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Banking or IT: The Greatest Contributor to Sustainability through GHRM

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Abstract:

The services sector, with around 52 per cent contribution to the Gross Domestic Product (GDP) in 2014-15, has made rapid strides in the past decade and a half to emerge as the largest and one of the fastest-growing sectors of the economy. The services sector is not only the dominant sector in India's GDP, but has also attracted significant foreign investment flows, contributed significantly to exports as well as provided large-scale employment. As service sector transitioned the economy to a knowledge economy and will continue to see the vigorous growth which will further propel its expansion, a need was felt to analyze this robust service sector in contributing to the sustainability factor – that is the practice of green HRM(GHRM) in the organization. With banking named as one of the oldest component of the Indian service sector which has contributed to the economic development and the IT being the most recent component this research aims at studying the various GHRM practices at the banking and IT sector. The research also analyzed and evaluates the contribution of these sectors toward sustainability through GHRM. Primary data from various employees of IT firms and Banks were collected across India with the intention of identifying the contribution of these sectors to the sustainability through GHRM.

Keywords: Service Sector, Sustainability, Green HRM, Banking, IT

1. Introduction

Intangible goods produced by the service sector with the use of more human capital than natural capital indicates that the service sector contributes more towards sustainability. Building up human capital may result in greater sustainability by using Green HRM practices. The scope of the service sector being extensive includes banking, tourism, hotel, education, IT etc. Banking sector has its roots right from the last decade of 18th century has contributed immensely to the nation's development and entering into the service sector in the late 1990's Information technology is playing an important role in India today and has transformed India's image from a slow moving bureaucratic economy to a land of innovative entrepreneurs. As banking is considered to be the oldest service sector and IT being one of the latest of all the other service sectors this research tries to analyze and evaluate the best contributor among these towards economic growth and sustainability through GHRM.

1.1. Objectives

- To analyze and evaluate the various GHRM practices in banking and IT sector.
- To identify the greatest contributor among banking and IT sector towards sustainability through GHRM.

1.2. Research Methodology

Primary data from employees at various organizations in the form of a questionnaire which includes demographic data, and the employee opinion on the various GHRM practices in their organization on a 5point Likert Scale. Analysis of the data collected was done using IBM SPSS software.

1.3. Sample Size

Questionnaire was distributed to 40 employees from banking sector and 40 from IT sector.

1.4. Limitations

- i. The study restricts itself to the Indian banking and IT sector
- ii. Time is also a constraint
- iii. The truthfulness of the employee to answer the questionnaire

2. Literature Review

With hundreds of definitions from various management gurus HRM is concerned with people dimension in management and can be connoted as the process of making the efficient and effective use of human resources so that the set goals are achieved.

With sustainability the talk of the hour, a number of the companies have not been able to integrate environmental stewardship centrally or integrally into the day to day operation. Incorporating environment-based focus for sustainable growths, and providing support for environmental priorities, often do not succeed as 'environment' is mostly the secondary interest of the companies. Some organizations who do initiate greening efforts are unable to integrate the green initiatives with people, process, technology and organization front...

In general, business is described as green if it matches the following four criteria:

- It incorporates principles of sustainability into each of its business decisions.
- It supplies environmentally friendly products or services that replaces demand for no green products and/or services.
- It is greener than traditional competition.
- It has made an enduring commitment to environmental principles in its business operations.

Green human resources: Green human resources refer to using every employee touch point/interface to promote sustainable practices and increase employee awareness and commitments on the issues of sustainability. It involves undertaking environment-friendly HR initiatives resulting in greater efficiencies, lower costs and better employee engagement and retention which in turn, help organizations

The concept of GHRM is of recent origin. Lee (2009) elaborated that the green management was initiated as a part of business strategy during 1990s yet, became widely popular in 2000s. Though green management and greener initiatives were in existence from more than past two decades, yet not many elaborated researches in the area of GHRM are available. Literature surveys have highlighted the link of HR practices and organisational outcomes such as productivity, flexibility, and financial performance.

Laursen and Foss (2003) have revealed that not much emphasis has been laid on relating these outcomes to innovation performance and environmental management initiatives (Renwick et al., 2008).

Jabbour et al. (2013) studied the relationship between human resources and environmental management at 75 Brazilian companies and concluded that HRM relates positively to environmental management.

