

Impact of Pro-Environment Employee Perception towards Organization's Environmental CSR Performance

Vaishali Trivedi*

Abstract

Strategic significance of organizations' investment in environmentally sustainable practices is well recognized in these disruptive times. Given the rise of green consumers, green innovations have become imperative for the organizations' survival. Green talent is the key to green innovations. The main purpose of this paper is to examine that whether a pro-environment employee mindset and his/her perception of his/her organization's environmental CSR performance affects his/her willingness to recommend his workplace to others in his/ her reference group.

The study successfully establishes that organizational initiatives to protect the environment and employee's self-perception of being environment friendly person to be significantly related to employees' readiness to recommend organization to others in their reference groups which implies uninterrupted supply of green talent to the organizations. Organizations thus, can create a strong employer brand for themselves by adopting and promoting environmentally sustainable practices that would help them tap the most sought after "Green Talent Pool". This would enable them to attract, engage and retain highly demanded green talent and win the ongoing talent war. The adoption of environmental sustainable practices would also enable the organizations to build a sustainable talent pipeline via achieving employee referrals.

Keywords: Pro-Environment Employee, Environmental CSR, Green Talent, Organization's Environmental Performance, Employer Brand.

Introduction

Environmental sustainability issues have taken a center stage under the new business normal. Especially in the times when the entire world has been shaken up by the recurring pandemic waves. Organizations affect the environmental sustainability through their actions. They utilize the financial, technological and institutional resources from the environment resulting in the generation of employment and economic development (Shrivastava, 1995). Off late many business organizations have begun to indulge into responsible corporate behavior on account of reasons varying from strategic to defensive to altruistic. (Vogel, 2007). The stakeholders like consumers, employees, government expect business to be managed in the ways that bring in the least harm to the environment.

*Associate Professor, St. Kabir Institute of Professional Studies, drvaishali@skips.in

Review of Literature

Environment sustainability and CSR

CSR initiatives are seen to have multiple bivalent benefits to the organizations ranging from attracting green consumers or investors, to preempting government regulation, to encouraging regulation that burdens rivals (Lyon & Maxwell, 2020). The literature suggests the view that CSR activities undertaken by the firms enhances firm's value (Malik, 2015).

The research has established the relationship between organization's CSR activities and its resultant ability to retain talented employees (Bhattacharya et al., 2008). Sustainability has become one of the vital part of CSR. Contemporary business stakeholders are known to possess greater consciousness towards environmental issues and expect organizations to establish the systems to address issues pertaining to environmental hazards (Wenstop and Myrmel, 2006). This growing environmental focus of the business organizations is increasingly reflected in their corporate CSR reports too (Jones et al., 2005). The organizations in a bid to develop more sustainability initiatives are trying their best to attract the "green collar" workers (Hemlock, 2007).

Sustainability is the source of innovation and profitability for the business organizations. In order to leverage this source to one's advantage, the organizations need a framework that will help them scan the opportunities and threats prevailing in the environment and which would enable them to plan and execute their CSR strategies in the best interest of the community and themselves (Baumgartner, 2014). Organizations that indulge in pro environment activities get benefitted in terms of employee relations. Employees that possess pro environmental attitude recommend their organization to their reference group when they find organizations interest aligned with that of theirs (Harvey et al., 2010). Various empirical studies have advocated the significant impact that CSR has in generating positive results for the organizations (Gkorezis & Petridou, 2017).

Green Employee Mindset

To successfully design and implement sustainability programs, organizations are facing a huge demand of "Green Talent", employees who possess the mindsets, knowledge, skills and abilities to drive sustainability in an organization. Various environmental factors such as new legislations, new values, advanced technologies and lucrative investments are responsible for boosting the demand and supply of the green talent in the organizations.

Green Collar workers are those environmentalists who possess great deal of interest and knowledge about environment concerns and practices within the organizations. Green collar worker is one who exhibits pro-environment behavior at workplace like engaging in actions to protect the environment, stimulating sustainable work practices and spreading environmental awareness among the fellow workers.

