Socially Responsible HRM and Environmental Performance of Banking Organization in Bangladesh: Mediating Effect of Green Innovation

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Abstract
The current study tries examining the effect of socially responsible human resource management (SR-HRM) practices on environmental performance in banking industry of Bangladesh with mediating effect by green innovation. This study has tested the hypotheses upon 365 line-managers and has found positive effect of SR-HRM upon both environmental performance and green innovation. In the current research, green innovation also showed positive impact upon environmental performance. Additionally, Green Innovation significantly mediates the linkage between SR-HRM and environmental performance. This research recommends the future researchers to think of mediating effects by other responses of employees in the linkage between SR-HRM and environmental performance.

Keywords: socially responsible HRM (SR-HRM), environmental performance, green innovation

1. Introduction
The evolution regarding growth of human resource management (HRM) gave rise to different approaches like “high commitment” (Arthur, 1994), “high performance” (Delaney & Huselid,
1996; Rubel et al., 2020), “innovative” (Agarwala, 2003), “high involvement” (Lawler, 1986). Coaker (2011) has used the phrase “HRM best practices” for denoting high-performance work systems (HPWSs), high-performance work practices (HPWPs), high-commitment HRM (HCHRM) and global practices of HRM, having the belief that basic idea regarding these approaches of HRM is to utilize the capability and potential of human for achievement of organization. In the same manner another dimension also introduced in the previous literature is called “socially responsible” human resource management (SR-HRM) (Orlitzky, 2006).

Nie et al, (2018) argued that SR-HRM practices have been formed from the interaction in between CSR and human resource practices. Authors proposed that SR-HRM practices improve life of employee from several aspects and it realizes social expectations and personal expectations of employees. Shen and Benson (2016) mentioned that SR-HRM refers to not only just about providing better working conditions and good salary for employees but also providing them training about CSR, promotion, incorporation of their social contributions within salary and at the time of performance appraisal. Strategic human resource management (SHRM) researchers propose HR practices influence the viewpoints and behaviors of employees (Smith, 2018; Rubel et al., 2018) directly which creates an impact upon organizational performance (Kehoe, & Wright, 2013; Mostafa, & Gould-Williams, 2014). Earlier literatures on HRM underlines contributions of HRM which are strategic, regarding creativity, new product development and management of talent (Seeck & Diehl, 2017; Smith, 2018; Stokes et al., 2016). Research performed by Farouk et al. (2016) mentioned that HRM has notable effect upon innovation and have direct influence upon innovation (Nieves & Quintana, 2016; Lu et al., 2015).

HRM constituents are serious regarding intensifying sustainability within organizations and such elements in this area are considered as “green human resource management” (GHRM) (Renwick et al., 2013) that has emerged recently as new research style (Jabbour & De Sousa Jabbour, 2016). The influence of GHRM practices upon environmental performance of corporate have been checked out in earlier studies (Masri & Jaaron, 2017; Kim et al., 2019). Bangwal, Tiwari, and Chamola, (2017) indicates that organizations which are unaware about green practices, green concept and green policies may lose their innovative or talented employees to organizations that have applied Green Practices or have made their image as eco-friendly company and provide socially responsible incentives. We can say, GHRM has positive impact upon innovation. On the basis of earlier literature, it is assumed SR-HRM has influence upon Green Innovation. The supplementary objective of current research is to look into Green Innovation as a mediator in the relationship between SR-HRM and Environmental Performance.

It is assumed that SR-HRM practices for banking industry (private commercial bank for this study) of Bangladesh would improve bank employees’ external CSR behavior which resulted in improving the organization’s environmental performance. Despite having the existence of interest in the matter of HRM for banking industry, we put forward that the role of SR-HRM regarding environmental performance of banking organizations through mediating position of green innovation is not being given proper attention. Considering countries that are developing such as Bangladesh, to best of the knowledge, there has been no earlier study
analyzing green innovation and the environmental performance of bank with SR-HRM. The current study talks about HRM as SR-HRM whose certain objective is to infect employee attitudes and employee behaviors for aiding the enforcement of external corporate social responsibility (CSR) drives (Shen & Benson, 2016). Therefore, the current study focuses upon these gaps for contributing to developing body of knowledge regarding HRM and also focuses on SR-HRM emphasizing on its ability to shape environmental performance of the organization.

