Vol: 14 No: 2 Year: 2022 ISSN: 2146-0744 (Online) (pp. 95-111) Doi: 10.34109/ijebeg. 202214126 Received: 21.02.2022 | Accepted: 27.06.2022 | Published Online: 15.07.2022

-RESEARCH ARTICLE-

GREEN HUMAN RESOURCE MANAGEMENT MODEL IN INCREASING THE COMPETITIVE ADVANTAGE OF CONSUMER GOODS COMPANIES

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-Abstract-

Today, a company's involvement in enhancing its competitive position is essential to guarantee its survival in the global market. Human resource management is one of the most crucial elements in ensuring a company's sustainability. Green Human Resource Management (GHRM) affects employee conduct at work and the organization's environmental performance. Performance enhancements give businesses a competitive edge in the market. By examining the impact of voluntary employee behavior on the

Citation (APA): Ong, J. O., Djamil, M., Ariyanto, E., Sugiyono. (2022). Green Human Resource Management Model in Increasing The Competitive Advantage of Consumer Goods Companies. *International Journal of eBusiness and eGovernment Studies*, 14 (2), 95-111. doi:10.34111/ijebeg. 202214126

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environment or Organizational Citizenship Behavior for Environment (OCBE) and its environmental performance variables, this study seeks to develop a GHRM model to boost the competitive advantage of consumer goods companies. The study focused on Ultra Prima Group, one of the businesses involved in producing consumer goods like food, drinks, dental care products, and snacks. The author selected a sample of 270 Ultra Prima Group employees based on specific criteria. The management model's creation determined which research variables—GHRM, OCBE, environmental performance, and competitive advantage—had the most impact on consumer goods companies' ability to compete. Seven hypotheses underlie the study, including those regarding the relationships between each research variable, the moderating effects of OCBE on the association between GHRM and competitive advantage, and the moderating effects of environmental performance on the association between GHRM and competitive advantage. Partial Least Square was used for data processing and analysis to establish the relationship between the variables. The findings indicated that environmental performance and OCBE moderated the link between GHRM and competitive advantage.

Keywords: Green Human Resource Manager (GHRM), Organizational Citizenship Behavior for Environment, Environmental Performance, Competitive Advantage

1. INTRODUCTION

Unlike the local market, the national competitive market is subject to competitive pressures. To counter this, having additional selling points is essential to surviving in a cutthroat market for high-quality goods at low prices and satisfying customer needs (Pigatto et al., 2019). In today's economic activity, competition is one of the restrictions that cannot be avoided, and businesses deal with it by giving consumers more value than their rivals do (Dolata, 2019). Nuryakin et al. (2019) made the case in his research that businesses must be able to create possibilities to offer distinctive advantages by developing products with reduced prices, differentiation benefits, and more effective resource allocation. This emphasizes the need for originality to capture the interest of customers.

Employees are crucial to building a competitive advantage within the company. A company's ability to provide clients with additional values, such as cheaper pricing or more significant advantages, is what it considers its competitive advantage. To get a competitive edge in a crowded market, businesses need human resource management strategies to effectively and efficiently manage people. Acquah et al. (2021) claim that the concept of "green human resource management" (GHRM) refers to the integration of environmental management and an environmental mindset into the management of human resources, including the establishment of policies and their implementation in day-to-day operations.

An excellent GHRM implementation will affect the performance of the business via its effect on the environment. It influences how well organizations comply with regulations,

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fosters sustainable organizational growth, and gives them a competitive edge (Hameed et al., 2020). A successful GHRM implementation promotes employees' environmental behavior and enhances the company's environmental performance (Kim et al., 2019). According to earlier research, a company's environmental performance benefits from environmental human resource management. According to research done by Bangwal et al. (2017), organizations with strong environmental performance are motivated to manage their natural resources in an environmentally responsible way. Employees are also encouraged to care about energy efficiency and renewable resources.

