

The Role of OCBE on Green HRM towards Performance Sustainability

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Green human resource management focuses on the awareness of a corporation in interacting with environmental issues, together with the management of the social and economic well-being of the corporation and its workforce. The aim of this research is to investigate the understanding, appreciation and continuous application of sustainable green practices in the working environment by the current workforce in manufacturing companies. Approximately 250 samples were collected from authorised listed manufacturing companies in Malaysia. The response rate was more than 50% using the Convenience-Sampling Method. The results show that the management of green human resources plays a significant role in the actions of Organisational Citizenship Behaviour towards the Environment (OCBE) in the current workforce towards sustainable performance in manufacturing industries. Corporations should understand that green management is one of the key methods by which they can secure their legitimacy and continued operation through their core vision. By developing their human capital along with the use of best practices across the organisation, corporations are striving to ensure that their business operations are as efficient as possible, thereby reducing potential harm to the environment. Limitation and future studies have also been discussed.

Key words: *Green training, Green performance management, Green employee involvement, Organisational Citizenship Behaviour towards the Environment (OCBE), Sustainable performance, Malaysia.*

Introduction

Human resource management helps the company to develop and apply sustainable business practices by focusing on environmental responsibility as a key component of corporate performance assessment. As the main department dealing and communicating with the

workforce, the human resources department is in the best position to influence changes in employee and organisational attitudes towards the integration of green practices. Corporations that implement green practices benefit from an increased competitive advantage over their competitors by their ability to capture more market share as consumers favour corporations that are eco-friendly and do not just follow the minimum regulations in place (Hassan, 2019).

This is in line with the corporate social responsibility that the organisation undertakes to boost its reputation to its shareholders, consumers and the general public. However, they are able to attract better employees because research has shown that employees, especially new graduates, prefer corporations with a proven track record of environmental responsibility. Corporations that implement green practices have seen an increase in the dedication, commitment and enthusiasm of their employees and an improvement in the quality of their work life and decreased turnover. It also improves their bottom line as corporations continually try more creative ways to improve their business performance, resulting in lower operating costs over the long term.

The first form the HRM department is involved in is green recruiting and selection, which can be categorised into three main sections: green recognition of applicants, green employer branding and green standards for attracting applicants. Green training is important in order for employees to be able to understand how business activities affect the environment, to provide employees with knowledge of the best ways to be more environmentally conscious, and to increase the level of “eco-literacy” within the organisation (Roy & Thérin, 2008; Hassan, 2019; Garay, Font, & Pereira-Moliner, 2017). By providing such training, employees are more willing and motivated to take part in green initiatives. Green performance management relates to the communication of importance to the achievement of the company’s green objectives, together with the accountability and performance of employees in achieving these objectives, which can be outlined in four aspects: setting green goals, developing green performance indicators, determining green results for employees and using disadvantages (Renwick, et al., 2013). Finally, HRM can reward and compensate its employees who participate in environmental practices and fulfil company goals and objectives. Companies can award monetary rewards, and recognition-based awards to encourage employees.

As stated in the Ability-Motivation-Opportunity theory, human asset management practices impact performance in terms of capacity, motivation and chance citizenship (Cochran and Wood, 1984; Dyer and Reeves, 1995; Jiang, Lepak, Hu, and Baer, 2012) In the green setting, the use of Ability-Motivation-Opportunity theory to examine the linkages between Green Human Asset Management (GHRM) practices and “green” organisational citizenship behaviour (OCBE) can be seen as appropriate (Appelbaum, 2000). It is true that Pinzone (2016) is applying this equivalent system to examine the impact of GHRM practices on OCBE. The objectives of this research are to explain linkages in the manufacturing business between



GHRM practices and organisational citizenship behaviour environment (OCBE). Moreover, the intuitive impacts of GHRM practices on OCBE are investigated by using a quantitative system approach.