Renwick et al. (2008) and Muller-Carmen et al. (2010) have explained that GHRM involves an integration of company's environmental management objectives to the HR processes of recruitment and selection, training and development,

2.1. GHRM Practices

2.1.1. Recruitment and Orientation

Sustainable development issues must be integrated into the recruitment process. This involves monitoring the long-term competency requirements for the company, providing new employees with information about sustainable development policies and commitments, using recruitment procedures which support the equitable representation of applicants and recruits in terms of gender, age, racial and ethnic groups, sexual orientation, disabled people and other relevant groups. For this the company's job descriptions should reflect the sustainability agenda and the company's website and other research tools available for candidate access clearly outline its greening endeavors.

2.1.2. Training and Development

Employee training and development programmes should include social and environmental issues at all levels, from technical health and safety considerations on the shop floor, to strategic sustainability issues at executive management and board level. They should cover the full range of social, environmental and economic risks and opportunities involved with the business and the means to identify them. The focus should be on developing competencies for different business functions and different levels of seniority. Green orientation programs for the newly hired employees should be an integral part of the training and development process. They should inform the employees about the green procedures and policies including the vision/mission statement of the company, the sustainability oriented benefits, company-wide initiatives like reducing greenhouse gases, creating green products etc.

2.1.3. Employee Involvement and Participation

An important way in which employee involvement and participation can be encouraged within the organization is to seek entrepreneurs within the company who are socially or ecologically oriented known as eco-intrapreneurs. They have the ability to organize existing financial, human and natural resources in a way that adds value to the company's products or services where it didn't exist previously. Apart from this employee involvement (EI) teams in EM can cut waste (as employees are seen to have the most knowledge of the work processes and products involved); can manage such complex work well; and using them helps build employee pride and commitment in their work. EI teams can not only bring about a change in how work processes are performed, but also improve worker health and safety too. The two key gains from introducing Green EI initiatives are seen to be improvements in environmental and worker health and safety, and the development of more knowledgeable employees and supervisors

2.1.4. Compensation: Pay and Reward System

Attainment of specific sustainable initiatives should be incorporated into the compensation system by offering employees a benefit package that rewards employees for changing behaviors. A variable pay element can be added to the compensation system by linking the pay to eco-performance. Work organizations can benefit from rewarding waste reduction practices that teams develop. . In general, such organizations are seen to need to develop reward systems to produce desirable behaviors in EM, and doing so requires effective employment of both incentives and disincentives. Disincentives include negative reinforcements like suspensions, criticisms and warnings and may be needed to get employees to make environmental improvements.

2.1.5. Performance Related Pay

some firms have started to include EM issues into their PRP systems, as an extra performance criterion or as a baseline standard to be met to qualify for PRP, it is important to consider the successful linking of contingent remuneration for senior managers and the higher performance produced in environmental management, and the successful use of public recognition systems that include financial compensation for employees

3. Data Analysis and Interpretation

A structured questionnaire was executed to 80 respondents.

The profile of the respondents being 50 % from IT and 50% Banking Sector the null hypothesis is taken as: Ho: there is relationship between sector and the factor.

Sector	Strongly Agree	Agree	Neutral	Disagree	Total
Banking	15(37.5%)	5(12.5%)	0	20(50%)	40
IT	10(25%)	18(45%)	2(5%)	10(25%)	40
Total	25(31.3%)	23(28.3%)	2(2.5%)	30(37.5%)	80

Pearson Chi-Square=.003

Table 1: Sector vs. Orientation program

Source: Primary Data (Figure in the parenthesis indicate the % within sector)

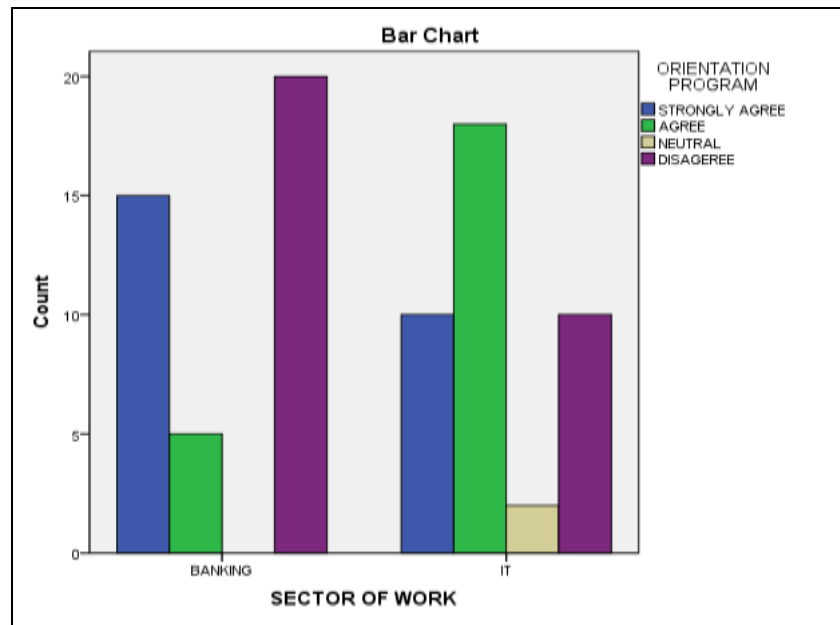


Figure 1

➤ Data Interpretation:

