

# Environmental Awareness In Indian Pharmaceutical Industry: Role Of Green HRM And Servant Leadership

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## Abstract

The present study investigated role of Green HRM in boosting Environmental Awareness amongst employees of Pharmaceutical Industry in India. Also, role of servant leadership in giving boost to this relationship as mediator is studied as well. Data of 330 respondents was collected and analysed through PROCESS macro by Hayes (2017). The results were positive and significant i.e. Green HRM positively and significantly influenced Environmental Awareness. Also, Servant Leadership significantly mediated the relationship. Implications of the study were also discussed.

**Keywords:** GHRM, Servant Leadership, Environmental Awareness, Pharmaceutical Industry, mediation

## INTRODUCTION

Over the past century and a half of global industrialization, several countries have faced serious environmental challenges (Watson & Tidd, 2018). Almost all industry's operations have an adverse effect on the environment, from the acceleration of global warming to the depletion of natural resources to the emission of noise and light pollution and the eradication of entire species. These industrial operations and their disastrous outcomes pose a threat to the global ecological as well as the economic and social well-being. It's important for people to learn more about "green" concerns like reducing their carbon footprint, recycling, and switching to renewable energy like the sun, the wind, and the earth's core's heat (Ecer et al., 2021). Particularly due to the risks associated with environmental issues, organisations have shown a tendency toward concentrating on green performance and educating and training their workforce in green performance in recent years. Several scholars have focused specifically on the role that green HRM practises have played in these studies (e.g., Pham et al., 2019). Green HRM is an integral part of environmental HR frameworks. Green HRM takes an eco-friendly stance and tries to instil a "green" corporate culture to motivate employees to do their jobs in the most sustainable way possible. Educating employees on the company's environmental goals and creating market differentiation through green practises are also fundamental tenets of "green management." Current green HRM policies and concepts define this management style as one in which personnel decisions (such as hiring, promoting, and rewarding) are made with an eye toward the organization's environmental objectives. It also includes motivating staff to work together on environmental initiatives.

In the context of the pharmaceutical industry, this research investigates the effects of green HRM and servant leadership on environmental consciousness. Taking the pharmaceutical sector seriously means finding solutions for the industry's many risky practises. The research aims to provide light on how Green HRM practises,

when coupled with servant leadership, can raise environmental consciousness within staff. It has been decided that servant leadership will act as a mediator in the partnership.

To create a workplace that is resource-efficient, socially-responsible, and ecologically-friendly, businesses are increasingly adopting "green HRM practises and principles," which can be defined as a set of ideas, policies, procedures, and tactics that encourage employees to engage in eco-friendly behaviour (Ren et al., 2018). Green HRM's primary objective is to raise the level of environmental performance, awareness, and engagement in the workplace (Pham et al., 2019). One of the best ways to help businesses go green is through human resource management (HRM), specifically through training employees to spot and report environmental problems within the company (Renwick et al., 2013). Green HRM is a central concept in the research because of how novel it is. Employment practises like recruiting, interviewing, choosing, compensating, motivating, training, appraising, and assessing workers' contributions to a healthy and sustainable workplace environment (Yong et al., 2019). However, research on green HRM is scarce (Pham et al., 2020). Green HRM is based on a few core tenets, including: investing in employees who care about the environment, teaching employees about the environmental processes at the organisation and providing them the authority to get involved, and fostering an eco-friendly organisational culture (Kim et al., 2019; Renwick et al., 2013).

An individual's data, knowledge, attitudes, propensities, behaviours, intentions, attempts, and actions have all been proven to be influenced by environmental awareness, making it a multidimensional concept (Wan et al., 2017). It concerns the mental factors that set people's preferences for environmental actions, mindsets, and habits (Zhang et al., 2014). The "4 R's" (reduce, reuse, recycle, rethink) gain importance as people gain an understanding of the relevance of environmental issues (Gabarda-Mallorqu et al., 2018). That the ecology is fragile and that protecting it is of paramount importance is implied. Promoting environmental awareness requires an in-depth comprehension of environmental concerns to effectively alter environmental behaviours and provide more sustainable results. Human resource management (HRM) is discussed as a strategic tool for fostering more environmental consciousness and greening business practises and society at large, making environmental awareness a central theme in this research. This is so because environmental consciousness and sustainability go hand in hand (Benevene & Buonomo, 2020).