The rest of research paper is described as follows. The study commences with introduction and goes forward to background of research. Then, we do review of literature upon SR-HRM and Environmental Performance. Later, we describe the concept of Green Innovation in organization. After this comes development of hypotheses of study and a part that presents the design of research and development of instrument of research. Subsequent sections portray the outcomes of analysis of the models and conclusions and limitations of the study.

![Proposed Research Framework](image)

Figure 1. Proposed Research Framework

2. Literature Review

2.1 Environmental Performance

Environmental performance is related to organization’s capabilities for meeting and exceeding society’s prospects in relation to the normal atmosphere (Chan, 2005) in a way to go past basic agreements with regulations and rules (Chen et al., 2015). It encompasses conservacional influences of organization’s procedure, resource consumption and products in a way that fits with requirements of lawful environment (Dubey & Gunasekaran, 2015). Many literatures showed that environmental training gives more privileges to employees’ green abilities needed for establishing environmental management system (Delmas & Pekovic, 2013) to attain environmental performance goals of the organization (El-Kassar & Singh, 2018). Previously, scholars recognized Environmental performance as one of the ideals of organization’s performance which is considered as consistent with the arguments from other literatures (Longoni et al., 2018). By assessing employees’ environmental
performance bring into line the behavior, guarantees accountability, and give more importance to on environmental ideas (Govindarajulu & Daily, 2004), which helps to develop organization’s’ green performance (Guerci et al., 2016). Companies that influences on employees’ involvement and generate prospects for them so that they can apply their skills and knowledge in environmental activities, are giving green initiatives more preferences (Pinzone et al., 2016) and to reduce unused resources and to improve aptitude of the use of capital giving advanced solutions (Florida & Davison, 2001) which elevates the environmental performance of the organization. From environmental view, an active GHRM strategy may help to promote employee attitudes toward green activities and develop environmental performance (Ren et al., 2018).

2.2 Socially Responsible HRM

The term socially responsible HRM (SR-HRM) has been coined in by (Orlitzky, 2006a). SR-HRM is recognized as corporate social responsibility (CSR) strategies and related practices focused upon employees to cultivate the effectiveness of implementation of CSR (Shen & Benson, 2016). It is a thorough concept that comprises of several SR-HRM practices, targeting to facilitate the execution of policies related to organizational external CSR. SR-HRM may incorporate employee's social contributions within recruitment, retention, remuneration, promotion and performance appraisal besides providing them with drills regarding social matters (Orlitzky, 2006). Literature has recognized SR-HRM positively effects behavior about organization citizenship (Newman et al., 2016), intent to quit (Kundu & Gahlawat, 2015), and attitudes of employees related to work (trust, motivation, affective commitment) (Kundu & Gahlawat, 2016). Nie et al. (2018) reasoned that practices concerning socially responsible human resource management (SR-HRM) are the consequence of the interaction amid CSR and human resource practices. Kundu and Gahlawat (2015) maintained that practices related to socially responsible HR grows job satisfaction. The configuration of SR-HRM practices was prepared according to Barrena-Martínez et al. (2015) which utilized content analysis for standards that concern professional CSR (Global Reporting Initiative and ISO 26000) through choosing various policies related to socially responsible HR, aimed at those standards and through revising literature to analyze their capability in terms to socially responsible policies.

