

Chapter 7

The Impact of Climate Change on Human Resource Management in the Global Economy

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ABSTRACT

Climate change has a global impact on everyone in their homes and workplaces. It occurs naturally but is also human-induced. It does more bad than good, especially in the workplace of every industry. Human resource functions play a major role in addressing this issue with management structures, employees, customers, and other stakeholders. The effort of reducing climate change is not an easy task, as many still have no belief that it is actually occurring. This chapter seeks to define the human resource function and climate change concept within a global economy.

INTRODUCTION

Climate change has an impact on everyone. The way in which global warming is dealt with is largely dependent on an individual and collectively as well. The response of the corporate world has a huge impact on the path that humanity chooses. It represents a large influence on whether people make climate change better or worse. With this being the case, human resource professionals are faced with challenges of how to address one of the greatest threats of this age. They are the ones responsible for shaping and maintaining the culture of an organisation (Delery & Roumpi, 2017). Some organisations in the corporate sphere continue boosting the bottom line at the expense of the environment and have no genuine determination of abandoning policies that promote that behaviour. This is due to the inability

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to govern innocently. Those who have environmental awareness often find themselves engaging in what will compromise the environment that they are yearning to preserve (Michael, 2019).

The change of the climate has a hand in shaping the global economy. The rise of global temperature comes with the rise of operational costs which can hinder global economic growth. In a predicted worst case scenario where the Gross Domestic Product (GDP) growth per year had a reduction of one percent, this suggests that the effects will be damaging in a disproportionate manner to economies that are developing (Oluwaseyi, 2018). The climate change long-term financial repercussions can be potentially made better through a collective effort to enact carbon emissions policies that are strict. Implementing these mitigation policies can reduce the climate change sources. The remaining consequences can be dealt with through adaptation policies (Kompas, Pham & Che, 2018). The worst risks and impacts can be avoided and the climate change economic consequences can be reduced through these policies. It is expected that by the year 2060, there would be a major loss of the annual GDP unleashed from 0.9 percent to 0.8 percent if the issue of climate change is continuously ignored (Carleton & Hsiang, 2016).

For human resources to assist in redefining business practices, there has to be an understanding of the root of the problem. This can be done by understanding the market and environment and how they are treated as social goods. There will be occasional competition between their respective interests. In cases where one has to be compromised, the market is often favoured (Shamim, Cang, Yu & Li, 2016). As a result, organisations are confronted with a situation of having as much of a duty to the planet as they do to shareholders and employers. This gives rise to a very delicate act of balance. With the new generations coming to the workplace with personal values that favour the environment, there is still a possibility for making a difference (Markoulli, Lee, Byington & Felps, 2017). However, it can be challenging to redefine successful business practices that make ecological degradation worse. Organisations are more accepting of the idea to support environmental causes where a business case or gain is involved (Kianto, Sáenz & Aramburu, 2017).

It is a very long journey to get organisations to be truly sustainable, however, people being aware of this should not raise hopelessness. Instead, the importance, urgency and scale of the task should be made clear. This chapter seeks to define the role of human resources in an organisation and the concept of climate change. Furthermore, it will discuss how human resources can play a role in reducing climate change by activities that an organisation can engage their employees in. The world continues to be more industrialised and advanced. These advancements come with more machinery and activities that degrade the environment. Every organisation seeks easier ways to be more productive and to improve performance. This is done through hiring the best employees in an organisation and having equipment that makes performing tasks easier. The role of managing these resources is associated with the human resource department in organisations. However, the advancements in organisations can cause harm to the environment and in return harm people (Brewster, 2017).

GLOBAL CLIMATE CHANGE

There are numerous impacts that come with climate change. One of those impacts is that the global rise of sea levels, which is estimated at 3.6 millimeters per year, will force a large number of people out of their homes in the following decades. People residing on the coast will be mostly affected by this. Those that are in regions near the equator will suffer the consequences of unbearable heat levels (Delery & Roumpi, 2017). However, organisations have not prepared enough for how climate change

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