Journal of Business and Management Research ISSN:2958-5074 PISSN:2958-5066

Volume No:3 Issue No:3(2024)

The Impact of Green HRM Practices on Circular Economy-Based Performance in Banking Organizations

SH. M. Fakhr-e-Alam Siddiqui

Assistant Professor, Department of Business Administration, Karachi University, Pakistan

Email: fakhrealam@uok.edu.pk

Hammad Zafar

Lecturer, Department of Business Administration, Karachi University, Pakistan

Email: hammad.zafar@uok.edu.pk

Preet Pirzada

MBA Student, Department of Business Administration, Karachi University, Pakistan

Email: Preetpirzada01@gmail.com

Abstract:

This study hypothesizes that human resource management strategies that are focused on the environment have a substantial impact on performance based on the circular economy. The goal of the investigation is to determine the contribution of five specific green HRM components to the circular economy-based performance of environmentally conscious financial businesses. Circular economy-based performance has been a focal subject of research, garnering much attention among businesses operating in the cut-throat competitive environment and scholars and environmentalists. This study employs 130 workers of commercial banks as the unit of analysis. The survey data was collected from respondents across the Pakistan Banking Industry employed at different ranks using a structured questionnaire. Data collected was encoded in Statistical Package for the Social Sciences (SPSS) while analysis was done in Partial Least Square Structural Equation Modeling 4 (PLS-SEM 4). The findings of the study show that every aspect in green of HRM practice such as recruitment, hiring process, training, benefits condition, and employment design significantly influences the banking industry's possibility to implement circular economy. The integration in this area shows that the activities of green HRM practices enhance not only environmental outcomes inside banks but also enhance innovation and

ISSN:2958-5074 PISSN:2958-5066

Volume No:3 Issue No:3(2024)

competitiveness too. This research determined that advancing the link between HRM practices

and sustainability objectives encourage banks to run sustainably. This approach is beneficial not

only for the minimization of risks associated with environment but also for the management of

increasingly emerged difficult issues in developing countries where the quests for growth and

environmental conservation are inseparable. Therefore, the conclusions establish green HRM a

as a strategic tool in sustainable business development in the banking sector while promoting

environmentally sustainable results.

Keywords: GHRM, circular economy-performance connection, bank organization, emerging

economy.

Introduction

Background of the study:

People seems to wake up to the impacts of environmental degradation, and importance of

sustainable behavior and economic circulation and the circular economy model offers hope (Lim

et al., 2022). Functions of the circular economy include take, make, and

get rid of production and consumption linear models. Nonetheless, companies are focusing more

on the environmentally friendly elements of sustainable growth (Zhang et al., 2021). In addition,

the world faces a difficulty in addressing social concerns because of factors including population

growth, high unemployment, disputed exploitation, inequity, rising per capita consumption,

susceptibility, and shocking poverty (Goyal et al., 2021). Majeed et al. (2022) have demonstrated

that circular economy-based performance may be implemented at all organizational stages to

support sustainability through the mitigation of economic issues, the avoidance of resource

depletion, and the reduction of vitality and material loops. While the notion of the circular

economy has primarily been applied to invention, manufacturing, procurement, and supply

ISSN:2958-5074 PISSN:2958-5066

Volume No:3 Issue No:3(2024)

chain operations inside businesses, some researchers (Marrucciet al., 2021, for instance) have

concentrated on the circular economy's impact on service-oriented organizations' performance.

Problem Statement:

Environmental sustainability is becoming more widely recognized in Pakistan's banking sector.

However, the application of Green Human Resource Management (HRM) methods is still

limited and fragmented. While organizations around the globe are incorporating environmental

matters into their business and human resource policies, many of the Pakistani banks fail to

implement them effectively. This research will identify challenges and possible prospects of

practicing Green HRM in Pakistani banks. Its specific purpose is to find out the specific

practices, attitudes, and challenges that the HR departments experience when integrating HRM

approaches with environmental sustainability. Through addressing these difficulties, the study

intends to give suggestions to enhance the practising of Green HRM in Pakistan banking area to

support the sustainable development and higher organisational readiness of the emergent

environmental affairs.