2.3 Green Innovation

Green innovation is said to be emergent processes and products which are environmentally friendly (Albort-Morant et al., 2018; Cepeda-Carrión, 2016) by application of practices of organization which are greener raw supplies, usage of small amount of materials when designing products utilizing eco-design theories and aiming at reducing emissions, reduction of utilization of electricity, water and other raw constituents (Gunasekaran & Spalanzani, 2012). Several prior researches propose that organizations that have green innovativeness, are exceedingly successful (Albort-Morant et al., 2017) and have performance which is better in overall sense than their competitors have, since they utilize their capabilities and green supplies for responding fast and appropriately towards needs of customers (Albort-Morant et al., 2018; Allameh, 2018) and include assets and intangible values into organization. Green
innovation regards to the innovation within technologies which incorporate energy saving, material saving, product salvaging and reuse, pollution abatement, green product growth and improvement, or corporate environmental management (Chen et al., 2006). Though its kind may be related to technology, green innovation is normally categorized into green process innovation and green product innovation (Zailani et al., 2015) and green innovation involves ecologically oriented product designs and manufacturing processes for achieving maintainable development. Green product innovation designates innovation within products that includes design, manufacturing stage and marketing stage, with aims to saving energy, preventing pollution, recycling waste and benign. Having same goals towards green product innovation, green process innovation has been innovation into manufacturing and production processes.

3. Hypothesis Development

3.1 Socially Responsible HRM and Environmental Performance

Inside literature, eco-friendly behavior of employees is deemed as the key for obtaining environmental performance. Hence, it is crucial to comprehend how practices of HRM influence behavior of eco-friendly employees (Kim et al., 2019). Practices of HRM influence performance of organization in a manner that these practices intensify value creation, efficiency and cost control (Kim et al., 2019). Gilal et al. (2019) regarding higher educational institutes mentioned that practices of green HRM of higher educational institutes highly contribute to magnifying environmental performance. Similarly, Pham et al. (2019) proposed that HRM practices like green employee involvement, green training and green performance management intensifies employees' willingness for participating in green initiatives taken by the organization. Relating to industry of hotel, Shafaei et al. (2020) inspected GRHM at both organizational level and individual level with an illustration of Malaysian hotels and informed link of GRHM with outcomes of environmental performance at both levels. On the basis of above-mentioned matter, we can assume Socially Responsible HRM (SR-HRM) will also effect enhancing the environmental performance as SR-HRM involves HRM practices concerning employee behaviors regarding external CSR activities like the surrounding environment of the organization. Hence, we can formulate the hypothesis in following way:

H_1: Socially Responsible HRM is positively linked to Environmental Performance.

3.2 Socially Responsible HRM and Green Innovation

Socially Responsible HRM (SR-HRM) refers to the collection of practices of human resource management (HRM) used by organizations for affecting behaviors of employees and their attitudes to aid in the application of external drives of CSR (Shen & Benson 2016). Shen and Benson (2016) mentioned practices of SR-HRM may incorporate recruiting employees who are responsible socially, equipping them training of CSR and taking account of social contributions of employees at the time of performance appraisal, promotion, compensation and reward. On the basis of HRM attribution literature (Chang, 2015), SR-HRM should progress attitudes of employees and their behaviors towards external CSR which would lead to connecting with CSR positively. On the other side, Green innovation refers to the launch of
any significantly improved or new product, (either goods or service), change in organization, process or solution in marketing which decreases the usage of natural supplies (including energy, material, land and water) and lessens release of things which are harmful over full life-cycle of product (Ghisetti et al., 2017). It has been thought as the most cost-effective method to lessen pressure upon environment without undermining economic competitiveness. Bocquet et al. (2013) portray that strategic CSR connects specifically with innovation related to technology, irrespective of size of firm. Chang (2015) underlines the significance of proactive CSR but he is less support towards responsive CSR regarding green innovation performance. So, we can see a positive connection exists between CSR and green innovation. Considering the above matter, we can assume that SR-HRM will have influence upon Green Innovation. Hence, we can formulate the hypothesis as:

H2: Socially Responsible HRM is positively connected to Green Innovation.

3.3 Green Innovation and Environmental Performance

Prior researches propose environmental performance relies upon quality of products which are environment-friendly, green process and innovation related to product and involvement of ecological sustainability issues into business procedures and product advancement (Chen et al., 2015; Dubey & Gunasekaran, 2015). Green innovation is connected with agenda concerning firm environmental management and that the environmental performance is being stimulated by green innovation (Adegbile et al., 2017; Chen et al., 2006). Additionally, green product innovation and green process innovation lessen negative influence of environment of business and heightens social performance and financial performance of firm via waste reduction & cost reduction (Weng et al., 2015). Previous researches advise green innovation is such which should not be taken into account as reactive measures of firm with regard to pressures of stakeholder but as proactive practices of organization and intentions towards increasing environmental performance for gaining competitive advantage (Kratzer et al., 2017). We can say green process and product innovation are crucial resources of organization that firm utilizes for heightening its environmental performance and obtain goodwill amid key stakeholders. Hence, we can draw up the hypothesis in the following way:

H3: Green Innovation is positively linked to environmental performance.

