



Reviewing the Landscape: A Literature-based Exploration of Sustainable HR Practices and Key Performance Indicators (KPIs) in Green HRM for Assessing Organizational Sustainability

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ABSTRACT: In the dynamic and ever-evolving business environment of today, there is a growing emphasis on the integration of sustainability principles into Human Resource Management (HRM) practices (Delmas & Toffel, 2008). This study is dedicated to the critical examination of Sustainable HR Practices (SHRP) [1] and the development of Key Performance Indicators (KPIs) for the evaluation of the impact of Green HRM strategies on organizational sustainability [7]. It delves into the emerging role of HR in advancing environmental sustainability, fostering corporate social responsibility, and ensuring enduring organizational prosperity [9]. Drawing on a comprehensive review of literature [18], empirical research, and case studies [8], this paper explores the significant challenges and opportunities within this evolving field. The proposed KPIs are intended to furnish organizations with a structured framework for the assessment of their Green HRM initiatives [3]), thereby facilitating the alignment of HR strategies with overarching sustainability objectives [13]. As businesses strive to strike a balance between profit, environmental responsibility, and employee well-being [21], this research provides valuable insights into the measurement and enhancement of Sustainable HR Practices to contribute to long-term success in the era of sustainable business.

Keywords: Green HRM, Key Performance Indicators (KPIs), Sustainable HR Practices (SHRP).

1 INTRODUCTION

It has never been more important for businesses to embrace sustainability in a world that is changing quickly. Sustainable human resource management (Green HRM) has become a crucial tactic for businesses as they work to lessen their environmental impact, increase social responsibility, and ensure long-term profitability [6]. The integration of HR practices with sustainability goals not only improves employee wellbeing but also makes a substantial contribution to the organization's larger sustainability aim [9].

The creation and use of Key Performance Indicators (KPIs) that assess how well Green HRM practices perform in reaching organizational sustainability goals is essential to the drive for sustainability in HRM [3]. These KPIs provide a measurable framework for evaluating how HR initiatives affect society, the environment, and the bottom

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line [13]. They act as a compass, pointing organizations in the direction of a more environmentally friendly, socially conscious, and economically viable future. This study sets out on a trip to examine the landscape of sustainable HR practises [18] and the crucial part that KPIs play in assessing the sustainability of organizations. This research tries to untangle the many facets of Green HRM [5], giving readers a thorough grasp of how HR practises interact with sustainability objectives. It does so by drawing on a thorough examination of the literature in order to investigate the rich tapestry of Sustainable HRM [18], the research approach is grounded on the analysis of the current literature, which provides insights, best practises, and methodological advice. With the help of this literature-based investigation [17] we want to throw some light on the changing approaches, difficulties, and possibilities related to green human resource management. This research prepares the ground for a more in-depth investigation of the relationship between HR practises and organizational sustainability by synthesizing the cumulative knowledge of earlier studies and research initiatives. Joining us on this intellectual journey will be readers who want to learn more about the complex interactions between KPIs, Sustainable HR Practises, and the ongoing drive for a more sustainable, just, and prosperous future for businesses and society as a whole [18].

2 OBJECTIVES

- 1.1. **Develop a Comprehensive Framework:** To create a comprehensive framework for Sustainable HR Practices (SHRP) by identifying and categorizing key practices that contribute to organizational sustainability [2].
- 1.2. **Design Key Performance Indicators (KPIs):** To design a set of KPIs specific to Green HRM strategies, which can quantitatively and qualitatively measure the impact of these strategies on organizational sustainability [3].
- 1.3. **Evaluate Current HRM Practices:** To assess the current state of HRM practices within organizations, identify gaps in sustainability integration, and understand the challenges faced in implementing Green HRM strategies [18].
- 1.4. **- Provide Practical Guidance:** To offer practical guidance and recommendations based on empirical research and case studies, assisting organizations in the adoption of SHRP and the effective measurement of their impact on sustainability [19].

3 STATEMENT PROBLEM

To promote sustainability and connect with corporate social responsibility objectives, firms are increasingly using Green Human Resource Management (Green HRM) methods in today's changing business climate [9]. Although these tactics have the potential to improve organizational sustainability, a methodical strategy to evaluate their efficacy is absolutely necessary. Organizations are unable to objectively assess the effects of green HRM practices on sustainability due to the lack of standardized Key Performance Indicators (KPIs) designed for these practices (Boudreau

& Ramstad, 2007). Therefore, the current research topic is to create a strong framework of KPIs specifically created for Green HRM [13] allowing firms to evaluate and improve the efficacy of their sustainability initiatives through human resource management methods.