GAP Analysis:

Only a small percentage of HR departments address environmental sustainability as a specific

objective, or have particular and explicit projects or initiatives related to environmental

sustainability in recruitment, training, maintenance of benefits, and overall employment strategy

formulation. Moreover, there is disparity in the knowledge about Green HRM between HR

professionals and employees, or at least those in the banks, as well as understanding of possible

advantages and significance of sustainability for the banking sector. Some of limitations include:

legislative factors, inadequate available resources and the dominance of financial measures of

performance over sustainable goals. These challenges increase the level of Green HRM practises'

ISSN:2958-5074 PISSN:2958-5066

Volume No:3 Issue No:3(2024)

usage becoming more complex and thus limiting the industry's ability to capitalise on

opportunities available for enhancing organisational readiness and environmental sustainability.

The gaps identified in this study, as seen from the gap analysis, are indicative of the requirement

for improved tailored approaches and practicable recommendations to bridge these gaps to

encourage a more consolidated strategy in Green HRM that effectively adheres to the current

legal frameworks and reflects the mounting focus on sustainability in organisations across the

global business environment.

Research Objectives:

This evaluation will help reveal how much of the organisations strategies impact on the

environments sustainability. The second objective of the study concerns identifying and

analyzing major challenges and issues regarding the implementation of Green HRM practices by

these banks.

Research Questionnaire:

These might include divergent corporate goals and objectives at the country, lack of resources,

culture, or legal requirements. Furthermore, the research will identify potential pathways

concerning how Pakistani banks can enhance Green HRM practices augmenting effectively the

existing implementation drives by learning about efficacious courses of action from other

domains and geographical regions including the compatibility with the official enactments as

well as incentivizing measures.

Significance Of The Study:

The study aims at impacting the sector positively by increasing its sustainability performance

and respond proactively to major environmental issues which have been analyzes to be relating

with Green HRM practices. This pressure has reached Pakistani banks which like other global

ISSN:2958-5074 PISSN:2958-5066

Volume No:3 Issue No:3(2024)

banks are feeling the nag from stakeholders and regulators to integrate environmental concerns

into their business. These kinds of banks can achieve operational cost reductions through better

efficiency, reductions in environmental impacts, and enhanced stakeholder perceptions of them

as socially responsible organizations by adopting and developing better Green HRM practices.

Literature Review

If a corporation pursues a circular economy-based performance model it means it can guide the

businesses in their network towards the prospects of defendable growth. Geissdoerfer et al.

(2017) pointed out that there are correlations between circular economy strategies, and a few

factors relating to various organisations including corporate functions, improving firm

performance as well as organisational sustainability. As pointed out by Schroeder et al. (2019),

circular economy-based performance enhances the pace of business sustainable development,

safe environment, resource reduction, energy conservation, youth employment, and economic

growth. From the studies done before like the one done by Kwarteng et al. (2022), it is clear why

the relation between the employee performance and circular economy based performance is

strong that leads to the success of the firm. Furthermore, a number of studies have demonstrated

that an effective work environment is the only way to attain the highest possible level of worker

productivity and job performance. Importantly, Zhang et al. (2021) added more weight to this

hypothesis by claiming that extended organizational sustainability is the ultimate result of

successful circular business performance.

There has been a great deal of research done on the literature on green marketing (Testa

et al., 2020), green procurement (De Giacomo et al., 2019), lifecycle assessment (Spreafico, 2022),

and bio economy (Lakner et al., 2021). However, very slight research has been done on the

connections between the environmental workforce system and circularity in organizational

Journal of Business and Management Research ISSN:2958-5074 PISSN:2958-5066

Volume No:3 Issue No:3(2024)

performance level. Nonetheless, green HRM was the focus of legislators, educators, researchers,

practitioners, and business and government organizations (Marrucci et al., 2021; Benevene &

Buonomo, 2020). The most essential element of the many mechanisms of green HRM is green

hiring (Rawashdeh, 2018). Regarding this relevant, Amin and Salehin (2021) and Shen et al.

(2018) noted that human assets planning is a key component of successful green HRM practices,

and that green employment strategy and evaluation are mainly successful parts of green HRM.

The academics also proposed that the selecting procedure is a thorough method for

comprehending the connection with the green atmosphere. According to Saeed et al. (2019), one

effective way to create appropriate green workforce management is through green recruiting.

Furthermore, Veleva and colleagues (2017) recognized the importance of green training.

Initiatives that support cultural inclusion, environmental readiness, and the development of a

responsible workplace. The author also mentioned that compensation is a major motivator for

better work performance. Drawing from extant research, the current analysis primarily focuses

on the conventionally chosen green HRM components.