Humans, as proposed by socio-cognitive theory, are not only capable of a wide range of responses to environmental stimuli but also of rapid adaptation to new circumstances (Bandura, 2001). When workers have a better understanding of their environment, how vital it is to the survival of all living things, and, most importantly, how important it is for them to safeguard it, they may be more likely to take an active role in environmental issues. Green HRM, according to SCT, has less of an effect on employee behaviour than on their knowledge of environmental issues. Training programmes that emphasise environmental awareness have been shown to increase workers' knowledge of environmental protection and their emotional commitment to improving the company's environmental performance (Daily et al., 2012). Roscoe et al. (2019) state that a corporation can make a positive impact on the environment by hiring eco-conscious workers and providing them with effective, ongoing training. These programmes and policies help to instil a culture of environmental stewardship among employees. They encourage workers to improve their company's environmental performance through initiatives that benefit the planet (Roscoe et al., 2019).

H1: Green HRM significantly influences Environmental Awareness in Pharma Industry

A servant leader's focus is on the well-being of those under their care. Instead of having their followers work to serve them, servant leaders focus on assisting those around them (van Dierendonck, 2011). A servant leader, in the eyes of proponents of the servant leadership paradigm, is one who puts his or her followers' needs above his or her own and who provides them with avenues for personal growth and financial and spiritual advancement (Eva et al., 2019).

Leaders who put the needs of their employees first help them learn and retain information that improves performance on the job (Qiu et al., 2020). To aid their followers' growth and the organization's success, servant leaders disseminate useful information and promote awareness of opportunities. As a bonus, they provide a platform from which to develop their specialist skillset (Karatepe et al., 2020). If the values of the organisation are founded on a specific kind of performance, like green performance, then the servant leader will unavoidably

take steps to teach the team about the ethics of green performance and ecologically friendly behaviours (Eva et al., 2019; Ying et al., 2020). Thus, we can anticipate that if the company prioritises environmental preservation and implements green HRM practises within the organisation, and if servant leaders also go in this direction, it will have a double influence on employees' environmental consciousness. Therefore:

H2: Servant Leadership mediates Green HRM -Environmental Awareness relationship in Pharma Industry

## Methodology

### Data Collection

An abductive research procedure (moving from observations to results) has been used in this study. Such an approach is suitable for studies where a particular framework is constructed for analysis, as it allows a better description of the phenomenon within the theoretical framework and allows that phenomenon to be considered from a new perspective. The Data was collected from 12 Indian Pharmaceutical Companies working in India. In total 380 questionnaires were distributed but only 330 were found to be complete.

### Measurement Scales

GHRM was measured using 6 item scale by Kim et al. (2019). Servant leadership was measured with 7 item scale by Liden et al. (2014). Environmental Awareness was measured with 4 item scale by Han and Yoon (2015). All the responses were taken on five-point Likert scale. Confirmatory Factor Analysis (CFA) was used to confirm reliability and validity of the scales.

## Results

### Exploratory Factor Analysis

Exploratory Factor Analysis (EFA) using IBM SPSS 20.0 was done to investigate the dimensionality of the instruments used. principal component analysis (PCA) with varimax rotation was carried out. All four variables showed a unidimensional structural in PCA, with a factor loading of above .50 for each item under its respective variable (Table 2). In the process 4 items were dropped in total from the instruments used.