Of the 80 respondents 31.3% strongly agree that they are given orientation program on GHRM, 28.3% agree, 2.5 % are neutral and 37.5 % disagree. Of the 40 respondents from the banking sector 37.5% strongly agree, 12.5% agree and 50 % disagree while of the 40 respondents from the IT sector 25% strongly agree, 45% agree, 5% are neutral and 25% disagree that they are given orientation program on GHRM.

→ Analysis:

Pearson Chi-square test value of .003. As it is less than 0.05we accept null hypothesis that there is a relationship between sector and the orientation program. The bar diagram shows us that the IT sector gives better orientation to its employees than the banking sector.

Sector	Strongly agree	Agree	Neutral	Disagree	Total
Banking	15(37.5%)	4 (10%)	0	21(52.5%)	40
IT	5(12.5%)	21(52.4%)	3(7.5%)	11(27.5%)	40
Total	20(25%)	25(31.3%)	3(3.8)	32(40%)	80

Pearson Chi-Square=0.000

Table 2: Sector vs. Job Description

Source: Primary Data (Figure in the parenthesis indicate the % within sector)

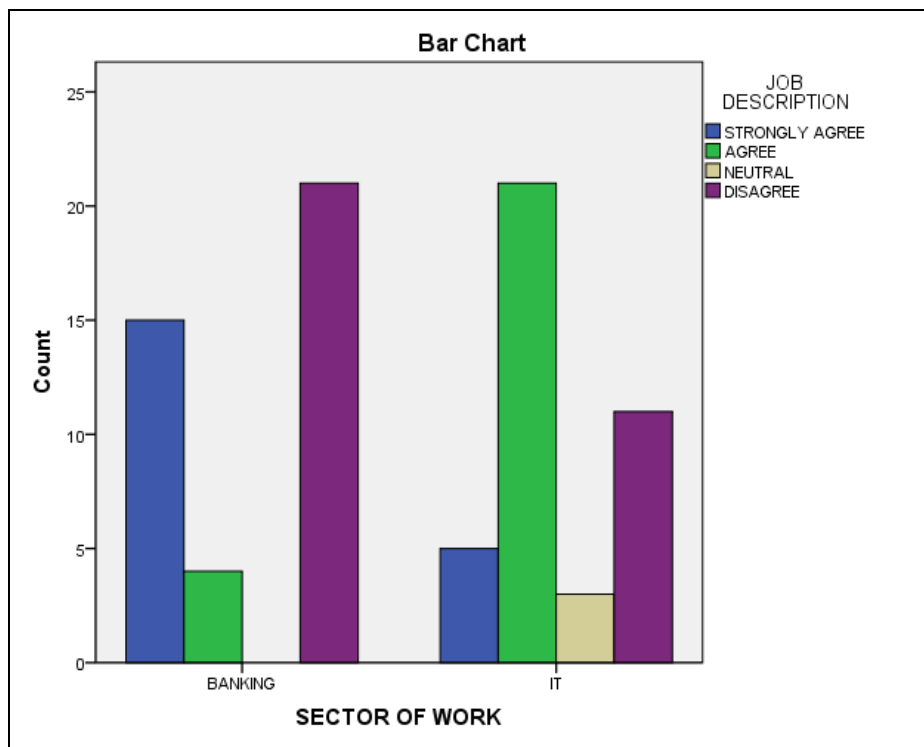


Figure 2

➤ Data Interpretation:

Of the 80 respondents 25% strongly agree that their job description specify about GHRM practices 31.3% agree, 3.8 % are neutral and 40 % disagree. Of the 40 respondents from the banking sector 37.5% strongly agree, 10% agree and 52.5 % disagree while of the 40 respondents from the IT sector 25% strongly agree, 31.3% agree, 3.87 are neutral and 40% disagree that their job description specify about GHRM practices

→ Analysis:

Pearson Chi-square test value of .000. As it is less than 0.05 we accept null hypothesis that there is a relationship between sector and the job description specify GHRM Practices...

