



A CONCEPTUALISATION FOR BUSINESS SUSTAINABILITY: A GREEN HRM PERSPECTIVE

M. Ikhwan Maulana Haeruddin

Program Studi Manajemen, Fakultas Ekonomi dan Bisnis, Universitas Negeri Makassar, Indonesia

*Corresponding Email: ikhwan.maulana@unm.ac.id

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Abstract

Green Human Resource Management (Green HRM) has emerged as a pivotal strategy for aligning organisational people practices with environmental sustainability goals. This conceptual study investigates how Green HRM can be conceptualised as an integrated set of HR policies, practices, and managerial routines that enable firms to pursue business sustainability. The study addresses the persistent problem that sustainability is often operationalised unevenly across organisations, where environmental initiatives may exist without systematic human-capital mechanisms that embed pro-environmental behaviours, competencies, and accountability into day-to-day work. The objective is to provide a structured conceptualisation that links Green HRM to business sustainability outcomes through multiple pathways: (1) employee motivation and behavioural change, (2) organisational capability building and learning, and (3) governance and performance management. Drawing on established theoretical lenses—including the Resource-Based View, the Ability-Motivation-Opportunity framework, institutional theory, and stakeholder perspectives—this study develops a multi-level conceptual model that explains how HR practices such as green recruitment, training and development, performance appraisal, compensation, internal communication, and employee involvement can contribute to environmental, social, and economic dimensions of sustainability. The analysis synthesises prior empirical and conceptual research to articulate propositions and managerial implications. This study concludes by outlining research opportunities for future empirical testing, measurement refinement, and longitudinal validation of Green HRM-sustainability linkages.

Keywords: conceptualisation, green HRM, human resource management, business sustainability

1. INTRODUCTION

The sustainability agenda has intensified pressure on firms to manage environmental impacts while simultaneously sustaining long-term economic viability and social legitimacy. In this context, business sustainability is commonly understood as the integration of environmental stewardship, social responsibility, and economic performance (often operationalised through the triple bottom line) (Haeruddin, 2017; Khatoon et al., 2025; Palupiningtyas et al., 2025). However, environmental sustainability efforts frequently fail to achieve durable outcomes when they rely solely on technological investments or top-down compliance rather than systemic organisational change. The conceptualisation of green HRM matters because “green” HR initiatives can range from symbolic actions (e.g., occasional awareness campaigns) to deep structural changes (e.g., integrating sustainability metrics into performance management, promotion criteria, and workforce planning) (Alfianto et al., 2024). The sustainability implications of green HRM, therefore, depend on how comprehensively and coherently green HRM is institutionalised across organisational processes. Moreover, sustainability outcomes may not be immediate; they often require learning cycles, capability development, and persistent behavioural reinforcement.



Despite growing interest, several limitations from particular scholars (Haeruddin et al., 2023; Hussain, 2018; Smith & Green, 2018) remain in the conceptual and empirical understanding of Green HRM:

- a) Fragmentation of the concept: Green HRM is sometimes treated as a set of isolated practices rather than an integrated system. This weakens theory-building about how HR practices mutually reinforce each other to produce sustainability capabilities.
- b) Insufficient linkage logic: Many studies demonstrate associations between “green HR practices” and sustainability-orientated outcomes, but the mechanisms explaining how and why these HR practices translate into business sustainability are not always theorised consistently.
- c) Measurement and scope ambiguity: Sustainability is multi-dimensional. Some research focuses heavily on environmental outcomes, while other dimensions—social and economic sustainability—are less integrated into the conceptual model. Additionally, different operationalisations of Green HRM complicate comparison across studies.
- d) Context and institutional complexity: Organisations face varying institutional pressures (regulatory regimes, industry norms, and stakeholder expectations). Yet, the conceptualisation of Green HRM’s role in sustainability under different institutional conditions remains underdeveloped.

