“Impact of green HRM practices on bank employee service behaviors”

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Abstract

This study aims to examine the influence of green human resource management (HRM) practices on the service behaviors of bank employees operating in the banking sector of Bangladesh. The study endeavors to offer valuable insights into the effectiveness of green HRM practices in enhancing practices and employee service behaviors in the banking sector. The results indicate that green human resource management practices have a beneficial influence on employee service behaviors by green knowledge sharing, green training and development, green performance appraisal, green reward system. This study also emphasizes how green HRM practices affect banks in terms of organizational sustainability, employee motivation, talent acquisition and retention, and the necessity of ongoing evaluation and improvement. Moreover, the current study used convenience sampling techniques to collect data from 258 workers of several commercial banks in Bangladesh using a self-reported questionnaire that had been modified from other studies. 95% confidence interval was used to accept the hypotheses during regression analysis. The results show that each and every hypothesis is supported, whereas hypothesis tests were analyzed using SPSS version 26.0. The results show that employees' knowledge sharing tendency, training facility, performance appraisal and reward system have a significant and positive impact on bank employees' service behavior. This study may contribute to the growing subject of sustainable HRM and offers useful advice for banks looking to include environmental sustainability into their HRM plans to spur progress and enhance service.

Keywords

green HRM, service behavior, knowledge sharing, training and development, performance appraisal, reward system

JEL Classification

M12, G21, M30

INTRODUCTION

The banking industry in Bangladesh displays a critical position in propelling economic expansion, ensuring monetary steadiness, and fostering progress (Jahan et al., 2020). The banking sector is pivotal in stimulating economic development by providing financial services to various stakeholders such as individuals, enterprises, and governmental bodies. The banking sector in Bangladesh provides multiple services, such as deposit accounts, loans, trade financing, and investment products (Zayed et al., 2022). These services are crucial in fostering financial inclusion and facilitating access to formal financial assistance for a considerable proportion of the populace (Islam & Bhuiyan, 2021; Islam et al., 2021). The emergence of green human resource management (HRM) has become a crucial component for organizations worldwide to address environmental challenges by aligning ecological objectives with HR practices. Green HRM pertains to assimilating ecologically sustainable practices and principles into the various functions of HRM. Green HRM endeavors to advance sustainable practices within an organization, resulting in favorable environmental consequences while concurrently augmenting employee welfare and organizational efficacy. The significance of sustainable practices
has gained considerable traction within the banking industry of Bangladesh. Bangladesh is confronted with many environmental issues, including but not limited to climate change, deforestation, and water pollution, necessitating prompt action from governmental and non-governmental entities (Akhter et al., 2022). As significant financial entities, banks are responsible for promoting sustainable development by adopting environmentally conscious practices (Ali et al., 2022). The implementation of green HRM practices in the banking sector of Bangladesh can facilitate the adoption of environmentally conscious policies and procedures, leading to a reduction in resource consumption, and waste generation and the promotion of eco-friendly initiatives. In addition, implementing green HRM practices can improve employee engagement, job satisfaction, and organizational commitment within a country’s banking sector. This approach fosters an environmentally conscious workforce and actively contributes to sustainable development. Investigating the influence of green human resource management (HRM) practices on the service behaviors of bank employees holds significant importance for various reasons.

1. LITERATURE REVIEW

By analyzing the impact of green HRM practices on employee behaviors, organizations can formulate strategies to improve service quality, customer satisfaction, and overall performance. The motivation behind undertaking this research is rooted in the insufficient extant literature on green HRM practices in the banking industry, specifically in the unique setting of Bangladesh. The extant literature on green HRM across diverse sectors has been expanding. However, an absence of research specifically targeting Bangladesh’s banking sector necessitates a further inquiry into this domain. The study expands the existing knowledge base on green HRM practices, particularly within the banking sector of Bangladesh. In addition, this practice facilitates the alignment of banks’ internal policies and procedures with their sustainability goals, thereby enhancing their ability to discharge their social and environmental obligations effectively. In addition, it offers valuable perspectives on the determinants that affect employee attitudes and behaviors, empowering organizations to establish a workplace atmosphere that cultivates employee welfare, contentment, and dedication. The objective of this literature review is to examine and consolidate current research on the intricate connection between Green HRM and its influence on the service behavior of employees in the banking industry.