Literature Review and Hypothesis Development

Green Training for Sustainable Performances through OCBE

Organisational training and development of human resources should be carried out systematically and continuously to enhance the knowledge and skills of employees in accordance with the requirements of Industry 4.0. Knowledge and skills related to environmental sustainability and green technology should be highlighted alongside the main content of the training and development programmes. Environmental training promotes the spreading of environmental values to employees and enables them to engage in voluntary behaviours (Boiral, 2009). Furthermore, this method helps to convey green applications, knowledge, trends and skills to employees, thus improving the ability to recognise environmental issues (Govindarajulu & Daily, 2004) mitigate against negative environmental impacts (Vidal-Salazar, Córdón-Pozo, & Ferrón-Vilchez, 2012), and employee engagement in environmental activities (Pless, Maak, & Stahl, 2012). As a result, employees will become more aware of the environmental standards of the workplace and will realise how to minimise negative environmental impacts. Through green training, employees can study the knowledge and skills of how to ensure and protect the working environment.

Green Performance Management for Sustainable Performances through OCBE

Conventional performance assessments that assess routine and structured tasks are no longer relevant in the IR 4.0 era. Human resource performance evaluation will focus more on individual or group achievement in innovation and technology. Green performance management strategies strive to evaluate the environmental performance of employees, which allows them to participate in the environmental activities of the company (Renwick et al., 2013). Environmental feedback from managers and management helps to improve the understanding, knowledge, abilities and skills of employees, which will motivate them to undertake their environmental responsibility (Govindarajulu & Daily, 2004). Monitoring and evaluating employees' performances on environmental activities will therefore help employees to obtain clear environmental knowledge in adopting green voluntary behaviours and environmental responsibilities (Chinander, 2009).

Green Employee Involvement for Sustainable Performances through OCBE

A further relevant green practice is the participation of green employees. Providing green incentives through employee engagement inspires employees to engage and start new thinking on ecological practices, helps them adopt the environmental priorities of the organisation, and creates effective environmental management systems for sustainable performance (Boiral & Paillé, 2012). Therefore, employees are more interested in volunteering in environmental programmes, if they are allowed to make decisions and recommendations on environmental issues (Pinzone, 2016).

We can estimate the effect of each of these three green practices (training, performance management, and employee involvement) on OCBE from the above statement. Therefore, we can hypothesise the following:

- H1.** OCBE has mediated the relationship between Green training and sustainable performances in the manufacturing industry
- H2.** OCBE has mediated the relationship between Green performance management and sustainable performances in the manufacturing industry
- H3.** OCBE has mediated the relationship between the involvement of green workers and sustainable performances in the manufacturing industry

Methodology

A quantitative research approach to the impact of GHRM practices on OCBE has been adopted. To analyse this survey, we selected respondents working in the manufacturing sector. All of these respondents were full-time employees, who were 18 years of age, operating for their organisations once a year under any conditions. This is intended to ensure that members are aware of the organisation's and environmental concerns, thereby ensuring the reliability of the information that we obtain.

The research design is descriptive. The purpose of the descriptive design is to describe marketing phenomena according to the hypothesis used to determine the relationship between the related variables. This research is cross-sectional because the data collection process is only carried out over a period of time by means of a survey questionnaire. The data used is the primary data. Data obtained directly from the distribution of questionnaires. All indicators are measured using the Likert scale of ratings 1-5. From strongly disagree (1) to (5) strongly agree.

The green HRM scale developed and validated by Pham, Tučková, and Jabbour, (2019). It has been used to measure the green HRM practices used in this research. Pham, Tučková and Jabbour (2019) have successfully piloted, refined and tested this instrument for its validity and

reliability. This research includes sustainable performance as one of the outcome variables, which measures the impact of green HRM practices on sustainable organisational performance such as a reduction in air emissions, compliance with environmental standards, resource consumption and hazardous materials. The scale was adapted from Zhu, Sarkis and Lai (2008). The measures suggested adequate reliability (exceeded 0.70).

