

GREEN HUMAN RESOURCE MANAGEMENT: INTEGRATING SUSTAINABILITY INTO PERFORMANCE MANAGEMENT AND EMPLOYEE VALUE PROPOSITIONS

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Abstract

Green Human Resource Management (GHRM) has emerged as an important organizational strategy for integrating sustainability into human resource practices and organizational management systems. This study employs a narrative literature review approach to examine the role of GHRM in integrating sustainability into performance management and employee value propositions. The findings indicate that green HR practices such as green recruitment, environmental training, sustainable reward systems, and green performance management contribute positively to organizational sustainability, employee engagement, and operational efficiency. The study also reveals that sustainability-oriented Employee Value Proposition (EVP) enhances employee attraction, satisfaction, and organizational loyalty, particularly among employees who value environmentally responsible workplaces. Furthermore, integrating environmental objectives into performance management systems encourages accountability and environmentally responsible employee behavior. However, challenges related to organizational resistance, performance measurement, and sustainability implementation remain significant. This study contributes to the literature on sustainable HRM by providing insights into the relationship between GHRM, sustainability performance, and employee outcomes in modern organizations.

Keywords: *Green Human Resource Management, Sustainability, Green Performance Management, Employee Value Proposition, Sustainable Organizational Development.*

INTRODUCTION

In recent years, sustainability has become one of the most important priorities for organizations across the world due to increasing environmental concerns, climate change, resource scarcity, and growing public awareness regarding corporate responsibility. Governments, stakeholders, and consumers increasingly expect organizations to adopt environmentally responsible practices that contribute to sustainable development (Saifulina et al., 2020). As a result, businesses are no longer evaluated solely based on financial performance, but also on their environmental and social impact. This shift has encouraged organizations to integrate sustainability into various aspects of their operations, including production, supply chain management, marketing, and corporate governance. In this context, organizations are recognizing that sustainability initiatives cannot succeed without active employee participation and organizational support, making Human Resource Management (HRM) an essential component of sustainable business strategies (Arulrajah et al., 2016).

The growing importance of sustainability has led to the emergence of Green Human Resource Management (GHRM), which refers to the integration of environmental management principles into human resource policies and practices. GHRM aims to encourage environmentally responsible employee behavior through green recruitment, green training and development, sustainable performance management, and environmentally focused reward systems (Dickey et al., 2025). Unlike traditional HRM approaches that primarily emphasize organizational productivity and employee performance, GHRM combines organizational objectives with environmental sustainability goals. Through these practices, organizations seek to create workplace cultures that promote environmental awareness,

resource efficiency, and sustainable employee behavior (Amjad et al., 2025). Consequently, employees become active contributors to organizational sustainability rather than passive participants in environmental initiatives.

One of the most important areas within GHRM is the integration of sustainability into performance management systems. Organizations increasingly incorporate environmental objectives, green Key Performance Indicators (KPIs), and sustainability-related accountability into employee evaluation processes (Ismael & ismail, 2025). Green performance management enables organizations to align employee behaviors and responsibilities with broader sustainability goals, ensuring that environmental considerations become part of daily organizational activities. In addition, sustainable performance management encourages employees to adopt environmentally friendly work practices, reduce waste, conserve resources, and contribute to long-term organizational sustainability. However, implementing green performance systems remains challenging because organizations often face difficulties in measuring environmental performance outcomes and balancing sustainability objectives with traditional productivity targets (Anshima et al., 2024).

At the same time, sustainability is becoming an increasingly important element of Employee Value Proposition (EVP), particularly among younger generations of employees who value ethical and environmentally responsible workplaces. Employees are more likely to feel motivated and committed when organizations demonstrate genuine concern for environmental sustainability and social responsibility. As a result, companies that successfully integrate sustainability into their organizational culture and HR practices are often more successful in attracting, engaging, and retaining talented employees. Green workplace cultures not only strengthen organizational reputation and employer branding but also contribute to employee satisfaction, loyalty, and long-term organizational commitment. Therefore, integrating sustainability into performance management and employee value propositions through GHRM practices has become an important strategic approach for organizations seeking sustainable competitiveness and organizational success in modern business environments.

