Chapter 13
A Conceptual Model of Green HRM Adoption Towards Sustainability in Hospitality Industry

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ABSTRACT

This chapter seeks to provide a better understanding on the predictors of green human resource management which can result in improved environmental and financial performance across hospitality industry. The proposed model has been constructed from the perspective of external pressure (i.e., normative) and internal pressure (manager's environmental concerns) by using the Institutional Theory and Resource Based View Theory. The chapter examines the antecedents of sustainability in hospitality industry in terms of improved financial and environmental performance. It therefore expands the level of understanding on mechanisms which leads to corporation sustainability. While the chapter is written with a focus on hospitality industry, the proposed model is applicable to corporations across other sectors.

INTRODUCTION

Since the late 1980s, in western economies, there has been increasing concern about the impact of business on the environment (Gadenne, Kennedy, & McKeiver, 2009). This concern spread among various stakeholders such as legislators, employees, customers, local communities, business suppliers, financial institutions and public authorities; therefore, companies in contemporary eras face mounting pressure from shareholders and stakeholders to develop activities related to environmental performance (López-Gamero, Molina-Azorín, & Claver-Cortés, 2009). Besides, companies implement programs and policies

to execute the environmental performance programs and perform in compliance with the environmental regulations (Yadav, Han, & Rho, 2015).

At present, one of the main industries mostly affecting the environment is hospitality industry. In recent years, the global hospitality industry has been growing rapidly. The global income generated from international tourists in 2014 was US\$ 1,245 billion (Tourism & Unwto, 2015). In the same year, Europe's hospitality industry earned US\$ 509 billion, while Asia Pacific earned US\$ 337 billion (Tourism & Unwto, 2015). Due to the accelerated growth of this sector, hospitality industry has become one of the major contributors to the source of income for most of the countries such as Malaysia (Inside Malaysia, 2012; Chan & Wong, 2006).

Hospitality industry contributes to the GDP, hence is associated with employment prospects, the growth of secondary activities, and providing substitute earnings (Awang, Ishak, Radzi, & Taha, 2008). However, the industry also consumes substantial amounts of natural resources such as energy and water, leading to several damaging impacts such as excessive volumes of waste and environmental problems (Nabiha et al., 2011). For instance, the generation of wastes in this industry was estimated as 1 kg per customer per day (Bohdanowicz, 2005). Additionally, a large number of unwelcome emissions such as CFCs, CO2, smell and smoke, and industry waste are generated by the hospitality industry (Kirk, 1995).

Closely related to the environmental issues, the hospitality industry has been facing the increasing pressure by many stakeholders to implement the environmental performance programs (Erdogan & Baris, 2007). As shifting in consumer demand, pressure from NGOs, government regulations, and shifting professional ethics have become the main forces developing pressure on the hospitality industry (Erdogan & Baris, 2007). As regard to these environmental issues, companies in the hospitality industry has been recognizing environmental issues as one of the significant element needs specific attention in their business activities (Erdogan & Baris, 2007). Therefore, making the decision to include the environmental performance programs in the company's strategy is the outcome of complex decisions that is influenced by many factors within and outside of the hospitality industry (Lülfs & Hahn, 2015). Environmental performance programs contain the organizational and technical activities take on by the company for the purpose of decreasing environmental effects and lessening their impacts on the natural environment (Cramer, 1998).

One of the organizational activities that has a significant impact on company's operations and performance (both financial and environmental performance) is human resource management (HRM). According to Rani and Mishra (2014), many scholars in the field of HRM believe that the success of innovation management and strategy of a company depends on the quality of facilities and human resources. It has been reported that HRM practices influence individuals and companies to switch their forms of thinking and behaviour into environmental approaches. Therefore, HRM will support to cope with the issues of environmental change over transformative learning and knowledge-sharing (McGuire & Garavan, 2010). Furthermore, Boselie, Paauwe and Jansen (2001) demonstrated that accessibility and ability of human resources engaged in the strategic conducts, called green HRM, is essential to become more competitive in the hospitality industry. Green HRM involves practices that encourage every employee to support environmental activities, and improve employee's commitment and response to environmental issues (Rani & Mishra, 2014). Therefore, green initiatives in the HRM become part of environmental performance programs. It is believed that green HRM practices will bring many benefits to the hospitality industry, such as increased customer loyalty, reduced turnover rate from employees, being a leader in the industry and gaining competitive advantage, improved image and brand value, and compliance to regulations (Graci & Kuehnel, 2010).

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