

# Comparative Analysis of Green HRM Implementation in Public and Private Banks and its Impact on Employees' Performance

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## ABSTRACT

**Introduction:** This study explores the impact of Green and Sustainable Human Resource (HR) practices on employee performance within the banking sector. As organizations strive to enhance their environmental responsibility and overall sustainability, Green and Sustainable HR practices have emerged as key drivers of organizational success. These practices, which include environmentally conscious recruitment, training, compensation, and performance management, are believed to foster not only a more sustainable work environment but also improve employee satisfaction, engagement, and productivity.

**Objectives:** This research aims to examine how integrating Green and Sustainable HR practices influences bank employee performance, focusing on the Moradabad region. The main objectives of this research are:

1. To examine the impact of Green and Sustainable HR practices on Employee Performance in the banking sector.
2. To compare the implementation of Green Human Resource Management (GHRM) practices between employees of public sector banks and private sector banks.

**Methods:** This study adopts a quantitative research design using a descriptive and correlational approach. The research explores the relationship and impact between Green and Sustainable HR practices and employee performance. A structured questionnaire was distributed to 120 managerial employees working in banks in the Moradabad region. The questionnaire included 20 questions, designed to measure the employees' perceptions of Green HR practices, e.g., Green Training, Green Recruitment, Green Compensation, Sustainable practices, and their self-reported performance levels. Out of 120 questionnaires distributed, 100 responses were completed and used for the analysis. SPSS software used for the analysis. Multiple regression and an Independent sample T-test were applied for the testing of the hypothesis.

**Results:** Sustainable Practices is the sole strong predictor ( $p = .000$ ) and has a positive effect on employee performance. F-value (6.867): This shows how well the regression model is performing. A higher F-value is usually associated with a reasonable model fit. Significance value ( $p = .000$ ): This is very important ( $p < .05$ ), which indicates that there is significant interaction between the independent variables when it comes to estimating employee performance. **Null hypothesis 1 is rejected.** There is a significant impact of Green and Sustainable HR practices on

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Employees' Performance. Levene's Test for Equality of Variances indicated that the assumption of equal variances holds ( $p = 0.613 > 0.05$ ). Based on the t-test with equal variances assumed, the results show a significant difference between the two groups ( $t(118) = -2.336, p = 0.021$ ). The p-value is less than 0.05, it is concluded that the difference is statistically significant. Thus, it can be interpreted that **private sector bank employees perceive and experience significantly higher GHRM practices** compared to public sector bank employees. Since your **p-value = 0.021** (which is  $< 0.05$ ), **reject the null hypothesis II**.

**Conclusions:** The current research focused on analyzing the impact of Green and Sustainable Human Resource (HR) Practices on the performance of employees in the Indian Banking Industry.

The results indicated a statistically significant correlation between green HR practices and improved employee performance, as indicated by the p-value of less than 0.05. The implementation of Green HRM Practices in the type of bank (public or private) influences the extent to which GHRM practices are perceived and implemented by employees, with private banks demonstrating a stronger emphasis on environmental sustainability through HRM practices.

**Keywords:** Green HR practices, Sustainable HR practices, Employee performance, Banking sector, Organizational sustainability, Environmental responsibility.

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## INTRODUCTION

In the past few years, there has been growing acknowledgment of the importance of businesses embedding sustainable practices within their operations. Green Human Resource Management (Green HRM) and Sustainable HR practices have come to the fore as a strategic method for enhancing organizational performance in conjunction with solving environmental and social issues. These practices, such as Green Recruitment, Green Training, Green Compensation, and Green Communication, seek to enhance environmental sustainability and social responsibility in the workplace (Renwick et al., 2013; Jabbour & Jabbour, 2016). Green HRM, especially, seeks to integrate sustainability into the organizational culture through human resource policies and practices, ensuring environmental objectives are attained while at the same time boosting organizational outcomes (Yusliza et al., 2016). The banking industry, as an integral part of the international economy, is embracing sustainable operations in order to remain competitive as well as cope with the mounting issues associated with climate change and corporate social responsibility (CSR). Banks, being service-based firms, have immense scope for decreasing their ecological footprint by adopting efficient human resource management. As green concerns and regulatory needs escalate, incorporating Green HR practices can help deliver a distinctive competitive edge, allowing banks to differentiate themselves through the support of sustainable practices (Ahuja & Pandey, 2016). Moreover, Green HRM can help improve employee performance by cultivating a sustainability culture and linking employee goals with the company's environmental goals (Jabbour et al., 2010). The present study intends to analyze the influence of Green and Sustainable HR practices on employee performance in banks based in the Moradabad district of India. The study analyzes how these HR practices, if properly implemented, can result in organizational performance, employee engagement, and overall productivity improvement. Through an exploration of this relationship, this research aims to contribute to the body of literature regarding sustainable human resource management and its effect on business performance in banking.