2. LITERATURE REVIEW

2.1 Green Human Resource Management

Human resource management focuses on how people use their resources to perform tasks by examining the process' productive side (Popaitoon, 2020). The standard components of HR management (recruitment, selection, performance evaluation, training, and rewards) are included in GHRM, and each process is linked to environmental considerations. When an organization's environmental aims and human resources objectives are in harmony, this is known as "green HRM" (Malik et al., 2020). The idea behind GHRM is to manage human resources with commitment, performance, and strategy while considering environmental protection and its implications for business sustainability (Ren et al., 2018). Green HR strategies include green training, green awards, and green hiring (Yusliza et al., 2019). In reality, the study demonstrates how Green HRM implementation in businesses affects employees' environmental performance and voluntary actions. Green hiring refers to a company's strategy for luring in personnel who shares its values for the environment. This is demonstrated through the company's branding and the inclusion of environmental concerns during the hiring process.

Employee engagement significantly increases after Green HRM is implemented in the company, and this high engagement will boost organizational performance (Lok et al., 2019). Environmental considerations are factored into the hiring process, environmental management training is provided, employees are encouraged to engage in environmental care activities, and employees with a favorable outlook on the company's environmental development are rewarded (Chaudhary, 2018).

2.2 Environmental Performance

Environmental performance evaluates how businesses impact the environment, including pollution emissions and hazardous waste disposal (Ahmadi et al., 2017). Compliance with environmental requirements, relationships with outside populations, emissions produced, financial impacts produced, and energy efficiency are a few metrics that describe an organization's environmental performance (Solovida et al., 2017). It explains how an organization manages its resources while considering the environment.

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Assessing the decrease in emission output, waste management, environmental damage reduction, and improving environmental conditions are ways to gauge environmental performance (Priyankara et al., 2018). According to Solovida et al. (2017), a company's environmental performance may be shown in how well it complies with recognized environmental management standards like ISO14001.

A company's solid environmental performance improves its reputation among shareholders by lowering the costs associated with meeting its environmental requirements (Huynh, 2020). The availability of environmental certification, energy savings, and savings resulting from environmental development are markers to measure a company's environmental performance to enhance it (Yu et al., 2016).

2.3 Organizational Citizenship Behavior for Environment (OCBE)

"Individual and discretionary social behavior that is not expressly acknowledged by the formal reward system and contributes to improving the efficacy of managing the organization's environment" is the definition of organizational citizenship behavior for the environment (OCBE) (Memet et al., 2020). OCBE is the term used to describe organization members' behavior voluntarily and without the expectation of compensation. It benefits the organization and the environment in which it operates (Priyankara et al., 2018). According to Pham et al. (2018), OCBE is an environmental care behavior that results from volunteers and personal knowledge but does not count against employment requirements or qualify for special recognition from the employer.

Three factors are used to gauge OCBE: eco-initiative (volunteer behavior to offer environmental development solutions), eco-civic (voluntary involvement in environmental development activities), and eco-helping (voluntary assistance to other members to promote environmental awareness) (Luu, 2019).

2.4 Competitive Advantage

According to Sharma et al. (2015), competitive advantage is the edge a company gains over its rivals by providing customers with more value, such as cheaper pricing or more advantages. Businesses prosper when they enjoy a dominant market position with few rivals (Pandey et al., 2021). When a business or organization outperforms its rivals regarding operational efficiency or product or service quality, it is said to have a competitive edge (Chuang et al., 2016). Selling for less money and offering a variety of goods with the value that customers want can give businesses a competitive advantage (Grimwade, 2009).

If a company possesses qualities or attributes that consumers desire, but its rivals do not, it will have a competitive advantage. Porter's model, which includes cost, differentiation, and focus, determines competitive advantage (Lasalewo et al., 2016). Cost leadership and distinctiveness are two elements to consider in determining the source of competitive advantage. Cost leadership by the company results in reduced cost levels,

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while differentiation is attained if the company produces items with higher value (Rua et al., 2018).

3. RESEARCH HYPOTHESIS

The hypotheses to be answered in the study are as follows:

- H_{1.0}: Green Human Resource Management affects Competitive Advantage
- $H_{2.0}\;$: Green Human Resource Management affects Environmental Performance
- H_{3.0}: Green Human Resource Management affects Organizational Citizenship Behavior for the Environment
- H_{4.0}: Environmental Performance affects Competitive Advantage
- H_{5.0} : Organizational Citizenship Behavior for Environment affects Competitive Advantage
- H_{6.0} : Environmental Performance moderates the relationship between GHRM and Competitive Advantage
- H_{7.0}: Organizational Citizenship Behavior for Environment moderates the relationship between GHRM and Competitive Advantage

4. RESEARCH METHODS

To test the research hypothesis, the quantitative research methodology is applied. To evaluate the initial hypothesis, the quantitative research methods are designed to identify and describe each research variable's location and the relationship to other research variables. The study's findings form a causal-comparative design that contrasts causal phenomena throughout the investigation as variables (Creswell, 2014).

