



HOW CAN GREEN HRM CONTRIBUTE TO AN ORGANIZATION'S SUSTAINABILITY GOALS?

Abstract

Sustainability is an essential component of business, and companies that have high ratings for environmental, social and governance (ESG) factors deliver improved financial performance. Green Human Resource Management (GHRM) practices help companies interweave sustainability into organisational culture and day-to-day operations to create a green workforce that drives business success.



Incorporating sustainability into business strategy has become a necessity. The way business is conducted has a long-lasting impact on the environment and society. Sustainable business strategies help address a variety of environmental concerns such as climate change, pollution, fair working environments, pollution and human rights issues. Studies have indicated that pursuing the “three P’s” – people, planet and profit, and measuring the environmental and social impact of business ultimately results in better business performance. According to research conducted by Deutsche Bank, most companies that have high ratings for environmental, social and governance factors (ESG) outperform the market in the medium and long term, and also have

lower costs of debt and equity. According to studies, substantial investments in sustainability initiatives keeping the long term in mind, result in improved financial performance.

Building a green company requires companies to pursue a sustainability agenda on all levels. By focusing on sustainable growth, risk management and returns on capital companies can create business value. Green growth strategies include portfolio-level investment decisions, the development of green products and services and the development of new market strategies for sustainable business development. Regulatory compliance and risk management for operational disturbances due to environmental factors such as

scarcity of resources or climate change help to pursue the sustainability agenda. Returns on capital can improve by working towards building sustainable value chains that reduce the environmental impact of products, optimise resource usage, and reduce operating costs. Building a sustainability agenda requires a committed green workforce that works towards the organisation’s sustainability goals and promotes sustainable business practices. Green Human Resource Management (GHRM) involves HR practices that promote environmentally and socially conscious practices within the organisation and ultimately create a green workforce that drives the growth of a sustainable business.

Achieving sustainability with green HRM

Companies are not just pledging allegiance to sustainability for altruistic reasons, but material ones too. Investors are betting on companies with environmentally friendly and socially responsible companies, as they see these as the businesses of the future. Studies have shown that incorporating green HRM practices offers both financial and non-financial benefits

for organisations. In the current post-pandemic world, there is a heightened awareness of the necessity for businesses to have ecologically sustainable practices. Being environmentally conscious also projects a positive image of the company brand. There are several ways in which companies can implement sustainable HR practices.

Implement green practices for talent acquisition and recruitment: Studies show that companies that plan and contribute to climate change action garner about 18 per cent higher return on investment (ROI). Green talent recruitment has become a strategic business imperative. Companies must create job descriptions that specify skills related to sustainability

and environmental awareness, as well as emphasise the importance of green awareness in the company. Transitioning to [online recruitment processes](#) that digitally track candidates helps companies implement eco-friendly practices such as paperless hiring. Video interviews minimise or completely eliminate the need for candidates to travel, contributing to reduced carbon emissions. Leveraging social media platforms to highlight the organisation's commitment to sustainability builds a positive brand image, and attracts candidates of a similar mindset, which in turn contributes towards building a green workforce.

Track green initiatives with performance management: While strategic planning is required for green HRM, tracking company and individual performance concerning sustainability helps establish whether the action taken is effective. Companies can establish green performance indicators and set green targets, goals and responsibilities for employees. These achievements can be tracked during performance appraisals. Companies can recognise green contributions with awards and financial rewards.

Implement green HR policies: Companies can offer green benefits such as options for green transport or travel. For example,

financial incentives for using eco-friendly transportation options or interest-free loans to purchase electric vehicles (EV) can help companies achieve sustainability goals. Involvement in environmental management (EM) initiatives can be incentivised with gift certificates, time off, paid vacations, and so on.

Devise training programs around ESG:

Training employees on environmental management (EM) helps build awareness around the critical need for sustainable business practices, as well as improve any green skills needed by employees. Often, people may want to participate in sustainable initiatives but may lack the knowledge of how to do so. Green training and development is an effective way to reach a wider audience, and “recruit” employees. For instance, training employees in waste management, energy conservation, or tips and guidelines on participating in the company's sustainability initiatives may guide employees on a green path.