The field of green employment design is primarily focused on the management,

development, and accessibility of career opportunities that are economically viable,

environmentally benign, and socially beneficial. Furthermore, while these occupations are meant

to address eco-friendly issues, reduce carbon releases, promote resource competence, and

support sustainable development, planning and evaluating environment-based employment also

involves creating employment opportunities that support social uprightness, economic fortune,

and environmental sustainability (Marrucci et al., 2021). Apart from creating discussions, noted

technical and climate shifts also offer opportunities for the creation of green employment

designs that support employee performance through a circular management system (Sulich &

Journal of Business and Management Research ISSN:2958-5074 PISSN:2958-5066

Volume No:3 Issue No:3(2024)

Sołoducho-Pelc, 2022). Nonetheless, the design and examination of green employment are

linked to a novel approach to business management that attempts to minimize unemployment,

stop environmental harm, and improve the material and energy efficiency of manufacturing

procedures—all of which have a direct bearing on the organization's performance in the circular

economy (Sulich et al., 2020).

Green workforce planning helps the company use resources more effectively, reduce

waste, promote innovation, build a stronger brand, and draw in environmentally conscious

clients—all of which help an organization achieve its circular goals (Zaid et al., 2018).

Implementing a circular system replaces the conventional approach and focuses on reducing,

reusing, recycling, and recovering business resources. The concept of the end of a product or

service life. Green staff planning is expected to improve an organization's circular performance,

citing Christensen et al. (2020). Furthermore, according to Dordmond et al. (2021), this

procedure improves worker performance. Thus, in order to help organizations fill jobs through

dynamic managerial strategies that support the maintenance of circular economy-based

activities to increase the performance of the firm as a whole, environmental workforce planning

is essential (Rawashdeh, 2018). Moktadir et al. (2020) provided empirical data on

environmental planning that aids in achieving circular economy-based work outcomes for

companies in a different study. Green staffing is seen as essential and closely linked to circular

economy-based performance in businesses. Furthermore defined as the process of utilizing eco-

friendly strategies during the hiring and selection process in order to attract and retain people

who share the tenets of the circular economy (Kang et al., 2013). Companies are increasingly in

need of talent acquisition methods that take the environment into consideration (Mayangsari &

Nawangsari, 2019).

111

Journal of Business and Management Research

ISSN:2958-5074 PISSN:2958-5066

Volume No:3 Issue No:3(2024)

Importantly, Pham and Paille (2020) claimed that companies must hire experts with a

plethora of green insights into competence with environmentally friendly approaches and

maintenance abiltie in order to develop circular performance. Using a green-based recruiting

strategy is a smart approach to identify and select exceptional candidates who improve circular

performance. This looks at how the team which focuses on sustainability could be successful in

general since they are more innovative, imaginative, and efficient (Böhlmann et al., 2018).

After analysing the importance of green training, Joshi and Dhar (2020) observe that

green training enhances the knowledge of the workers on environmental problems, sustainable

principles, and ways to develop an environmentally sensitive organisation as well as the society.

The green training programs provide Employee information on waste production and dumping,

pollution, depletion of resources, and resultant global warming. Green training can therefore be

correlated with the concepts of a circular economy that sensitises the staff to reuse and

regenerate teaching materials within the training so as to promote the recycling economy model

at the national level (Pinzone et al., 2019). At the same time, it is known that green training is

the considerable standard of organizational performance, which is contributed to the authors of

circular economy and the continuous economic growth of the company. From here on, a

corporation has the possibility to set up a circular cycle by means of the green training circular

economy concepts. Being thus important, Teixeira et al (2012) argued that by putting in practice

a green-oriented training strategy it will be possible to optimize resource usage and support the

promotion of circular economy within the organization.

The green reward system refers to the concept of encouraging and rein forcing green

behaviours and activity at the workplace. It involves offering incentives for environmental

conservation, monetary and non-monetary incentives and correct encouragement for a firm's

ISSN:2958-5074 PISSN:2958-5066

Volume No:3 Issue No:3(2024)

green initiatives. According to Mandago (2018). Besides, the green reward system is used

extensively as a way of aligning people's behaviors with sustainable practices, support

initiatives for circular economy, decrease waste, and cause hardly any harm to the environment

in terms of circularity (Marrucci et al., 2021). When workers receive green gifts, or other

incentives, in cases of attaining certain sustainability milestones, Aboramadan et al. (2022)

observe that those workers are more inclined to use regulations relating to circular economy to

enhance performance within the organization. Additionally, according to Al-Hawari et al. (2021),

in order to attain circularity, employees respond favorably to ecologically responsible initiatives.