## **LITERATURE REVIEW**

### **Green HRM and Sustainable HR Practices**

The integration of the environment sustainability aspect within human resource management has attracted immense attention in the past few years, resulting in the development of Green HRM. Green HRM is defined as HR practices and policies that enhance the environmental objectives of an organization and motivate sustainable conduct within the organization (Renwick, Redman, & Maguire, 2013). It transcends the mere "greening" of conventional HR activities to involve environmentally friendly recruitment, training, performance management, compensation, and communication practices (Jabbour & Jabbour, 2016). Sustainable HR practices, by contrast, expand the definition of environmental sustainability to incorporate employees' long-term development taking into account their welfare and the environmental performance of the organization (Ehnert, 2009). They comprise activities aimed at improving employees' health, work-life balance, and career, while also enhancing sustainable business practices. Green HRM and sustainable HR practices not only aim to reduce the environmental impact of the organization but also to align organizational objectives with employees' social responsibility and involvement (Ahuja & Pandey, 2016). Therefore, it is crucial to look at these practices as a strategic method of obtaining environmental as well as organizational objectives.

### **Effect of Green HRM on Employee Performance**

Several studies have also pointed out the positive correlation between Green HRM practices and worker performance. A study by Jabbour et al. (2010) indicates that through the integration of environmental values in HR practices, organizations can enhance employee motivation and job satisfaction, which ultimately boosts overall performance. Green HRM practices like green recruitment and training create a sense of collective responsibility and commitment to sustainable objectives among workers. This commitment inspires employees to act in accordance with organizational values, resulting in increased productivity (Renwick et al., 2013).

Additionally, Tariq et al. (2017) contended that workers in organizations with well-established Green HRM practices feel more empowered and engaged since they believe their work is contributing to a greater environmental good. This sense of purpose is known to have a positive impact on motivation and job performance. Also, Green HRM activities like green training courses enable employees to acquire new skills and thereby enhance their performance by gaining knowledge and expertise in sustainability matters (Jabbour & Jabbour, 2016).

### **Green Recruitment and Training**

Green recruitment is one of the vital components of Green HRM, especially in industries where environmental sustainability must be prioritized, like the banking sector. Green recruitment, as Jabbour et al. (2010) describe it, involves the selection of employees who not only match the organizational culture but also possess an environmental orientation. These practices guarantee that new workers have the organization's sustainability values, which can lead to improved employee performance since they are more likely to adopt sustainable behaviors in the workplace.

Likewise, Green training programs have also been found to have a strong impact on employee performance. Mishra and Jha (2019) believe that organizations that offer their employees training in sustainability practices develop an employee base that is not just more informed but also more productive. Training that focuses on the significance of sustainability activities, reducing waste, and environmentally friendly practices can result in higher employee involvement and, therefore, improved performance (Renwick et al., 2013).

### **Green Compensation and Performance Management**

Green compensation is the practice of connecting employee rewards with sustainable practices and performance. According to Carter et al. (2018), employees are more likely to be motivated to contribute to the company's environmental objectives when they are financially or otherwise rewarded for their involvement in sustainability programs. The reward-based method can result in improved employee performance through the encouragement of desired green behavior.