Green workers act as environment advocates within their organization and possess more sensitiveness about their organization's actions towards environment. Research suggests level of employer's CSR engagement have a positive influence on engagement level of employees and opinion towards senior management (PR Newswire, 2007). Employees are more likely to recommend their organization as a great place to work when they witness their organization's active engagement towards CSR activities. CSR is increasingly becoming a means to acquire and retain top talent in the contemporary organizations (Bhattacharya et al., 2008).

Employee green behavior ie environment friendly behavior at workplace can have far reaching transformational impact on the organization's sustainable development strategy. Pro-

environment attitude is positively correlated with required employee green behavior (Tian et al., 2020)

Many organizations are trying to attract the green talent by offering the employee benefits that are well aligned to the imperatives of sustainability (Glen & Lowitt, 2009).

Employee perception towards CSR

Firms are increasingly relying on CSR activities to create a strong employer brand so as to be able to attract and engage their current and potential employees. Firms must try to achieve CSR with regards to ingraining CSR values and levels of internal CSR (Grace et al., 2019). Implementation of CSR program results in generation of two types of employee attitudes: one towards organization and another towards society (Rodrigo & Arenas, 2008). Research suggest that organizations' CSR performance positively impacts the employer- employee relationships. This impact increases in proportion to increase in employees' perceived CSR-culture fit (Chen et al., 2018). Employee perception of organizations' CSR activities is negatively correlated with employee deviance (Choi et al., 2018). Success of an organization lies in enhancing positive attitude among its employees and one way so do so is through CSR (Costa et al., 2018).

Employees are assured of receiving equitable treatment working for the organization they perceive to be a responsible corporate citizen (Vowler, 2005).

Younger workforce wants their organization to engage more into socially responsible behaviors and they are attracted to join the organizations with good corporate image. The impact of generational membership of employees on their perception needs to be considered for designing better talent attraction strategies (Sirias et al., 2007). New age employees prefer to work for organizations that takes care of all its stakeholders .Based on demographic changes happening across the world, more of younger workers are expected to join the workforce as the older ones retire . Thus organizations must take into consideration the likes and preferences of these new workers (Grow et al., 2005).

They don't even hesitate foregoing some compensation to work with green organization (Gurchiek, 2007).

Objective of the study

The main purpose of this paper was to examine that whether a pro-environment employee mindset and his/her perception of his/her organization's environmental performance affects his/her willingness to recommend his workplace to others in his/ her reference group.

Research Methodology

The data for the study was collected from 246 respondents who were selected using non-probability convenience sampling method. There were 54 percent male and 46 percent female respondents. The generational membership of the respondents was classified as: Die - Hards (born before 1960)-7 percent , Conventionalists (1961-1980)-22 percent , Progressives (1981-2000)- 29 percent and After Google (After 2000)- 41 percent .Occupation wise break up of respondents was : Students -10 percent, 41 percent employed in service industry and 44 percent employed in non-service industry. The students who were undergoing their internship with the organizations were also surveyed as they too represent the future employees of the organizations. Their perspective towards environment, organizational environmental performance and resultant recommendations as a great place of work would play a vital role in ensuring uninterrupted talent supply for these organizations. The questionnaire was designed on the basis of questions cited in the literature review. The questionnaire was distributed online using google forms.

Results

Employee Environmental Awareness

As many as 83 percent of the respondents were aware of The Environment Protection Act, 1986 while percent had knowledge of E - Waste (Management and Handling) Rules, 2011. Only 41 percent respondents were found to be aware of The Air (Prevention and Control of Pollution) Act, 1981 while 54 percent of the respondents were aware of The National Green Tribunal Act, 2010. As far as awareness towards The Water (Prevention and Control of Pollution) Act, 1974 was concerned, only 49 percent respondents knew about it.