These limitations collectively suggest that a refined conceptualisation is needed—one that specifies pathways linking Green HRM to business sustainability and offers research propositions that can be empirically tested. Moreover, the objective of this study is to conceptualise Green HRM as a strategic, multi-level system that supports business sustainability. Specifically, it (1) reviews and synthesises relevant theory and prior research on Green HRM and sustainability; (2) develops a conceptual framework describing causal and capability pathways from Green HRM practices to business sustainability outcomes; (3) articulates testable propositions to guide future empirical research; and (4) provides implications for organisational design and HR strategy.

2. LITERATURE REVIEW

Green HRM is broadly concerned with aligning HRM functions with environmental management objectives. In early work, scholars emphasised that HRM practices could be used to develop the skills, attitudes, and behaviours needed to manage environmental issues effectively (Haeruddin, 2017; Harvey et al., 2018; Tambe et al., 2019). This aligns with a view that sustainability is not achieved through isolated compliance actions but through organisational transformation—an area where HR systems are highly influential. Over time, Green HRM has been conceptualised across key HR domains, including:

- Green recruitment and selection (value-based hiring, recruiting candidates with environmental commitment).
- Green training and development (building employee competencies for eco-efficient processes).
- Green performance management (including environmental metrics in appraisal).
- Green compensation and rewards (incentivising pro-environmental behaviour).
- Employee involvement and empowerment (encouraging participation in green initiatives).
- Internal communication and HR culture (fostering shared environmental norms).
- Workforce planning and organisational change (aligning staffing and skills with sustainability strategies).

These domains are not merely operational suggestions; they reflect a system-level approach to human capital management. Furthermore, the theoretical motivation for Green HRM is frequently grounded in strategic HRM logic—i.e., HR practices should support organisational strategy and performance (including sustainability strategy). Scholars also link green HRM to environmental management and organisational learning, suggesting HR systems can help firms develop dynamic capabilities for sustainability.

THEORETICAL LENSES LINKING HR SYSTEMS TO SUSTAINABILITY

A. Resource-Based View (RBV) and sustainability capabilities

The resource-based view argues that firms achieve sustained advantage through resources and capabilities that are valuable, rare, inimitable, and organisationally embedded (Akbar, 2024a; Barney, 1991; Mustafa et al., 2024a). Green HRM can be interpreted as a capability-building mechanism: HR practices develop human competencies, environmental commitment, and knowledge that can be tough for competitors to replicate. If these capabilities support sustainability performance (e.g., eco-efficiency, reduced waste, improved compliance, and risk management), then Green HRM becomes part of a firm's strategic resource base.

B. Ability-Motivation-Opportunity (AMO) framework

The AMO framework posits that performance outcomes depend on: (1) Ability (skills and knowledge); (2) Motivation (commitment and effort); and (3) Opportunity (resources and enabling conditions). Green HRM can be mapped onto AMO: training increases ability; rewards and appraisal mechanisms shape motivation; participation, empowerment, and supportive leadership create opportunity (Akbar et al., 2024b). This mapping provides a mechanism for explaining how Green HRM translates into sustainability behaviours that influence business outcomes.

C. Green HRM practices and sustainability outcomes: what the literature suggests

Empirical and conceptual studies often report that Green HRM practices relate to sustainability outcomes such as reduced environmental impact (waste reduction, energy efficiency, pollution prevention), improved environmental compliance, increased employee pro-environmental behaviours, enhanced organizational environmental performance, improved organizational culture supportive of sustainability. Yet, a major gap persists: sustainability is often treated as an outcome variable without a full exploration of the “logic chain” from specific HR mechanisms to sustainability performance at organizational scale. For example, training may increase ability but may not translate into behavioural change unless motivation and opportunity are also addressed.