Therefore, we believe that in order to impact an organization's performance based on the

circular economy, green compensation is necessary.

Conceptual Model & Hypothesis

Conceptual Model

This study looks into the crucial connection between green HRM and banking businesses'

performance based on the circular economy. In order to perform better in the context of the

circular economy, financial institution management must adhere to green banking principles.

Therefore, the primary goal of this study is to close the knowledge gap by examining the

connection between green HRM practices and Bangladeshi banking organizations' performance

based on a circular economy.

Hypothesis

Drawing from the current research purpose and supporting literature, the current study

formulates the following hypotheses:

Hl: Circular economy-based performance is positively correlated with green employment

design.

ISSN:2958-5074 PISSN:2958-5066

Volume No:3 Issue No:3(2024)

H2: Performance based on the circular economy is positively correlated with green workforce

planning.

H3: Circular economy-based performance is strongly correlated with green staffing.

H4: Performance based on the circular economy is strongly correlated with green training.

H5: Performance based on the circular economy is strongly correlated with green incentive

systems.

Research Methodology

Research Paradigm

Appropriate and relevant data are used in this study to investigate any possible association

between the variables. In order to accomplish the study's goals, the research collected data and

carried out a cross-sectional analysis. Sekaran and Bougie (2016) defended the practice of

collecting data from respondents at a certain point in time in cross-sectional research. The

respondents to this study are workers at Pakistani green banks who provide data. A

meticulously designed survey was developed to collect this first-hand information. An effective

method for examining the possible relationship between the given variables and constructs is a

questionnaire survey (Salkind, 2012).

Research Design

The measuring indicators or items of the constructs in this study were taken from earlier

research of a similar nature; for example, all five scales for every element of green HRM were

used; The exogenous variables were gathered; some were taken from Chen et al. (2021), while

Yong et al. (2020), Ren et al. (2020), and Yusliza et al. (2017) provided information for the other

scales. In a similar vein, six scales taken from Pinheiro et al. (2022) and Marrucci et al. (2021)

were used to measure the endogenous variable, circular economy-based performance. However,

ISSN:2958-5074 PISSN:2958-5066

Volume No:3 Issue No:3(2024)

a 5-point Likert scale—from 1 = strongly disagree to 5 = strongly agree—was used to evaluate

each of the independent and dependent categories.

Research Instrument

The study's target demographic consists of workers from banking institutions that give top

priority to environmental standards established by the Pakistani government. Thus, the sample

unit for this research's analysis consists of managers who hold permanent jobs at Pakistani

banks that practice green banking. To gather perception-based data, 52 workers of various

commercial banks that received government accreditation for their green banking initiatives

were interviewed.

Pilot Testing

A "non-probability" selection technique called "judgmental purposive" sampling was used to

select the study's respondents. In this regard, Malhotra and Dash (2016) suggested using a "non-

probability" sampling technique where there are unlisted populations or when a sample frame is

unavailable.

Sampling Data And Data Collection

Hulland et al. (2018) state that judgmental purposive sampling is a trustworthy, reasonable,

timely, and dependable method for the researcher. Importantly, Malhotra and Dash (2016)

pointed out that using probability sampling can occasionally become quite challenging,

particularly when considering South Asian nations. For this reason, the data for the current

investigation were gathered using a judgmental purposive sampling technique. With the

assistance of Friends or links shared within banks, questionnaires were distributed to the

participants, who also verified the inclusion criteria.

Descriptive Analysis

GO Green Research and Education

Journal of Business and Management Research ISSN:2958-5074 PISSN:2958-5066

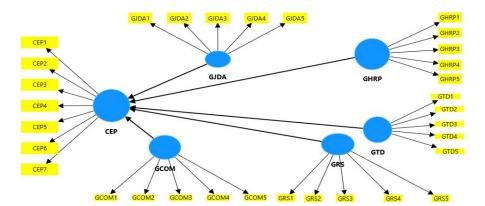
Volume No:3 Issue No:3(2024)

Out of the 200 questionnaires that the study's researchers distributed, 130 were returned. 130 of the surveys that were returned were seen as accurate, usable, and correctly filled out; the other questionnaires were regarded as invalid. As a result, 130 was the ultimate sample size identified by the current inquiry. 130 questionnaires with a response rate of 65% were processed for data analysis in the setting of Pakistan.