Build a green culture: For sustainability to work, it needs to be in the organisation's DNA. Companies should lay out the vision for sustainability, and guide employees with clear action plans. Employees should be made aware of the company's environmental objectives, Formal and

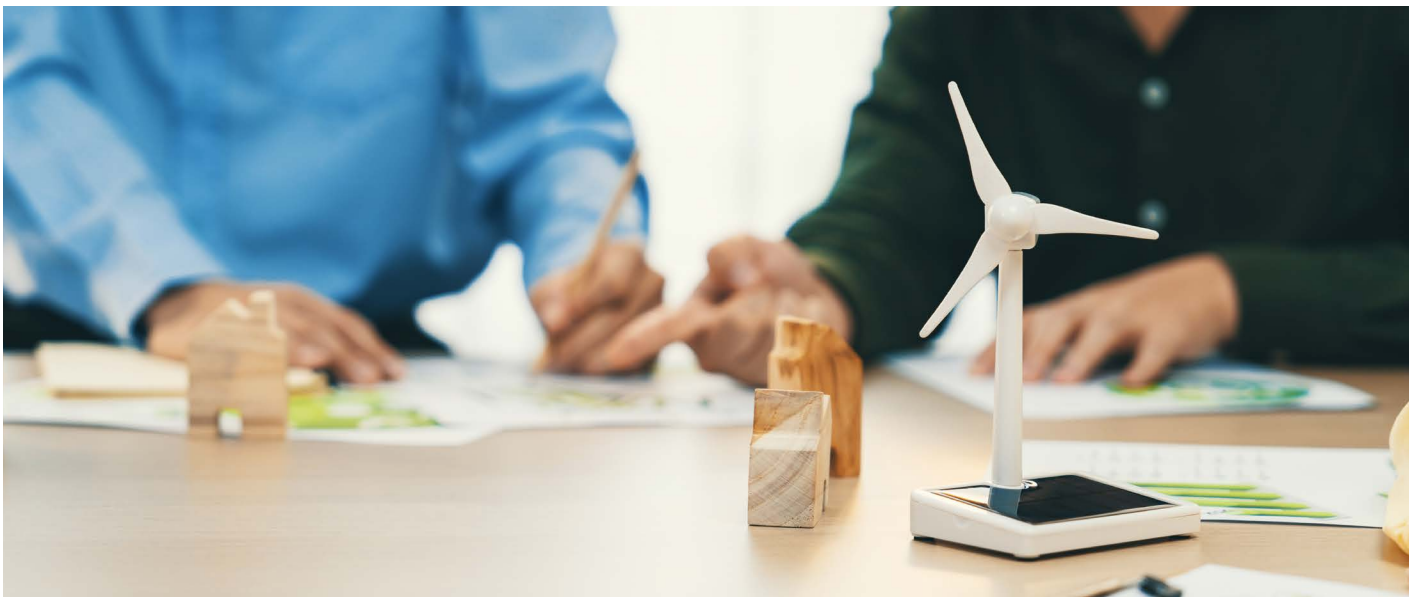
informal communication channels should be established for sustainability initiatives, and employees should be encouraged to participate in problem solving and building green solutions. Establishing a green community with low-carbon champions can create a sense of ownership and pride in sustainable practices.

Continuous improvement is necessary for environmental awareness. Encouraging conversations around sustainability fosters a thriving green culture in the organisation.

Promote diversity and inclusion:

Sustainability and diversity are closely linked. [Diversity, equity and inclusion \(DEI\) policies](#) establish a bias-free culture, encourage equal opportunities, and encourage different perspectives on sustainability. By implementing diversity hiring practices as part of green HRM, organisations can build a diverse and inclusive workforce to meet complex sustainability demands.

Building a green organisation requires sustainable initiatives to be part of the organisation's strategic plan and become all-pervasive. Green HRM practices give organisations the ability to interweave sustainability into day-to-day operations and build the workforce of the future.



How Infosys BPM can help

Green HR management is an essential component for businesses to achieve sustainability goals. Our [human resources](#)

[business process outsourcing solutions \(HR BPO\)](#) support green human resources management (green HRM) to help our

clients build sustainable businesses of the future.

For more information, contact infosysbpm@infosys.com



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