

# LITERATURE REVIEW ; THE INFLUENCE GREEN TRAINING, GREEN COMPENSATION, GREEN INVOLVEMENT ON GREEN PERFORMANCE

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## ***Abstract***

*Green Performance greatly influences the company's success in achieving its goals. Environmentally friendly performance is a real behavior displayed by each person as a work achievement produced by employees in accordance with their role in the company, especially related to company sustainability. This research is to see whether there is an influence of green training, green compensation, green involvement on green performance. This research uses a literature review method by examining research articles that are relevant to this research. From the studies carried out there are green training, green compensation, green involvement on green performance.*

***Keywords: Green Training, Green Compensation, Green Involvement, Green Performance***

## **INTRODUCTION**

The concept of sustainability is becoming increasingly relevant and needed throughout the world. Organizations, companies and governments' awareness of the importance of sustainability is increasing (Wu et al., 2024; Dawod et al., 2023). Many organizations and companies have adopted a sustainability-focused approach to ensure that today's needs are met without compromising the ability of future generations to meet their needs (Kweh et al., 2017; Grewal et al., 2016; Alareeni and Hamdan, 2020; Alsayegh et al., 2016; al., 2020; Jan et al., 2019; Cho et al., 2019; Corporate sustainability (CS) is becoming a strategic focus for most companies in highlighting their contribution to environmental protection and social development. Companies also understand the importance of implementing long-term environmentally friendly practices to ensure future business success (Nazeri, 2021 et al., 2021; Buallay et al., 2020; Duque and Aguilera, 2021).

Sustainability is very important for employees and is an important indicator of employee engagement, retention, performance and well-being (Abdelwahet et al., 2023; Amjad, 2021). Furthermore (Andel et al., 2019; Chauhan, 2017) stated that the long-term success of a company depends on its ability to attract and retain the best talent and involve employees who care about the company's position on social and environmental issues. (Opatha, 2013; Andel et al., 2019, Abdelwahet et al., 2023; Amjad, 2021) states that to achieve company sustainability, high-performance employees are needed, especially related to environmentally friendly performance.

Employee environmentally friendly performance or Green Performance greatly influences the company's success in achieving its goals (Soelton et al., 2023; Gokcearslan et al., 2018; Sofyanty 2019). Environmentally friendly performance is a real behavior displayed by each person as a work achievement produced by employees in accordance with their role in the company, especially related to company sustainability (Gokcearslan et al., 2018; Rivai, 2020).

There are several factors that influence employees' environmentally friendly performance related to sustainability, one of which is Green Human Resource Management

(GHRM) practices or environmentally friendly HRM practices. Currently, the topic of GHRM not only includes awareness of environmental problems, but also represents the social and economic welfare of both organizations and employees in a broader perspective (Ahmad, 2013). GHRM is one of the significant green business programs because this program refers to the organization's efforts in changing normal employees into green employees (employees who engage in pro-environmental behavior) with all the activities involved in developing, implementing and maintaining an ongoing system. GHRM aims to ensure that employees are given the opportunity to demonstrate environmental responsibility in their daily work (Opatha & Arulrajah, 2014; Zientara & Zamojska, 2018; Jerónimo et al., 2020).

According to Mandip (2012) green training can be used to prepare employees to meet several new challenges and organizational changes with environmental considerations. Jabour (2018) further stated that green training can increase employee involvement, regenerate their skills and motivate them to perform well in the organization and develop environmental skills. Ismail et al. (2016) stated that skill development and exploratory learning are potential ways to encourage innovation in organizations.

Among other environmentally friendly HRM practices, environmentally friendly compensation and rewards (Green Compensation) is an important practice in which organizations provide rewards and compensation to their employees (Maderazo, 2016; Mandago, 2018). Achievement of an organization's greening goals can be enhanced by rewarding employees for their performance and commitment to environmental practices (Jabbour 2015).

Another factor that influences employees' environmentally friendly performance related to sustainability is green involvement. Green involvement is a GHRM practice that refers to providing opportunities to encourage employees' voices in managing the environment and expressing solutions to environmental problems in an organization (Dubois et al., 2012). The involvement of each employee encourages the organization to engage in environmental activities that can improve employee performance. A clear environmental vision and the dissemination of information about the environment both formally and informally make employees involved in environmental initiatives (Tang, 2018).