Further, performance management systems that comprise sustainability parameters have become an indispensable part of Green HRM. Such systems evaluate the performance of the employees on the basis of both conventional job

results and their contributions to the environmental goals of the organization (Ahuja & Pandey, 2016). Through the incorporation of sustainability in appraisals, organizations emphasize the significance of environmental practices and further encourage employees to enhance their performance in accordance with the firm's green mission.

### The Banking Sector and Green HR Practices

The banking industry has been slower to embrace Green HR approaches than other sectors, but it is increasingly acknowledging the significance of sustainability. Banks are under growing pressure from stakeholders, such as regulators, customers, and investors, to become more sustainable. As Bocken et al. (2014) observe, banks that adopt green HR measures do not only minimize their environmental impacts but also become more competitive by being able to attract environmentally friendly employees and customers.

In the Indian context, the banking industry in the Moradabad area is witnessing an increasing interest in Green HRM practices. Having a strong emphasis on environmental sustainability and social responsibility, numerous banks are now in pursuit of implementing Green HR practices as a strategic imperative (Singh & Pathak, 2018). Studies have found that when banks orient HR practices towards sustainability objectives, they are able to establish a more productive and committed workforce, which leads to organizational performance (Ahuja & Pandey, 2016).

### OBJECTIVES

Research objectives are the precise, quantifiable, and attainable results that a researcher hopes to attain with their investigation. The objectives of my study are as follow:

1. To examine the impact of Green and Sustainable HR practices on Employee Performance in the banking sector.
2. To compare the implementation of Green Human Resource Management (GHRM) practices between employees of public sector banks and private sector banks.

**Conceptual Framework**-A conceptual framework is a written or visual description of the connections between important ideas or variables in a study that serves as a basis for comprehending a phenomenon and directing future research. It facilitates the development of research topics, possible connections, and concept organization. The conceptual framework of my study is given below:

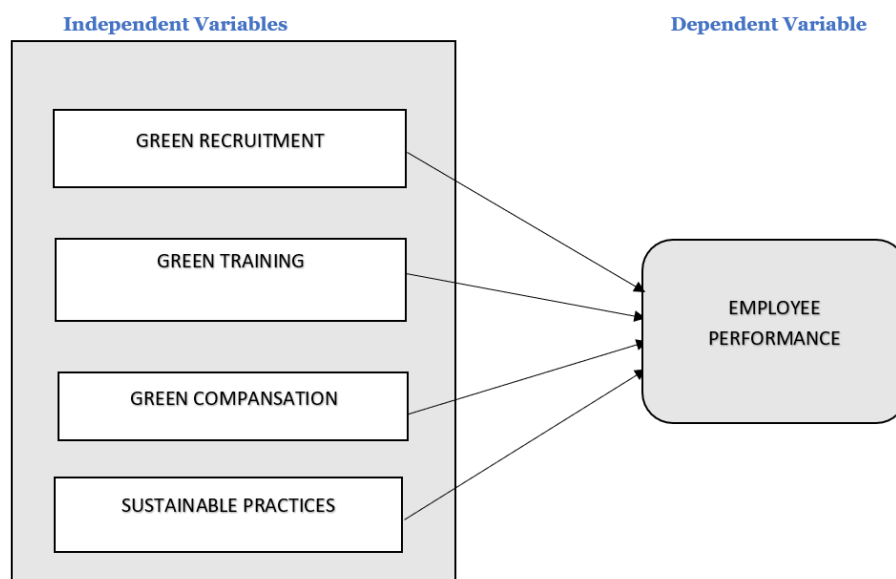


Fig: 1 Conceptual Framework

## METHODS

### Hypothesis

A hypothesis is an educated guess regarding the relationship between variables or a suggested explanation for a phenomenon. The hypothesis of my research is as follow-

Null Hypothesis (Ho)1: Green and Sustainable HR practices have no significant impact on employee performance in the banking sector.

Null Hypothesis (Ho) 2: There is no significant difference in the implementation of GHRM practices between public and private bank employees.

### Research Design

The present research follows a quantitative research design of descriptive and correlational type. The study examines the correlation and influence of Green and Sustainable HR practices on the performance of the employees.