Analysis and Results

Table 1: Convergent validity

First Order	Second Order	Items	ECP	CR	AVE	VIF
ECP		ECP1	0.773	0.941	0.694	2.693
		ECP2	0.859			4.406
		ECP3	0.876			4.8
		ECP4	0.841			2.851
		ECP5	0.829			2.807
		ECP7	0.843			2.805
		ECP9	0.805			2.623
EP		EP1	0.924	0.968	0.858	4.8
		EP3	0.948			3.382
		EP4	0.938			4.355
		EP5	0.926			4.637
		EP6	0.893			4.523
SP		SP1	0.893	0.977	0.875	2.635
		SP2	0.945			4.07
		SP3	0.953			4.436
		SP4	0.938			4.322
		SP5	0.954			4.674
		SP6	0.927			4.825
	SP	EP	0.914	0.947	0.855	2.734
		ECP	0.928			3.820
		SP	0.932			3.544
		GEI2	0.949	0.967	0.856	4.81
		GEI3	0.966			4.738
		GEI4	0.796			4.322
		GEI5	0.951			2.203
		GPEM1	0.808	0.883	0.716	4.693
		GPEM2	0.861			3.041
		GPEM4	0.868			1.395
		GTD1	0.964	0.977	0.935	3.384

		GTD2	0.961			4.392
		GTD4	0.976			4.68
		OCBE2	0.905	0.91	0.772	4.719
		OCBE4	0.81			2.562
		OCBE5	0.917			1.713

Table 2: HTMT

	GEI	GPEM	GTD	OCBE	SUSP
GEI	HTMT				
GPEM	0.506	HTMT			
GTD	0.485	0.637	HTMT		
OCBE	0.658	0.482	0.299	HTMT	
SUSP	0.59	0.472	0.496	0.45	HTMT

The process of collecting data is completed by random use of the convenient sampling method. The convenience sampling method is a sampling method which takes the most efficiently collected sample. The questionnaire was distributed online using Google forms to 250 respondents from a few organisations that conduct green HRM training. Data analysis used the Smart PLS 3.2.8 programme. Partial Least Square-Structural Equation Modelling (PLS-SEM) is an alternative method for confirming structural equation models and testing the link between inert developments and aiding analysts for predictive purposes. In addition, PLS-SEM can be used to quantify path coefficients in structural models and test hypotheses.

On the basis of Table 1, it may well be inferred that all developments have the precision to be used as a valid measuring tool. All developments may be ordered as valid on the ground that they have an incentive factor above 0.7 and an Average Variance Extracted (AVE) value above 0.5. This exploration may also be arranged as solid, notwithstanding the fulfillment of the validity criteria. The issues raised by the investigations are reliable. This is based on the Composite Reliability and Cronbach's Alpha values of each factor having an incentive above 0.7. In these lines, this investigation satisfied all the test requirements for model measurements. In addition, the Monte Carlo tests were performed to test the validity of the separation. The results were shown in Table 2.

HTMT can be used in two different ways to assess segregation effectiveness: first, as a rule, and second, as a measurable test. For the first, if the HTMT confidence is more prominent than the HTMT value of 0.85 (Kline 2015), or the HTMT estimate of 0.90 (Gold and Arvind Malhotra, 2001), then there is a discriminating validity problem at that stage. The results show that there is no HTMT issue.