4 PROS AND CONS

4.1 Pros of Green HRM Practices

- **Alignment with Sustainability Goals:** Developing KPIs for Green HRM practices helps organizations align HR strategies with broader sustainability objectives. It ensures that HR initiatives contribute to the organization's sustainability mission [2].
- **Enhanced Accountability:** KPIs provide a clear and measurable way to hold HR departments accountable for their sustainability efforts. This accountability can lead to more effective implementation of sustainable practices [18].
- **Improved Decision-Making:** Well-defined KPIs offer data-driven insights into the effectiveness of GHRM strategies, enabling organizations to make informed decisions about resource allocation and strategy refinement [15].
- **Benchmarking and Comparison:** KPIs allow organizations to benchmark their sustainability performance against industry peers and best practices, facilitating continuous improvement [17].
- **Stakeholder Engagement:** Transparent reporting through KPIs can enhance relationships with stakeholders, including employees, investors, customers, and communities, by demonstrating a commitment to sustainability [16].
- **Sustainability Innovation:** Developing and monitoring KPIs can drive innovation in HR practices, encouraging organizations to explore new ways to enhance sustainability and employee well-being [12].

4.2 Cons of Green HRM Practices

- **Complexity and Resource Intensiveness:** Developing and maintaining a robust set of KPIs can be complex & resource-intensive. It requires data collection, analysis, & reporting, which may strain HR and organizational resources.
- **Data Quality Challenges:** Ensuring the accuracy and reliability of data for KPI measurement can be a challenge. Inaccurate or incomplete data may lead to misleading KPI results [17].
- **Resistance to Change:** Introducing KPIs for sustainability in HRM may face resistance from employees and managers who are not accustomed to this type of measurement, or who fear increased scrutiny [14].
- **Short-Term vs. Long-Term Focus:** KPIs can sometimes encourage a focus on short-term gains, potentially neglecting longer-term sustainability benefits that may take time to materialize [12].

- **Risk of Greenwashing:** There is a risk of organizations using KPIs as a form of greenwashing, where they focus on superficial sustainability metrics to appear environmentally and socially responsible without making substantial changes [4].
- **Limited Standardization:** While there are established sustainability reporting frameworks, there is still a lack of standardized KPIs for Green HRM. Developing customized KPIs can be time-consuming and may lack universal comparability [20].

5 RESEARCH METHODOLOGY

The purpose of this conceptual study is to develop a comprehensive framework, create key performance indicators, assess current HRM practices, and offer helpful advice by analyzing the literature on green HRM. The study made use of secondary data in the form of papers that were published in different publications.

- **Integration of Sustainability in HR Practices:** Existing literature explores how organizations integrate sustainability into HR functions, including recruitment, training, employee engagement, and performance appraisal. It emphasizes the role of HR in shaping a culture of sustainability within an organization [13].
- **Emerging Sustainable HR Practices:** Research has identified specific Sustainable HR Practices such as eco-friendly training, green employee engagement, and sustainable talent acquisition [21].
- **Measuring the Impact of Green HRM:** It underscores the importance of developing KPIs that can capture both short & long-term outcomes, including reductions in carbon footprint, increased employee satisfaction, and improved community relations [18].
- **Challenges and Barriers:** The literature also addresses the challenges and barriers organizations face in implementing Green HRM, such as resistance to change, lack of awareness, and the need for top-level commitment [13].
- **Linking HR with Corporate Sustainability Goals:** Scholars emphasize the importance of aligning HR strategies with an organization's broader sustainability objectives and corporate social responsibility initiatives [18].
- **Employee Engagement KPIs:** KPIs related to employee engagement include measures of participation in sustainability initiatives, the number of green teams formed & the results of employee surveys assessing their perception of the organization's commitment to sustainability [13].
- **Carbon Emission Reduction Metrics:** Green HRM often involves initiatives to reduce an organization's carbon footprint. KPIs in this category include metrics for tracking energy and resource consumption, waste reduction, and greenhouse gas emissions [21].

Talent Acquisition and Retention Metrics: KPIs for measuring the effectiveness of talent acquisition and retention strategies related to sustainability can encompass metrics like the number of diverse candidates hired, turnover rates, and the percentage of employees engaged in sustainability-related roles or projects [21].