4.1 Conceptual Model

A causal-comparative research approach was carried out to determine the relationship between variables. The following framework can be made based on the theoretical framework and previous research (see Figure 1).

Based on Figure 1, GHRM is the independent variable, OCBE, environmental performance is the moderating variable, and competitive advantage is the dependent variable.

4.2 Sampling Methods and Sample Size

The total population is 832 Ultra Prima Group employees. The sample size was determined using the Slovin formula with an error rate of 5%. The number of samples needed in the study is $270.13 \approx 270$. The causality model is used in this study to

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determine the relationship between variables and to test the research hypotheses. The quantitative data analysis method used Partial Least Square (PLS) to determine the influence and relationship between variables. Table 1 shows the dimensions and indicators of variable measurement.

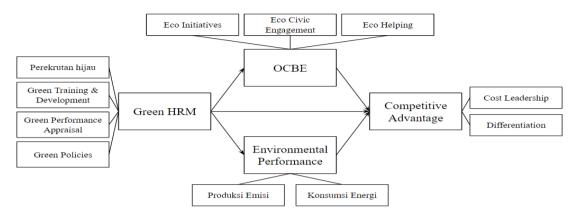


Figure 1. Research Conceptual Model

5. METHODOLOGY

The data was analyzed and processed by the SMART PLS 3.0 program to determine the reliability, validity, loading factor, the relationship between variables, and the significance of the relationship variables. Figure 2 shows the PLS model used.

The outer model test was conducted to see the relationship between each latent variable and to check its validity and reliability.

6. RESULTS

6.1 Analysis

This survey included 270 respondents in total. Table 2 displays the respondent group's descriptive results depending on the attributes. Respondents between the ages of 20 and 40 have a diploma level (D3) education and have worked for the company for between one and five, and between five and ten years make up the majority of the group. The sample characteristics do an excellent job of capturing the organization's workforce. Employees at FMCG companies are primarily employed in manufacturing.

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Table 1. Variable Measurement Table

Variable	Definition	Dimensions	Indicators	
GHRM	Human management methods that include	Green Training	1. Environmental competency training	
(X1)	intelligence factors, recruitment, and	(GT)	2. Implementation of the training	
	rewards based on environmental		3. Training using environmentally friendly facilities	
	management		4. Evaluation of the training results	
Green Recruitment (GR)			1. Include environmental aspects in the selection process	
			2. Attracting candidates with environmental commitment	
			3. Assessing the candidate's environmental competence	
			4. Demonstrating commitment to the environment during the selection process	
			5. Introducing new employees to environmental standards	
		Performance Appraisal	1. Including GHRM in performance measurement	
		(PA)	2. Awards for members carrying out green initiatives	
			3. Compensation for members carrying out environmental development	
			4. Conducting environmental audits	
			5. Providing clear goals for environmental responsibilities and initiatives	
		Green Policies	1. Approval of environmentally friendly procedures on HR aspects	
		(GP)	2. Incorporating environmental care aspects into HR regulations and systems	
OCBE	Employee behavior carried out voluntarily to	Eco Initiatives	1. Initiatives built into the workplace	
(M1)	protect the surrounding environment without any reward positively impacts the	(EI)	2. Initiatives to remind others to care about the environment	
			3. Discretionary behavior and suggestions to improve the implementation of environmental awareness	
	organization and the environment in which	Eco Civic Engagement	1. Supporting the organization's commitment to protecting the environment	
	the organization is established.	(EE)	2. Voluntary participation in the organization's environmental care activities	
			3. Support for environmental care actions carried out by the organization	
Eco-helping		Eco-helping	1. Mutual support between employees to implement the implementation of environmental care	
		(EH)	2. Voluntary support in the form of assistance to the environmental aspect	
Environmenta	Company performance to reduce the	Emission Production	1. Emissions generated	
1 Performance	negative impact of the company's	(EP)	2. Compliance with environmental and emission regulations	
(M2)			3. Use of recycled products in daily activities	
			4. Waste Management	
		Energy Consumption	1. Energy consumption savings	
		(Pigatto et al.)	2. The use of alternative energy	
Competitive	The added value or advantage of the	Cost Leadership	1. Reduction of operational costs	
Advantage	company against its competitors	(CL)	2. Increased productivity	
(Y)			3. Lower costs than competitors	
		Differentiation	1. Innovation in business	
		(DF)	2. Providing supplementary services compared to competitors	
			3. Better brand image	
			4. Innovation in every aspect of work	