Figure 1. Structural Model

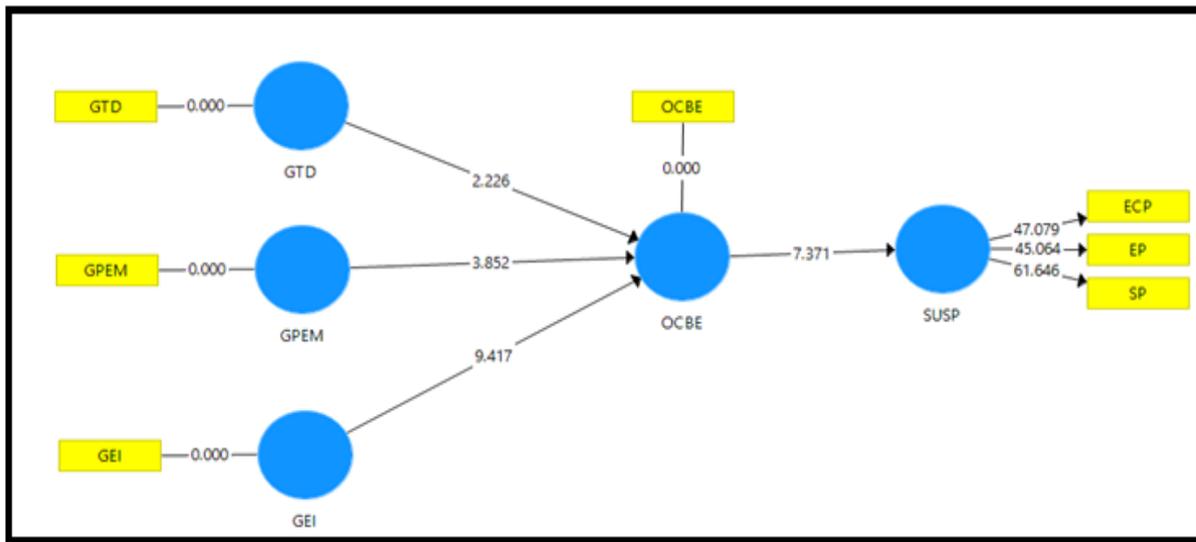


Table 3: Hypothesis results

Hypothesis	Beta Value	Std Error	T Value	P Values	LL	UL	R2	F2	Q2	Decision
GTD -> OCBE -> SUSP	-0.076	0.033	2.304	0.022	-0.132	-0.004	0.48	0.033	0.423	Supported
GPEM -> OCBE -> SUSP	0.127	0.036	3.572	0	0.063	0.195	0.189	0.09	0.206	Supported
GEI -> OCBE -> SUSP	0.258	0.049	5.231	0	0.164	0.353		0.476		Supported

Table 3 and Figure 1 show the entire hypothesis presented from H1 to H3. It also includes the T-VALUES for every hypothesis. The hypothesis is significant when the t-values are more than 1.645 ($p < 0.05$). The t-esteem is more than 2:33 ($p < 0.01$) for the 1-tail test. T-values are more than 1.96 ($p < 0.05$) and t-esteem is more than 2:58 ($p < 0.01$). Table 3 indicates the three hypotheses, H1, H2, and H3, are important in view of the fact that the lower limit of the upper limit for the hypothesis is a positive value. Thus, the hypothesis is significant, which is zero for the mediation.

The R2 square value and F2 are also sufficient, as indicated by Chin (1998), who states that 0.67 is needed for a strong R square, while 0.33 is required for a moderate need and 0.19 for a weak R square. In addition, as per Hair et al. (2016), the R square of 0.75 is strong, 0.5 is moderate, and 0.25 is weak. The Cohen (1988) rule was used to determine the effect size. The effect sizes are .02 (small), .15 (medium) and .35 (large). In the meantime, the effect size between GHRM and SP is Large with $f^2 = 0.417$.

The relationship between the three green practices refers to OCBE and sustainable performance from the above analysis. However, different circumstances lead to different effects. The impact of green training on OCBE is supported by the value of green management towards sustainable performance and the involvement of green workers affected by OCBE, which also has a significant impact on sustainable performance.