Sector	Strongly Agree	Agree	Neutral	Disagree	Total
Banking	15(37.5%)	4(10.0%)	0(.0%)	21(52.5%)	40
IT	4(10.0%)	21(52.5%)	3(7.5%)	11(27.5%)	40
Total	19(23.8%)	25(31.3%)	3(3.8%)	32(40.0%)	80

Pearson Chi-Square=.000

Table 3: Sector vs. Training

Source: Primary Data (Figure in the parenthesis indicate the % within sector)

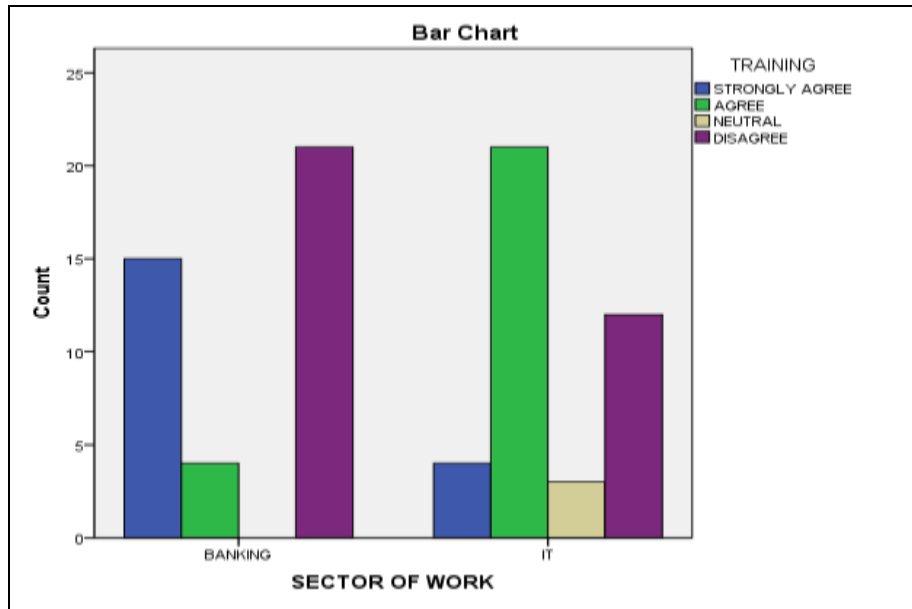


Figure 3

➤ Data Interpretation:

Of the 80 respondents 23.8% strongly agree that, 31.3% agree, 2.5 % are neutral and 37.5 % disagree. Of the 40 respondents from the banking sector 37.5% strongly agree, 10% agree and 52.5 % disagree while of the 40 respondents from the IT sector 23.8% strongly agree, 31.3% agree, 3.8% are neutral and 52.5% disagree that they are given training program on GHRM

→ Analysis:

Pearson Chi-square test value of .003. As it is less than 0.05we accept null hypothesis that there is a relationship between sector and the training program.

Sector	SA	A	N	DA	Total
Banking	15(37.5%)	4(10%)	0	21(52.5%)	40
IT	8(20%)	17(42.5%)	4(10%)	11(27.5%)	40
total	23(28.8%)	21(26.3%)	4(5%)	32(40%)	80
Chi-square test=.001					

Table 4: Sector vs. Help from Green Teams

Source: Primary Data (Figure in the parenthesis indicate the % within sector)