LITERATURE REVIEW

Green Human Resource Management (GHRM)

Green Human Resource Management (GHRM) has emerged as an important approach that integrates environmental sustainability into human resource policies and organizational practices. The concept of GHRM developed from the growing recognition that organizations must address environmental challenges not only through technological solutions but also through employee behavior and organizational culture. GHRM refers to the implementation of HR practices that encourage sustainable use of resources, environmental awareness, and eco-friendly employee behavior within organizations (Gomes et al., 2025). Researchers argue that employees play a critical role in achieving sustainability goals because organizational environmental performance is strongly influenced by daily workplace practices and employee participation. Consequently, organizations increasingly adopt green HR practices to align employee behavior with broader sustainability objectives (Aukhoon et al., 2024).

The literature identifies several important dimensions of GHRM, including green recruitment and selection, green training and development, green rewards and compensation, and employee involvement in environmental initiatives. Green recruitment focuses on attracting employees who possess environmental awareness and sustainability-oriented values, while green training enhances employee knowledge and skills related to environmental management (Diaz-Carrion et al., 2018). In addition, organizations implement green reward systems to encourage environmentally responsible behavior and strengthen employee commitment to sustainability goals. Previous studies suggest that effective GHRM practices improve organizational reputation, environmental performance, and employee engagement. However, researchers also highlight challenges such as organizational resistance, limited environmental awareness, and difficulties in measuring the effectiveness of green HR initiatives (AlKetbi & Rice, 2024).

Sustainability and Green Performance Management

Performance management systems are increasingly being integrated with sustainability objectives as organizations seek to align employee performance with environmental and social responsibility goals. Green performance management refers to the incorporation of environmental criteria, sustainability indicators, and eco-friendly behaviors into employee evaluation systems (Benn et al., 2015). Traditional performance management systems primarily focus on productivity, efficiency, and financial outcomes, whereas green performance management expands evaluation criteria to include employee contributions toward sustainability initiatives. This approach enables organizations to encourage accountability for environmental performance while reinforcing sustainability-oriented organizational culture (Pellegrini et al., 2018). The literature further emphasizes that green

performance management contributes to improved organizational sustainability and employee responsibility. Environmental Key Performance Indicators (KPIs), waste reduction targets, energy conservation practices, and participation in sustainability programs are increasingly included in employee performance assessments (Wijaya & Sugiarto, 2025). Researchers suggest that integrating sustainability into performance management helps organizations promote environmentally responsible behavior and improve operational efficiency in the long term. In addition, leadership support and effective communication are considered essential for successful implementation of green performance systems. Nevertheless, organizations often face challenges related to measuring environmental performance outcomes, balancing sustainability goals with productivity targets, and ensuring employee acceptance of green evaluation systems (Verma et al., 2025). Therefore, continuous organizational support and employee involvement are necessary to ensure the effectiveness of sustainability-oriented performance management.

Employee Value Proposition (EVP) and Sustainable Work Environments

Employee Value Proposition (EVP) refers to the set of benefits, values, and experiences offered by organizations to attract, motivate, and retain employees. In modern organizational environments, sustainability has become an increasingly important component of EVP because employees are more likely to prefer organizations that demonstrate environmental and social responsibility. The literature indicates that younger generations of employees, particularly Millennials and Generation Z, place strong importance on working for organizations that align with their personal values regarding sustainability and ethical business practices (Bhandari et al., 2024). As a result, companies increasingly integrate sustainability into their organizational culture, employer branding, and employee engagement strategies to strengthen their attractiveness as employers (Shadraconis, 2013).

Researchers also suggest that sustainable work environments positively influence employee satisfaction, commitment, and organizational loyalty. Organizations that promote environmentally friendly workplace practices, employee well-being, and corporate social responsibility often experience stronger employee engagement and lower turnover rates. Green workplace initiatives such as flexible work arrangements, sustainable office environments, and employee participation in environmental programs contribute to positive employee perceptions of organizational values (Saifulina et al., 2020). Furthermore, the integration of GHRM practices into EVP enhances organizational reputation and strengthens relationships between employees and employers. Despite these benefits, the literature highlights that some organizations struggle to effectively integrate sustainability into EVP due to inconsistent organizational commitment and limited employee awareness of sustainability initiatives (Arulrajah et al., 2016). Therefore, organizations must ensure that sustainability values are consistently reflected in both HR practices and organizational culture to strengthen employee trust and long-term engagement.