In line with this study, we think that a good natural system of rewards is important to improve the relationship between green training and OCBE for sustainable performance. By operating with a good system of natural rewards, employees should gradually improve and develop a positive environment. Creators know that the green management of human resources can offer additional benefits not only for environmental performance, but also for efficiency and financial performance. In this way, the level of accommodation management is purposely moved to leverage resources into GHRM practices (such as training, performance management, and involvement of employees), as these efforts can contribute to their associations' environmental behaviour. The GHRM practices envisaged here enable managers, through regular training and internal training, to improve their employees' eco-behaviours. For example, employees have to provide the group with important information and skills and distinguish waste, reduce production and store water, energy, and other resources. In addition to other green practices (e.g. green incentives, green organisational culture), Renwick et al. (2013) suggested that GHRM practices included three keys. Luu (2019) also describes green incentives in GHRM-related assessments in the manufacturing business.

Green worker enrolment and choice should be highlighted in each human resource process in order to improve environmental management. Although the firm needs to support training projects designed to provide staff with learning and environmental management skills, the preparation should be both general and explicit enough to enable employees to move forward. Furthermore, the earth can recover from the usual harms by applying the Green Human Resource practices. Many workers, however, may feel that it is hard to get appropriation for managing green human resources, since they may think GHRM is extending their working velocity and time. In order to eliminate this attitude, the organisation should undertake some promotional activities, which means that we can organise some exuberant programme on GHRM. We can offer telecommute options when they need to unwind. This enhances the GHRM environment. We can also give a job efficiency report. This will display a range of feelings between two different working environments. We can then give any rate that is kept by following the GHRM.

Limitation and Future Research Suggestion

Researchers faced a number of limitations while conducting this research. In order to carry out a research study, researchers needed to gather all the necessary information, receive a letter of

support and a letter of approval from the university. Researchers also faced challenges while searching for related journals and articles. Since educational outlets are fairly limited and some of our factors are also very new. In addition, during the delivery of the survey, researchers encountered difficulty since all respondents come from different manufacturing companies. Researchers were therefore first required to obtain approval from the selected companies prior to distribution. Researchers intend to assign 500-questionnaire survey to respondents but only 250 were collected successfully. In addition, some respondents may not have replied to our questionnaire because it takes time and may lack any value to them. In addition, we also find it difficult to collect data over a period of 3 months as data over a period of 3 months may be subject to bias. Therefore, it may be difficult for us to make sure that the results of our research are accurate. We had to submit our questionnaire to the respondents via internet survey link because of time management problems.

Researchers can also add data collection methods with qualitative methods. For example, researchers can collect data through telephone interviews or personal interviews. Researchers can avoid problems such as misunderstanding in data collection through interviews. By using the survey form, the exactness and reliability of the result can be increased. In order for respondents to have a clearer understanding of the issues under study, researchers may also present questions in another language in the questionnaire survey. As described above, time management causes us to distribute our questionnaire via the internet so we suggest future researchers to schedule their survey time before processing. It will increase the accuracy of the data obtained from the survey. In addition, researchers can also increase the range of targeted respondents from certain states to western Malaysia generally. This allows researchers to obtain a better and more accurate result for sustainable performance in the manufacturing industry and suggest testing the same variables in other industries.

Conclusion

Green HRM refers to the implementation of green and eco-friendly practices and policies implemented by the HRM department that affects the entire organisation and its business practices. Employees are a key component of this agenda where each employee is made aware of the sustainable practices that the company adheres to and ensures that employees support and are committed to these objectives. Green practices are becoming increasingly important to ensure a successful corporation and are part of its corporate social responsibility initiatives. HRM ensures that these green initiatives are communicated to the employees through green recruitment and selection, green training, green performance management, and rewards and compensation.

There are two main theories highlighted in this assignment, Ability-Motivation-Opportunity (AMO) theory and Social Exchange theory. The first theory relates to the relationship between



the management of people and the performance that can be derived from this management. This theory suggests that the amalgamation of an employee's ability, motivation and the opportunity may result in a calculated performance outcome. In Green HRM, the practices that are adopted result in the corresponding "green" organisational citizenship behaviour (OCBE), which serves as performance metrics for sustainable performance. It is crucial for corporations to follow such GHRMs, as they are one of the largest contributors to environmental problems around the globe, and these policies and practices will help to protect and improve the health and well-being of their employees and society.

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