### Data Collection

A standard questionnaire was sent to 120 managerial employees employed at banks in the Moradabad area. The questionnaire contained 20 items, aimed at reflecting employees' beliefs about Green HR practices, such as Green Training, Green Recruitment, Green Compensation, Sustainable practices, and self-perceived levels of Green HR performance. 120 questionnaires were handed out but 100 returns were received for the analysis. SPSS software was employed for analysis. Hypothesis testing involved multiple regression and an Independent sample T-test.

### Reliability and Validity

The reliability of the questionnaire was also checked with Cronbach's Alpha. The result came to 0.802, and it pointed towards the instrument having high internal consistency and could be used in the analysis. Content validity was guaranteed through consultation with experts from the domain of Human Resources and sustainability regarding ensuring the relevance and clarity of the questions.

**Reliability Statistics**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.802	.817	20

**TABLE: 1**

### Data Analysis

The data were examined using SPSS (Statistical Package for the Social Sciences) software. Descriptive statistics were used to consolidate the demographic details and responses. To determine the effect of Green HR practices on employee performance, Multiple Regression Analysis was used

## Regression Analysis Results

The Model Summary for the regression analysis is presented below:

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.474 <sup>a</sup>	.224	.192	.999	.224	6.867	4	95	.000	1.711

**TABLE:2**

### Interpretation

R Square (0.224): Approximately 22.4% of employee performance can be explained by the predictors: green recruitment, green training, green compensation, and sustainable practices. Adjusted R Square (0.192): After accounting for the number of predictors used in the model, this demonstrates that roughly 19.2 percent of the variance is explained in the model. Durbin-Watson (1.711): A value close to 2 indicates no serious autocorrelation in the residuals (which is good).

### ANOVA

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	27.402	4	6.851	6.867	.000 <sup>b</sup>
Residual	94.770	95	.998		
Total	122.172	99			

a. Dependent Variable: EMPLOYEES' PERFORMANCE

b. Predictors: (Constant), SUSTAINABLE PRACTICES, GREEN RECRUITMENT, GREEN COMPENSATION, GREEN TRAINING

**TABLE:3**

F-value (6.867): This shows how well the regression model is performing. A higher F-value is usually associated with a reasonable model fit. Significance value ( $p = .000$ ): This is very important ( $p < .05$ ), which indicates that there is significant interaction between the independent variables when it comes to estimating employee performance. In terms of explaining employee performance, the model significantly explains a meaningful portion of the variability of the employee performance with the Regression SS (27.402) in comparison to the Residual SS (94.770).



**Interpretation:** The total regression model is statistically significant ( $p = .000$ ), i.e., the set of Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.060	.670		3.076	.003
GREEN RECRUITMENT	-.045	.076	-.056	-.596	.553
GREEN TRAINING	-.163	.154	-.127	-1.054	.294
GREEN COMPANSATION	.071	.169	.050	.421	.675
SUSTAINABLE PRACTICES	.488	.097	.454	5.011	.000

a. Dependent Variable: EMPLOYEES' PERFORMANCE  
predictors significantly predicts employee performance.

TABLE: 4

**Interpretation:**

Sustainable Practices is the sole strong predictor ( $p = .000$ ) and has a positive effect on employee performance. An increase in sustainable practices by one unit is related to an increase in employee performance by 0.488 units, controlling for other variables.

Green Recruitment, Training, and Compensation are not strong predictors ( $p > .05$ ) in this model. The fact that green recruitment and green training have negative coefficients implies that, when taken separately, they may not be directly impacting performance or even be seen in a negative light by employees, but this requires further examination. Thus, null hypothesis 1 is rejected. There is a significant impact of Green and Sustainable HR practices on Employees' Performance.