3.4 Green Innovation as Mediator

We outspread current research through examining green innovation as mediator in linkage between SR-HRM and environmental performance. Several earlier studies propose HRM influences firmly and notably product innovation and innovation related to technology (Wei et al., 2011). That is, HRM systems or bundles influences innovation (Fu et al., 2015; Wei et al., 2011; De Winne & Sels, 2010). Practices of HRM aims to elevate culture of devotion than culture of consent and have positive influence upon innovative orientation of firm (De Saá-Pérez & Díaz-Díaz, 2010). Moreover, Wei et al. (2011) proposes strategic HRM influences highly product innovation within companies which have flat organizational structure and developmental culture. Green HRM increases environmental awareness of employees (Renwick et al., 2013), green firm performance (Chen & Chang, 2013; Chen et al.,
2006) and green creativity (Jia et al., 2018; Chen & Chang, 2013). Prior studies propose that there exists impact of GHRM upon performance of green firm (Guerci et al., 2016) and green innovation (Zhou et al., 2018). Green innovation is thought of as strategic initiative to be utilized for environmental performance (El-Kassar & Singh, 2018) and organization utilizes it for attaining its goals of environmental management. Green process and product innovation notably decrease negative environmental influence of business, if there exists any and intensifies performance of firm - financial, environmental and social performance via reduction of huge waste and reduction of cost which saves time, money and supplies (Weng et al., 2015). Therefore, we can assume GHRM indirectly impacts environmental performance of firm through mediating position of green innovation. Considering above literature, we can say SR-HRM can have influence upon environmental performance of the company through mediating position of green innovation. Therefore, we can draw up the hypothesis as:

\[ H_4: \text{The relationship amid Socially Responsible HRM and Environmental Performance is mediated by Green Innovation.} \]

4. Methodology

4.1 Research Design Population and Sample

Here in this cross-sectional study researchers in 2020 gathered data from the line managers mainly mostly from commercial banks located within Dhaka, Bangladesh. Primarily researchers communicated to most of banking organizations for collecting information but only 20 of them agreed to communicate and to take part. Based on this all the questionnaires were questionnaires had been circulated with the assistance of HR department of each company. This study used purposive judgmental sampling method. This type of method is limited to specific people who will be able to provide particular information, as they have such qualities which was necessary as researchers set already (Rubel et al., 2020).

It is appropriate to use judgmental sampling when researchers use the collected sample to match with the selected criteria (Blumberg et al., 2011). The current research applied judgmental sampling for collecting data specially for the line managers who have experience of about at least one-year in the same area. This was selected as to ensure participant has idea about practicing HR in their daily work routine and they are familiar with it. It took two months for collection of the questionnaire. Fromm 800 distributed questionnaire 39 got back. Among them 30 has been eliminated for incomplete answers. Finally, 365 was accepted for data analysis which was equivalent to response rate having 45.6%. In context of Bangladesh, prior researchers got response rate having 29% (Rubel & Kee, 2014).

4.2 Measurement Instrument

From earlier scales total 15 items were taken to evaluate employee perceptions about the term SR-HRM, green involvement and environmental performance of the present study. Here, SR-HRM practices is considered as independent variable and measured by five items taken from the research of (Shen & Benson, 2016). Moreover, the dependent variable of current
study is the environmental performances and is calculated using 5 items mostly taken (Bangwal, et al., 2017)). Lastly, green involvement is employed as the mediating variable of the current research with five items. These five items for the assessing the green innovation is adapted from the previous research of Chang (2011). For all dimensions, the alpha value of Cronbach was found greater than acceptable limit.

