Green Human Resources Management for Business Sustainability in Banking Institutions

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Abstract: *Increased implementation of Green Human Resource Management requires a competitive advantage strategy to build sustainable organizations. This study aims to find Green Human Resource Management practices and formulate strategies for implementing Green Human Resource Management in banks in Indonesia. The research model used was post positivistic with the case study method. The object of this research is banking institutions in Indonesia. Data was collected using interviews and observations in the field. Analyse data through reduction and drawing conclusions. The results of this study are the Green Human Resource Management Strategy Framework at the bank for business sustainability.*

Keywords: *Banking, Green Human Resource Management, strategy, business sustainability*

1. INTRODUCTION

Green Human Resources management (GHRM) emerged as the impact of a business sustainability strategy focused on Green Performance. Development of Green Human Resources Management along with the development of Green Finance, Green Banking, Green Supply Chain & Green Marketing. In the financial services industry, Green Human Resources management is part of a sustainable banking movement that focuses on long-term value creation related to capital and responsible business roles.

Based on the phenomenon in the field there are still significant gaps in GHRM practices in business organizations and companies including banking institutions. The weak commitment and support of top management to improve Human Resources (HR) to a more strategic role is a significant obstacle. Another problem is how to equip Human Resources with environmental competencies, empower employees, encourage accountability through corporate social responsibility and technology in every aspect of Human Resources. The results of a survey of international institutions, business institutions in Indonesia have not maximally carried out businesses that focus on "Green economy". This is evident in 2016, the Global Green Economy Index (GGEI) of Indonesia is ranked 75 out of 80 countries surveyed. The assessment is based on 4 dimensions related to Leadership & climate change, efficiency sectors, markets & investment and the environment.

In this regard, a strategy is needed to improve the implementation of Green Human Resources Management in banks to build a sustainable competitive advantage in a holistic manner.

2. LITERATURE REVIEW

2.1. Green Human Resources Management

Renwicketal. (2008) stated that the integration of management of the corporate environment into human resource management is referred to as Green Human Resources Management. Whereas Opatha & Anton (2014) emphasizes that Green Human Resources Management is all activities in the development, implementation and maintenance of systems that aim to make employees of an organization have environmentally friendly behavior. So that it can be concluded Green Human Resources Management is a program, process, and technique of Green Human Resources Management that is really implemented in the company to reduce the negative impact of the environment or improve environmental performance of the company. Some Functions of Green

Human Resources Management are Green recruitment, Green performance management, Green training and development, Green compensation and Green employee relations

2.2. Banking

The definition of a Bank according to Malayisa wealth business entity primarily in the form of financial assets and also profit andsocial motives, so it is not justfor profit. Where as according to Law Number 10 of 1998, Banks are business entities that collect funds from the public in the form of deposits and distribute them to the public in the form of loans and / or other forms in order to improve the lives of many people. Parera (2004) argues that banks are business entities that collect funds from the public in the form of deposits and channel the funds back to the community in the form of loans or other forms in order to improve the lives of the people at large.

General Bank Activities

The full activities of a commercial bank include the following activities:

- Collecting Funding
- Distributing Funds (Lending)
- Providing other Bank services (Services)

Several previous studies related to Green Human Resources Management (GHRM) were research conducted by Opatha&Arulrajah (2014) which resulted in Conceptual Green Human Resources Management, which consisted of 7 aspects. Nextis Ahmad (2015) who proves that Green Human Resources Management is the main business strategy for organizations. Research conducted by Jabbour (2016) proves the implications of GHRM-GSCM integration for organizational sustainability. Regarding the behavior of research organizations Mishra (2017) states that GHRM practices encourage pro-environment behavior in organizations. Besides that it was revealed that top management support and mutual learning between departments was very important to facilitate green behavior among employees. Lenny & Ahmad Sutawijaya research (2018 & 2019) produced the concept and implementation of Green Human Resources Management in MSMEs. In addition to the above research, a report from the Asian Institute of Finance in Malaysia states that Green Human Resources Management is important with Green Talent Management and Green Performance Management seen as the most important in financial institutions in Malaysia.

