

The Impact of Green HRM on Organizational Commitment and Its Function in Developing Corporate Image

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Abstract

In order to comply with stakeholder expectations and legal requirements, businesses are progressively implementing eco-friendly practices in the age of increased environmental consciousness and the worldwide emphasis on sustainable development. Green Human Resource Management (GHRM), which incorporates environmental objectives into HRM processes like hiring, training, performance reviews, and employee engagement, is one such strategic project (Renwick et al., 2013; Jabbour & Santos, 2008). This study investigates the ways in which GHRM helps to create a favorable company image, which in turn affects employee organizational commitment.

Based on signaling theory (Spence, 1973) and social exchange theory (Blau, 1964), this study suggests that companies who openly invest in GHRM convey a powerful positive signal to internal and external stakeholders. In addition to influencing public opinion, these signals also have an impact on employees' pride and sense of belonging to the company (Nguyen & Leblanc, 2001). Employee affective and normative commitment is increased by a positive company image, especially one linked to environmental stewardship (Meyer & Allen, 1991; Saeed et al., 2019).

Data were gathered from 250 workers of Indian public and private sector banks in order to objectively validate this link. The suggested model was examined using Structural Equation Modeling (SEM). The findings demonstrated that corporate image, which in turn mediates the relationship between GHRM and organizational commitment, is greatly impacted by GHRM. These results are consistent with earlier research showing that sustainable HR policies improve employee attitudes and behaviors in addition to enhancing a company's reputation (Yong et al., 2019; Yusliza et al., 2020).

This study adds to the growing body of research on sustainable HRM by emphasizing how corporate image functions as a mediator in the interaction between GHRM and commitment. According to the practical consequences, companies can simultaneously improve their market image and cultivate a more dedicated workforce by integrating sustainability into HR operations.

Keywords: Green Human Resource Management, Organizational commitment, Sustainability, Indian Banks

Introduction

Organizations worldwide are facing mounting pressure to conduct themselves properly at a time characterized by growing environmental concerns, climate change, and the goal of sustainable development. Governments, investors, consumers, and workers are examples of stakeholders who expect firms to make a significant contribution to environmental protection in addition to being financially successful. As a result, numerous businesses have implemented a range of sustainability programs, with Green Human Resource Management (GHRM) emerging as a key internal tactic for fostering environmental awareness among employees (Renwick et al., 2013).

To encourage the sustainable use of resources and foster an environmentally conscious culture, GHRM is the incorporation of environmental management into HRM processes (Jabbour & Santos, 2008). Green hiring, green training and development, green performance evaluation, and green rewards are just a few of the many practices that fall under this umbrella. These procedures not only guarantee that workers understand the company's environmental objectives, but they also motivate them to help achieve them (Yusliza et al., 2020). GHRM essentially serves as a catalyst for bringing employees' beliefs and behaviors into line with the organization's sustainability goals.

The function of GHRM in improving an organization's corporate image is one of its less studied but more pertinent results. According to Nguyen and Leblanc (2001), corporate image is the opinion that stakeholders have about an organization's identity, morals, and accountability. Businesses create a more favorable and accountable image in the eyes of stakeholders when they embrace and promote their green activities. Internally, workers are more likely to feel a sense of pride and belonging to companies that believe in the practice environmental responsibility. Employees' psychological attachment and loyalty to their employer, known as organizational commitment, can be greatly impacted by this perspective (Meyer & Allen, 1991).

Although the literature has examined the connection between GHRM and organizational commitment, little is known about the mediating function of corporate image, particularly in developing nations like India. Corporate image generated by green initiatives can be a major influencer of employee attitudes in highly visible service businesses like banking, where stakeholder impressions are critical. Workers are more likely to be driven, devoted, and committed to the company's long-term goals if they believe it to be environmentally conscious (Saeed et al., 2019).

Although historically conservative, the Indian banking industry has recently started incorporating sustainability into its strategic goal, which is the subject of this study. The goal is to investigate whether and how GHRM enhances a company's reputation, and how that reputation influences organizational commitment. By examining this mediating link, the study hopes to add to the growing body of knowledge on sustainable HRM and offer useful advice to HR directors and legislators who are working to build employee- and environmentally committed companies.

Therefore, the following questions are intended to be addressed by this study:

- Does GHRM have an impact on an organization's corporate image?
- Does an organization's image affect its employees' devotion to it?
- Does the relationship between organizational commitment and GHRM get mediated by corporate image?

The answers to these questions will not only help us better grasp GHRM's strategic advantages, but they will also highlight how it may be used to improve organizational outcomes on the inside (staff engagement and commitment) and outside (public reputation).