**Comparison between Public and Private Sectors-** For the comparison between the Public and private sector to assess the implementation of Green HRM, the researcher has applied an independent sample t-test. The results are given in the table below:

	A Private bank or Public bank	N	Mean	Std. Deviation	Std. Error Mean
GHRM	public bank	57	55.8772	12.44570	1.64847
	private bank	63	60.6508	9.89160	1.24622

Table: 5

**Independent Samples Test**

	Levene's Test for Equality of Variances		t-test for Equality of Means						
	F	Sig.	t	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
								Lower	Upper

Equal variances assumed	.258	.613	-2.336	118	.021	-4.77360	2.04314	-8.81957	-.72763
Equal variances not assumed			-2.310	106.795	.023	-4.77360	2.06653	-8.87034	-.67686

Table: 6

**Interpretation:** The study aimed to compare the implementation of Green Human Resource Management (GHRM) practices on public and private sector banks. The **Group Statistics** table reveals that the mean GHRM score for employees of public banks is **55.88** (SD = 12.45), whereas for private bank employees, it is **60.65** (SD = 9.89). This suggests that, on average, private bank employees report a higher level of GHRM practices compared to their public sector counterparts. To determine whether this observed difference is statistically significant, an **Independent Samples t-test** was conducted. Levene's Test for Equality of Variances indicated that the assumption of equal variances holds ( $p = 0.613 > 0.05$ ). Based on the t-test with equal variances assumed, the results show a significant difference between the two groups ( $t(118) = -2.336$ ,  $p = 0.021$ ). The **mean difference** between the two groups is **-4.77**, with a 95% confidence interval ranging from **-8.82 to -0.73**. Since the confidence interval does not contain zero and the p-value is less than 0.05, it is concluded that the difference is statistically significant. Thus, it can be interpreted that **private sector bank employees perceive and experience significantly higher GHRM practices** compared to public sector bank employees. Since your **p-value = 0.021** (which is  $< 0.05$ ), **reject the null hypothesis II**.

## RESULTS

The research explored the effect of Green and Sustainable Human Resource Management (GHRM) practices on employee performance and variations in GHRM implementation in public and private sector banks. Hypothesis I: There is no significant effect of Green and Sustainable HR practices on Employee Performance. This null hypothesis is rejected. The regression model demonstrates that Sustainable Practices is the sole significant predictor of employee performance ( $p = .000$ ), with a positive impact.

More specifically, an increase in one unit of sustainable practices is linked to an increase in employee performance of 0.488 units when other variables are controlled for. While Green Recruitment, Training, and Compensation were controlled for in the model, none of them were statistically significant predictors ( $p > .05$ ). Notably, Green Recruitment and Green Training were negative, which implies that these practices might not be viewed positively by employees or might not be directly related to enhanced performance when measured independently. This finding deserves further examination.

Hypothesis II: There is no difference in the implementation of GHRM practices between public and private sector bank employees. This null hypothesis is also rejected. The Independent Samples t-test indicated a statistically significant difference in the implementation of GHRM between private and public sector bank employees ( $t(118) = -2.336$ ,  $p = 0.021$ ). Private bank employees had a significantly higher mean GHRM score ( $M = 60.65$ ,  $SD = 9.89$ ) compared to public bank employees ( $M = 55.88$ ,  $SD = 12.45$ ). The average difference of -4.77 was statistically significant, with a 95% confidence interval of  $[-8.82, -0.73]$ , which excludes zero. Therefore, it is inferred that private sector bank employees indicate a significantly higher level of GHRM practices than public sector bank employees.

## DISCUSSION

The current research focused on analyzing the impact of Green and Sustainable Human Resource (HR) Practices on the performance of employees in the Indian banking industry. The results indicated a statistically significant correlation between green HR practices and improved employee performance, as indicated by the p-



value of less than 0.05. This provides robust empirical evidence in support of the hypothesis that the use of environmentally sustainable and responsible HR practices has positive effects on employee performance outcomes. The findings of the study indicate a significant difference in the perception and implementation of Green Human Resource Management (GHRM) practices between public and private sector banks. Private bank employees reported a higher average GHRM score compared to their public sector counterparts, suggesting that private banks are more actively engaged in adopting and promoting green HRM initiatives. The Independent Samples t-test confirmed that this difference is statistically significant ( $p < 0.05$ ), leading to the rejection of the null hypothesis. Overall, the results highlight that the type of bank (public or private) influences the extent to which GHRM practices are perceived and implemented by employees, with private banks demonstrating a stronger emphasis on environmental sustainability through HRM practices.

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