When asked about which gas contributes significantly to global warming, only 15 percent respondents were found to be knowing that Methane is more hazardous than carbon dioxide.

One way analysis of variance was conducted to evaluate the null hypothesis that there is no significant difference of opinion by the generations towards seriousness of global warming issue (N=246) . The independent variable Generation included four groups - Die - Hards (M= 1.66, SD= 0.48, N=18); Conventionalists (M= 1.22, SD= .41, N=54); Progressives (M= 1.16, SD=.37, N=72); After Google (M= 1.23, SD= .54, N=102).

The ANOVA was found to be significant (F=5.529, p <0.05) with Conventionalist respondents more likely to agree. Thus there is a significant evidence to reject the null hypothesis conclude that there is a significant difference of opinion by the generations towards seriousness of global warming issue.

Green Employee Mindset and Pro Environment Behavior

On being asked about their view of self as that of environment friendly person, most respondents i.e 85 percent opined as either strongly agree or agree. Only 7 percent respondents disagreed. Chi square was performed to test the null hypothesis that there is no significant relationship between the generation and self-perception of the respondents towards being environment friendly .The Chi Square for the crosstab was found to be statistically significant ($X^2= 34.75$, $p<0.001$) as per Table 1. Thus, there is a significant evidence to reject the null hypothesis and conclude that there is significant relationship between the generation and self-perception of the respondents towards being environment friendly.

Highest number of respondents who rated themselves to be environment friendly were Die – Hards with 100 percent followed by Conventionalists 88.8 percent. Progressives and After Google generations scored 83.3 percent and 82.3 percent respectively on environment friendliness.

Table 1- Crosstabs for Generation-wise self-perception of being environment friendly person

I believe myself to be an environment friendly person.						
Generation	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Die - Hards	12	6	0	0	0	18
Conventionalists	42	6	6	0	0	54
Progressives	60	0	6	6	0	72
After Google	78	6	6	12	0	102

Source: Primary Survey

When inquired about readiness to pay extra money to buy green products since they are beneficial to the environment, 61 percent respondents responded affirmatively.

Pro-environment employee mindset gets reflected in pro environmental behavior. When asked about the environment responsive behavior that respondents regularly indulge in, the following responses were recorded (see Table 2):

Table 2- Pro environment employee behavior

I contribute towards protecting the environment by indulging into following responsible behaviors:	N	Percentage
Decrease energy consumption by turning off equipment when not in use	198	80
Reduce waste by reusing items such as water bottles, paper, plastic, etc	162	66
Recycle paper, plastic, metal cans, etc	102	41
Reduce water consumption by turning off faucets when not in use	66	27
Buying eco-friendly products	60	24
Using Public transport or carpooling to commute	36	15
Turning off my laptop/desktop after use	30	12
Buy Electric vehicles	12	5

Source: Primary Survey

Employee Perception towards Organization's Environmental Performance

In order to ascertain the level of importance that respondents attach to the organizational initiatives towards the environment protection, the survey had the question that stated, "Its important to me that my organization takes initiatives to protect the environment." Majority (83 percent) of the respondents responded affirmatively. There was no enough evidence to suggest the association between the gender of the respondents and level of importance that respondents attach to the organizational initiatives towards the environment protection ($(X^2= 2.37, p>0.05)$).

When the respondents were asked about whether their organization has a dedicated cell / department to work towards environmental sustainability, 63 percent respondents said yes, 24 percent respondents said no while 12 percent had no information if their organization had any dedicated cell working for environmental sustainability.

One-way analysis of variance was conducted to evaluate the null hypothesis that there is no significant difference between the respondent's knowledge about sustainability cell/department in their organization and their readiness to recommend the organization to others.

The ANOVA was found to be significant ($F=73.07$, $p < 0.05$). Thus there is enough evidence to reject the null hypothesis and conclude that there is a significant difference between the respondent's knowledge about sustainability cell/department in their organization and their readiness to recommend the organization to others. Respondents who knew about the existence of well dedicated sustainability cell/department in their organizations were found to be significantly recommending their organization among their reference groups as a great place to work.