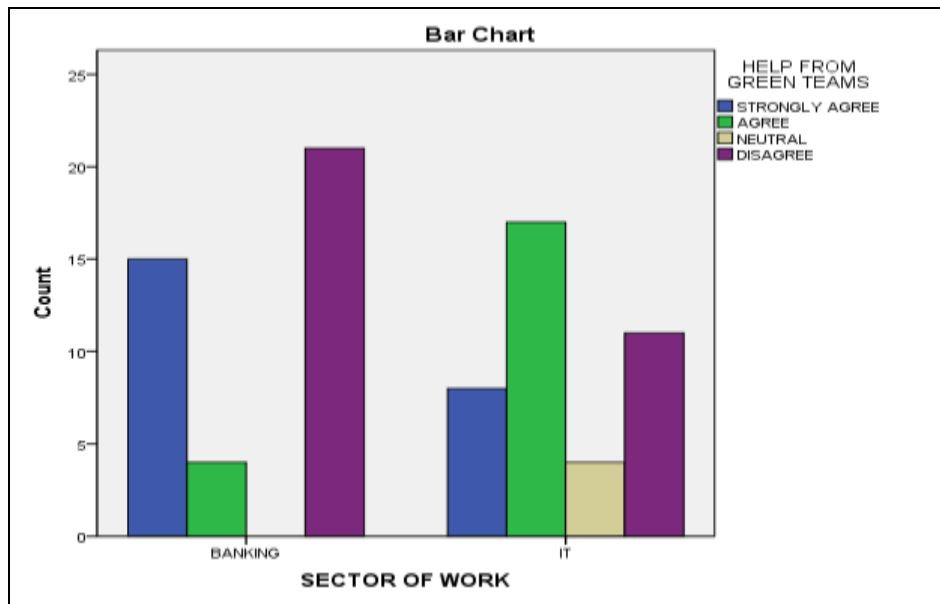


Figure 4

➤ Data Interpretation:

Of the 80 respondents 28.8% strongly agree, 26.3% agree, 5% are neutral, 40% disagree that they get help from green teams. Of the 40 respondents from the banking sector 37.5% strongly agree, 10% agree and 52.5% disagree while of the 40 respondents from the IT sector 20% strongly agree, 42.5% agree, 10% are neutral and 27.5% disagree that they are get help from green teams practice GHRM.

→ Analysis:

Pearson Chi-square test value of .001. As it is less than 0.05 we accept null hypothesis that there is a relationship between sector and the help from green teams

Sector	S Agree	Agree	Neutral	Disagree	Total
Banking	15(37.5%)	5(12.5%)	0	20(50%)	40
IT	5(12.5%)	21(52.5%)	4(10%)	10(25%)	40
Total	20(25%)	26(32.5%)	4(5%)	30(37.5%)	80
Chi Square test=0.000					

Table 5: Sector vs. Workshops & Seminars

Source: Primary Data (Figure in the parenthesis indicate the % within sector)

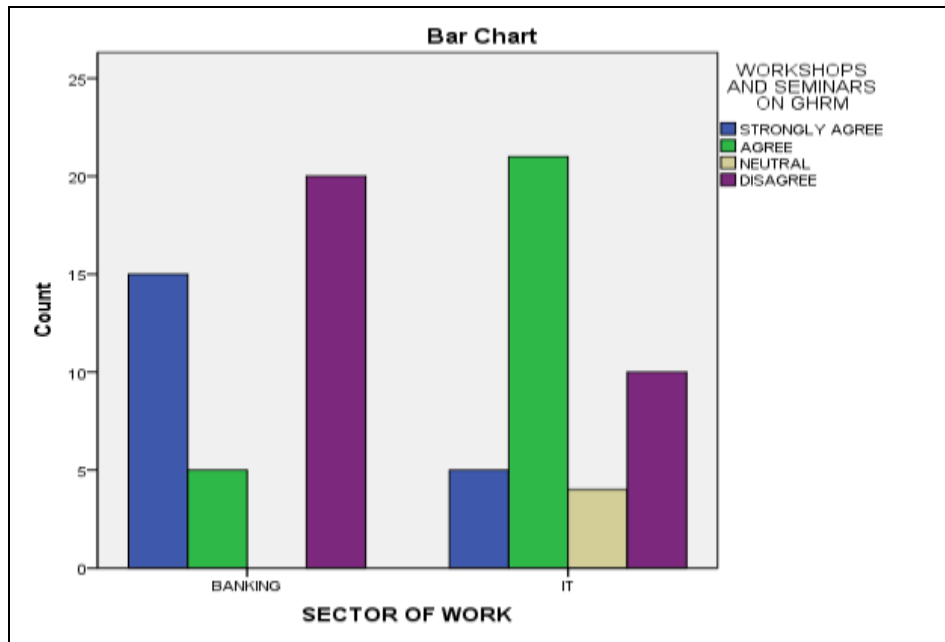


Figure 5

➤ Data Interpretation:

Of the 80 respondents 25% strongly agree that seminars and workshop on GHRM are conducted, 32.5% agree, 5% are neutral and 37.5% disagree. Of the 40 respondents from the banking sector 37.5% strongly agree, 12.5% agree and 50% disagree while of the 40 respondents from the IT sector 25% strongly agree, 32.5% agree, 5% are neutral and 37.5% disagree that they are given orientation program on GHRM

→ Analysis:

Pearson Chi-square test value of .000. As it is less than 0.05 we accept null hypothesis that there is a relationship between sector and the conduction of t seminars and workshop on GHRM are conducted.

