

EXTENDED ABSTRACT

The Impact of Strategic Human Resource Management on Environmental Performance: With Special Reference to Managerial Employees in Apparel Industry

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Introduction

Dynamic organizations in the business world are looked at with numerous pressures from their stakeholders and statutory laws to develop and maintain environmentally responsible activities to go green (Molina-Azorin et al. 2009). Much recent interest has been paid to environmentalism globally, whether arising from specific treaties to combat climate or from harm/pollution resulting from high profile industrial accidents (Ramus and Steger, 2000). People are the most important asset in any organization and one of the main issues in arising environmental problems is, not having an effective human resource management process toward environmental performance. An effective link between strategic thinking of human resources and Environmental Performance (EP) by highlighting how employees are involved at their own levels in helping the workplaces to go green gives a positive impact in achieving environmental performance (Paillé et al. 2013).

Problem Statement

The industrial pollution is becoming a burning issue in Sri Lanka and there are many instances that have been recorded. The river *Maha Oya* was seriously affected by factories discharging effluents, dyes, and chemicals into its waters (www.gwp.org). Many people in the town of *Alawwa* were suffered from skin diseases and varieties of health issues due to contaminated water. The experts of the Global Water Partnership (GWP) investigated the matter and gave

evidence to local authorities about the impact of the pollution. A similar problem took place in *Anuradhapura*, where untreated effluents had been discharged from army camps and prisons into the close by water sources and 40, 000 people severely affected as a result (www.gwp.org). Recently, the agitation at *Rathupaswala* for clean water ended with deaths, injuries and damage to properties at the factory. Among many, industrial emissions are one of the main sources of air pollution and are responsible for most hazardous chemicals such as fluorinated carbons, PFCs, SF6 that emit into the atmosphere (Sumathipala, 2008). This will not delimit to a particular area but it affects globally.

This study attempts to find the relationship between strategic human resource management, internal environmental orientation, and environmental performance. The general question of this is to identify how internal environmental orientation (IEO) mediates strategic human resource management (SHRM) on environmental performance (EP)? Specific questions are, what is the impact of strategic human resource management (SHRM) on environmental performance (EP)? What is the impact of internal environmental orientation on environmental performance? What is the impact of strategic human resource management (SHRM) on internal environmental orientation (IEO)? The general objective of this study is to examine the link between strategic human resource management and Environmental performance by highlighting how managers get involved at their own level in helping their companies become greener.

Methodology

This study used a quantitative method in order to design the research. For this study, the managerial level employees of three apparel companies are chosen to be population and two hundred employees are randomized for sampling. The sample size was 75 respondents. Managers include the junior and senior managers of different functions in the firms taken into consideration. Therefore, the unit of analysis is an individual. The self-administered

questionnaire has been used as a primary data collection tool for this study. Strategic Human Resource Management (SHRM) used as an independent variable, Internal Environment Orientation (IEO) considered as a mediating variable and Environment Performance (EP) considered as the dependent variable. Based on the literature, it implies the important role of managers in the relationship between SHRM, IEO and EP. This leads to developing the following hypothesis:

Hypothesis 1 – There is a positive impact of Strategic Human Resource Management (SHRM) on Environmental Performance (EP).

Hypothesis 2 – There is a positive impact of Internal Environmental Orientation (IEO) on Environmental Performance (EP).

Hypothesis 3 – There is a positive impact of Strategic Human Resource Management (SHRM) on Internal Environmental Orientation (IEO).

Findings

A dataset consisted of 75 valid responses was used to carry out the analysis part. Out of 75 responses, 70.6% and 29.4% represented female and male respondents respectively. Reliability was checked using Cronbach's alpha technique and all variables were above 0.8, it was confirmed that the reliability of the questionnaire was in a good state (George and Mallery, 2003). According to correlation statistics, an independent (0.729**) and mediating variable (0.649**) has a significant positive correlation, between the dependent variable.

In this study, Hays Process Macro (model 04) is used to test the stated hypotheses. Hays (2012) explained that mediation is significant if the values of Boot LLCI and Boot ULCI does not contain zero. According to the regression coefficient data, SHRM and EP has a significant positive impact (0.7142**), IEO and EP have a significant positive impact (0.2987**) and

SHRM and IEO have a significant positive impact (0.7611**). Therefore, all the hypotheses have been supported. Further, the direct and indirect effect of SHRM on EP is statistically significant (0.7142**) and (0.2273**) respectively. Moreover, the researcher determined that in the case of high internal environmental concern, the relationship between SHRM is positively mediated, whereas in the case of low internal environmental concern, the relationship between SHRM is slightly mediated.

Conclusion

This research aims to examine the impact of strategic human resource management on the environmental performance of the organizations. Analysis of the results confirmed that internal environmental orientation mediates the process through which strategic human resource management has an impact on environmental performance. This waves to a need to focus more on selecting, training, and rewarding employees for their environmental-friendly practices in the workplace that generates an environmental protection culture beneficial to a firm's environmental performance. Further, it is needed to introduce training programs for the entire workforce (top, middle, lower and operational) in order to integrate HRM on Environment Performance. By examining the effect of internal environmental orientation (IEO), this study further shows it is a momentum to influence environmental performance. These points to the critical effect of strategic orientation in directing and affecting the implementation of the firm's strategic human resource management.

References

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