support of its two-way radio products and solutions.

Company W has a strong local presence with established supplier partnerships to achieve a best-in-class supply chain management. It has been supporting the local industry through local material procurement, as well as moving to a higher value chain by developing local R&D eco-systems, outsourcing design and manufacturing facility to selected local suppliers. The company actively contributes to the Economic Transformation Plan (ETP) in the Electrical & Electronics (E&E)’s sector, R&D and innovation that can help accelerate Malaysia into a high-income nation.

**Definition of Green HRM**

The researcher asked the Senior HR manager about his understanding on Green HRM, and he responded:

“ Principally, when we talked about green HRM it is about human. The more appropriate department to in charge about green is Environmental, Health and Safety (EHS). However, regardless the programme of green initiated by HR or EHS, it is about our people. I view green as organization but if it is specifically into HR, it is very new.”
Green HR Practices

Recruitment process:
“Most of our channels for job applications are online such as using Head Hunters, JobStreet, and our own official's website.”

Mobility and flexibility:
“We allow employees to work from home and we called it as flexi hours if they work under management. However, in manufacturing, we do not allow that. This flexi hours’ application is increasing now as the nature of work also changed. Now, we are taking up global role and serve people worldwide. Due to the time differences, we allow employees to have flexibility in working hours.”

Green cafeteria:
“We do not use plastics at all in our cafeteria anymore like how cafeteria in Universiti Sains Malaysia is practicing.”
“We send food waste to be recycled to a collector and the output is fertiliser. We don’t get any monetary return from that, but the collector will give us 20kg of fertiliser and we pay for the transportation cost. It’s kind of a CSR programme as well.”

Incentive/compensation/punishment:
“We do competition after green training and reward employees through small tokens if they give full participation.”
“For CSR activities, we do support the employees by giving t-shirts, caps, and some refreshments. However, we do not giving out monetary rewards.”
“HR deliver warning letter by online.”
“Letter of promotion is sent out to the candidates through online.”

Training:
“It is compulsory for new employees to be trained on green or EHS during orientation.”
“More than 50 percent of our training is online and paperless.”

Online applications:
“Employees apply annual leave by online.”
“Nearly 12 years, we have given out payslip by online.”
“Every form in HR and other departments are online. If you talk to our people about filling up forms on paper, it will be weird for them because this is no longer our practice, but has become our culture.”
“Older personal details of the employees were scanned into disk and we only maintain the softcopy of it.”

C. Company X

Company X is a project of strategic national interest to promote front-end semiconductor manufacturing and a catalyst for high technology investments in Malaysia. It was founded in mid 1990s as Company B and was renamed as Company X in end of 1990s. It produced working silicon in the end of 2000s. Since its inception, it has served many top-tier global fables design and product companies covering the consumer electronics, communication and computing, and mobile device market segments.

Definition of Green HRM
Senior manager (Reward & Talent Acquisition) of Company X described Green HRM as:
“Paperless, automation.”

Green HR Practices

Recruitment process:
“All paperless. The applicants can post their resume and certifications through our portal. Even when we interview the applicants, we just key in their feedbacks on our system.”

Incentive/compensation:
“We post memo and campaign in our Bulletin and we gave them quizzes. We reward those winners with small tokens.”
“Employees can see their job requirements that counted for KPI through online. The managers can insert new job into the KPI, and the subordinates can automatically see what they need to do.”

Training:
“Employees need to register certain training that is applicable on the time slot for the whole year. At the same time, we also have e-development plan.”

Green policies:
“Each employees are given a batch that stated their job descriptions as well as what they need to comply with the company’s green policies.”
Other practices that gone green:
“Carpool, tree planting programme, adopted tree, Green Week, submission online, application online, wellness programme, attract talent from overseas.”
“Safety and health are also considered as green.”
“We have house clinic, nursing room and special parking for pregnant mothers, and breast feeding room.”
“Even we have a kid transit room for the children for the parents who have no choice but to bring their children to work.”