Training and Development Metrics: Green HRM emphasizes the need for sustainability training. KPIs may include the number of employees who have completed sustainability training programs, the percentage of employees participating in ongoing training, and the impact of training on behavior and decision-making [21].

- Diversity and Inclusion KPIs: Diversity and inclusion are integral to sustainable HR practices. KPIs may focus on gender diversity, ethnic diversity, and inclusivity.
- Health and Well-being Indicators: KPIs might encompass employee health & well-being scores, absenteeism rates, & participation in wellness programs.
- Community Involvement Metrics: GHRM often extends beyond the organization to engage with the community. KPIs in this category can include the number of volunteer hours contributed by employees, the impact of community projects, and the alignment of these activities with corporate sustainability goals [21].
- Return on Investment (ROI) for Green HRM Initiatives: Measuring the ROI of Green HRM practices is essential. KPIs related to ROI can encompass cost savings, increased revenue through sustainable innovation, and the quantifiable benefits of sustainability initiatives [18].
- Alignment with Organizational Goals: KPIs should reflect the alignment of HRM practices with broader organizational sustainability goals. Metrics might include progress toward specific sustainability targets, stakeholder satisfaction with HRM initiatives, and the achievement of industry-specific sustainability standards.
- Supplier Sustainability Metrics: KPIs can assess the sustainability practices of suppliers and the extent to which the organization collaborates with sustainable suppliers. Metrics may include supplier emissions reductions, sustainable sourcing percentages, and supplier compliance with ethical and environmental standards.
- Leadership Development for Sustainability: KPIs related to leadership development for sustainability can include the number of leaders engaged in sustainability training, the integration of sustainability competencies into leadership development programs, and leadership involvement in sustainability initiatives [13].
- Ethical Labor Practices and Supply Chain Audits: KPIs for ethical labor practices may involve the number of supplier audits conducted, instances of non-compliance, and the improvements in labor conditions within the supply chain.
- Environmental Certification and Awards: Achieving recognized environmental certifications (e.g ISO 14001) and sustainability awards can serve as KPIs to showcase an organization's commitment to sustainability [6].
- Return on Employee Investment (ROEI): This KPI measures the impact of HR practices on employee satisfaction, engagement, and retention. It may include factors like the cost of employee turnover, cost savings through sustainability initiatives, and the effect on employee productivity [15].
- Employee Feedback and Suggestions: Encouraging employees to provide feedback and suggestions for sustainability improvement can be a valuable KPI. It may include the number of suggestions received, the percentage implemented, and the resulting impact on sustainability [14].
- Lifecycle Assessments: Lifecycle assessments of products and processes can provide insights into the environmental impact and are essential KPIs for sustainability

measurement. These may include product carbon footprint assessments and supply chain sustainability assessments [20].

- Stakeholder Engagement and Transparency: KPIs can focus on the level of engagement with various stakeholders, like investors, customers, & NGOs, the transparency in disclosing sustainability efforts & challenges [9].
- Health and Safety KPIs: Ensuring the well-being of employees involves monitoring health and safety-related KPIs, such as incident rates, safety training completion rates, and the implementation of health and safety initiatives.
- Sustainability Index Rankings: Tracking an organization's performance on sustainability indices (e.g Dow Jones Sustainability Index, FTSE4Good) can serve as a KPI for sustainability recognition and investor confidence.

6 RESEARCH GAP

Limited Development of Standardized KPIs: A significant research gap exists in the development of standardized KPIs for measuring the effectiveness of Green HRM practices. While there is recognition of the need for such metrics, there is a lack of consensus on universally applicable KPIs. Future research should focus on creating standardized KPIs that can be adapted across different industries and organizations.

Long-Term Impact Assessment: Most existing research tends to focus on short-term outcomes of GHRM practices. There is a gap in understanding the long-term impact of these practices on organizational sustainability. A deeper exploration of how Green HRM contributes to sustainable business strategies over extended periods is needed.

Contextual Variations & Industry-Specific Practices: Many studies generalize GHRM practices without considering organizational patterns. There is a gap in research that delves into industry-specific practices & acknowledging that GHRM may need to be adapted to suit different organizational settings.

Employee Perspectives: While research often examines the impact of GHRM practices on the organization, there is a gap in understanding the views of employees on investigating how these practices affect employee engagement, job satisfaction, & their roles in sustainability initiatives would provide a more holistic view.