The concept of Green Knowledge Sharing” (GKS) has recently garnered significant attention owing to its potential to impact employee behaviors and organizational outcomes (Karatepe et al., 2023; Song et al., 2020). It pertains to the dissemination and exchange of ecologically sustainable practices within organizations (Khan et al., 2022). The process entails disseminating knowledge, skills, and proficiency concerning sustainable and environmentally conscious methodologies, including but not limited to the preservation of resources, minimization of waste products, utilization of clean energy, and conscientious use (Chen et al., 2023; Ahmed et al., 2022). The practice of GKS fosters a culture of collaboration among employees, facilitating the exchange of ideas and knowledge and promoting active participation toward attaining the organization’s environmental objectives and undertakings (Aboramadan et al., 2022). The results of Rubel et al. (2021) indicate a favorable correlation between disseminating knowledge about environmentally sustainable practices and displaying service behavior. It is shown that GKS had a favorable impact on the level of employee engagement, improving their service behavior (Chang & Hung, 2021). Hence, it is believed that sharing green information will result in greater pro-environmental service behaviors among bank workers.

Green Training and Development (GTD) pertains to a methodical approach of equipping personnel with essential knowledge, proficiencies, and abilities to comprehend and participate in ecologically sustainable practices in the organizational setting (Veerasamy et al., 2023; Yusoff et al., 2020). The program is intended to augment the environmental consciousness of employees, foster environmentally responsible conduct, and furnish them with the means to participate in sustainability initiatives within their respective organizations (Nguyen et al., 2023; Aragão & Jabbour, 2017). It enhances staff mindsets and actions toward long-
term viability, improving an organization’s performance (Deshpande & Srivastava, 2023). Numerous scholarly investigations have explored the correlation between GTD and its influence on the service behavior of employees. The research results indicate a favorable correlation between GTD and employee service behavior, suggesting that employees who undergo training in environmental sustainability are inclined to demonstrate pro-environmental service behaviors (Amrutha & Geetha, 2021). Saeed et al. (2019) conducted a study to examine the impact of GTD on employee service behavior. The findings suggest that employees who receive training on environmental sustainability tend to demonstrate environmentally responsible service behaviors. These behaviors include recommending eco-friendly products, providing information on sustainable practices, and encouraging customers to participate in green initiatives.

Green performance appraisal (GPA) has become a vital instrument for organizations that aims to encourage and reinforce eco-friendly employee behaviors (Patwary et al., 2023). This appraisal involves assessing and feedback on employees’ environmentally sustainable behaviors and performance (Roscoe et al., 2019). The primary objective of GPA is to acknowledge, motivate, and strengthen ecologically responsible actions among staff members, thereby facilitating the attainment of the organization’s ecological goals and sustainability outcomes (Amjad et al., 2021). Typically, green performance appraisals assess an individual’s performance based on their environmentally sustainable productivity quality (Jackson et al., 2011). The results of the study by Yong et al. (2022) indicate a favorable correlation between Green Performance Appraisal and employee service behavior, suggesting that providing employees with performance feedback that specifically pertains to their environmental performance can increase their engagement in pro-environmental service behaviors. When staff members believe that their sustainable efforts are acknowledged and incentivized by means of assessment of performance, they are more prone to demonstrate green support behaviors (Abdelhamied et al., 2023).

The term “Green Reward System (GRS)” pertains to a system of incentives within an organization that acknowledges and compensates employees for their environmentally responsible actions and achievements (Ahmed, 2015). The program GRS is formulated to incentivize and strengthen environmentally conscious conduct among staff members by providing concrete and abstract incentives that explicitly recognize and encourage ecologically responsible actions (Masri & Jaaron, 2017). The research revealed that providing incentives, such as acknowledgement and financial rewards, to workers for their eco-friendly conduct, resulted in a higher probability of their involvement in pro-environmental service activities (Ahmad & Allen, 2015). This suggests that implementing a green reward system acts as a tool to strengthen and promote environmentally conscious practices among staff members. According to Renwick et al. (2013), the practice of offering financial incentives to encourage participation in environmentally friendly behaviors and improve environmental performance is commonly observed among top-level executives. According to Handgraaf et al. (2013), non-financial incentives, such as receiving compliments, were identified as the primary driver in stimulating pro-environmental actions among employees. Implementing GRS practices is deemed essential in enhancing employees’ motivation to engage in environmentally sustainable behaviors (Shah & Soomro, 2023). The utilization of green rewards is an effective technique for bolstering environmental management initiatives within organizational settings (Meng et al., 2023). Therefore, providing incentives to staff members for their active participation in GRS initiatives presents a constructive approach to reinforcing superior service conduct.