Multiple linear regression was calculated to evaluate the null hypothesis that there is no significant impact of importance attached to the organizational initiatives towards the environment protection and self-perception of being environment friendly person on employees' readiness to recommend organization to others in their reference groups.

The dependent variable employees' readiness to recommend organization to others in their reference groups was regressed on predicting variables of importance attached to the organizational initiatives towards the environment protection and self-perception of being environment friendly person.

A significant regression equation was found ($F=59.172$, $p < 0.001$) [see Table 3]. Organizational initiatives to protect the environment and employee's self-perception of being environment friendly person were found to be significantly related to employees' readiness to recommend organization to others in their reference groups.

Table 3-Regression analysis

Hypothesis	Regression Weights	Beta Coefficient	R ²	F	t- value	p value	Hypothesis supported
H ₀₃	EF → RR	.102	.328	59.172	4.128	0.000	No
H ₀₃	OI → RR	.525	.328	59.172	9.771	0.000	No

Note: EF-employees self-perception of being environment friendly person, RR- employees' readiness to recommend organization to others in their reference groups, OI-. Organizational initiatives to protect the environment

Discussion

Awareness towards issues related to environmental concern

From the analysis, it is evident that most of the respondents lacked know how of some of the important legislations concerning environment such as The Air (Prevention and Control of Pollution) Act, 1981, The Water (Prevention and Control of Pollution) Act, 1974 and The National Green Tribunal Act, 2010.

Also the knowledge of the respondents regarding the gas contributing significantly towards global warming was found to be lacking. When it came to recognizing global warming as a matter of serious concern, difference of opinion across generations was witnessed.

This hints at the fact that when the issues related environment concern fail to have direct personal or economic implications for the individuals, they become relatively unimportant to them. Organizations must try to link their pro-environment initiatives to the personal benefits of the employees in order to encourage them to indulge into environmental activities.

Green Employee Mindset

It was seen in the analysis that most of the respondents perceived themselves as environment friendly. This would naturally make them prefer the organizations that engage in pro environment practices as a place for work.

A noteworthy observation that has significant implications for the organizations as revealed by crosstabs was that most of the respondents who recognized themselves as environment friendly belonged to elderly generations. Since they represent the elderly employees serving at managerial positions thus are in a position to influence the CSR efforts and the resultant impact for their organization. It was also seen that employees indulged in many environment sustainable behaviors.

Employee Perception towards Organization's Environmental CSR Performance

Analysis reveals that most of the respondents accord importance to the fact their organization must take initiatives to protect the environment. Most of the respondents had a dedicated sustainability cell/ department /team in their organizations. Respondents who had proper know how about the existence of well dedicated sustainability cell/ department in their organizations were found to be recommending their organizations to others in their reference group more. Also it was seen that the respondents who perceived themselves as environment friendly positively viewed organizational initiatives to protect the environment and exhibited more readiness to recommend to recommend organization to others in their reference groups.

Organizations' investment in sustainability initiatives are seen to be more positively influencing pro-environment employees' perception towards itself. Organizations thus, can create a strong employer brand for themselves by adopting and promoting environmentally sustainable practices that would help them tap the most sought after "Green Talent Pool". This would enable them to attract, engage and retain highly demanded green talent and win the ongoing talent war. The adoption of environmental sustainable practices would also enable the organizations to build a sustainable talent pipeline via achieving employee referrals.