METHODOLOGY

This study employs a narrative literature review approach to examine the role of Green Human Resource Management (GHRM) in integrating sustainability into performance management systems and employee value propositions within organizations. A narrative literature review is considered suitable for this study because it allows for a broad and interpretive exploration of theories, concepts, and empirical findings related to sustainability and human resource management. Unlike systematic reviews that focus primarily on quantitative analysis and strict inclusion criteria, the narrative approach provides flexibility in synthesizing multidisciplinary perspectives regarding organizational sustainability, green HR practices, employee engagement, and sustainable performance management. The study utilizes secondary data collected from academic journals, books, conference proceedings, organizational reports, and sustainability studies obtained through databases such as Google Scholar, Scopus, ScienceDirect, and Web of Science. Keywords used in the literature search include “Green Human Resource Management,” “sustainability,” “green performance management,” “employee value proposition,” and “sustainable organizational development.”

The collected literature was analyzed using thematic analysis to identify major patterns, concepts, and relationships associated with GHRM implementation and sustainability-oriented organizational practices. The analysis focused on several key themes, including green recruitment and training, sustainability integration into performance management systems, employee participation in environmental initiatives, and the role of sustainable Employee Value Proposition (EVP) in attracting and retaining employees. Through interpretive synthesis, this study integrates findings from previous research to explain how green HR practices contribute to organizational sustainability, employee engagement, and long-term organizational performance. Additionally, the narrative review approach enables the identification of current research gaps and emerging issues related to sustainability-driven HR

strategies, particularly regarding the effectiveness of integrating environmental values into organizational culture and employee management systems.

RESULTS AND DISCUSSION

Green Human Resource Management Strengthens Organizational Sustainability

The findings of this study indicate that Green Human Resource Management (GHRM) plays a significant role in strengthening organizational sustainability by integrating environmental values into employee management practices. Organizations implementing green HR strategies such as green recruitment, environmental training, sustainable reward systems, and employee involvement programs are more likely to develop workplace cultures that support environmental responsibility and sustainable behavior (Amjad et al., 2025). Employees who receive sustainability-related training and organizational support demonstrate greater awareness regarding resource conservation, waste reduction, and environmentally responsible workplace practices. Consequently, GHRM contributes not only to environmental performance but also to the development of organizational cultures that prioritize long-term sustainability and social responsibility (Ismael & ismail, 2025).

The discussion further reveals that employee participation is one of the most important factors influencing the success of sustainability initiatives within organizations. Green HR practices encourage employees to become active contributors to environmental programs rather than passive participants in organizational policies. Employees who feel involved in sustainability initiatives tend to show stronger organizational commitment, motivation, and workplace engagement (Anshima et al., 2024). Moreover, organizations that successfully integrate sustainability into HR systems often experience improved corporate reputation and stakeholder trust. However, the findings also suggest that organizational resistance, limited environmental awareness, and lack of leadership support can reduce the effectiveness of GHRM implementation. Therefore, successful sustainability integration requires strong organizational commitment, effective communication, and continuous employee involvement (Gomes et al., 2025).