D. Towards a clearer conceptualisation: integration and multi-level mechanisms

Given these theoretical perspectives, a coherent conceptualisation should:

- Treat Green HRM as an integrated system across multiple HR functions, not as a disconnected set of practices.
- Specify mechanisms—such as AMO—to explain how HR practices influence employee behaviours.
- Explain how employee behaviours and learning become embedded into organizational routines and capabilities (RBV and dynamic capability logic).
- Account for legitimacy and institutional pressures—clarifying when Green HRM leads to substantive sustainability versus symbolic compliance.
- Connect sustainability outcomes to multiple dimensions: environmental, social, and economic.

3. METHODS

This study uses a conceptual research design. Rather than collecting new primary data, it synthesizes peer-reviewed literature to build a structured conceptual framework for Green HRM and business sustainability. Conceptual studies are valuable when the field lacks integrative models or when theory requires refinement to support empirical testing (Angreyani et al., 2023; Haeruddin et al., 2024; Mustafa et al., 2024b). To strengthen academic rigor, the review emphasizes high-impact, widely cited peer-reviewed sources and theory-grounded publications rather than purely practitioner reports.

The analysis of this study proceeds through three steps:

1. Thematic mapping: Identify major Green HRM practices and categorize them into HR domains (recruitment, training, appraisal, rewards, participation, communication, and HR culture/routines).
2. Mechanism identification: Use AMO and related behavioural theories to map HR practices to employee-level psychological and behavioural outcomes (e.g., pro-environmental motivation, environmental self-efficacy, engagement).
3. Capability linkage: Use RBV/dynamic capabilities logic to link employee-level behaviours and knowledge to organizational-level sustainability capabilities and performance outcomes, while incorporating institutional theory to account for context and legitimacy.

Based on the above synthesis, this study develops a multi-level conceptual model:

- HR system inputs (Green HRM practices);
- Employee-level mediators (green motivation, ability, opportunities, and pro-environmental behaviours);
- Organisational-level processes (learning, routine formation, capability development, governance); and
- Business sustainability outcomes (environmental performance, social sustainability, economic sustainability).

However, because this is conceptual research, the model needs empirical testing. Additionally, different contexts (industry regulation, national labour systems, union strength, and stakeholder salience) may moderate the strength and direction of relationships. Future studies should use longitudinal and multi-method designs to validate the framework.

4. ANALYSIS AND DISCUSSION

A conceptualisation framework: Green HRM as a system for sustainability

a) Green HRM practices as “inputs”

Green HRM can be conceptualised as comprising multiple HR practices that operate jointly with (1) Green recruitment and selection, which cover hiring candidates aligned with environmental values and sustainability orientation, and Screening for environmental competencies and behavioural indicators; (2) Green training and development: Providing knowledge about sustainability strategies and eco-efficient practices, developing green technical and managerial skills, and supporting learning through workshops, simulations, and cross-functional sustainability training; (3) Green performance management: Integrating environmental metrics into job performance appraisal, establishing clear expectations for pro-environmental behaviour and results, and using continuous performance feedback and goal alignment; (4) Green compensation and rewards: Linking rewards to sustainability outcomes or green behaviours, using recognition programs to reinforce desired behaviours, and ensuring fairness and transparency to avoid cynicism; (5) Employee involvement and empowerment: enabling

employee voice in sustainability initiatives, and providing resources and time for participation; and (6) Green internal communication and HR culture: communicating sustainability goals, progress, and learning, and reinforcing norms through leadership communications, HR messaging, and cultural mechanisms.

b) AMO-based mechanisms: from HR practices to green behaviour

The AMO framework provides a practical mechanism for Green HRM conceptualisation: (1) Ability pathway: Green training, selection, and development increase employee ability to implement eco-efficient methods and understand sustainability rationales; (2) Motivation pathway: Green appraisal and compensation enhance motivational alignment with sustainability goals, supporting sustained effort; and (3) Opportunity pathway: Participation, empowerment, supportive leadership, and process design provide opportunities to enact pro-environmental behaviours.

c) From employee behaviour to organizational sustainability capabilities

Employee behaviours do not guarantee business sustainability at organizational scale. Conceptually, the transition requires organizational learning and capability formation: (1) Knowledge accumulation: Training and employee involvement generate environmental knowledge and experiential insights; (2) Routine formation: Performance systems and governance frameworks institutionalise sustainability behaviours into organizational routines; and Coordination and alignment: Green HRM aligns sustainability strategy with job design, resource allocation, and managerial oversight.