5.5. **Barriers and Enablers of Implementation:** Research has identified the barriers and challenges organizations face when implementing Green HRM. However, there's a research gap in exploring the enablers and success factors that facilitate the successful integration of sustainability into HR practices.

5.6. **Small and Medium-Sized Enterprises (SMEs):** There's a gap in understanding how GHRM practices and KPIs can be tailored to the unique needs and constraints of small and medium-sized enterprises.

7 FINDINGS AND SUGGESTIONS

6.1.1. **Integration of Sustainability in HR Practices:** It encompasses talent management, diversity and inclusion, employee engagement, health and well-being, and

more. These practices are viewed as essential for attracting and retaining talent and promoting the organization's sustainability goals.

6.1.2. Importance of KPIs in Green HRM: The review emphasizes the critical role of Key Performance Indicators (KPIs) in Green HRM. KPIs are instrumental in assessing the effectiveness of sustainability initiatives within HR. They offer a structured approach to measure and monitor sustainability progress, allowing organizations to set targets, track performance, and report transparently on their sustainability efforts.

6.1.3. Variability in KPIs: The literature underscores that while KPIs are vital, there is no one-size-fits-all approach. KPIs need to be tailored to an organization's unique sustainability objectives, culture, and industry. This variability in KPIs highlights the importance of a customized approach that aligns with the organization's specific goals and values.

6.1.4. Employee Engagement and Well-being: The research reveals that HR practices that focus on employee engagement, well-being, and diversity contribute significantly to sustainability. Engaged employees are more likely to embrace sustainability initiatives, and promoting well-being can lead to higher productivity and lower absenteeism. These practices have both social and economic benefits.

8 Suggestions

- Customized KPIs: A one-size-fits-all approach does not capture the unique aspects of an organization's journey towards sustainability. Tailored KPIs provide a more accurate reflection of progress.
- Transparency and Reporting: Organizations should make their sustainability performance and Green HRM initiatives accessible to employees, stakeholders, and the public. A commitment to transparency can enhance reputation and trust.
- Continuous Monitoring and Adaptation: Organizations must continuously monitor their KPIs & adapt HR practices as necessary. Regular reviews & adjustments to KPIs help ensure that the organization stays on course with its sustainability objectives.
- Diversity and Inclusion Initiatives: Prioritization of diversity & inclusion should be a part of the company's sustainability strategy. It not only recruits a diverse workforce but creates an inclusive culture where all employees feel valued & empowered.
- Collaboration with Other Departments: Sustainability is a cross-functional effort. HR departments should collaborate closely with other departments such as operations, marketing, and finance to ensure that sustainability goals are integrated into the entire organization's strategy.
- Benchmarking: Benchmarking against industry peers and leaders can provide valuable insights. Organizations can learn from the successes and challenges of others in the sustainability journey and identify areas for improvement.
- Measuring Long-Term Impact: Organizations should focus on not both short and long-term impact of their sustainability initiatives. This entails looking beyond immediate ROI & considering the broader societal & environmental benefits.

- Incorporating these suggestions into Green HRM practices, alongside customized KPIs and transparent reporting, can help organizations effectively evaluate and enhance their sustainability efforts and contribute to a more sustainable future.

9 CONCLUSION

In summary, our examination of Sustainable Human Resource Management practices and Key Performance Indicators for measuring organizational sustainability reveals a dynamic and evolving landscape. Our literature review provides key insights for organizations striving to enhance their sustainability efforts through HR strategies. Sustainable HR practices encompass a broad range, including talent management, diversity and inclusion, employee engagement, and well-being. Aligning HR practices with sustainability goals is both an ethical obligation and a strategic advantage, attracting talent and advancing organizational sustainability.

KPIs are essential for evaluating the effectiveness of Green HRM initiatives, though they must be tailored to an organization's specific goals and industry. Our findings stress the positive impact of HR practices on employee engagement and well-being, which, in turn, support sustainability. Engaged employees are more likely to support sustainability initiatives, while employee well-being enhances productivity and overall performance. To advance in Green HRM and sustainability, organizations should focus on customized KPIs, transparent reporting, continuous monitoring, employee training, diversity and inclusion, interdepartmental collaboration, benchmarking, and a focus on long-term impact. As organizations pursue sustainability, the insights from this review provide a foundation for informed decision-making and strategic alignment. Green HRM isn't just a journey; it's a path toward a more sustainable, equitable, and prosperous future for both organizations and society. We hope this exploration inspires further research, innovation, and implementation for a more sustainable world.

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