Gender	S. Agree	Agree	Neutral	Disagree	Total
Male	15(37.5%)	4(10%)	0	21(52.5%)	40
Female	3(7.5%)	24(60%)	2(5%)	11(27.5%)	40
total	18(22.5%)	28(35%)	2(2.5%)	32(40%)	80
Pearson Chi Square=0.000					

Table 6: Sector vs. Provision of Flexible Work hours

Source: Primary Data (Figure in the parenthesis indicate the % within sector)

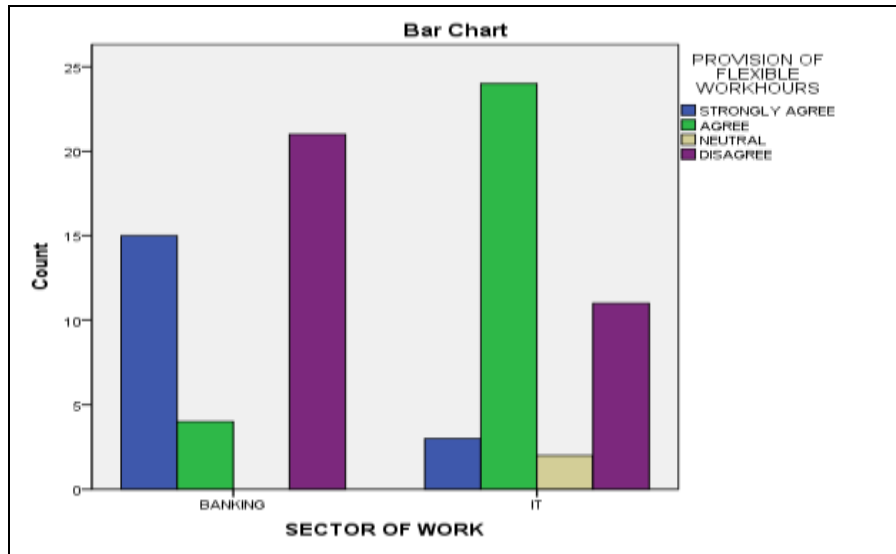


Figure 6

➤ Data Interpretation:

Of the 80 respondents 22.5% strongly agree that they are given orientation program on GHRM, .53% agree, 2.5 % are neutral and 40 % disagree. Of the 40 respondents from the banking sector 37.5% strongly agree, 10% agree and 52.5 % disagree while of the 40 respondents from the IT sector 7.55% strongly agree, 60% agree, 5% are neutral and 27.5% disagree that their organization provide flexible work hours.

→ Analysis:

Pearson Chi-square test value of .000. As it is less than 0.05 we accept null hypothesis that there is a relationship between sector and Flexible work hours.

Sector	S. Agree	Agree	Neutral	Disagree	Total
Banking	15(37.5%)	4(10%)	0	21(52.5%)	40
IT	3(7.5%)	24(60%)	2(5%)	11(27.5%)	40
total	18(22.5%)	28(35%)	2(2.5%)	32(40%)	80

Pearson Chi Square=0.000

Table7: Sector vs. Car Pooling

Source: Primary Data (Figure in the parenthesis indicate the % within sector)

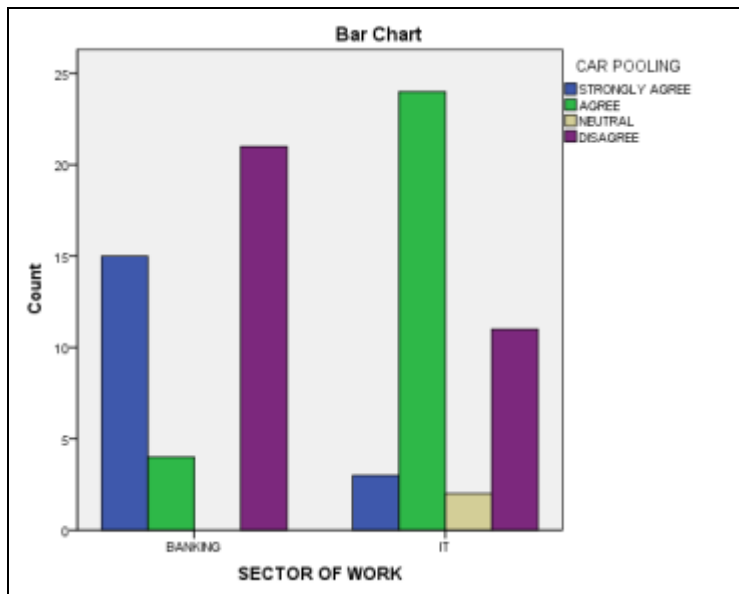


Figure 7

➤ Data Interpretation:

Of the 80 respondents 22.5% strongly agree that their organization provides car pooling as a part of GHRM, 35% agree, 2.5 % are neutral and 40 % disagree. Of the 40 respondents from the banking sector 37.5% strongly agree, 10% agree and 52.5 % disagree while of the 40 respondents from the IT sector 7.5% strongly agree,60% agree, 5% are neutral and 27.5% disagree that they their organization provides car pooling as a part of GHRM.