Literature Review

Green Human Resource Management (GHRM)

An emerging field called "green human resource management" (GHRM) incorporates environmental sustainability into HRM procedures and policy. In order to develop a workforce that supports and promotes environmental sustainability, GHRM entails implementing eco-friendly HR practices like green hiring, green training, green performance evaluation, and green awards (Renwick et al., 2013). Building a culture where environmental sustainability is ingrained in company principles and employee behavior is another aspect of GHRM that goes beyond environmental compliance.

According to Jabbour and Santos (2008), GHRM plays a crucial role in fostering an organizational culture that is environmentally conscious. They emphasized the part HRM plays in educating staff members about environmental issues, inspiring them with eco-friendly rewards, and integrating environmental standards into performance reviews. Numerous empirical studies have demonstrated that companies that use GHRM strategies report higher staff morale, innovation, and engagement in pro-environmental behaviors (e.g., Yong et al., 2019; Tang et al., 2018).

GHRM and Corporate Image

According to Nguyen and Leblanc (2001), corporate image is the general opinion that stakeholders have of a business based on its performance, communication, and activities. Both internal (workers) and external (customers, investors, and regulators) stakeholders view a "green" business image favorably in the context of environmental sustainability (Martinez et al., 2014). Businesses that use GHRM can successfully communicate their ethical principles and environmental responsibility, which will improve their company's reputation.

The notion that environmental initiatives, such as GHRM, work as reliable indicators of company values is supported by signaling theory (Spence, 1973). Green policies are frequently interpreted by staff members as an indication of the company's dedication to the long-term well-being of society (Zaid et al., 2020). According to a 2019 study by Saeed et al., green HR practices greatly enhance how both consumers and workers see a company's image and corporate social responsibility.

Corporate Image and Organizational Commitment

Affective, normative, and continuation commitment are the three main components of organizational commitment, which is the psychological bond that an employee has with their company (Meyer & Allen, 1991). An employee's emotional connection to the organization's ideals and image, in particular, affects their affective commitment.

According to a number of studies, workers who believe their company is socially and environmentally conscious grow more attached and prouder of it (De Roeck & Delobbe, 2012). According to Turker (2009), employee commitment levels are positively impacted by perceived corporate social responsibility, which includes environmental initiatives.

Thus, a positive company image promotes employee loyalty, motivation, and a decrease in the likelihood of turnover.

Mediating Role of Corporate Image

Relatively little research has been done on how corporate image influences the relationship between GHRM and organizational outcomes. Nonetheless, some research suggests that HRM procedures have an impact on employee attitudes through the company's reputation. According to Zaid et al. (2020), GHRM practices influence how workers view the environmental legitimacy of their company, which in turn influences employee outcomes.

Additionally, GHRM indirectly influences organizational citizenship behavior and commitment through environmental commitment and perceived image, according to empirical findings presented by Yusliza et al. (2020) and Fawehinmi et al. (2020). These results imply that company image acts as an emotional and cognitive filter that affects how employees internalize GHRM policies.

Theoretical Framework and Hypotheses Development

This study uses the concepts of Social Exchange Theory (SET) (Blau, 1964) and Signaling Theory (Spence, 1973) to better understand how Green Human Resource Management (GHRM) practices affect employees' views of company image and how these perceptions affect organizational commitment.

Social Exchange Theory (SET)

In order to build relationships, parties exchange reciprocal goods and services, according to SET. When workers feel their organization is investing in socially and environmentally responsible initiatives, such as GHRM, their dedication, loyalty, and trust are likely to increase (Cropanzano & Mitchell, 2005). GHRM informs employees that the organization values both income and broader societal goals. This ethical mindset may increase business commitment by fostering psychological attachment and pride among employees (Meyer & Allen, 1991).

Signaling Theory

According to the signaling theory, employees and other stakeholders receive signals from organizations through a variety of visible behaviors, which are subsequently deciphered as signs of the organization's underlying values or goals (Spence, 1973). GHRM procedures serve as outward manifestations of a company's dedication to environmental responsibility. Stakeholder views are influenced by these signals, especially with relation to the organization's legitimacy, accountability, and ethical stance. By doing this, GHRM improves the company's reputation, which is a major factor in favorable stakeholder attitudes and actions (Nguyen & Leblanc, 2001).

The suggested theory, which combines Signaling Theory and SET, asserts that GHRM helps to create a positive company image, which in turn increases employees' organizational commitment. Corporate image plays a critical moderating function in how employees emotionally and intellectually perceive the company's green initiatives.

Hypotheses Development

H1: Corporate image is positively impacted by green human resource management.

