

PROMOTING CORPORATE ENVIRONMENTAL CITIZENSHIP THROUGH HUMAN RESOURCE MANAGEMENT PRACTICES: A PROPOSED FRAMEWORK

*Tay Lee Chin¹, Tan Fee Yean², Khulida Kirana Yahya³

School of Business Management, University Utara Malaysia¹²³

*Corresponding author's email: t.leechin@yahoo.com

Presented at Asia International conference-2015 held on 5th-6th December, 2015 at (UTM), Kuala Lumpur, Malaysia.

ABSTRACT: Corporate environmental citizenship has gained much more importance in the recent years. Government introduces various environmental policies and regulations to encourage corporate environmental citizenship. However, there are questions on how corporate can achieve environmental citizenship. Therefore, this conceptual paper proposes three human resource management practices, which are ability, motivation and opportunity enhancing to achieve corporate environmental citizenship. Drawing upon the Ability-Motivation-Opportunity (AMO) theory, this study develops a conceptual framework to explain the relationship between human resource management practices and corporate environmental citizenship. This study also discusses directions for future research.

Key Words: Human resource management practices, Corporate environmental citizenship

INTRODUCTION

Environmental issues have become a great concern to the whole world when the media reports on air pollution, water pollution, waste disposal, global warming and so on [1]. The environment has been widely damaged due to industrialization [2-3]. Therefore, corporations are expected to emphasise on environmental activities due to the demand from the government, public and environmental groups. As a result, the concept of "corporate environmental citizenship" was developed. Corporate environmental citizenship has to be implemented as an essential practice in organisations [4].

Corporate environmental citizenship means organisations' voluntary involvement in environmental activities. Corporate environmental citizenship helps organisations to gain several business benefits such as lower operating costs, more efficient operations and increase revenue [5]. Moreover, corporate environmental citizenship attracts environmental consciousness among customers and lead to stronger sales performance [6]. Hence, organisations must enhance corporate environmental citizenship for protecting the natural environment.

This is true for construction companies. Construction companies have been accused for the largest portion of pollution compared to manufacturing, service and agriculture companies [7]. Besides that, in recent years, the numbers of construction projects have increased dramatically from 2009 to 2014 due to the 'Malaysian Plan 2020' [8]. This has alerted the government to encourage the construction companies to increase their corporate environmental citizenship. Various guidelines have been introduced, for example the Green Building Index (GBI) and Green Technology Policy.

Nevertheless, the issue of how far construction companies have achieved corporate environmental citizenship is still debatable and unclear. Construction companies' agreement with the corporate environmental citizenship does not ensure that they will implement it. According [9], many construction companies agree with the corporate environmental citizenship. However the construction companies still do not understand the meaning of corporate environmental citizenship and few have implemented it. Thus, it is crucial to conduct research on the implementation of corporate environmental citizenship by construction companies.

Moreover, previous studies on corporate environmental citizenship in the construction companies commonly focused on the environmental construction practices [9-10] and construction waste [8-11-12]. In other words, these studies focused on the technical aspects of corporate environmental citizenship. They did not consider the organisational factors (e.g human resource management practices) that influence the corporate environmental citizenship. Therefore, this study examines the influence of human resource management practices on corporate environmental citizenship.

The practices of human resource management include enhancement of ability, motivation and opportunity. These practices play important roles to achieve corporate environmental citizenship because they influence the behavior of organisational members to contribute in environmental activities. For example, providing financial support (e.g. commissions for promoting green products and services) and non-financial rewards (e.g. free bus passes) to encourage the employees to participate in environmental activities. [13] found that human resource management practices influence corporate environmental citizenship better than other factors such as marketing, finance, information technology and accounting. [14] and [15] asserted that human resource management practices are the critical areas to achieve successful corporate environmental citizenship. Therefore, the relationship between practices of human resource management practices with corporate environmental citizenship should be examined.