→ Analysis:

Pearson Chi-square test value of .000. As it is less than 0.05we accept null hypothesis that there is a relationship between sector and their organization provides car pooling as a part of GHRM

Sector	SA	A	N	DA	Total
Banking	15(37.5%)	5(12.5%)	0	20(50%)	40
IT	4(10%)	20(50%)	5(12.5%)	11(27.5%)	40
total	19(23.8%)	25(31.3%)	5(6.3%)	31(38.8%)	80

Table 8: Sector vs. Free and Discounted Transport

.Source: Primary Data (Figure in the parenthesis indicate the % within sector)

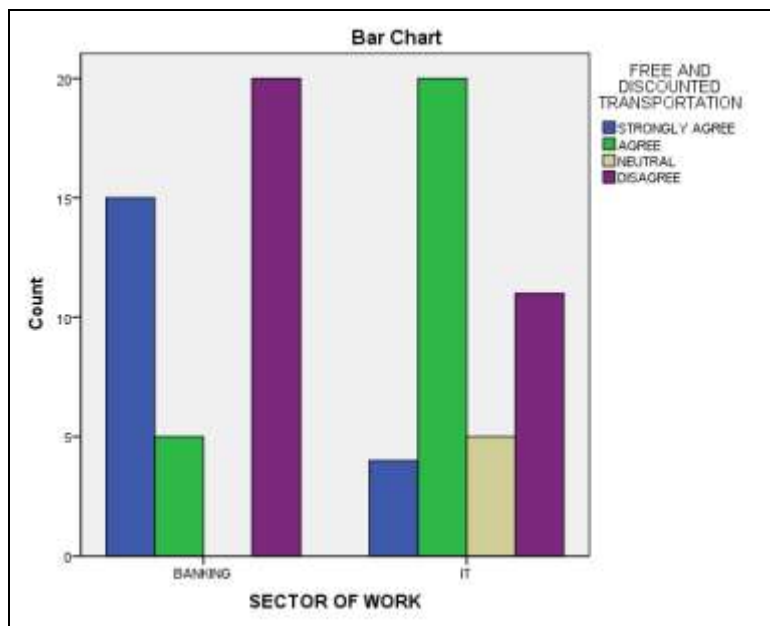


Figure 8

➤ Data Interpretation:

Of the 80 respondents 23.8% strongly agree that their organization provide free and discounted transport to their employees as a part of GHRM practice GHRM, 28.3% agree, 2.5 % are neutral and 37.5 % disagree. Of the 40 respondents from the banking sector 37.5% strongly agree, 12.5% agree and 50 % disagree while of the 40 respondents from the IT sector 25% strongly agree, 45% agree, 5% are neutral and 25% disagree that they are given orientation program on GHRM.

→ Analysis:

Pearson Chi-square test value of .003. As it is less than 0.05we accept null hypothesis that there is a relationship between sectors and free and discounted transport to their employees as a part of GHRM practice.

Sector	S.Agree	Agree	Neutral	Disagree	Total
Banking	15(37.5%)	5(12.5%)	0	20(50%)	40
IT	6(15%)	21(52.5%)	3(7.5%)	10(25%)	40
total	21(26.3%)	26(32.5%)	3(3.8%)	30(37.5%)	80

Pearson Chi Square=0.000

Table 9: Sector vs. Teleconferencing

Source: Primary Data (Figure in the parenthesis indicate the % within sector)