Assessment Of Measurement Analysis

Previous research by Amin and Rubel (2020), who found a response rate of 33% in the Pakistani context, provided justification for this response rate. With the support of earlier research, the sample size of 418 for the current study is therefore considered appropriate. In addition, the three-month data gathering period ran from August 1st, 2023, to October 31st, 2023. Given that the research used a cross-sectional approach, as explained by Sekaran and Bougie (2016), this time period was selected.

Assessment of Structural



Model

Data input and analysis were conducted using two software techniques. The data was input, assembled, and descriptive statistical analysis was carried out using SPSS. In accordance with Hair et al. (2013)'s recommendation, this study uses the partial least squares method—more specifically, SMART-PLS version 4—to conduct SEM-based factor analysis, or confirmatory

ISSN:2958-5074 PISSN:2958-5066

Volume No:3 Issue No:3(2024)

factor analysis. This method is used to evaluate the discriminant validity of all the present

constructs, as well as to assess the composite reliability and item-validity. The study also

conducts hypothesis testing to determine the outcome.

Analysis And Results

Respondent Profile

This study determined a number of demographic characteristics of the Pakistani sample of green

banking institutions. Table 1 shows that around 68% of banking company managers are men,

meaning that 32% of managers are women. In addition, the current study found that 40.3% of

participants completed a General Master's program, compared to 59.7% of participants who

earned an MBA. Furthermore, 22% of respondents received a general bachelor's degree and 43%

of respondents received a bachelor's degree with a business concentration.

Descriptive Statistical Analysis

Furthermore, the majority of participants (40%) indicate that they have worked at their current

firm for five to ten years, with a notable segment (25%) having been employed for ten to fifteen

years. Table 1 presents the demographic scenario. As part of the initial data review phase, a

Confirmatory Factor Analysis (CFA) was conducted to evaluate the validity and reliability of

the items utilized in this study. In order to assess convergent validity, this study examined item

loadings, composite reliability, and average variance extracted (AVE).

Discriminant Validity

The discriminant validity of this study was assessed by the researchers using the Fornell-

Larcker criteria (Hair et al., 2013). The square root of the AVE should be larger than the

correlations between the latent variables of the corresponding off-diagonal variables, according

to the Fornell-Larcker criterion. These criteria were effectively satisfied by the current study,

which shows acceptable discriminant validity (see Table 3).

Construct Reliability And Validity

Henseler et al. (2015) suggest that the Heterotrait-Monotrait Ratio (HTMT) analysis criteria are more accurate in terms of empirical results when establishing discriminant validity than the Fornell-Larcker criterion. This study, following the recommendations of Henseler et al. (2015), used HTMT analysis to show that all HTMT values are less than the threshold, 0.850, showing appropriate discriminant validity (see Table 4).

In addition, Stone-Geisser's Q2 method was used to determine the predictive relevance of the measurement model. Importantly, Hair et al. (2013) suggested that the construct's Q2 score's cross-validation redundancy should be greater than zero (0). Positive findings were also obtained from the current experiment (please refer to Table 5). However, the unobserved variables' composite reliability ratings were higher than the cutoff point of 0.70. *Structual Model Analysis*

			Standard		
	Original	Sample	deviation	T statistics	
	sample (O)	mean (M)	(STDEV)	(O/STDEV)	P values
GCOM → CEP	0.440	0.431	0.277	1.588	0.112
GHRP → CEP	0.217	0.206	0.245	0.886	0.376
GJDA → CEP	0.057	0.153	0.202	0.283	0.777
GRS → CEP	-0.035	-0.030	0.304	0.117	0.907
GTD → CEP	0.080	0.072	0.183	0.434	0.664

ISSN:2958-5074 PISSN:2958-5066

Volume No:3 Issue No:3(2024)

Note: GED = Green employment design, GWP = Green workforce planning, GS = Green staffing,

GT = Green Training, GRS = Green reward system, CEP = Circular Economy-based Performance.

After evaluating the questions' validity and reliability, the study created a structural model. CEP

was the dependent variable in the model, and the five green HRM aspects served as independent

variables. The results show that every component of green HRM, such as GRS \rightarrow CEP (β = 0.155,

p < 0.05), GWP \rightarrow CEP (β = 0.144, p < 0.05), GED \rightarrow CEP (β = 0.140, p < 0.05), GS \rightarrow CEP (β =

0.510, p < 0.05), and GT \rightarrow CEP (β = 0.163, p < 0.05), all of which support the original

hypothesis. The findings of the structural model's hypothesis testing are shown in Table 6.