3. METHODOLOGY

This study uses qualitative methods to obtain data needed in this study, a technique that will be used by researchers in in-depth interviews. In-depth interviews are ways to collect data or information by face-to-face with the informants to get complete and in-depth data. The sampling technique used by researchers for this study was purposive sampling and snowball sampling. The researcher chooses certain people as informants who are considered to provide the necessary data. Furthermore, based on data or information obtained from the previous sample, researchers can determine other samples that are considered to provide complete data. The researcher identified several bank managers in Jakarta as key informants. The researchers will explore the reality of informants to find out about Green Human Resource Management used in banking. To do so, the researcher must be able to place himself in the position of resources to gain an understanding of the resource think process. In this way, researchers can find out the reconstruction and perspective of the resource person. In an effort to complete the data, researchers also conducted library research to obtain theoretical knowledge from the views and opinions of experts as a reference for analyzing existing problems. Data analysis is done by organizing data, breaking it into several units, synthesizing, organizing into patterns, choosing which ones are important and will be studied and making conclusions. Analysis of field data was carried out with reference to the Milles and Huberman models.

According to Miles and Huberman (Sugiyono, 2012), activities in qualitative data analysis are carried out interactively and continuously to completion so that the data becomes saturated. Activities in data analysis are data reduction, data presentation, and conclusion drawing. The validity of this study lies in the process by which the researcher goes to the field to collect data and during the process of interpretative data analysis. The researcher used two types of qualitative research validity assessments, which consisted of Research Subject Competence and Trust. In this study, researchers used sources of triangulation, namely by comparing and re-checking the level of trust from the source by comparing the results of interviews, data with literature studies.

4. DISCUSSION AND RESULT

The basis for the implementation of a sustainable and environmentally sound national economy is the 1945 Constitution Article 33. In order to realize Sustainable Development Goal Financing banking institutions continue to improve themselves to realize

- I*nnovative funding*
- *network strategis*
- *capacity building & network sharing.*

To realize financial sustainability, the Financial Services Authority / OJK has made regulations to accelerate banking and financial services institutions through POJK No. 51 2017. The OJK's sustainable financial program targets are:

- *Sustainable banking (2019-2020)*
- *Sustainable capital market (2019-2024)*
- *Sustainable non bank financial institution(2024)*

Banking is expectedto:

- Alignment of business models
- Actively participate in making sustainable financial strategies
- Develop product innovation
- Encouraging financial access

With the existence of regulations to implement financial sustainability, banks are adjusting their business strategies that lead to achieving financial sustainability in their institutions. Based on interviews with several key people it was found that Green Human Resources Management had not been maximally implemented in the banking sector even though the government had covered it with regulation. Some obstacles that hinder the implementation of Green Human Resources Management are banking programs that are still oriented to profit oriented and are still less focused on social and environment. The results of observations, interviews and literature studies obtained by the Frameworkof Green Human Resources Management in banking are as follows:
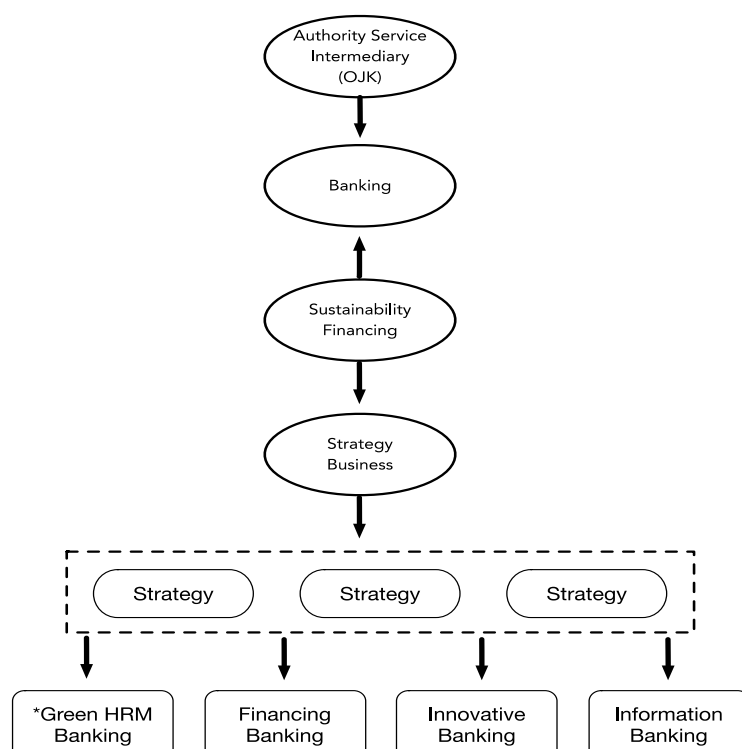