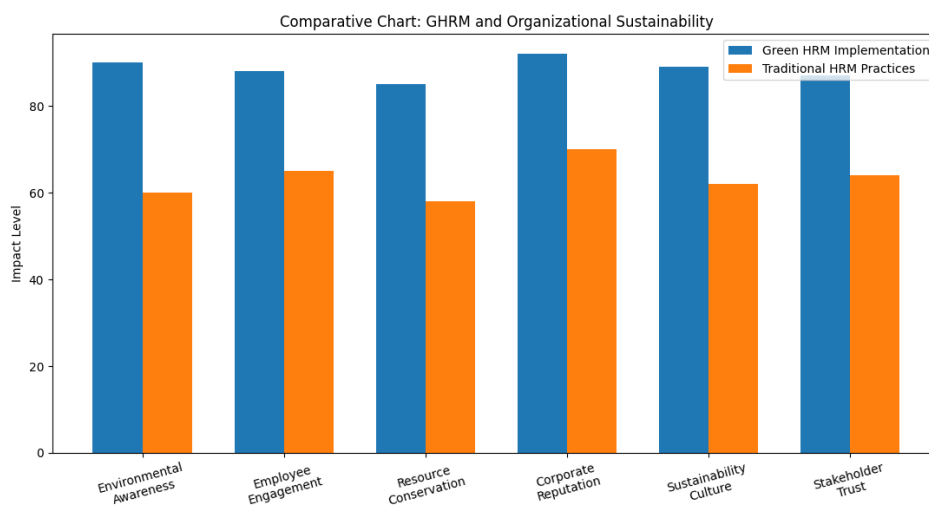


Figure 1. Comparative Chart of Green Human Resource Management and Organizational Sustainability Outcomes

Figure 1 compares the impact of Green Human Resource Management (GHRM) implementation and traditional HRM practices on key dimensions of organizational sustainability. The chart demonstrates that organizations implementing GHRM practices achieve significantly higher outcomes in environmental awareness, employee engagement, resource conservation, corporate reputation, sustainability culture, and stakeholder trust compared to organizations relying on traditional HRM approaches (Aukhoon et al., 2024). The highest impact is observed in corporate reputation and sustainability culture, indicating that integrating environmental values into HR systems strengthens organizational image and promotes long-term sustainability-oriented workplace behavior. In addition, higher employee engagement and stakeholder trust suggest that employees and external stakeholders respond positively to organizations that actively support environmental responsibility and sustainable business practices (Diaz-Carrion et al., 2018). Conversely, traditional HRM practices show comparatively lower impacts across all sustainability dimensions because they primarily focus on operational efficiency and employee performance without strong integration of environmental values. Overall, the figure highlights that GHRM is more

effective in supporting sustainable organizational development, strengthening employee participation in environmental initiatives, and enhancing organizational competitiveness in increasingly sustainability-focused business environments.

Sustainability Integration Enhances Performance Management Systems

Another important finding of this study is that integrating sustainability into performance management systems positively influences employee accountability and organizational effectiveness. Organizations increasingly incorporate environmental objectives and green Key Performance Indicators (KPIs) into employee evaluation systems to align individual performance with broader sustainability goals (AlKetbi & Rice, 2024). Green performance management systems encourage employees to adopt environmentally responsible behaviors such as reducing energy consumption, minimizing operational waste, and participating in sustainability programs. By integrating environmental criteria into performance assessments, organizations create greater accountability for sustainability outcomes while reinforcing environmentally responsible organizational cultures (Pellegrini et al., 2018).

The discussion also highlights that sustainability-oriented performance management contributes to improved operational efficiency and long-term organizational competitiveness. Employees who understand the environmental impact of their work are more likely to adopt efficient and sustainable practices that support organizational goals (Wijaya & Sugiarto, 2025). Furthermore, organizations implementing green performance systems often experience stronger collaboration and innovation because employees are encouraged to identify environmentally friendly solutions and improve workplace processes. However, the findings reveal that organizations frequently encounter challenges related to measuring environmental performance outcomes and balancing sustainability goals with traditional productivity targets. In some cases, employees may perceive green evaluation systems as additional pressure if organizational expectations and communication are unclear (Verma et al., 2025). Therefore, effective implementation of green performance management requires transparent evaluation criteria, leadership support, and employee understanding of sustainability objectives.