Implications of the study

This empirical study examines the relationship between organizational environment focused initiatives i.e. environmental CSR, employee attitude towards organization's environmental performance and employees' readiness to recommend organization to others in their reference groups. There exists a strong business case for the organizations to invest in environmental activities. The results of the study clearly hint that employees want their organizations to act in environment friendly manner and undertake CSR activities in the said domain. Organizations' contribution towards environment protection gets rewarded by the way of enhanced employee relations. The study clearly establishes the fact that pro-environment employees think highly of the organizations that exhibit superior environmental performance as they can see it reflecting their own interest. Employee recommendations of the workplace is one of the most reliable source of future talent supply for any organization. It is suggested that modern day business organizations must invest in environmental activities to gain competitive advantage. There should also be suitable provision to publicize these environmental initiatives to the current as well as potential employees through newsletters, organizations' social media platforms etc. HR practitioners should utilize the organization's environmental sustainable initiatives to develop strong employer brand so as to attract green talent towards their organization.

Conclusion

The study strongly brings out the fact that adoption of environment sustainable practices by organizations is of great importance to the employees with green mindset. This boosts the employer brand of the organization.

The results of the study clearly establish the strategic significance of organizations' investment in environmental sustainable practices. Given the rise of green consumers, green innovations have become imperative for the organizations' survival. Green talent i.e. the talent with the green mindset, is the key to green innovations. The study successfully establishes that organizational initiatives to protect the environment and employee's self-perception of being environment friendly person to be significantly related to employees' readiness to recommend organization to others in their reference groups which implies uninterrupted supply of green talent to the organizations.

References

- Baumgartner, R.J., 2014. Managing corporate sustainability and CSR: A conceptual framework combining values, strategies and instruments contributing to sustainable development. *Corporate Social Responsibility and Environmental Management*, 21(5), pp.258-271.
- Bhattacharya, C. B., Sen, S., & Korschun, D. (2008). Using corporate social responsibility to win the war for talent. *MIT Sloan management review*, 49(2).
- Carlini, J., Grace, D., France, C. and Lo Iacono, J., 2019. The corporate social responsibility (CSR) employer brand process: integrative review and comprehensive model. *Journal of Marketing Management*, 35(1-2), pp.182-205.
- Chen, Z.F., Hong, C. and Occa, A., 2018. How different CSR dimensions impact organization-employee relationships: The moderating role of CSR-culture fit. *Corporate Communications: An International Journal*.
- Choi, Y.H., Myung, J.K. and Kim, J.D., 2018. The effect of employees' perceptions of CSR activities on employee deviance: The mediating role of anomie. *Sustainability*, 10(3), p.601.
- Gkorezis, P. and Petridou, E., 2017. Corporate social responsibility and pro-environmental behaviour: Organisational identification as a mediator. *European Journal of International Management*, 11(1), pp.1-18.
- Glen, J. and Lowitt, E., 2009. The Emergence of "Green Talent": Lessons from the Internet Revolution. *London: Accenture Institute for High Performance*.
- Grow, B., Hamm, S., & Lee, L. (2005). The debate over doing good. *Business Week*, 3947(August 15), 76.
- Gurchiek, K. (2007), "Advancement trumps green as recruitment tool", available at: www.shrm.org/hrnews_published/articles/CMX_023384.asp#P-8_0 (retrieved on October 3, 2022).

Harvey, D.M., Bosco, S.M. and Emanuele, G., 2010. The impact of “green-collar workers” on organizations. *Management Research Review*.

Hemlock, D. (2007), “Green revolution”, Orlando Sentinel, available at: <http://innovations.harvard.edu/news/39521.html> (retrieved on 3 October 2022).

Jones, P., Comfort, D., & Hillier, D. (2005). Concentration and corporate social responsibility: a case study of European food retailers. *Management Research Review*, 28(6), 42.

Lyon, T. P., & Maxwell, J. W. (2008). Corporate social responsibility and the environment: A theoretical perspective. *Review of Environmental Economics and Policy*, 1(0), pp. 1–22.

Malik, M., 2015. Value-enhancing capabilities of CSR: A brief review of contemporary literature. *Journal of Business Ethics*, 127(2), pp.419-438.