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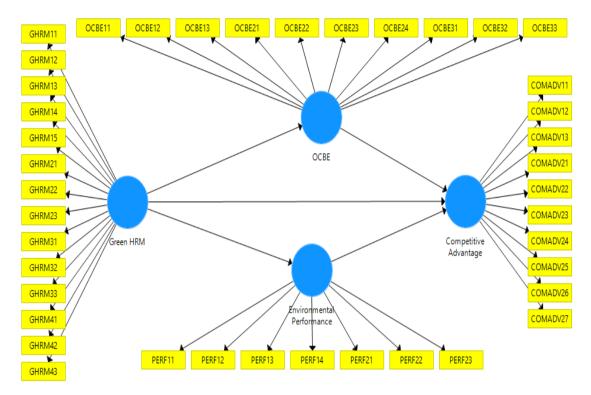


Figure 2. PLS Model

6.2 Outer Model

Convergent validity examines the quantity or weight of factor loading or outer loading to examine the link between items and latent variables. If the item's weight (or outer loading) is more than 0.50, it implies high convergent validity (Ghozali et al., 2015). The initial model's indications with an outside loading of less than 0.5 will be removed. In Table 3, the outer loading value is displayed.

The discriminant validity of the measurement instrument is tested to determine whether the latent variable is linked with the manifest variable or measures other latent factors in the study. There are numerous approaches to observing the discriminant validity, one of which is examining the cross-loading in table 4 below.

6.3 Inner Model

The coefficient value of determination lies between 0 to 1, which indicates that the closer to 1, the more substantial the contribution of the independent variable to predict the dependent variable. Based on the data processing, the R-square competitive advantage model can be categorized as high ($R^2 = 0.550$). It is concluded that Green Human Resources Management, Organizational Citizenship Behavior for the Environment, and Environmental Performance 55% affect Competitive Advantage.

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Table 2. Respondent Characteristics

Characteristics	Category	Total	Percentage (%)
	20 - 30 years	115	42.6
	31 - 40 years old	101	37.4
Age	41 - 50 years	48	17.8
	> 51 years old	6	2.2
	Total	270	100.0
	senior High School	80	29.6
	Diploma (D3)	180	66.7
Education Level	Bachelor degree)	10	3.7
	Total	270	100.0
	15 years	99	36.7
	6 – 10 years	96	35.6
Years of service	11 – 15 years	34	12.6
rears of service	16 – 20 years	26	9.6
	>20 years	15	5.6
	Total	270	100.0
	Staff	188	36.7
	Supervisor	47	17.4
Position	Manager	31	11.5
	Director	4	1.5
	Total	270	100.0
	Finance	30	11.1
	Manufacture	140	51.9
Division	Marketing	34	12.6
	Sales	66	24.4
	Total	270	100.0

The path analysis was also used for hypothesis testing in this study using the bootstrapping method with a significance value of p-value < 0.05 or by looking at the t-value of 1.96 (5%), then compared with the t-count. Path analysis showed in Figure 3 below. Based on the reliability and validity test, valid and reliable indicators were obtained to test research hypotheses. The results of hypothesis testing are presented in Table 5. Based on table 5 above, it can be seen that all hypotheses are accepted, which means that all relationships between variables in the hypothesis affect significantly

7. DISCUSSION

7.1 GHRM and Competitive Advantage

The results show that the implementation significantly improves competitive advantage, with a GHRM competitive advantage coefficient value of 0.372. (relatively low effect).

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Employers' ability to implement GHRM is significantly impacted by hiring environmentally conscious staff. This enables businesses to promote environmental values throughout their businesses more successfully. Employers will have an easier time implementing environmental management in employees who value the environment. Although the implementation of GHRM is deemed to have a relatively low influence on competitive advantage, its effects on attitudes, behavior, and changes in corporate culture can be seen over the long term.