However, many researchers [16-17-18-19] focused on a specific human resource practice rather than the interrelated practices of human resource management. For example, [20] examined interrelated human resource management practices in three dimensions – ability enhancing human resource management practices (e.g. recruitment, selection and training), motivation enhancing human resource management practices (e.g. rewards, compensation and performance appraisal) and opportunity enhancing human resource management practices (e.g. employee involvement). [21] and [22] argued that human resource management practices do not operate independently. Instead, each practice supports one another and they work together synergistically to achieve a common goal. In order to fill the research gap,

this paper examines the influence of human resource management practices (i.e. ability enhancing, motivation enhancing and opportunity enhancing) on corporate environmental citizenship.

To meet the research objective, next section explains the definition of corporate environmental citizenship, human resource management practices and the relationship between corporate environmental citizenship and human resource management practices. This is followed by a proposal of a conceptual framework, research methodology and conclusion.

LITERATURE REVIEW

Definition of Corporate Environmental Citizenship

In general, corporate environmental citizenship means responsibilities of a corporation towards the environment that must be reported to stakeholders (i.e. employees, customers, suppliers, investors and community). The issue of corporate environmental citizenship has been studied by many researchers, for example [23,24,25,26,27,28,29] define corporate environmental citizenship as organisations' ability to manage relationship with the society and to minimise negative impacts to the environment. This is further explained by [30]; he defines corporate environmental citizenship as policies and precaution actions by corporations to reduce hazards on the environment.

However, [31] define corporate environmental citizenship differently. They emphasise on the organisational systems and processes to improve environmental conditions. This means that corporate environmental citizenship is dependent on corporations' willingness to participate in environmental activities. The environmental activities can be divided into internal and external. The internal activities include integration of environmental issues into strategic planning process and enhancement of ethical behavior towards environmental protection. While the external activities include providing sponsorship for environmental education and training, giving financial incentives for employees to work with environmental community groups and donating funds for environmental infrastructure developments. This view is supported by [32]; he defines corporate environmental citizenship as corporations' commitment with three environmental activities. Firstly is to legitimate the environmental activities in the organisation. Secondly is to recognise the importance of the biophysical environment by including it in the formulation of organisation strategy. Finally is to include environmental issues into the company's strategic planning process. Following the above discussions, this paper conceptualises corporate environmental citizenship as companies' voluntary involvement in environmental activities.

Definition of Ability-Motivation-Opportunity Enhancing Human Resource Management Practices

Ability enhancing in human resource management practices means organisations use recruitment and selection processes, and training and development activities to increase employees' ability to achieve the organisational goals [20]. In other words, ability enhancing human resource management practices includes recruitment, selection, training and development processes [20-33-34]. The objectives of

recruitment and selection processes are to find potential employees and choose employees who have suitable skills and competencies for specific job requirements. Hence, the recruitment and selection processes can increase the number of skilled and knowledgeable employees. On the other hand, the objectives of training and development activities are to enhance employees' skill and knowledge. Effective recruitment, selection, training and development practices help organisations to employ and retain efficient workers, reduce turnover rates and enhance employees' morale [34-35].

Motivation enhancing human resource management practices means organisations use contingent rewards and performance management to increase employees' motivation to perform better [20]. Employees have motivations to put higher efforts when their performances are rewarded. For example, an organisation motivates employees to be environmental friendly by giving various financial rewards. Performance management also motivates employees to perform better by issuing performance standards and providing performance feedback. For example, an organisation establishes the environmental performance standards for employees to understand their responsibilities and this will improve organisations' environmental outcomes.

Opportunity enhancing human resource management practices means organisations provide opportunities (e.g job design, industrial relations and workforce involvement) for employees to engage in a specific behavior [20]. For example, employee's involvement in decision-making process to resolve environmental issues. This allows the employees to participate and give suggestions to improve products and services sustainability. As a result, it increases organisational morale because the management trusts the employees and appreciates their ideas. Furthermore, it encourages organisations' growth because employees offer better ideas to solve the organisation's environmental problems.