2. AIM AND HYPOTHESES

The aim of this study is to analyze the effect of green knowledge sharing (GKS), green training and development (GTD), green performance appraisal (GPA), and green reward system (GRS) on the service behavior (SERVB) of bank employees in Bangladesh.

The research hypotheses are as follows (Figure 1):

\[ H1: \text{Green knowledge sharing (GKS) and employee service behavior (SERVB) have a positive relationship.} \]
H2: Green training and development (GTD) and employee service behavior (SERVB) have a positive relationship.

H3: Green performance appraisal (GPA) and employee service behavior (SERVB) have a positive relationship.

H4: Green reward system (GRS) and employee service behavior (SERVB) have a positive relationship.

3. METHOD

The convenience sample approach was utilized for this study’s purposes as it was unclear exactly how many bank employees there are in Bangladesh. In light of this, the study’s target population was the commercial bank employees in Bangladesh, and this study was quantitative and exploratory in nature, whereas the primary data have been used in this research. The study created an online survey questionnaire, and the questions were modified from other studies. To collect data, 300 survey questionnaires were emailed to bank employees’ email ids, which were collected from the authorities of various branch managers with a cover letter for their convenience to give their opinion. The authors of this survey received 270 responses from respondents, however 12 of those had to be rejected due to incomplete or inappropriate responses. The questionnaire was correctly filled out by 258 employees in total, yielding an 86% response rate and a final sample size of n = 258. There were two sections to the survey form, whereas the first section contains the respondents’ demographic data, such as age, gender, educational attainment, and length of employment (in years). The second section describes a Likert-based questionnaire on study variables like “green knowledge sharing” (GKS), “green training and development” (GTD), “green performance appraisal” (GPA), and “green reward system” (GRS). To gather data, the item-by-item questionnaire was graded on a 5-point Likert scale with 1 meaning “Strongly Disagree” and 5 denoting “Strongly Agree.” In this investigation, the study model and the proposed hypotheses were examined using SPSS 26.0, and interpretations were accepted only if they met a 5% criterion of significance. A Cronbach Alpha (α) score of 0.70 or higher was regarded in this study as an acceptable value to gauge reliability.

Table 1. Reliability and validity analysis

<table>
<thead>
<tr>
<th>Construct Items</th>
<th>Items</th>
<th>Loading</th>
<th>Cronbach (α) value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Green knowledge sharing (GKS)</td>
<td>GKS1</td>
<td>0.733</td>
<td>0.884</td>
</tr>
<tr>
<td></td>
<td>GKS2</td>
<td>0.836</td>
<td></td>
</tr>
<tr>
<td></td>
<td>GKS3</td>
<td>0.848</td>
<td></td>
</tr>
<tr>
<td></td>
<td>GKS4</td>
<td>0.836</td>
<td></td>
</tr>
<tr>
<td>Green training and development (GTD)</td>
<td>GTD1</td>
<td>0.935</td>
<td>0.901</td>
</tr>
<tr>
<td></td>
<td>GTD2</td>
<td>0.925</td>
<td></td>
</tr>
<tr>
<td></td>
<td>GTD3</td>
<td>0.836</td>
<td></td>
</tr>
<tr>
<td></td>
<td>GTD4</td>
<td>0.735</td>
<td></td>
</tr>
<tr>
<td></td>
<td>GTD5</td>
<td>0.738</td>
<td></td>
</tr>
<tr>
<td>Green performance appraisal (GPA)</td>
<td>GPA1</td>
<td>0.937</td>
<td>0.702</td>
</tr>
<tr>
<td></td>
<td>GPA2</td>
<td>0.932</td>
<td></td>
</tr>
<tr>
<td></td>
<td>GPA3</td>
<td>0.738</td>
<td></td>
</tr>
<tr>
<td>Green reward system (GRS)</td>
<td>GRS1</td>
<td>0.673</td>
<td>0.849</td>
</tr>
<tr>
<td></td>
<td>GRS2</td>
<td>0.738</td>
<td></td>
</tr>
<tr>
<td></td>
<td>GRS3</td>
<td>0.778</td>
<td></td>
</tr>
<tr>
<td>Employee service behavior (SERVB)</td>
<td>SERVB1</td>
<td>0.946</td>
<td>0.770</td>
</tr>
<tr>
<td></td>
<td>SERVB2</td>
<td>0.836</td>
<td></td>
</tr>
<tr>
<td></td>
<td>SERVB3</td>
<td>0.778</td>
<td></td>
</tr>
</tbody>
</table>