According to Hair et al. (2013)'s guideline, a significant direct impact or relationship between

independent and dependent constructs at a 95% confidence level is indicated if a T statistic

value is larger than 1.96, especially T ≥ 1.96. All elements of green HRM, according to Pakistani

green banking organization managers, could hasten organizational CEP.

Discussion

This study looked into how green HRM affected Bangladeshi green banking companies'

performance in the circular economy. According to the research's initial hypothesis, there is a

favorable correlation between circular economy-based performance, which has been verified by

experimentation. The current finding adds to the body of research that has already looked at and

verified this association in a variety of settings (Yong et al., 2020; Geissdoerfer et al., 2017). The

present study emphasizes the necessity of utilizing green employment design more broadly by

putting in place an all-encompassing environmental HRM system at the company level (Al-

Hawari et al., 2021).

Conclusion And Recommendations

ISSN:2958-5074 PISSN:2958-5066

Volume No:3 Issue No:3(2024)

Conclusion

The results of the second hypothesis showed a strong and direct relationship between the

performance of green banks in the circular economy and personnel planning based on the

environment. The present findings are consistent with earlier service sector study (Mandago,

2018), which demonstrated a positive relationship between green workforce planning and

performance based on the circular economy as a key strategic goal and essential business value.

The third hypothesis's suggested link between green personnel and performance based on the

circular economy is an inventive feature of this study.

This study offers more empirical proof of the beneficial relationship between green staffing and

their ability to reduce waste, promote energy efficiency, maximize usage, and achieve overall

circular economy-based performance. These results are consistent with those of Marrucci et al.

(2021), which show that, in the context of the circular economy, green staffing improves

organizational performance.

Additionally, the results of this study provide credence to the fourth hypothesis, which

holds that green training and performance based on a circular economy are positively correlated.

This research suggests that employees who receive green training are driven to meet

performance goals related to circular economy-based performance. Previous studies have

primarily looked on the relationship between sustainable circular performance and green

training (Saeed et al., 2019; Dumont et al., 2017). The study's fifth hypothesis highlights the

positive effects of an environment-focused reward system on performance based on the circular

economy; green HRM practices can improve an organization's sustainability by helping it

manage resources efficiently and by coming up with innovative ways to deal with environmental

risks and avoidable waste.

ISSN:2958-5074 PISSN:2958-5066

Volume No:3 Issue No:3(2024)

Furthermore, this is consistent with the results of a recent study conducted by Pinheiro

et al. (2022), which demonstrates that putting green HRM principles into practice lowers the

costs related to energy waste minimization, encourages resource efficiency, and improves the

organization's reputation. This phenomenon could be explained by the fact that putting green

HRM practices into practice can speed up sustainable performance by using technology to

reduce emissions of pollutants and minimize waste creation through reusing, recycling, reducing,

and remanufacturing—thereby improving overall organizational efficiency. Therefore, adopting

different environmental management systems, like Green HRM, can help establish a circular

economy business model, especially in service industries like green banking.

The current study has theoretical and practical ramifications. This study advances our

understanding of the connection between green HRM and circular economy-based performance,

which has important theoretical ramifications. One of the few attempts to experimentally

validate the relationships between circular economy performance and green human resource

management in the context of any developing Southeast Asian nation, including the green

banking industry, is this study. Further studies (Pinheiro et al., 2022; Amin & Salehin, 2021)

may look into similar hypothesized connections in different industries and various national

circumstances. Furthermore, the current study fills in the gap in earlier research that

demonstrated the relationship between green HRM and success in green banking founded on

the circular economy.

Examining the possibly substantial influence on the proposed relationships between

green HRM and circular economy-based performance requires investigating a more

comprehensive conceptual model. Furthermore, by establishing a link between green HRM and

sustainable performance through the application of circular economy methods in the service

Journal of Business and Management Research ISSN:2958-5074 PISSN:2958-5066

Volume No:3 Issue No:3(2024)

industry, this study advances the body of information already known in this field. When

analyzing this correlation, more thought should be given to this industry. This study, which

takes a comprehensive approach, confirms that the chosen current aspects of green human

resource management have been acknowledged in the literature. As a result, this study is

thought to be among the few that has effectively verified the positive relationships between

green HRM and performance based on the circular economy. Additionally, by examining the

study data using advanced analytical techniques, the current study adds something new. This

study followed the recommendation made by Hair et al. (2013) for the application of SEM

analysis. We used this strategy to increase the validity and trustworthiness of our results.