Human Resource Management Practices and Corporate Environmental Citizenship

Researchers [15-18-36] emphasise the importance of ability enhancing human resource management practices in promoting corporate environmental citizenship. Recruitment and selection practices are able to enhance human resource management practices and increase corporate environmental citizenship. This is through hiring employees who have environmental awareness. Employees who have environmental awareness are familiar with green practices (e.g. recycling) and they are capable to promote corporate environmental citizenship. For example, environmental friendly organisations include green knowledge and behaviors in job specifications. They recruit employees who are passionate to work in environmental friendly organisations. Training and development activities are also able to enhance human resource management practices to achieve environmental citizenship. This can be achieved by providing training on environmental citizenship and conserve energy in workplace to employees. [37] examined the effect of environmental training on organisational environmental practices. They found that environmental training influences

organisational environmental practices; environmental training helps organisations to prepare and ready in adopting the organisational environmental practices.

[38,39,40] examined the influence of motivation enhancing human resource management practices on corporate environmental behavior. [38] found that rewards either in financial (e.g. bonus, increase in pay, profit sharing) or non-financial (e.g. recognition programs, vacations, certificates, praises) influence employees' environmental behavior. For example, when an organisation gives awards (e.g plaque, letters) for innovative environmental improvement ideas, it enhances the corporate environmental citizenship. Performance appraisal is one of the strategies to enhance human resource management practices for corporate environmental citizenship. The strategy is to include environmental performance standards into the performance appraisal system. According to [41], to encourage environmental friendly behavior, employees' job performance should be evaluated based on environmental awareness criteria. Organisations also can include a separate component for greening progress in the employees' performance appraisal. However, some organisations use negative reinforcements (e.g. wages suspensions, warnings and criticisms) in the performance management. [42] examined hotel employees' experience with environmental management practices and found that some employees were scolded when they did not implement hotels' environmental management practices. Employees must engage in hotels' environmental management practices to avoid from being scolded.

In addition, [14] found that employee involvement not only enhances human resource management practices, but also enhances corporate environmental citizenship. Employees' goals, capabilities, commitment and perceptions are aligned with the organisations' green practices. It can be attained from employees' involvement in the environmental management practices. According to [15], employees' involvement can improve corporate environmental citizenship by reducing waste and pollution in the workplace. On the other hand, employees' environmental friendly behavior can be achieved through empowerment. A study conducted by [43], found that empowerment increases employees' willingness to give suggestions for environmental improvements. Empowerment means shifting the decision-making power from top-level employees to lower-level employees. Empowerment allows them to have autonomy and power to give suggestions in resolving environmental issues. As a result, corporate environmental citizenship can be achieved effectively when all employees are willing to give suggestions for environmental improvement. On the other hand, [13] asserted that management should encourage employee's empowerment. Suggestions from all employees are welcome irrespective of their job positions. They are encouraged to resolve environmental issues and apply their green knowledge in the workplace. As a result, organisations get many new ideas on environmental protections and increase corporate environmental citizenship.

Based on above discussion, this conceptual propose:

H₁: Human resource management practices have positive relationship with corporate environmental citizenship

H_{1a}: Ability enhancing human resource management practices has positive relationship with corporate environmental citizenship

H_{1b}: Motivation enhancing human resource management practices has positive relationship with corporate environmental citizenship

H_{1c}: Opportunity enhancing human resource management practices has positive relationship with corporate environmental citizenship