**Table 2:** Factor Loadings

Scale Items	Factor Loading
<b>GHRM (AVE=0.59, CR= 0.76, <math>\alpha</math>= 0.75)</b>	
GM1	0.71
GM2	0.68
GM3	0.78
GM4	0.81
GM5	0.77
<b>Servant Leadership (AVE=0.61, CR= 0.82, <math>\alpha</math>= 0.83)</b>	
SL1	0.72
SL2	0.69
SL3	0.81
SL4	0.91
SL5	0.70
<b>Environmental Awareness (AVE=0.62, CR= 0.86, <math>\alpha</math>= 0.86)</b>	
EA1	0.66
EA2	0.79
EA3	0.85
EA4	0.90

Note: AVE= Average Variance Extracted; CR= Composite Reliability;  $\alpha$ = Cronbach Alpha

## Confirmatory Factor Analysis

The means, standard deviations, and correlations of various variables under study are given in Table 3. The EFA results were used to conduct CFA on the measurement model. The following results were obtained for the fit indices:  $\chi^2$  /degree of freedom (df)=2.49, NFI=.92, RFI=.91, TLI=.95, CFI=.92, and RMSEA=.045. These results indicate a good model fit. All measures reported a composite reliability (CR) value greater than .7, which establishes the reliability of the measures. The loadings of all the items were found to be significant, and no item was dropped. As per Anderson and Gerbing (1988), significant factor loading and high CR provide convergent validity; specifically, AVE should be above the .5 level but less than the CR value (Hair et al., 2012), which holds in this case (Table 2). For discriminant validity, the square root of AVE should be greater than the coefficients of correlation with other constructs (Fornell & Larcker, 1981); this can be confirmed from Table 2 and 3.

**Table 3:** Descriptive analysis and correlations

	Mean	S.D.	1	2	3
<b>1.GHRM</b>	3.45	.79	0.77		
<b>2.Servent Leadership</b>	3.67	.91	0.45**	0.78	
<b>3.Environmental Awareness</b>	4.12	.68	0.33**	0.42**	0.78

Note: \*= $p < 0.05$ , \*\*= $p < 0.01$ , S.D.= Standard Deviation

## Mediation Analysis

Mediation between Green HRM and Environment Awareness by Servant Leadership: The coefficients for both the relationship between GHRM and Servant Leadership ( $\beta = .33$ ,  $t = 11.05$ ,  $p < .001$ ) and between Servant Leadership and Environmental Awareness ( $\beta = .28$ ,  $t = 7.12$ ,  $p < .001$ ) gave positive outcomes. Also, GHRM significantly influenced Environmental Awareness directly ( $\beta = .42$ ,  $t = 13.09$ ,  $p < .001$ ). The Total indirect effect of Green Motivation on Green Innovation was found to be significant ( $B = .52$ , 95% CI [.11, .27]). The Sobel test demonstrated a significant indirect effect (Sobel  $z = 5.10$ ,  $p < .001$ ). Therefore, mediation was supported. Both H1 and H2 are supported.

## Discussion and Implications

The present study tested role of Green HRM in creating Environmental Awareness of Indian Pharmaceutical Industry. It also tested role of servant leader as mediator of the relationship. The present study is first of its kind to test the mediation of servant leadership in the relationship. The study is also unique in testing the relation in Pharma industry. The present study contributed to the literature of Green HRM, Servant Leadership and Environmental Awareness positively and will help in adding its research in prospective in Pharma industry as well.

The findings of the research provide relevant practical insight to the policy makers and practitioners. The application can be done at both macro and micro levels. At micro/ individual level, relevance of healthily and safe working environment can be created by individual contributions by employees to be familiar with and by following environmental norms and standards. Also, role of servant leadership style in boosting awareness about environment by being supportive to and instrumental in making employee learning and engaging in pro-environmental behaviors. At macro level, Policy makers can create standards for discharge and emission for consumption of material and its disposal. Although, rules and regulations are already at place in the industry, but administration can create the much-needed motivation by placing HR policies to foster these green actions and initiatives. Pharma industry in forefront of transformation and can create benchmarks for other industries and these impactful researches can spread the awareness to academicians and practitioners of these transformations.

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