PR Newswire (2007), “Being socially responsible has a positive impact on employees as well as their local communities and the environment”, available at: <http://0-proquest.umi.com/helin.uri.edu:80/pqdweb?did=1353532291&Fmt=7&clientId=65345&RQT=309&VName=PQD> (retrieved on 3 October, 2022).

Rodrigo, P. and Arenas, D., 2008. Do employees care about CSR programs? A typology of employees according to their attitudes. *Journal of Business Ethics*, 83(2), pp.265-283.

Rosati, F., Costa, R., Calabrese, A. and Pedersen, E.R.G., 2018. Employee attitudes towards corporate social responsibility: a study on gender, age and educational level differences. *Corporate Social Responsibility and Environmental Management*, 25(6), pp.1306-1319.

Sirias, D., Karp, H. B., & Brotherton, T. (2007). Comparing the levels of individualism/collectivism between baby boomers and generation X: Implications for teamwork. *Management Research News*.

Shrivastava, P., 1995. The role of corporations in achieving ecological sustainability. *Academy of management review*, 20(4), pp.936-960.

Tian, H., Zhang, J. and Li, J., 2020. The relationship between pro-environmental attitude and employee green behavior: the role of motivational states and green work climate perceptions. *Environmental Science and Pollution Research*, 27(7), pp.7341-7352.

Vogel, D., 2007. *The market for virtue: The potential and limits of corporate social responsibility*. Brookings Institution Press.

Vowler, J. (2005), “Charitable work boosts image and fosters loyalty”, *Computer Weekly*, Vol. 20, available at: <http://0-proquest.umi.com/helin.uri.edu:80/pqdweb?did=899696091&Fmt=7&clientId=65345&RQT=309&VName=PQD> (retrieved on October 3, 2022).

Wenstøp, F., & Myrmel, A. (2006). Structuring organizational value statements. *Management research news*, 29(11), 673-683.

Appendix

The questionnaire was formed on the basis of surveys cited in literature review.

Following questions measuring to Employee Environmental Awareness, Green Employee Mindset, Pro-Environment Behavior and Employee Attitude towards Organization's Environmental Performance were the part of questionnaire

Respondents Demographics

Gender:M/F

Occupational Status

Which generation do you belong to?

A)Die - Hards (born before 1960) B) Conventionalists (1961-1980) C) Progressives (1981-2000)
D) After Google (After 2000)

Employee Environmental Awareness, Green Employee Mindset

Which of the environmental laws you are familiar with?

Awareness for environmental laws: [The National Green Tribunal Act, 2010]

Awareness for environmental laws: [The Environment Protection Act, 1986]

Awareness for environmental laws: [E - Waste (Management and Handling) Rules, 2011]

Awareness for environmental laws: [The Air (Prevention and Control of Pollution) Act, 1981]

Awareness for environmental laws: [The Water (Prevention and Control of Pollution) Act, 1974]

Do you view global warming as a real cause of concern?

Which gas is more hazardous in terms of global warming?

Do you perceive yourself as an environment friendly person?

You usually are ready to pay extra money for green products?

Pro-Environment Behavior

I contribute towards protecting the environment by indulging into following responsible behaviors (on likert scale)

Pro environmental behavior: [Decrease energy consumption by turning off equipment when not in use]

Pro environmental behavior: [Reduce waste by reusing items such as water bottles, paper, plastic, etc]

Pro environmental behavior: [Recycle paper, plastic, metal cans, etc]

Pro environmental behavior: [Reduce water consumption by turning off faucets when not in use]

Pro environmental behavior: [Buying eco-friendly products]

Pro environmental behavior: [Using Public transport or carpooling to commute]

Pro environmental behavior: [Turning off my laptop/desktop after use]

Pro environmental behavior: [Buy Electric vehicles]

Employee Perception towards Organization's Environmental CSR Performance

Your organizational initiatives towards the environment protection are of importance to you?

Does your organization has a dedicated cell / department for environmental sustainability?

Do you recommend your organization to others?