In RBV terms, Green HRM may help firms develop sustainability-related capabilities that competitors find difficult to imitate—especially when they are embedded into HR culture and cross-functional processes.

Construct Propositions

- **Proposition 1: Integrated Green HRM practices**
A higher degree of integration among Green HRM practices (recruitment, training, appraisal, rewards, involvement, and communication) is positively associated with business sustainability outcomes. Rationale: Integration strengthens AMO alignment—ability, motivation, and opportunity reinforce one another rather than acting in isolation.
- **Proposition 2: AMO-mediated employee green behaviour**
Green HRM practices influence business sustainability through employee-level mediators consistent with AMO mechanisms (green ability, green motivation, and green opportunity leading to pro-environmental behaviours).
Rationale: Behavioural change requires not only skills (ability) but also incentives and enabling conditions.
- **Proposition 3: Capability embedding and sustainability performance**
The relationship between Green HRM and sustainability is stronger when sustainability-related employee behaviours are institutionalised into organizational routines and governance mechanisms (e.g., performance management, continuous improvement systems).
Rationale: Sustainability outcomes at firm level require capability development, not only individual behaviour.
- **Proposition 4: Institutionalisation quality has moderation effects**
The positive effects of Green HRM on sustainability are stronger under conditions where institutional pressures promote substantive implementation rather than symbolic adoption (e.g., stronger regulatory enforcement, active stakeholder monitoring, or credible sustainability reporting).

Rationale: Institutional theory implies adoption can be symbolic; moderating conditions determine whether it becomes embedded.

- Proposition 5: Sustainability multi-dimensionality
- Green HRM relates not only to environmental performance but also to social and economic sustainability, mediated by employee engagement, fairness perceptions, and reduced operational risk/waste.

Rationale: HR systems can affect employee well-being and ethical climate (social sustainability) while also enabling operational efficiency and risk reduction (economic sustainability).

Proposed Conceptual Model Summary (Narration)

Overall, the model suggests:

- Green HRM practices → (ability + motivation + opportunity) → pro-environmental employee behaviours + learning → organizational routine formation and sustainability capability → multi-dimensional business sustainability outcomes.
- Context and institutional conditions moderate the effectiveness of Green HRM by influencing the depth of implementation.

5. CONCLUSION AND RECOMMENDATION

This study conceptualises Green HRM as an integrated HRM system that enables business sustainability through multiple mechanisms. By mobilising theoretical lenses—particularly AMO for behavioural pathways, RBV for capability embedding, institutional theory for context and legitimacy constraints, and stakeholder theory for sustainability’s multi-dimensional nature—this study argues that Green HRM contributes to sustainability not merely through isolated “green” initiatives but through coherent design across HR functions. The central conclusion is that Green HRM supports business sustainability when it is institutionalised in ways that strengthen employee ability, motivation, and opportunity to enact pro-environmental behaviours and when these behaviours are embedded into organizational routines and governance systems. This study also presents propositions to guide future research, highlighting the need for integrated measurement, mediating mechanism testing, and attention to institutionalisation quality. Future research should employ longitudinal designs, multi-source data (e.g., HR practice audits, employee surveys, sustainability performance metrics), and cross-level analyses to validate the model. Methodologically, scholars should refine constructs for Green HRM integration and measure sustainability outcomes across environmental, social, and economic dimensions rather than relying on singular environmental indicators.

Moreover, in practical terms, organizations seeking sustainability progress should treat Green HRM as a strategic capability system—aligning recruitment, training, performance management, rewards, employee participation, and internal communication—so that sustainability becomes embedded in everyday work and continuously improved over time.

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