

CONTENTS

- **▶** Definition
- > Introduction
- Green Human Resource Management- Learning and Development
- > AMO framework
- Lack of Green Human Resource Management
- ➤ Multi-Task Principle-Agent Model
- >HR tools aimed at integrating sustainability objectives into organizations
- Principle-Agent Model of attention allocation
- **Conclusion**

What is Green Human Resource Management?

Green Human Resources
Management (GHRM) can be
defined as a set of policies,
practices, and systems that
stimulate the green behavior of a
company's employees in order to
create an environmentally
sensitive, resource-efficient, and
socially responsible organization.



Introduction



- Green HRM refers to the set of practices aiming to encourage employees to use environmental resources in a sustainable way
- Contemporary organizations find themselves having to face two major challenges: on the one hand, attracting, retaining and developing talent; on the other, the implementation of a human resource management system that is able to meet the economic, social and environmental objectives, which concern every type of organization
- The private sector plays a fundamental role in the fight to stop climate change. For companies to succeed and move forward in their sustainability journey, a top-down approach is essential, as is the support of VPs and the senior management including People and HR.

Educating employees about working methods that allow to reduce waste, save energy and resources; applying circular economy to waste or rethinking the source of energy

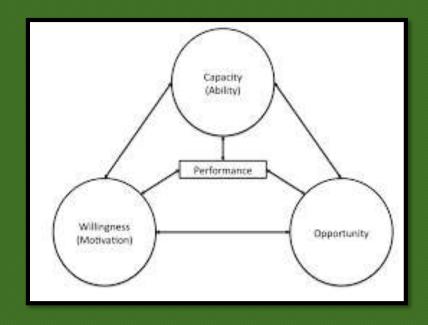
Overall, to push for an environmental protection mindset on a company's workforce, wishing that it acts consciously today and is alert for opportunities to become more sustainable in the future.



Green Human Resource Management- Learning and Development

Ability-Motivation-Opportunity (AMO) framework

- AMO suggests that performance is a function of ability (training and selection), motivation (incentives and feedback), and opportunity (environment). These three factors affect employee performance.
- GHRM practices remarkably impacts on environmental sustainability through the improvement of employees green ability (A), and this requires enticing, selecting, and providing training and development for the organization's personnel. In addition, it also comprises of green personnel motivation (M), and this involves motivating employees through the approach of green capabilities, and producing opportunities (O) for these personnel so they can take part in the organization's green initiatives.



Lack of Green Human Resource Management

It is widely believed that the full range of green human resource management practices is not yet utilized, thereby limiting the effectiveness of efforts to improve environmental management

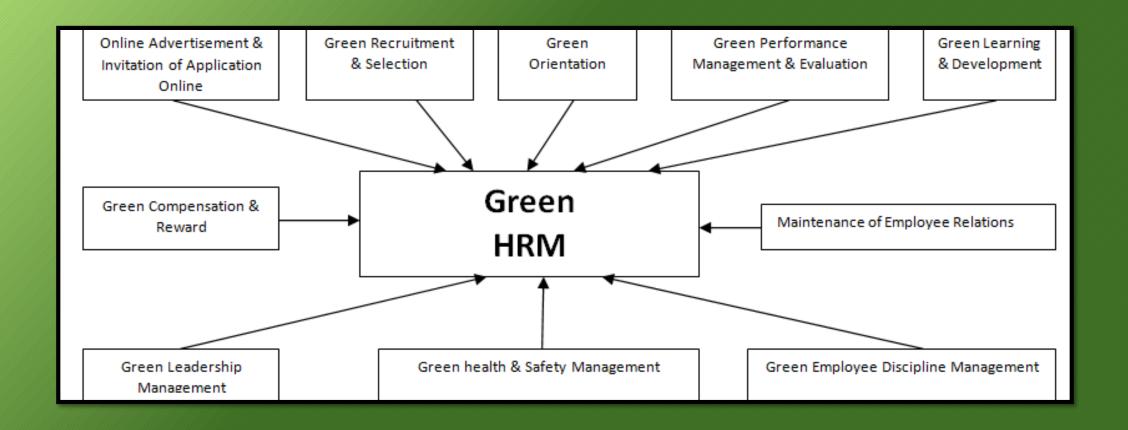
The above mentioned problem has arisen because of the following reasons:

- 1. The role of GRHM compared to the other functions of a business organization, has been relatively less investigated
- 2. Furthermore, there is a huge gap between professional GRHM practices and the teachings of effective green management
- 3. investigations of GHRM lack both an integrative theory and a systemic view

Multi-Task Principle-Agent Model

The two novelties it demonstrates are:

- 1. It focuses on the fundamental cause of organizational failure: the improper allotment of managerial attention. Poorly designed HRM can often limit workers from attaining the desired sustainability.
- 2. To examine GHRM as a whole system, the model captures not only aspects of performance monitoring and rewards; it brings together the three dimensions of the AMO framework



HR tools aimed at **integrating sustainability objectives** into organizations

Principle-Agent Model of attention allocation

$$U(e; s, S, r, R, t, b, \ell) = s \cdot \sigma(e; S) + r \cdot \rho(e; R) - t \left[\frac{1}{4} - \left(e - \frac{1}{2} \right)^2 \right] - (1 - q(e, b))\ell,$$

A represents BaU (Business as usual) contract with an industrial client at lowest possible cost; B represents sustainable contract

Here,

- A and B, are respectively captured by the functions (e; S) and (e; R)
- ➤ The arguments S and R stand for monitoring efforts by the firm, such as investing in some business-data processing software (like SAP) and in an environmental management system (like those certified under the ISO 14001 norm) respectively
- The functions and are twice continuously differentiable, with partial derivatives e > 0, e < 0 so more attention devoted to A boosts the firm's expected assessment of results on BaU issues and decreases the expected appraisal on sustainability issues
- \triangleright cross-partial derivatives eS > 0, eR < 0 meaning that the expected evaluations become more sensitive to a change in attention allocation when the firm monitors things more closely.

The firm would want to direct the manager's attention allocation, notably by offering incentive rewards s and r on each set of issues. Dealing with BaU versus sustainability issues, requires different mindsets, so the manager experiences a cognitive and/or physical cost when switching between A and B. This aversion to not specializing is portrayed by the $C(e) = t \left[\frac{1}{4} - (e - \frac{1}{2})^2\right]$

function where t is a real number in the interval (0, 1]. The peak of this function occurs indeed when e = 1.2, i.e. when the plant manager pays even attention to each set of issues. Being rational, the manager will then choose an attention allocation that maximizes her utility function

$$U(e; s, S, r, R, t, b, \ell) = s \cdot \sigma(e; S) + r \cdot \rho(e; R) - t \left[\frac{1}{4} - \left(e - \frac{1}{2} \right)^2 \right] - (1 - q(e, b))\ell,$$

where is a potential personal liability and the function q(e, b) runs from 0 to 1 (full interpretation of this function is given a few lines below).

Principle-Agent Model of attention allocation

Conclusion

In conclusion, Green Human Resource Management (GRHM) is currently just a theory which needs to be in practice at every firm in order to attain sustainable development. This presentation investigated some practices central to human resource management — employee selection and training, performance appraisal and rewards, employee discretion and empowerment — can be jointly deployed to direct managerial attention adequately. Using a static multitask principal-agent model, predictions/prescriptions could be derived on how these practices should adjust as the firm's stakes in sustainability increase.



Thank You