Conceptual Framework

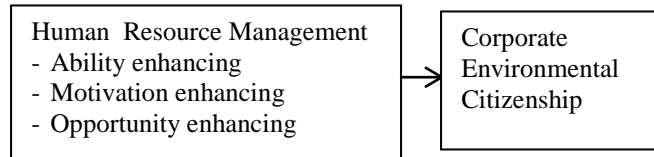


Figure 1: Proposed Conceptual Framework

Figure 1 shows the conceptual framework for this study. This study proposes that human resource management practices have a direct relationship with corporate environmental citizenship. This is based on the Ability-Motivation-Opportunity (AMO) theory. AMO theory was introduced by [44]. [45] mentioned that coherent human resource management practices can enhance employees' ability, motivation and opportunity within organisation to participate and increase the organisations' performance and productivity. Therefore, human resource management practices help organisations to recruit, select, train and develop the employees. Furthermore, the employees could gain knowledge, skills and positive behavior through motivation and opportunities given by the top management. This view is supported by [33] and [46]. In the context of this study, the construction companies must incorporate ability, motivation, opportunity and enhancing human resource management practices to enhance employees' ability, motivation and opportunity to engage into the environmental friendly behavior and corporate environmental citizenship. For example, an organisation includes environmental friendly criteria in the recruitment advertisement and selects applicants who are aware of green environment. The employees also should be able to communicate with other employees regarding green environment, share their environmental skills and conduct environmental trainings. These can improve employees' environmental friendly behavior and corporate environmental citizenship.

RESEARCH METHODOLOGY

This study will adopt the quantitative research methodology. Quantitative research methodology permits large number of data collections which the results can be generalised to the whole population. Questionnaire is used as a research instrument to gather data because it allows the researcher to collect data from large targeted respondents. According to [47], questionnaire has been widely used in social science research for collecting data from large number of respondents.

CONCLUSION

This conceptual paper proposed a framework of the influence of human resource management practices (i.e. ability enhancing, motivation enhancing and motivation enhancing) on corporate environmental citizenship. These human resource management practices have been reported as important factors that influence corporate environmental citizenship better than marketing, finance and information technology factor. Furthermore, prior studies have been examined each human resource management factor as an independent variable rather than combining the factors as an interconnected independent variable. Therefore, this paper suggests that construction companies need to emphasise on human resource management practices (i.e ability enhancing, motivation enhancing and motivation enhancing) to enhance corporate environmental citizenship.