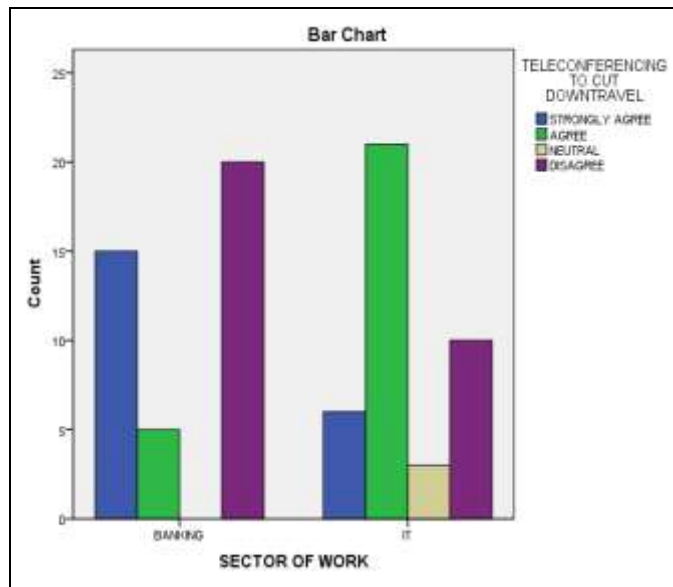


Figure 9

➤ Data Interpretation:

Of the 80 respondents 26.3% strongly agree that their organization provide Teleconferencing as a part of GHRM practice, 32.5% agree, 3.8 % are neutral and 37.5 % disagree. Of the 40 respondents from the banking sector 37.5% strongly agree, 12.5% agree and 50 % disagree while of the 40 respondents from the IT sector 15% strongly agree,52.5% agree, 7.5% are neutral and 25% disagree that they their organization provide Teleconferencing as a part of GHRM practice

→ Analysis:

Pearson Chi-square test value of .000. As it is less than 0.05we accept null hypothesis that there is a relationship between sector and .their organization provide Teleconferencing as a part of GHRM practice,

Sector	S A	A	N	Disagree	Total
Banking	15(37.5%)	4(10%)	0	21(52.5%)	40
IT	6(15%)	18(45%)	1(2.5%)	15(37.5%)	40
total	21(26.3%)	22(27.5%)	1(1.3%)	36(45%)	80

Pearson Chi Square=0.002

Table 10: Sector vs. Provision of Work from home

Source: Primary Data (Figure in the parenthesis indicate the % within sector)

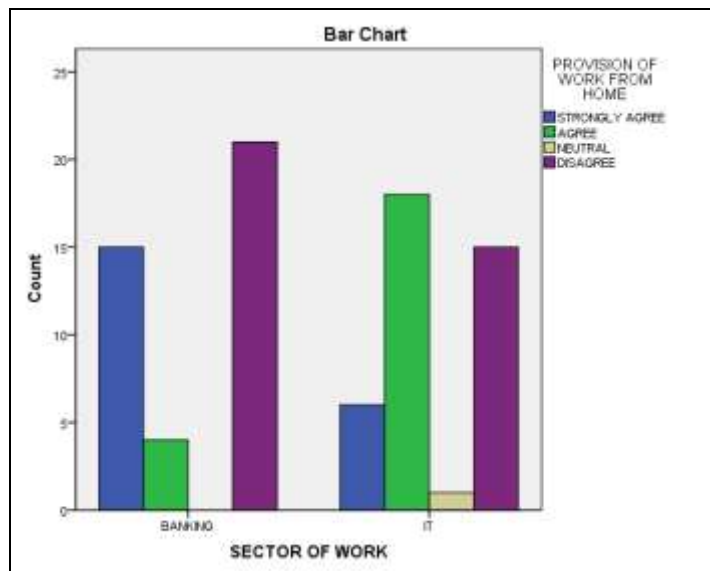


Figure 10

➤ Data Interpretation:

Of the 80 respondents 26.3% strongly agree that their organization provide with the provision of work from home as apart of GHRM practice 27.5% agree, 1.3 % are neutral 45 % disagree. Of the 40 respondents from the banking sector 37.5% strongly agree, 12.5% agree and 50 % disagree while of the 40 respondents from the IT sector 25% strongly agree, 45% agree, 5% are neutral and 25% disagree that they their organization provide with the provision of work from home as apart of GHRM practice

→ Analysis:

Pearson Chi-square test value of .002. As it is less than 0.05 we accept null hypothesis that there is a relationship between sector and Work from home

4. Conclusions

The greater the espousal of GHRM practices, greater is the contribution towards sustainability. With the service sector being the greatest contributor an analysis of the oldest and recent forms of service sector that is the banking and the IT shows that though banking has been in existence for a longer duration than the IT, the IT contributes more towards sustainability. Banking being the most used service sector it will always remain the same and will always sustain due to people's need. Banking need to concentrate more on the adoption of GHRM practices for its better sustainability and reduce its carbon foot prints.

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