Table 3. Outer Loadings

Measurement Model		Outer Loading > 0.50	Note
Latent Variable	Indicator Code		
	GHRM1	0.792	Valid
	GHRM2	0.790	Valid
	GHRM3	0.805	Valid
	GHRM4	0.807	Valid
GHRM (X1)	GHRM8	0.652	Valid
	GHRM9	0.802	Valid
	GHRM12	0.790	Valid
	GHRM13	0.805	Valid
	GHRM14	0.807	Valid
	OCBE3	0.675	Valid
	OCBE4	0.780	Valid
OCBE (X2)	OCBE5	0.651	Valid
	OCBE6	0.770	Valid
	OCBE7	0.732	Valid
	OCBE8	0.641	Valid
	OCBE9	0.740	Valid
	OCBE10	0.739	Valid
	PERF1	0.744	Valid
	PERF2	0.703	Valid
ENVIRONMENTAL	PERF3	0.782	Valid
PERFORMANCE (Y1)	PERF6	0.676	Valid
	COMADV3	0.696	Valid
	COMADV6	0.698	Valid
COMPETITIVE	COMADV6	0.762	Valid
ADVANTAGE (Y2)	COMADV7	0.705	Valid
	COMADV8	0.734	Valid

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Table 4. Cross Loadings

Indicator	GHRM	OCBE	PERF	COMADV
GHRM1	0.792			
GHRM2	0.790			
GHRM3	0.805			
GHRM4	0.807			
GHRM8	0.652			
GHRM9	0.802			
GHRM12	0.790			
GHRM13	0.805			
GHRM14	0.807			
OCBE3		0.675		
OCBE4		0.780		
OCBE5		0.651		
OCBE6		0.770		
OCBE7		0.732		
OCBE8		0.641		
OCBE9		0.740		
OCBE10		0.739		
PERF1			0.744	
PERF2			0.703	
PERF3			0.782	
PERF6			0.676	
COMADV3				0.696
COMADV6				0.698
COMADV6				0.762
COMADV7				0.705
COMADV8				0.734

7.2 GHRM and Environmental Performance

With a coefficient value of 0.632, the deployment of GHRM significantly contributes to improving environmental performance (medium effect). Employee innovation and the capacity to create more ecologically friendly work processes are examples of this. By managing industrial waste and residual materials, GHRM has a good effect on lowering pollutants and other unfriendly elements. The impact of GHRM on a company's environmental performance can be felt right inside the structure of the business; for instance, how employees behave in terms of protecting the environment directly affects how much energy is used.

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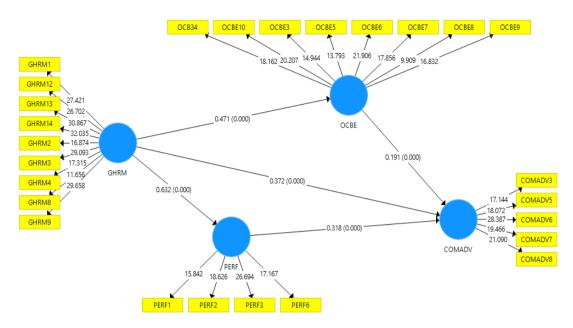


Figure 3. PLS Model

Table 5. Hypothesis Testing

TT	II-m oth ode	Result		
H	Hypothesis	Total Effect	t-value	Result
H1	GHRM → Com Adv	0.372	5.730**	Supported
H2	GHRM → Env Perf	0.632	13.167**	Supported
Н3	GHRM→ OCBE	0.471	5.939**	Supported
H4	Env Perf → Com Adv	0.318	4.474**	Supported
H5	OCBE→ Com Adv	0.191	4.179**	Supported
Н6	GHRM affects Com Adv through OCBE	0.090	3.398**	Supported
H7	GHRM affects Com Adv via Env Perf	0.201	3.980**	Supported

7.3 GHRM and OCBE

We can infer from the effect value that GHRM has a negligibly small impact (0.471) on OCBE. Through many facets of recruitment, policies, training, and performance evaluation, GHRM positively impacts OCBE. Employees who participate in environmental care activities tend to have a high level of excitement for their work if their values coincide with the cultural values in the organization, which can be achieved by recruiting staff who value protecting the environment.