## **METHOD**

This research uses a literature review method from the data obtained. The research presents the results of searches for research on the internet according to the variables of this research. Literature reviews are carried out with a focus on original articles containing abstracts, introductions, methods and results. Literature review is a systematic, explicit and reproducible method for identifying, evaluating and synthesizing research works and ideas that have been produced by researchers and practitioners. The aim of a literature review is to make an analysis and synthesis of existing knowledge related to the topic to be researched to find free space for the research to be carried out.

## **RESULTS AND DISCUSSION**

Green Training or environmentally friendly training can be defined as a process of on-the-job training and continuing education designed to achieve corporate environmental management targets and goals (Daily and Huang, 2001). Among GHRM Practices, Green Training is one of the most widely implemented in organizations and is also recognized as an important practice for the successful implementation of EM, cleaner production and green supply chain management (Jabbour et al., 2010; Diana et al., 2017 ; Teixeira et al., 2016).

Green Training is an important function of human resource management (HR) which aims to foster employee awareness of environmental influences, equip them with core

environmental skills, and increase the level of “environmental literacy” and environmental expertise in the organization (Renwick et al., 2013). According to Zoogah (2011), Green Training ends the erosion of attitudes, skills and knowledge related to the environment that arises from training and development practices. This training can increase employee awareness, attitudes, knowledge and skills in carrying out pro-environmental activities in the workplace (Jabbour, 2011). Furthermore, this makes individuals sensitive to their environment so that it can help them carry out prevention processes (del-Río et al., 2012).

Bau et al., 2018 explains Green Training as an environmental management training program to create an employee's emotional involvement, green knowledge, attitudes, awareness and skills in environmental management and a course structure to develop management students in green activities. Green Training can also create a green climate through a series of programs and events such as waste reduction and energy conservation in the workplace, to provide opportunities for employees to contribute to solving environmental problems (Perron et al., 2006). Although HRM researchers admit that providing training cannot achieve the desired results (Liebowitz, 2010), readiness, criticism and acceptance of training participants are also necessary (Jackson et al., 2011).

According to AMO theory employees perform better when they are given appropriate abilities, motivation and organizational opportunities. In this context, Green Training is a capacity building practice (Renwick et al., 2013), which increases awareness, knowledge and skills related to the environment (), which underlies several solutions to reduce environmental impacts (Renwick et al., 2013; Siyambalapitiya et al., 2018; Pinzone et al., 2016).

Based on the literature review, several studies have shown the main impact of environmentally friendly training. (Daily et al., 2012) stated that green training can increase the awareness of managers and employees about how work activities and daily decisions can affect the environment. Research by Jabour et al., 2010 explains that green training can equip employees with the ability to recognize environmental issues. Apart from that, Green training also aims to understand and manage the complexity of environmental topics (Salazar et al., 2012); and equip employees with the ability to recognize environmental issues and enable them to fulfill their environmental responsibilities and achieve organizational goals (Daily and Huang, 2001). Therefore, existing research has revealed the importance of environmentally friendly training as a driver of pro-environmental employee behavior so that it can improve employee environmentally friendly performance.

Green compensation is a financial and non-financial reward system that aims to attract, retain and motivate employees to contribute to green environmental goals (Rael, 2018). Mandip (2012) and Jabbour et al. (2010) refer to green compensation management (GCM) as the practice of using rewards, which aims to recruit and motivate workers to work to achieve environmental goals. A combination of business-specific incentives and benchmarking of industry best practices will stabilize resource allocation problems (Lothe & Myrtveit, 2003). Ramus and Montiel (2005) recognize the importance of nonmonetary rewards in influencing strategy implementation in European businesses. It has been observed that perceived supervisory support and increased recognition increase employee commitment to environmental strategy implementation. According to Jackson et al. (2011), non-monetary rewards such as praise and recognition are important for motivating employees. Tang et al. (2018) theorized that in addition to financial incentives, employees should also be paid non-monetary rewards such as green recognition, green tax incentives, and green travel allowances.

Green compensation is a monetary and non-monetary incentive program intended to capture, preserve, and encourage communities to support green environmental priorities (Mandago, 2018). In contrast, green awards contribute to the best quality of work life, which significantly improves environmental performance (Jabbar and Abid, 2015). The use of incentives and recognition based on environmental performance has a positive impact on staff's

willingness to try environmentally friendly projects (Rawashdeh, 2018). This condition shows that environmentally friendly and environmentally focused compensation and rewards are expected to be directly linked to this.

