

## Chapter 22

# Greening the Compensation Design and Management of the Human Resource Function

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### **ABSTRACT**

*There is a rising necessity for the incorporation of environmental management into human resource management (HRM) practices. This attempt is recognized as the Green HRM initiative. An organization's human resource function can be powerful in aiding an all-inclusive approach to building a culture of sustainability. The strategy entails executing transformations to the diverse functions of HR like determining employee compensation. Gaps continue to exist in the literature on the green aspects of compensation and reward systems. This chapter considers the environmental management features of the compensation and reward system and factors a mould of the procedures entailed in green compensation and reward system. It cores on examining green reward management systems practices from the standpoint of subsisting research in the area and proposes inventive process moulds in green reward management systems. The green reward management system is presented as a smart and superior method of reward management systems.*

### **INTRODUCTION**

Green HRM (GHRM) is a materializing theme in contemporary circumstances. It is developing into a trendy subject in the contemporary world for several motivations such as surplus consumption of natural resources and raw materials by diverse commercial organizations and industries. At the moment, problems like carbon credits, global warming, and pollution ensuing from high profile industrial accidents and the transformations in the climate are talked about with elevated significance. The problems could consequence in earthquakes, recurrent floods and extinction of definite species and animals. Shaikh (2010) contends that the misuse of natural resources worldwide has resulted in concerns like global

DOI: 10.4018/978-1-6684-3873-2.ch022

warming, depletion of ozone layers and augmentation of CFC and CO<sub>2</sub> in the environment. Misuse of natural resources has in addition impinged on the flora and fauna, consequences in decrease in forest animals, disturbances to the food chains and the ecosystems. Therefore, world environmentalists have been talking about ecological concerns worldwide.

In the management field, there is rising research literature on green management in general but, in contrast, research on green human resource management (GHRM) is comparatively varied and little by little. Studies contend that workers must be motivated, empowered, and environmentally conscious of green initiatives to exhibit expected workplace green behaviour (Atiku, 2019; Fields & Atiku, 2017; Mandip 2012; Mathapati, 2013; Prasad, 2013). An organization's human resource function can be powerful in aiding an all-inclusive approach to building a culture of sustainability. The strategy entails executing transformations to the diverse functions of HR like recruitment, induction, training and development, carrying out performance appraisal, and determining employee compensation. Wekesa and Nyaroo (2013) affirms that green HRM entails two fundamental constituents: environment-friendly HRM practices and conservation of knowledge capital. Reine (2015) contends that proper management of people by organisations especially in a tumultuous environment is fundamental to the achievement of sustainable competitive advantage and accomplishment of organisational goals. Gaps continue to exist in literature on the - Green aspects of Human Resource Management especially as it concerns an informative guide on the evolving literature, its scale and coverage, in addition to a procedural form in the area. This chapter considers the environmental management features of the compensation and reward system and factors a mould of the procedures entailed in Green compensation and reward system. The chapter cores on examining the practices from the standpoint of subsisting research in the area. It reviews and documents green Reward Management Systems practices based on subsisting literature and utilizes a new and combined examination of literature in Green Reward Management Systems. It charts the field in the turf, and proposes inventive process moulds and research outlines in Green Reward Management Systems. It further presents the conception of green Reward Management Systems as a smart and superior method of Reward Management Systems.

## **Background**

### **Human Resource Management**

Key elements in the factors of production include capital, natural and human resources. While Capital and natural resources are passive agents of development, only human beings constitute the active agents since they alone are equipped to accumulate capital, exploit natural resources and build political and social organizations. Fapohunda (2003) suggests that human resources are the energies, skills, talents and knowledge of people that are, or have the prospect of being applied to the production of goods and the rendering of services. Thus, of all the resources an organization or nation needs, human resources are the most imperative. Human beings make things happen and efficient human beings make things happen efficiently. The importance of human resources to an organization whether it is private or public cannot be over-emphasized. Efficiency of other factors of production is largely dependent on the quality and quantity of the available manpower/human resources. Moreover, human resources are themselves the most dynamic, complex and unpredictable.

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