Figure 1. Model of the study
GKS was measured by four items, GTD was measured by five items, GPA was measured by three items, GRS was measured by three items, SERVB was measured by three items, and all these variables were adapted from Ren et al. (2021), Darvishmotevali and Altinay (2022) and Lin and Yu-Shan (2017). Table 1 shows that the reliability of the study variables was found acceptable, with the constructs of Green knowledge sharing (α = 0.884), Green training and development (α = 0.901), Green performance appraisal (α = 0.702), Green reward system (α = 0.849), and Employee service behavior (α = 0.770).

4. RESULTS & DISCUSSION

According to respondents' demographic data (Table 2), 22% of respondents were between the ages of 18 and 25 years, 47% (n = 122) were between the ages of 26 and 35 years, and 13% (34 respondents) were between the ages of 36 and 45 years. On the other hand, 40 respondents were between the ages of 46 and 55, and 6 respondents, or 2%, were over the age of 55. In terms of gender, male and female employees made up 69% (n = 179) and 31% (n = 79) of all responses, respectively, according to demographic data. Table 2 shows that 1% of respondents (n = 4) have received their SSC certificate, while 155 participants have received their Bachelor's degree (60%), and 34% of respondents have received their Master's degree, which was 88. The results showed that 10 respondents, or 4%, possessed a Diploma certificate. In addition, one respondent (or 0.4% of the total respondents) earned their certificate in informal education. According to job tenure, 96 respondents (37%) had between 0-4 years of work tenure, and 28% had between 5-8 years, while 64 respondents’ working experience were between 9-12 years. Additionally, 11% of respondents, 27 respondents, had experience over 12 years.

Table 2. Demographic information

<table>
<thead>
<tr>
<th>Variables</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>18 to 25 years</td>
<td>56</td>
<td>21.7%</td>
</tr>
<tr>
<td>26 to 35 years</td>
<td>122</td>
<td>47.3%</td>
</tr>
<tr>
<td>36 to 45 years</td>
<td>34</td>
<td>13.2%</td>
</tr>
<tr>
<td>46 to 55 years</td>
<td>40</td>
<td>15.5%</td>
</tr>
<tr>
<td>More than 55 years</td>
<td>6</td>
<td>2.3%</td>
</tr>
</tbody>
</table>

Table 3. Regression coefficient analysis

<table>
<thead>
<tr>
<th>Variable</th>
<th>β value</th>
<th>t-value</th>
<th>Sig.</th>
<th>Tolerance</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>GKS</td>
<td>0.199</td>
<td>2.236</td>
<td>0.000***</td>
<td>0.842</td>
<td>3.378</td>
</tr>
<tr>
<td>GTD</td>
<td>0.288</td>
<td>3.837</td>
<td>0.000***</td>
<td>0.948</td>
<td>2.646</td>
</tr>
<tr>
<td>GPA</td>
<td>0.227</td>
<td>2.647</td>
<td>0.000***</td>
<td>0.554</td>
<td>2.225</td>
</tr>
<tr>
<td>GRS</td>
<td>0.267</td>
<td>3.233</td>
<td>0.000***</td>
<td>0.973</td>
<td>2.880</td>
</tr>
</tbody>
</table>

Note: n = 258.