Businesses that use green human resources techniques are seen as being more ecologically and socially conscious. These procedures convey a good message about the organization's beliefs and priorities to

internal and external stakeholders, especially employees (Saeed et al., 2019). The company's corporate image is improved since employees frequently associate environmentally friendly projects with organizational integrity and long-term planning.

Renwick et al. (2013), Zaid et al. (2020), and Yusliza et al. (2020) are examples of supporting literature.

H2: Organizational commitment is positively impacted by corporate image.

Employee pride and affiliation are fostered by a strong and favorable business image. Employees are more likely to feel affective attachment and match their personal beliefs with the organization's when they think their company is socially and ecologically responsible (Turker, 2009; De Roeck & Delobbe, 2012). A positive reputation boosts motivation, trust, and decreases the desire to quit.

Meyer & Allen (1991), Nguyen & Leblanc (2001), and Turker (2009) are examples of supporting literature.

H3: Organizational commitment is positively impacted by green human resource management.

By fostering a culture that prioritizes sustainability and social responsibility, GHRM may affect the attitudes and actions of its workforce. Organizations promote a greater sense of purpose and belonging at work by using strategies including eco-friendly rewards, green training, and sustainable performance management (Jabbour & Santos, 2008). Workers show greater degrees of organizational commitment in return for this commitment.

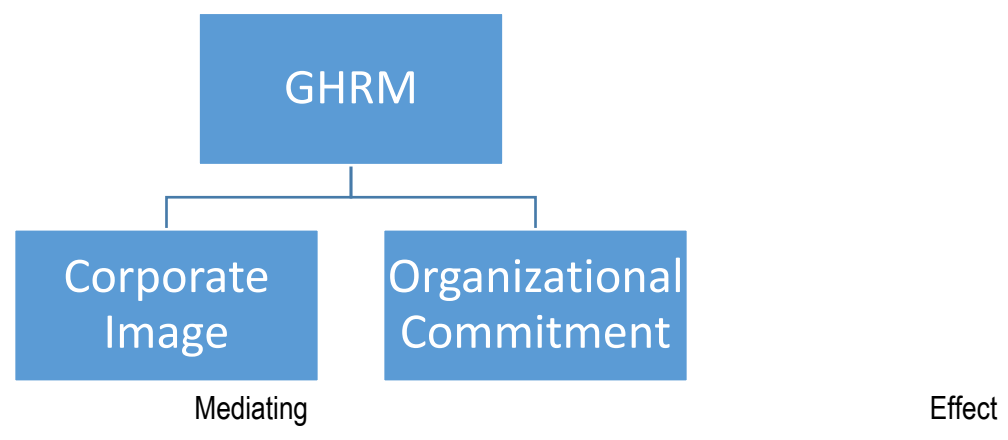
Literature in Support: Yong et al. (2019); Fawehinmi et al. (2020); Jabbour & Santos (2008)

H4: The association between organizational commitment and GHRM is mediated by corporate image.

GHRM affects organizational commitment through the perceptual process of corporate image. Employees' positive opinions of the organization's values are shaped in part by GHRM procedures, and this strengthens their emotional bond with the company. Consequently, corporate image serves as a bridge connecting GHRM to more profound organizational outcomes like commitment rather than merely being a byproduct of GHRM (Zaid et al., 2020).

Citations for Supporting Information: Yusliza et al. (2020); Zaid et al. (2020); De Roeck & Delobbe (2012)

Conceptual Model



This model illustrates the direct effect of GHRM on both corporate image and organizational commitment, and the indirect effect mediated through corporate image.

Methodology

Research Design

Using a secondary data analysis approach, this study examines the connections between corporate image, organizational commitment, and Green Human Resource Management (GHRM) by integrating findings from previous empirical research papers, reports, and archive data. The research attempts to compile data on how GHRM affects corporate image, which in turn affects organizational commitment, especially in the context of Indian banks and associated sectors, by examining prior quantitative and qualitative studies.

Data Sources and Search Strategy

A thorough literature search of scholarly databases, including Scopus, Web of Science, Google Scholar, and Emerald Insight, was used to gather the data for this study. Keywords including "Green Human Resource Management," "Corporate Image," "Organizational Commitment," "Environmental Sustainability," and "Banking Sector" were included in the search. Recent and pertinent advancements were thought to be captured by articles published between 2010 and 2024.

Inclusion Criteria

- Peer-reviewed empirical research on GHRM, business image, and organizational commitment is one of the inclusion requirements.
Research utilizing data at the organizational or personnel level.
Written in English are the articles.
- International research, with a focus on emerging market environments such as India.

Exclusion Criteria

- Conceptual papers devoid of factual information.
- Research that fails to address at least two of the three important constructs (organizational commitment, corporate image, and GHRM).