Items of independent variable and mediating variable were evaluated using Likert scale of 5-point where range was from 1 (indicated as strongly disagree) to 5 (indicated as strongly agree).

4.3 Statistical Analysis

For present study PLS was considered for assessment of measurement as well as structural model of Structural Equation Modelling (SEM). For descriptive statistical analysis Statistical Package for Social Sciences (SPSS) v. 20 for Windows was chosen. For inside calculation (Wetzels et al., 2009) The PLS path modelling with a path weighted scheme was implemented. For obtaining path significance and to test study hypotheses nonparametric bootstrapping (Wetzels et al., 2009) with 1000 replications had been done.

5. Results

5.1 Sample profile

Of those who completed the survey, 73% were males while 27% were females. Respondent age ranged from 27 to 55 years, with a majority in age group of 31-35 years (41.4%). A majority (84%) of the respondents were Muslim. More than three quarters of respondents were married (76%). Regarding education, more than one third of respondents (39%) were found having an MBA degree, followed by a Master’s degree (33%); 8% had Bachelor’s degree and 21% had an MBA with Master’s. In terms of experience, nearly half of the respondents (50%) had one to five years’ experience as line manager. The average experience of respondents in industry was found to be almost 9 years (SD = 3.78).

5.2 Common Method Variance

The questionnaires were gathered at single time-point and from same origin of respondents. So, there was possibility of common method variance (CMV). For countering CMV, the current study applied the following methods suggested by Podsakoff et al. (2003). Firstly, proximal and methodological separation method had been utilized while preparing questionnaire. Accordingly, in that questionnaire, the study variables were featured separately with their respective items. Secondly, for statistical control, Harman’s single factor test had been applied to measure the extent of CMV. Podsakoff et al. (2003) mentioned that CMV will be problematic if single latent factor covers for most of explained variance. In the current study, the un-rotated factor analysis showed that the first factor accounted for only 31.38% of the total 67.21% variance, and thus CMV had not been a serious threat in the study.

5.3 Measurement Model

To examine convergent validity, this study has analyzed factor loadings, composite reliability
(CR) and average variance extracted (AVE). Convergent validity checks out if specific item determines latent variable which is considered to be measured (Hair et al., 2019). As portrayed in Table 1, all the item loadings were higher than minimum value of 0.60. Moreover, all values of AVE and composite reliability (CR) were noticed to be above cut-off values which are 0.5 and 0.7 respectively. In current study, all values of CR and AVE were noticed to be acceptable based upon the recommended criterion. Thus, the current measurement model (convergent validity) completes criteria for acceptance.

Furthermore, for discriminant validity, the criterion of Fornell-Larcker was utilized. According to Fornell-Larker criteria, square root of AVEs (i.e. values of all the diagonal numbers) was much greater in regard to the correlations of constructs of corresponding off diagonal ones. Therefore, it could be stated that the measurement model satisfies discriminant validity criteria (Table 2).

Table 1. Measurement Model

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Measurement Items</th>
<th>Loading</th>
<th>AVE</th>
<th>CR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Socially Responsible HRM</td>
<td>SR-HRM1</td>
<td>0.699</td>
<td>0.521</td>
<td>0.844</td>
</tr>
<tr>
<td></td>
<td>SR-HRM2</td>
<td>0.706</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>SR-HRM3</td>
<td>0.754</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>SR-HRM4</td>
<td>0.779</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>SR-HRM5</td>
<td>0.665</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Green Innovation</td>
<td>GINV1</td>
<td>0.813</td>
<td>0.572</td>
<td>0.870</td>
</tr>
<tr>
<td></td>
<td>GINV2</td>
<td>0.745</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>GINV3</td>
<td>0.724</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>GINV4</td>
<td>0.747</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>GINV5</td>
<td>0.75</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Environmental Performance</td>
<td>EP1</td>
<td>0.723</td>
<td>0.569</td>
<td>0.868</td>
</tr>
<tr>
<td></td>
<td>EP2</td>
<td>0.812</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>EP3</td>
<td>0.816</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>EP4</td>
<td>0.754</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>EP5</td>
<td>0.654</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Furthermore, for assessing predictive relevance of the model, the Stone-Geisser $Q^2$ was determined. Hair et al. (2019) advocated that the value of redundancy (Red) in $Q^2$ must be higher than zero. The current research also supported the criteria for all latent variables, for instance, TM (Red: 0.201) and environmental performance (Red: 0.102).