There are important management implications to the current investigation. According to

this research, in order to effectively address environmental concerns and circular performance,

organizations in the service sector should embrace and promote green HRM practices and

circular economy-based performance models. The results suggest that performance regarding

the circular economy could act as a means by which service organizations increase sustainable

performance through green HRM practices. As a result, while transitioning to a circular

economy performance, the role of the service sector may be necessary. Practitioners also have to

understand that every industry needs a specific management strategy to obtain performance

according to the circular economy perspective (Pinheiro et al., 2022). Another important

consequence is the need to have a green effort at the strategic level. From the study it is evident

that green HRM has to be aligned with an organization green strategy goal. It can be postulated

that organisations within the service industry that align change goals to encompass green

principles that form part of their strategic objectives are likely to derive a competitive advantage

due to the organisation's ability to predict future market and regulatory requirements and,

ISSN:2958-5074 PISSN:2958-5066

Volume No:3 Issue No:3(2024)

therefore, future compliance costs. While it is crucial for firms to be outcompeting rivals in the

short term and, perhaps more importantly in the long term for sustainability, such directives

change the competitive structure (Lim et al., 2022).

Recommendations

The rationale behind this research is to assess the correlation between performance in circular

economy and five core categories of green HRM. In so doing, the results show how green HRM

enhances performance in green banking that is founded on the circular economy. However, the

results endorse the antecedents of each facet of green human resource management on

performance grounded on the circular economy. The results of this inquiry has important

ramifications for both theoretical comprehension and real-world application. With important

theoretical ramifications, the current research backs up the notion that integrating green HRM

and the circular economy-based performance model could improve organizational sustainability.

In order to improve the sustainable performance of businesses in the service industry, this study

offered evidence for the importance of integrating green HRM into a larger environmental

framework and applying a performance model based on the circular economy. Even though the

current study focused on Pakistan's green banking sector, it is important to remember because if

the same paradigm is applied to different firms and situations, different results can occur.

However, further research is needed to evaluate the suggested relationships in different

settings. As a result, the research findings suggest that deliberate implementation of green HRM

practices is necessary to effectively achieve their goals. Further research looking at the degree of

strategic integration of green HRM may build on this finding. Decision-makers may be

interviewed in-depth using qualitative research techniques. Despite the fact that the current

study has contributed significantly, it is important to recognize its shortcomings. A previous

Volume No:3 Issue No:3(2024)

study found that different organizations, industries, and countries have different approaches to implementing eco-friendly practices (Lim et al., 2022). According to this justification, the use of circular economy-based performance and green HRM would vary between various service industry sectors, such as manufacturing, hospitality, and education.

References:

- 1. Becker, A., Kundi, Y. M., and Aboramadan, M. (2022). Nonprofits using green human resource management organizations: The impact on eco-friendly conduct among employees and the significance of perceived green organizational support.
- 2. Ahmad (2015) said. Green practices and strategies for managing human resources. Melhem, S. B., Quratulain, S., and Al-Hawari, M. A. (2021). How and when do the environmental values of frontline staff members affect their green creativity? evaluating the contribution of green HRM practices and perceived work significance.
- 3. Rubel, M. R. B., and Amin, M. B. (2020). The mediating function of knowledge sharing intention in the relationship between employee knowledge sharing behavior and HRM practices.
- 4. Salehin, M., and Amin, M. B. (2021). Green human resource management practices' contributions to workers' productivity. Journal of Business Studies, Dhaka University, 113–137.
- 5. In 2020, Benevene, P., and Buonomo, I. Green HRM: a systematic literature review based on evidence.
- 6. Jiang, W., Li, X., Chen, S., & Gao, H. (2021). Based on the cognitive-affective system theory, this study examines the impact of employees' perceived green HRM on their workplace green behaviors in the mining and oil industries. Environmental Research and Public Health International,

 18(8),

 4056.
- 7. Hauggaard Nielsen, H., and T. B. Christensen (2020). The circular economy: methods, expertise, and innovation. 18(1), 2-16, Journal of Transdisciplinary Environmental Studies. 8. Goyal, S., Mishra, P., and Chauhan, S. (2021). Research on the circular economy: bibliometric analysis (2000–2019) and perspectives for future investigations. Cleaner Production Journal, 287.
- 9. Sarstedt, M., Ringle, C. M., and J. F. Hair (2013). Structural equation modeling with partial least squares: Strict applications, improved outcomes, and increased acceptance. Balázs, E., Popp,

J., Oláh, J., and Lakner, Z. (2021). The economy's structural transformation within the framework of the bioeconomy. Journal of Bioeconomy EFB, 1, 100018.