REFERENCES

- [1]. Muhammad Hassan, J., & Muhammad Abid. (2014). Motivating employees towards organizational environmental performance. *MAGNT research report*, 2(4), 267-278.
- [2]. Goosen, M. (2012). Environmental management and sustainable development. *Procedia Engineering*, 33(1), 6-13.
- [3]. Taborianski, V., & Prado, A. (2012). Methodology of CO² emission evaluation in the life-cycle of office building façades. *Environmental Impact Assessment Review*, 33(1), 41-47.
- [4]. Ozen, S., & Kusku, F. (2009). Corporate environmental citizenship variation in developing countries: an institutional framework. *Journal of Business Ethics*, 89, 297-313.
- [5]. Ervin, D., Wu, J., Khanna, M., Jones, C., & Wirkkala, T. (2013). Motivations and barriers to corporate environmental management. *Business Strategy and the Environment*, 22, 390-409.
- [6]. Yu, J., Coulson, K., R., Zhou, J., X., Wen, H., J., & Zhao, Q. (2011). Communicating corporate environmental citizenship: an examination of Fortune 500 websites. *Journal of Internet Commerce*, 10, 193-207.
- [7]. Environmental Quality Report (2013). Pollution source inventory. Retrieved from <https://enviro.doe.gov.my>.
- [8]. Sasitharan, N., Ismail, A. R., Ade Asmi, A. A., & Nur Fadhillah, A. (2013). Study of site's construction waste in Batu Pahat, Johor. *Procedia Engineering*, 53, 99-103.
- [9]. Nazirah, Z. A. (2010). Investigating the awareness and application of sustainable construction concept in Malaysian developers. *Habitat International*, 34, 421-426.
- [10]. Wan Nadzri, B. O., Zulkifli Mohamed, U., & Dani Salleh (2012). Adoption level of sustainable construction practices: a study on Malaysia's construction stakeholders. *Journal of Southeast Asian Research*, 2, 1-6.
- [11]. Ismail, A. R., Sasitharan, N., & Ade Asmi, A. A. (2014). Initial PLS model of construction waste factors. *Social and Behavioral Science*, 129, 469-474.
- [12]. Siti, Hafizan, H., Nadira, A., Mohd Azrizal, F., & Janidah, E. (2012) Waste Management Issues in the Northern Region of Malaysia. *Social and Behavioral Sciences*, 42, 175-181
- [13]. Ahmad, S. (2015). Green Human Resource Management: Policies and Practices. *Congent Business and Management*, 2(1), 1-13
- [14]. Renwick, D., Redman, T., & Maguire, S. (2013). Green human resource management a research and review agenda. *International Journal of Management*, 5, 1-14.
- [15]. Vidal-Salazer, M. D., Cordon-Pozo, E., & Ferron-Vilchez, V. (2012). Human resource management and developing proactive environmental strategies: the influence of environmental training and organizational learning. *Wiley Periodicals*, 51(6), 905-934.
- [16]. Duarte, A. P., Gomes, D. R., & Das Neves, J. G. (2014). Tell me your socially responsible practices, I will tell you how attractive for recruitment you are! The impact of perceived CSR on organizational attractiveness. *Review of Applied Management Studies*, 12, 22-29.
- [17]. Tung, A., Baird, K., & Schoch, H. (2014). The relationship between organizational factors and the effectiveness of environmental management. *Journal of Environmental Management*, 144, 186-196.
- [18]. Sujatha, R., & Basu, S. (2013). Human resource dimensions for environment management system: evidences from two Indian fertilizer firms. *European Journal of Business and Management*, 5(9), 2222-2839.
- [19]. Zoogah, D. (2011). The dynamics of green HRM behaviors: a cognitive social information processing approach. *Zeitschrift fur Personalforschung*, 25(2), 117-139.
- [20]. Guerici, M., Radaelli, G., Siletti, E., Cirella, S., & Rami Shani, A. B. (2013). The impact of human resource practices and corporate sustainability on organizational ethical climates: an employee perspectives. *Journal Business Ethics*, 126(2), 325-342
- [21]. Wright, P. M., Dunford, B. B., & Snell, S. A. (2001). Human resources and the resource-based view of the firm. *Journal of Management*, 27, 701-721.
- [22]. Delaney, J. T., & Huselid, M. A. (1996). The impact of human resource management practices on perceptions of performance in for profit and non-profit organizations. *Academy of Management Journal*, 39, 949-969.
- [23]. Altman, B. W. (1998). Transformed corporate community relations: a management tool for achieving