Table 2. Discriminant Validity

<table>
<thead>
<tr>
<th></th>
<th>EP</th>
<th>GINV</th>
<th>SR-HRM</th>
</tr>
</thead>
<tbody>
<tr>
<td>EP</td>
<td>0.754</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GINV</td>
<td>0.474</td>
<td>0.756</td>
<td></td>
</tr>
<tr>
<td>SR-HRM</td>
<td>0.488</td>
<td>0.376</td>
<td>0.722</td>
</tr>
<tr>
<td>Mean</td>
<td>3.78</td>
<td>3.81</td>
<td>3.92</td>
</tr>
<tr>
<td>S.D</td>
<td>0.67</td>
<td>0.71</td>
<td>0.73</td>
</tr>
</tbody>
</table>
5.4 Structural Model

In order to examine the hypothetical relationship within the variables, we have developed a structural model in which SR-HRM was modelled as an exogenous latent variable influencing green involvement and environmental performance. As portrayed in Table 3 and Figure 2, the paths from SR-HRM to environmental performance $b = 0.361$ ($p < 0.01$). The path from SR-HRM to green involvement is a noteworthy positive linkage between them ($b = 0.376$, $p < 0.01$). Furthermore, the path from green involvement to environmental performance also found positive and statistically significant ($b = 0.338$, $p < 0.05$). Therefore, in the current study all the direct hypothesis found significant.

Table 3. Results of the Hypothesis Analysis

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Std. Beta</th>
<th>Std. Error</th>
<th>t-Value</th>
<th>P Values</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>GINV &gt; EP</td>
<td>0.338</td>
<td>0.046</td>
<td>7.28</td>
<td>0</td>
<td>S</td>
</tr>
<tr>
<td>SR-HRM &gt; EP</td>
<td>0.361</td>
<td>0.054</td>
<td>6.67</td>
<td>0</td>
<td>S</td>
</tr>
<tr>
<td>SR-HRM &gt; GINV</td>
<td>0.376</td>
<td>0.039</td>
<td>9.52</td>
<td>0</td>
<td>S</td>
</tr>
</tbody>
</table>

Indirect Path

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Std. Beta</th>
<th>Std. Error</th>
<th>t-Value</th>
<th>P Values</th>
<th>95% LL</th>
<th>95% UL</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>SR-HRM &gt; GINV</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.096</td>
<td>0.166</td>
<td>S</td>
</tr>
<tr>
<td>GINV &gt; EP</td>
<td>0.127</td>
<td>0.019</td>
<td>6.85</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Furthermore, this study also assessed mediating effect of green involvement between SR-HRM and environmental performance. Preacher and Hayes (2008) mentioned that the mediation effect will be significant when indirect relationship between dependent and independent variables comes out as significant. Here, green involvement was found with a significant mediating effect on connection between SR-HRM and environmental performance and the value was ($b = 0.127$, $p < 0.01$).
6. Discussion

This study has goal to seek out linkage connecting socially responsible HRM and Environmental Performance via green innovation as mediator, from the perspective of developing country. Here in this study it is examined based on the feedback of line managers of banking organizations in Bangladesh. The outcome is same as previous researches.

From the analysis the first hypothesis was supported that SR-HRM influences Environmental Performance positively. SR-HRM is comprised of HRM practices which are concerned with employee behaviors regarding external CSR activities like the surrounding environment of the organization (Shen & Benson, 2016). Shen and Benson had found that once SR-HRM practices are observed and implemented in systematic way in the organization, these influence the behaviors of the employees, creating impact upon external CSR activities. These result in the influence upon the environmental performance. The second hypothesis was also confirmed that Socially Responsible HRM and Green Innovation is related positively. SR-HRM is comprised of HRM practices which help in developing the employees to better the environment. Also, Green Innovation is fully dedicated towards betterment of environment. On the basis of opinions from Chang (2015), SR-HRM assists in molding employee behaviors towards external CSR, that is the environment, and this has much influence regarding green innovation. Thus, SR-HRM and Green Innovation are connected in positive way.