However, in the current study, the regression analysis, with R² = 0.56 or 56%, indicated the variance of this study, which comprises four independent variables such as Green knowledge sharing, Green training and development, Green performance appraisal, Green reward system, and Employee service behavior that are acknowledged at a 5% significance level and determine GKS, GTD, GPA, and GRS have positive and significant effects on employee service behavior. Additionally, Table 4 includes a summary of the outcomes of the hypothesis testing.
The regression output results are shown in Table 3, where employee service behavior (SERVB) was the dependent variable, and Green knowledge sharing, Green training and development, Green performance appraisal, Green reward system were the independent variables in this paper. According to regression result of \( H1 \), this finding is consistent with earlier research that explained that GKS had a positive impact on the level of employee engagement, improving their service behavior (Chang & Hung, 2021). In terms of hypothesis 1 (one), the relationship between green knowledge sharing and employee service behavior has a positive direction and is accepted by the 5% significance criterion \( (\beta = 0.199; p < 0.05) \). On the other hand, the second hypothesis postulates that green training and development has a positive and significant effect on employee service behavior in an organization, which is supported by the result 5% \( (\beta = 0.288; p < 0.05) \), and previous research also supports this hypothesis as employees who undergo training in environmental sustainability are inclined to demonstrate pro-environmental service behaviors (Amrutha & Geetha, 2021). On the other hand, \( H2 \) indicates that green performance appraisal (GPA) and employee service behavior (SERVB) have a positive relationship that is accepted at 5% \( (\beta = 0.227; p < 0.05) \), and this relationship designates that green performance appraisal is a crucial factor of an employee’s service behavior. However, regression analysis’s findings are connected to earlier research as when staff members believe that their sustainable efforts are acknowledged and incentivized by means of assessment of performance, they are more prone to demonstrate green support behaviors (Abdelhamied et al., 2023). In terms of the fourth hypothesis, it is said that green reward system (GRS) has a positive and significant impact on employee service behavior that is supported by the 5% level \( (\beta = 0.267; p < 0.05) \). As a result, this is consistent with earlier research. GRS practices are deemed essential in enhancing employees’ motivation to engage in environmentally sustainable behaviors (Shah & Soomro, 2023).

**CONCLUSION AND IMPLICATIONS**

In conclusion, the adoption of Green Human Resource Management procedures in banks has a substantial influence on staff member service behaviors. In response to the rising concern for environmental issues and corporate social responsibility, green HRM practices – which seek to integrate environmental sustainability into HRM strategies and processes – have arisen. According to the results of numerous research, implement-
ing Green HRM practices has a beneficial impact on staff attitudes and behaviors, which enhances service delivery and customer satisfaction in the banking industry. The current study also provided evidence that employee service behavior is directly positively and significantly impacted by Green knowledge sharing, Green training and development, Green performance appraisal, and Green reward system. In addition, 0.56 percent or 56% of the variance in employee service behavior has been characterized in this study by GKS, GTD, GPA, and GRS, which produces beneficial findings for the body of knowledge in this research. Since benefit banks foster a sense of ownership and responsibility among employees towards sustainable practices by encouraging employee engagement and participation in green initiatives, employing green HRM practices helps banks create an environmentally friendly organizational culture. Moreover, Green HRM practices have a favorable influence on employee service behaviors outside of the workplace. In addition to building their reputation as socially responsible businesses, banks that actively encourage sustainable practices and environmental stewardship draw in environmentally concerned clients. Employees play a key role in fostering a favorable reputation and providing sustainable services that are in line with customers’ values as representatives of a bank’s green initiatives. However, it is critical to recognize that both bank management and employees must have a constant commitment if green HRM practices are to be implemented successfully. To guarantee the efficacy and sustainability of these practices, ongoing monitoring, evaluation, and feedback procedures are required. Last but not least, the adoption of green HRM practices in banks has a good impact on employee service behaviors by encouraging employee engagement, supporting a green organizational culture, improving staff well-being, and enhancing a bank’s reputation in general and customer satisfaction. Therefore, green practices are increasingly being incorporated into HRM strategies as businesses aim to be more sustainable and socially responsible. Henceforth, this gives banks a great instrument to promote change while providing top-notch customer service. Therefore, by using green HRM practices, banks can improve customer service while increasing employee engagement, creating a green organizational culture, improving employee well-being, luring top talent, and accelerating positive transformation.

AUTHOR CONTRIBUTIONS

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Resources: Wasib Bin Latif, Priyanka Das Dona.
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Visualization: Wasib Bin Latif, Priyanka Das Dona, Debashis Kundu.
Writing – original draft: Md Sayed Uddin, Md. Atikur Rahaman.

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