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Employee engagement at work is increased when GHRM is included when creating corporate policy since it demonstrates the organization's commitment to incorporating environmental care into every area of its operations.

7.4 Environmental Performance and Competitive Advantage

The value of environmental performance's influence on competitive advantage is relatively minor (0.318). The corporation can generate more revenue from its sales thanks to the environmental performance's reduced operational costs. This suggests that energy use plays a significant enough role in determining production costs to boost a company's efficiency by reducing its use of resources like gas, electricity, water, and diesel. Additionally, the emissions emitted can be used to gauge environmental performance. This helps the business manage the adverse effects of emissions while also assisting in lowering the costs associated with processing pollutants.

7.5 OCBE and Competitive Advantage

According to the coefficient of influence value (0.189), OCBE has a negligibly little impact on competitive advantage. The OCBE has a positive impact on the company's competitive advantage as evidenced by operational cost savings realized by the company as a result of energy-saving behaviors like awareness of energy savings, such as turning off lights when not in use, turning off the air conditioning when the room is empty, turning off water faucets when empty, and reducing paper usage. The deployment of OCBE is thought to be able to raise awareness of the organization's internal environment, which will have an impact on competitive advantage in the long run, even though OCBE has a low impact on competitive advantage.

7.6 GHRM and Competitive Advantage through OCBE

Influence has a coefficient value of 0.09, which is in the low influence range. Employers may carry out tasks while taking environmental factors into account thanks to environmental HR management, which also improves business performance from an economic and branding standpoint. Employees are encouraged to consistently include environmental care features into daily operations to establish habits and work culture in front of their peers by implementing GHRM. Long-term effects of GHRM on OCB and the expansion of the company's competitive advantage can result in a low link between these variables due to the indirect influence. Although it takes more time to observe benefits, fundamental behavioral changes simultaneously make significant changes that can last and have a good lasting impact on the firm. Long-term shifts toward an ecologically friendly corporate culture would also benefit manufacturing companies' reputations since consumers are more concerned with environmental issues and prefer to purchase more expensive items created by environmentally friendly businesses.

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7.7 GHRM and Competitive Advantage through Environmental Performance

GHRM and competitive advantage are highly influenced by environmental performance, albeit this effect is moderated by a low coefficient value (0.201). Improved environmental performance is encouraged by implementing GHRM in creating an environmentally friendly culture and creating policies to restrict the organization's negative environmental impact. The performance of the company is directly impacted by better environmental performance. This is demonstrated by the company's cost savings and favorable reputation that practices environmentally friendly principles in its operations. When GHRM is implemented, employees have the skills, drive, and opportunity to do their jobs at the highest level possible for the company while simultaneously innovating to develop environmentally responsible work procedures. Businesses must give employees the chance to put their innovations into practice to improve environmentally friendly work processes. Businesses can assist by offering training so that employees can gain more knowledge and expertise in environmental science and its application.

Daily routine activities are essential to the manufacturing sector. The findings indicate that the environmental performance variable's moderating influence outweighs the moderating effect of OCBE. This might be the case because most workers in the manufacturing sector are more interested in the operational success that is measurable and consistent with their daily actions. Results of environmental performance measurements are felt and seen immediately, both financially and in terms of performance. A culture of continuous improvement is created within the firm due to long-term behavior modification. Based on this, it can be seen that environmental performance plays a more significant role than OCBE in mediating GHRM in establishing competitive advantage and that GHRM and the development of sound environmental performance in consumer goods companies are strongly correlated.

8. CONCLUSION

The research was done on using ghrm in consumer products companies to improve OCBE and environmental performance and increase competitive advantage. This demonstrates how applying GHRM dramatically impacts the company's competitive advantage. The study also discovered that environmental performance had a more substantial influence in mediating the link between GHRM and competitive advantage than OCBE. Decision-makers can use the study's findings in organizations to direct their attention toward formulating laws that affect how well the business manages its environmental performance. The findings also demonstrate that hiring staff with environmental values significantly impacts how GHRM is implemented inside the organization and that energy use significantly impacts environmental performance. The study also discovered that the use of GHRM in businesses was evident in the company's environmental performance compared to the employees' voluntary participation in

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environmental care activities (OCBE). Because technology cannot be separated from company development in the age of globalization, and human resource management is no exception, more research can be done on technological progress and its impact on HR management to gain a competitive advantage.

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