Present study positively agreed on the third hypothesis that is based on the link how Green Innovation has influence over environmental performance. Earlier, Huang and Li (2015) showed the impacts of coordination capability, social reciprocity and dynamic capability and how they affect green innovation as well as environmental and organizational performance.
Thus, found that environmental performance can be positively affected by Green Innovation (both product and process). The fourth hypothesis assumed that Green Innovation mediates how SR-HRM influences Environmental Performance. Results showed how SR-HRM and Environmental Performance can be affected by the green innovation as mediator. Since HRM influences product and technical innovation (Wei et al., 2011) which are other parts of green innovation and environmental performance is positively related to green innovation, thus, this study emphasized green innovation as mediator.

Here, in this study it has been emphasized on how line managers predict that environmental performance will eventually improve by SR-HRM of banking organizations as well. Moreover, green innovation is considered as significant intervening variable between the relationship of SR-HRM and individual environmental performance outcomes. So, banking service organizations should concentrate on how to recognize, mature and apply the practices so that employees’ sense of green innovation can be enhanced through SR-HRM, which will bring positive progress to achieve ultimate organizational performance.

7. Conclusion

SR-HRM is important for any association as well as for the employees work in it because it influences focus upon external CSR activities of the organization. Grounded on other tests and necessary findings the association between SR-HRM and Environmental Performance as well as having Green Innovation as mediator is being outlined in this study. Here it is identified that they have significance relationship and its impact on environmental performance has been evaluated. SR-HRM constitutes of such HRM practices which will help the organization to find out how much the organization is performing in respect to the environment. The mediating effect of green innovation is positive and we can see from the findings that it has strengthened the Influence of SR-HRM on environmental performance. It can be suggested that if green innovative behavior is fostered in the organization along with the practice of SR-HRM, there will be more possibility for the organization to function towards the external CSR activities which will result in improving performance related to environment. This study tried to show the association of organization with environment. It can be said that this study can have significant applications to the administration of the banking organizations. The management would work with the HR related specialists on developing the practices and importantly the SR-HRM, in order to develop better engagement of the organization towards environmental performance. The more the organization would practice SR-HRM, the better would be the environmental performance of the organization. Therefore, the organization should employ SR-HRM practices more along with green innovation.

8. Limitation

How SR-HRM effects on environmental performance with the effect of green innovation is the main focus of this study. Though this study achieved its goal it still has some limitations. One of them is enclosure of attitudinal response as considering green innovation as a mediator between SR-HRM and environmental performance. So, it is prescribed here that researches in future can analyze the relation of SR-HRM as mediating effect on several other
responses, such as commitment, satisfaction, security and more importantly the apparent assistance from organization. Later, as few number of samples has been chosen from a same geographical area so the findings cannot considered as general to the whole banking organization. So, it is suggested for future researches to use more samples from diverse and wider area where banks are available for more generalized outcome. Again, the true findings about the effect of SR-HRM and environmental performance over time cannot be portrayed in the present cross-sectional design of this study. So, for future researchers a longitudinal study is been suggested so that it will be easy to find out the casual relationship among the variables. Moreover, this study focused only on the line manager’s perception about SR-HRM practices that affect the environmental performance of the organization. For upcoming researchers may compare the perception among different department’s manager’s perceptions or employee’s perception about how to get full idea about the influence of SR-HRM on environmental performance with the help of green innovation. This paper mainly focused on the relationship among SR-HRM, green innovation and environmental performance considering only banking sector of a developing country like Bangladesh. Based on the idea of this paper this study mainly proposing HRM studies the environmental performance perspective of similar countries. Here the literatures on such area of concern is very limited. The variable SR-HRM enhances factors related to green innovation in organizations which mainly develops the performances related to environment of those organizations. In this regard researches can broaden their concern to identify the influence of SR-HRM on performance of other aspects in organization within and beyond Bangladesh.

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