10. Lee, S. Y., Wang, C., Lai, M., and Lim, M. K. (2022). Using a green-lean approach, the circular economy may guarantee the sustainability of production operations. 11. Popp, J., Khan, M. K., Majeed, A., Ahmad, M., Rasheed, M. F., & Olah, J. (2022). Evidence from sophisticated panel methodologies demonstrates the dynamic interaction of environmental improvements, financial globalization, and energy productivity with renewable energy demand. 12. Dash, S., and K. Malhotra (2017). An Applied Perspective on Marketing Research, Seventh Ed. Dorling Kindersley (India) PVT. LTD., Delhi. 13. Bocken, N. M., Hultink, E. J., Savaget, P., and Geissdoerfer, M. (2017). Is there a new paradigm for sustainability in the circular economy? Cleaner Production Journal, 143.

14. In 2016, Ghisellini, P., Cialani, C., and Ulgiati, S. A summary of the circular economy: the anticipated shift to a harmonious interaction between the environmental and economic systems. Salkind, Research, N. Ţ. Boston: Pearson, Hoboken 16. Bougie, R., and Sekaran, U. (2016). The seventh edition of Research Methods for Business: A Wiley Skill Building Approach. \otimes Sons, Inc. 17. A. A. Zaid, A. A. Bon, & A. A. Jaaron (2018). A conceptual model for industrial companies and green HRM bundle practices for performance optimization. International Journal of Technology and Engineering, 87-91 7(3.20), 18. Ren, S., Jackson, S. E., and Tang, G. (2020). The impact of ethical leadership and green human performance. resource management on an organization's environmental of Labor. International Journal 19. (2018) Rawashdeh, A. The effect that environmentally conscious human resource management has on organizational performance in Jordanian health service organizations. 20. Lettieri, E., Pinzone, M., Guerci, M., and Huisingh, D. (2019). Evidence from the Italian healthcare sector regarding the impact of "green" training on environmentally friendly practices and satisfaction. job 21. In 2022, Sulich, A., and Sołoducho-Pelc, L. the development of green jobs and the circular

and

Research

on

Science

Environmental

economy.

Pollution.

GO Green Research and Education

Journal of Business and Management Research ISSN:2958-5074 PISSN:2958-5066 Volume No:3 Issue No:3(2024)

22. In 2020, Pham, D. D. T., and Paillé, P. An understanding of green patterns through green of and selection. Worldwide Journal Labor. recruitment 23. In 2019, Mayangsari, R. E. and Nawangsari, L. C. The impact of green hiring and green training on employees' environmental performance at PT Wira Cipta Perkasa. 24. Green behavior as a variable for mediation. Journal of Management Science Dinasti International, 1(2), 217-231. 25. Gusmerotti, N. M., Testa, F., Todaro, N., & Frey, M. (2020). An empirical study of the causes of organizational citizenship behavior aimed at integrating corporate sustainability. and social Environmental management corporate responsibility. 26. In 2019, Mayangsari, R. E. and Nawangsari, L. C. PT Wira Cipta Perkasa's environmental performance in relation to green hiring and training, with a focus on employee green behavior as a mediating factor. International Journal of Management Science published by Dinasti. 27. Dordmond, G., Swart, J., de Oliveira, H. C., and Silva, I. R. (2021). An analysis of the development of green jobs in Brazil reveals the intricacy involved in creating them. surroundings. 28. G. Joshi and R. L. Dhar (2020). The moderating influence of resource commitment in green training for promoting green creativity via green dynamic capacities in the Indian handicraft Cleaner Production sector. Journal, 267. 29. Hauggaard Nielsen, H., and T. B. Christensen (2020). The circular economy: methods, expertise, and innovation. 18(1), 2-16, Journal of Transdisciplinary Environmental Studies. 30. Balázs, E., Popp, J., Oláh, J., and Lakner, Z. (2021). The economy's structural transformation within the framework of the bioeconomy. Journal of Bioeconomy EFB, 1, 100018.