- corporate citizenship. *Business and Society Review*, 102-103(1), 43-51.
- [24]. Carroll A. B. (1998). The four faces of corporate citizenship. *Business and Society Review* 100(101), 1-7.
- [25]. Epstein, E. M. (1989). Business ethics, corporate good citizenship and the corporate social policy process: a view from the United States. *Journal of Business Ethics*, 8, 583-595.
- [26]. Laufer, W. S. (1996). Integrity, diligence and the limits of good corporate citizenship. *American Business Law Journal*, 34, 157-181.
- [27]. Lewin, A. Y., Sakano, T., Stevens, C. U., & Victor, B. (1995). Corporate citizenship in Japan: survey from Japanese firms. *Journal of Business Ethics*, 14(2), 83-101.
- [28]. Qureshi MI, Rasli AM, Zaman K. A new trilogy to understand the relationship among organizational climate, workplace bullying and employee health. *Arab Economic and Business Journal*. 2014 Oct 31;9(2):133-46.
- [29]. Qureshi MI, Rasli AM, Zaman K. Energy crisis, greenhouse gas emissions and sectoral growth reforms: Repairing the fabricated mosaic. *Journal of Cleaner Production*. 2016 Jan 20;112:3657-66.
- [30]. Qureshi MI, Rasli AM, Jusoh A, Kowang TO. SUSTAINABILITY: A NEW MANUFACTURING PARADIGM. *Jurnal Teknologi*. 2015 Dec 11;77(22).
- [31]. Qureshi MI, Rasli AM, Awan U, Ma J, Ali G, Alam A, Sajjad F, Zaman K. Environment and air pollution: health services bequeath to grotesque menace. *Environmental Science and Pollution Research*. 2015 Mar 1;22(5):3467-76.
- [32]. Qureshi MI, Khan NU, Rasli AM, Zaman K. The battle of health with environmental evils of Asian countries: promises to keep. *Environmental Science and Pollution Research*. 2015 Aug 1;22(15):11708-15.
- [33]. Gardner, T. M., Wright, P. M., & Moynihan, L. M. (2011). The impact of motivation, empowerment, and skill-enhancing practices on aggregate voluntary turnover: the mediating effect of collective affective commitment. *Personnel Psychology*, 64, 315-350.
- [34]. Jiang, K., Lepak, D. P., Han, K., Hong, Y., Kim, A., & Winkler, A. L. (2012). Clarifying the construct of human resource systems: relating human resource management to employee performance. *Human Resource Management Review*, 22, 73-85.
- [35]. Subramony, M. (2009). A meta-analytic investigation of the relationship between HRM bundles and firm performance. *Human Resource Management*, 48(5), 745-768.
- [36]. Cherian, J., & Jacob, J. (2012). A study of green HR practices and its effective implementation in the organization: A review. *International Journal of Business and Management*, 7(21), 25-33.
- [37]. Sarkis, J., Gonzalez-Torre, P., & Adenso-Díaz, B. (2010). Stakeholder pressure and the adoption of environmental practices: the mediating effect of training. *Journal of Operations Management*, 28(2), 163-176.
- [38]. Jabbour, C. J., Jabbour, L. S., Govindan, K., Teixeira, A. A., & Freitas, W. R. (2013). Environmental management and operational performance in automotive companies in Brazil: the role of human resource management and lean manufacturing. *Journal of Cleaner Production*, 47, 129-140.
- [39]. Lin, C. Y., & Ho, Y. H. (2011). Determinants of Green Practice Adoption for Logistics Companies in China. *Journal of Business Ethics*, 98, 67-83.
- [40]. Jabbour, C. J. C., Santos, F. C. A., & Nagano, M. S. (2010). Contributions of HRM throughout the stages of environmental management: methodological triangulation applied to companies in Brazil. *International Journal of Human Resource Management*, 21(7), 1049-1089.
- [41]. Opatha, H. H., & Arulrajah, A. A. (2014). Green human resource management: simplified general reflections. *International Business Research*, 7, 101-112.
- [42]. Chan, E., & Hawkins, R. (2010). Attitudes towards EMSs in an international hotel: an exploratory case study. *International Journal of Hospitality Management*, 39, 641-651.
- [43]. Kaur, H. (2013). Impact of human resource factors on perceived environmental performance: an empirical analysis of a sample of ISO 14001 EMS companies in Malaysia. *Journal of Sustainable Development*, 4(1), 211-224.
- [44]. Kochan, T. A., Ichniowski, C., Levine, D., Olson, C., & Strauss, G. (1996). What works at work: overview and assessment? *Industrial Relations: A Journal of Economy and Society*, 35, 299-333.
- [45]. Appelbaum, E., Bailey, T., Berg, P., & Kallegert, A. (2000). Manufacturing advantage: Why high-performance work systems pay off. Ithaca, NY: ILR Press.
- [46]. Bos-Nehles, A. C., Riemsdijk, M. J. V., & Looise, J. K (2013). Employee perceptions of line management performance: applying the AMO theory to explain the effectiveness of line managers' HRM implementation. *Human Resource Management*, 52(6), 861-877.
- [47]. Sekaran, U., & Bougie, R. (2013). *Research Methods for Business: A Skill Building Approach*. New Delhi: Wiley India.