In line with a strategic approach to reward management, green compensation is a system of financial and non-financial rewards, aimed at attracting, retaining and motivating employees to contribute to environmental goals (Jabbour et al., 2013). It has been suggested that employees may feel more motivated by nonfinancial rewards through pay and environmentally friendly rewards, such as recognition and praise (Jabbour et al., 2008; Jackson et al., 2011). Incentives and rewards may be more powerful measures for aligning employee performance with company goals than other practices in the HRM system. However, in general, most researchers acknowledge that combining monetary and non-monetary rewards is more effective in motivating employees (Jabbour et al., 2008; Renwick et al., 2013). Non-financial rewards should be provided alongside financial incentives, in the form of green travel benefits, green taxes and green recognition.

In line with a strategic approach to reward management, green compensation is a system of financial and non-financial rewards, which aims to attract, retain and motivate employees to contribute to environmental goals (Jabbour et al., 2013; Mandip 2012). There are some opinions that suggest that employees may feel more motivated by non-financial rewards through green compensation, such as recognition and praise (Jabbour et al., 2008; Jackson, 2017; Tang et al., 2011). Jackson and Seo (2010) stated that incentives and rewards are stronger measures of aligning employee performance with company goals than other practices in the HRM system. However, in general most researchers acknowledge that combining monetary and non-monetary rewards is more effective in motivating employees (Jabbour et al., 2008; Renwick et al., 2013).

Green Involvement is very important for the organization's sustainable performance (Matthes et al., 2014). Green Involvement refers to the opportunities provided to employees to learn environmentally friendly strategies and implement them to prevent pollution and other environmental problems (Renwick et al., 2013; Gupta, 2018). The more employees are involved and involved in environmental protection activities, the greater their orientation and focus towards environmental responsibility (Matthes et al., 2014). This will improve the quality of organizational and learning environment activities (Tang et al., 2018).

Green Involvement aims to develop a clear development-based vision in environmental management and produce a shared learning environment for environmentally oriented behavior. Furthermore, it allows the development of structured and unstructured (informal) communication channels to develop an organizational culture that tends to support the environment. Green Involvement also allows increasing values and problem-solving abilities on environmental-related issues by increasing awareness of environmental management practices and to develop a culture of environmental protection (Tang et al., 2018; Renwick et al., 2013; Gani et al., 2017).

Several studies have found empirical evidence that work engagement is positively related to in-role and extra-role performance as well as job, team and organizational performance (Bakker et al., 2004; Salanova et al., 2005; Bakker and Demerouti, 2007; Tim et al., 2004; ., 2013; Makikangas et al., 2016;). In the same vein, Kim (2014) found evidence showing that work engagement not only influences job and financial performance and benefits, but also physical and mental health.

Individual and organizational performance is one of the results related to work engagement. According to Bakker and Demerouti (2007) employees who are involved in work are more creative, more productive, and more willing to work extra. These characteristics influence job performance, thereby strengthening an organization's ability to improve its sustainability in the long term (Macey and Schneider, 2008; Kim et al., 2012).

According to (Arulrajah et al., 2016) environmentally friendly performance by employees is defined as the extent to which certain employees have engaged in environmentally friendly behavior (actions and activities) and produced achievements related to environmental activities over a certain period of time. The environmental performance of an organization's employees over a predetermined period of time is known as "green performance". Adopting environmentally friendly practices will improve the long-term competitiveness of chemical companies and reduce energy consumption costs (such as electricity and water costs) to achieve sustainable development (Pham et al., 2020). The environmentally friendly performance of each employee is essential to ensure business compliance with regulations and standards (Shammre et al., 2023).

Every employee is responsible for the environmental performance of an organization. Therefore, an employee's quantitative and qualitative contributions to reducing the organization's negative environmental impact as well as increasing the organization's positive environmental impact within a certain period of time can be considered as green job performance by the employee. This interpretation reflects the adequate meaning of employees' environmentally friendly performance in the organizational context.

## CONCLUSION

Based on the literature review that has been carried out using relevant research articles, there is an influence of green training, green compensation, green involvement on green performance. Green training can increase the awareness of managers and employees about how work activities and daily decisions can affect the environment. Green training can equip employees with the ability to recognize environmental issues. In line with a strategic approach to reward management, green compensation is a system of financial and non-financial rewards, which aims to attract, retain and motivate employees to contribute to environmental goals. Several studies have found empirical evidence that work engagement is positively related to in-role and extra-role performance as well as job, team and organizational performance.

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