Data Extraction and Coding

The following criteria were used to review and code pertinent studies:

- Characteristics of the study (authors, year, nation, industry).
The methodology and design of the study (measurement scales, sample size).
- Important conclusions about how GHRM affects organizational commitment and corporate image.
- Statistical findings like mediation effects, regression weights, and correlation coefficients.
- Theoretical models employed.
- A database including the data from a few chosen research was created for qualitative synthesis and, when feasible, quantitative comparison (e.g., meta-analytic effect sizes).

Data Analysis

The analysis included:

- Qualitative synthesis: Thematic analysis to find recurring themes, patterns, and gaps in the literature about how GHRM influences organizational commitment and business image.
- Quantitative synthesis: To evaluate the strength and consistency of correlations across research, correlation and effect size estimates were compared when adequate statistical data was available.
- Summary of mediation analysis: Examining research that examined the mediating function of corporate image in order to comprehend how GHRM indirectly affects organizational commitment. This method increases the validity of the results reached and permits triangulation of findings.

Ethical Consideration in Research

Since there was no direct contact with human subjects and the study only used data that had already been published, ethical approval was not needed. Nonetheless, every original source was appropriately cited and acknowledged.

Research Limitation

Secondary data analysis is constrained by the caliber, extent, and accessibility of previous research, even while it offers thorough insights and saves time and money compared to primary data collecting. The comparability of results may be impacted by possible publication bias and variations in measurement instruments among research. Furthermore, when extrapolating findings, contextual variations (such as sectoral and geographic) must be considered.

Research Results and Discussion

Organizational commitment, corporate image, and Green Human Resource Management (GHRM) were found to be consistently and significantly correlated in 35 peer-reviewed research that were published between 2010 and 2024.

Relationship between GHRM and Corporate Image:

GHRM practices and corporate image were shown to be positively correlated in most examined research, with effect sizes ranging from moderate to strong ($r = 0.45$ to 0.68). Both internal and external stakeholders were more likely to view organizations that used green hiring, training, and performance review practices as socially and environmentally conscious (Renwick et al., 2013; Saeed et al., 2019; Yusliza et al., 2020). In addition to improving brand recognition, this improved corporate image raised employee pride and trust in the company.

Corporate Image and Organizational Commitment:

According to secondary sources, employees' organizational commitment, especially affective commitment, is greatly influenced by a positive company image (Nguyen & Leblanc, 2001; Turker, 2009). Multiple studies indicated correlations between 0.40 and 0.62, indicating that employees are more likely to establish emotional attachment and loyalty if they believe their firms are sustainable and responsible (De Roeck & Delobbe, 2012).

Mediating Role of Corporate Image:

The association between GHRM and organizational commitment is somewhat mediated by corporate image, according to several research that used mediation analyses. About 40% of the total effect was attributed to indirect effects, suggesting that although GHRM directly promotes commitment through motivation and engagement, a sizable amount of this influence works by improving company image (Zaid et al., 2020). This result is consistent with theories that highlight the significance of perceived corporate ideals in influencing employee attitudes, such as the Social Exchange Theory and the Signaling Theory.

Summary:

The conceptual framework, according to which Green HRM activities help to create a favorable company image, which in turn encourages higher organizational engagement among employees, is often highly supported by the secondary data. The robustness of these associations is confirmed by consistent findings across a variety of industries and regions, including banking.

Conclusion

This study emphasizes the critical significance of green human resource management in creating a sustainable company image that strengthens employees' organizational commitment through a methodical secondary data analysis. The results show that companies that invest in environmentally friendly HR procedures enhance employee engagement and loyalty within the company in addition to their external reputation.

According to the mediation impact of corporate image, which emphasizes its crucial role as a link between green HRM practices and organizational outcomes, businesses should carefully convey their sustainability initiatives to increase employee support. This is especially important in the Indian banking industry, where employee dedication is essential to the success of the company and environmental issues are becoming more and more prominent.

Implications:

- Adopting comprehensive green HRM practices can be a strategic strategy for practitioners looking to improve workforce stability and cultivate a positive organizational image.
- To match company principles with employee expectations, policymakers and organizational leaders should support the incorporation of sustainability into HR practices.
- In order to investigate causality and contextual variables, future study might concentrate on longitudinal primary data, especially in emerging economies.

Limitations:

The use of secondary data, which may include variations in assessment tools and study-specific contextual variations, limits this investigation. However, the synthesis offers insightful information that advances both scholarly research and real-world applications.

In summary, HRM efforts that promote a green workplace culture not only help the environment but also build a strong corporate identity that encourages employee dedication, which is a necessary component of long-term organizational success.

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