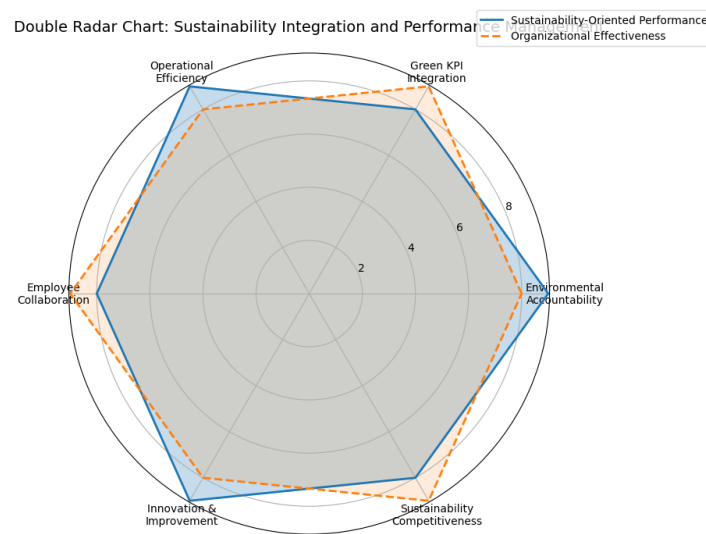


Figure 2. Double Radar Chart of Sustainability Integration and Green Performance Management Effectiveness

Figure 2 illustrates the relationship between sustainability integration and organizational effectiveness within green performance management systems. The radar chart demonstrates that organizations integrating sustainability into performance evaluation achieve strong outcomes across environmental accountability, operational efficiency, innovation, employee collaboration, and sustainability competitiveness (Saifulina et al., 2020). High scores in environmental accountability and green KPI integration indicate that incorporating sustainability criteria into employee performance assessments strengthens employee responsibility toward environmental goals and encourages environmentally responsible workplace behavior. Additionally, strong performance in operational efficiency and innovation suggests that sustainability-oriented management systems encourage employees to identify resource-

efficient practices, reduce waste, and contribute innovative solutions that improve organizational processes and long-term sustainability outcomes (Arulrajah et al., 2016).

Sustainable Employee Value Proposition Improves Employee Attraction and Retention

The findings of this study demonstrate that sustainability has become an increasingly important component of Employee Value Proposition (EVP) in modern organizations. Employees, particularly younger generations, are more likely to prefer organizations that demonstrate strong commitment to environmental sustainability and social responsibility (Dickey et al., 2025). Sustainable workplace practices such as green office environments, flexible work arrangements, employee well-being initiatives, and participation in environmental programs positively influence employee perceptions of organizational values. As a result, organizations that integrate sustainability into their EVP are generally more successful in attracting highly skilled employees and strengthening employer branding in competitive labor markets (Amjad et al., 2025).

The discussion further suggests that sustainable EVP contributes significantly to employee satisfaction, loyalty, and long-term organizational commitment. Employees who perceive their organizations as environmentally responsible often experience stronger emotional attachment and greater pride in their workplace. This positive relationship between sustainability values and employee engagement supports lower turnover rates and improved workforce stability (Ismael & ismail, 2025). Additionally, organizations with strong sustainability reputations are more likely to enhance stakeholder trust and public image, further strengthening organizational competitiveness. Nevertheless, the findings also indicate that sustainability initiatives must be authentic and consistently implemented to maintain employee trust (Anshima et al., 2024). Organizations that promote sustainability only as a branding strategy without genuine organizational commitment risk reducing employee confidence and engagement. Therefore, sustainability must be integrated into both organizational culture and HR practices to create meaningful and sustainable employee value propositions.

CONCLUSION

This study demonstrates that Green Human Resource Management (GHRM) plays an important role in integrating sustainability into organizational performance management systems and employee value propositions. The findings reveal that green HR practices such as environmentally focused recruitment, sustainability training, green performance evaluation, and employee involvement programs contribute significantly to organizational sustainability and employee engagement. By incorporating environmental values into workplace practices, organizations are able to strengthen environmental responsibility, improve operational efficiency, and create sustainability-oriented organizational cultures. Furthermore, the integration of sustainability into performance management systems encourages employees to adopt environmentally responsible behaviors and align their individual performance with broader organizational sustainability goals.

The study also highlights that sustainability has become an increasingly important element of Employee Value Proposition (EVP), particularly in attracting and retaining talented employees who value environmentally responsible workplaces. Organizations that successfully integrate sustainability into HR strategies and organizational culture tend to experience higher employee satisfaction, organizational commitment, and employer attractiveness. However, the effectiveness of GHRM depends on strong leadership support, employee participation, transparent communication, and consistent organizational commitment to sustainability. Therefore, organizations should adopt comprehensive sustainability-driven HR strategies to strengthen long-term competitiveness, employee engagement, and sustainable organizational development in modern business environments.

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