Figure1: *Framework of the Green Human Resource Banking Strategy*

Some strategies that can be implemented by banks in supporting organizational sustainability are:

- Green Human ResoucesManagement

- Financing Banking

- Inovative Banking

- Information Banking (Green Information Technology)

In connection with Green Human Resources Management, the banking sector continues to improve the HRM function that focuses on sustainability in job design functions; recruitment; training & development; performance appraisal; reward & compensation and retention. In the Training& Development Function, some banks carry out capacity building related programs that aim to improve the understanding, knowledge and competence of Human Resources related to sustainable financial. The program consists of green banking workshops, green banking training and sustainability reports as well as the preparation of sustainable financial strategies.

If the functions of Green Human Resources Management are running well, it is hoped that it will increase the awareness of employees to behave green so that it will increase the green performance of banking institutions in order to achieve business sustainability.
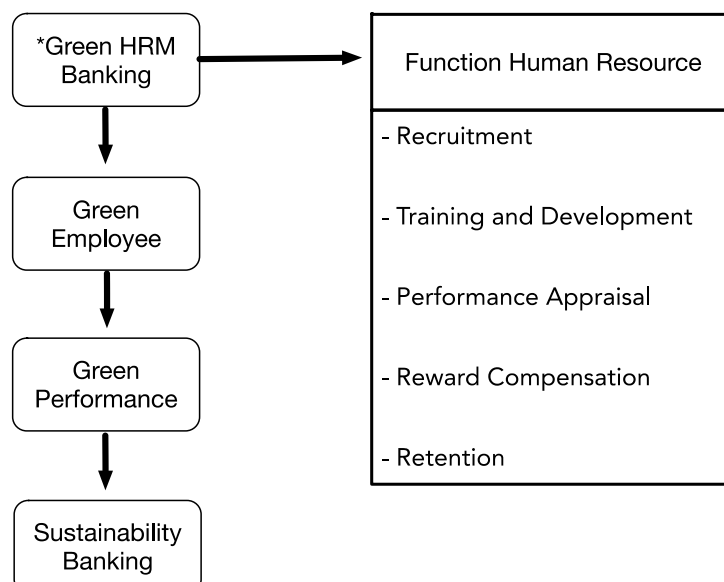
Figure2: *Implementation Strategy Green Human Resource Banking*

5. CONCLUSION

Management of Green Human Resources Management (GHRM) if implemented properly will be a business value added for Banking competitive advantage. Green Human Resources Management must be a superior program in order to realize the vision, mission, values and strategies to improve business growth and sustainability in Banking. It is expected that the transformation of normal employees into green employees to achieve organizational environmental goals and ultimately make a significant contribution to environmental sustainability that refers to policies, practices and systems and makes organizational employees green for the interests of individuals, communities, the natural environment, and business.

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