D. Company Y
Company Y was founded in 1980 to deliver system-level innovations that optimize customers’ applications and enrich the end-user experience. Its headquarter is located in the US. Company Y has designed manufactured and sold facilities around the world. Over the years, Company Y’s customers have demanded that the industry re-evaluate mixed-signal integrated circuit products.
Company Y continues to build on its No. 1 positions in timing, serial switching and memory interfaces to expand its mixed-signal content in communications, computing and consumer applications, driven by three major market drivers including cloud computing, consumer mobility and 4GL/LTE. Company Y has more than 30 years of heritage and innovation in digital technologies, coupled with its in-house analog talents and capabilities, making it the premier analog and digital company.

Definition of Green HRM
HR manager described Green HRM as a tool which ties up the company's attachment with ISO 14001 and the activities with the community.
“HR is green as it is also attached with the company policies which follow the ISO 14001.”
“Community services, enhance values and care for the environment.”

Green HR Practices
“All sections move towards paperless concept, except for legal requirements such as recruitment forms and employment contract 5S section moves towards reducing waste (general waste and schedules waste. Promoting green environment through activities: ESH week, 5S week, promoting cycling, green walk, enzyme and clean river, waste reduction – cafeteria paper, promoting recycle, no plastic, and save resources – water, electricity (sensors and LEDs).”

Green Cafeteria:
“HR is also responsible to green our cafeteria such as improving the recycling ratio on the canteen food waste, reduce emission to air from the cafeteria-cooking's activities, and reduce waste generation from the selling and consuming foods. We have environmental assessment for this. For examples, we gave them scale, sub-total environmental score, and the level of control.”

V. DISCUSSION AND CONCLUSION
Based on the interviews, first, this study has found that among the four companies, only one company has measured Green HRM impacts on the environmental outcome. This brings about difficulty to measure the outcome Green HRM practices in the whole Malaysian manufacturing firms in the near future. As Renwick et al. (2013) advised, capturing the whole impact of Green HRM practices is impossible to study in the time being.

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<th>TABLE 1: BROAD CONCEPTUALIZATION OF GREEN HRM</th>
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Note: A: E-Recruitment; B: Part-time Job; C: Work from Home; D: Green Cafeteria; E: Recycling; F: Corporate Social Responsibility (CSR); G: Environmental, Health and Safety (EHS); H: E-Letter; I: E-Training; J: E-Application; K: E-Job Description; L: Organizational Green Policies; M: ISO 14001; N: Special Room and Parking for Mothers; O: Kids Transit Room

Since the concept of Green HRM is still unclear and needs to be developed, this study has done qualitative-based research to gain deeper insights and understandings in this regard. Table 1 presents the 15
developed broad conceptualizations of Green HRM. These broad conceptualizations were then categorized into a narrower conceptualization by grouping the activities which entail shared concepts (see Table 2) and result in the formation of only five parent conceptualizations - the E-HRM, Work-life Balance (WLB), Corporate Social Responsibility (CSR), Green Policies, and Extra Care Program (see Fig. 2).

**TABLE 2: NARROWER CONCEPTUALIZATION OF GREEN HRM**

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<th>E-HRM</th>
<th>WLB</th>
<th>CSR</th>
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<td>E-Recruitment</td>
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<td>E-Job Description</td>
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**TABLE 2 CONTINUE: NARROWER CONCEPTUALIZATION OF GREEN HRM**

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<th>Green Policies</th>
<th>Extra Care Program</th>
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<td>EHS</td>
<td>Special Room and Parking for Mothers</td>
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<td>Organizational</td>
<td>Kid Transit Room</td>
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<td>Green Policies</td>
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<td>ISO 14001</td>
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**FIG. 2: FINDINGS ON THE CONCEPTUALIZATION OF GREEN HRM**

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**REFERENCES**


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