

## **EFFECT OF GREEN HUMAN RESOURCE MANAGEMENT ON THE PERFORMANCE OF REGISTERED HOSPITALITY FIRMS IN ENUGU STATE, NIGERIA**

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### **Abstract**

The study examined the effect of green human resource management practices the performance of registered hospitality firms in Enugu state, Nigeria. The specific objective was to determine the effect of selective hiring on the profitability of registered hospitality firms in Enugu state. The research method adopted by the study was the survey research method. The sources of data used were primary and secondary sources of data. The population of the study was 512 while the sample size of 225 was determined using the Taro Yamane's formula. The major instrument of data collection was the questionnaire. The data collected were represented in tables using tables, frequencies and percentages. The hypothesis was tested using the t-test statistical tool. The study found out that selective hiring has a significant effect on the profitability of registered hospitality firms in Enugu State. (X value =32.372, p-value 0.0000< 0.05). The study concluded that green human resource management practices have a

significant and positive effect on the performance of registered hospitality firms in Enugu State. It was recommended that hospitality firms should take practical steps in acquiring the right blend of knowledge of workers that are environmentally oriented so as to improve profitability as well as environmental sustainability, hospitality firms should adopt a fair and performance base compensation system on the basis of environmental sustainability so as to motivate and encourage employee commitment to greening, hospitality firms should design energy efficient office building that consume less energy and hospitality firms should encourage self-managed and effective teams who works together to make the environment more sustainable.

**Keywords:** Green, Human Resource Management, Performance, Hospitality

### **Introduction**

The term "green human resource management" is by all accounts an unfamiliar term to most of the people, including experts and academics in Human Resource Management. Green HRM is related to all of the practices required for creating, usage and continuous maintenance of a system that is established with the purpose of making the representatives of a company green. It is the part of human resource management that is involved with converting ordinary representatives with the purpose of accomplishing the environmental objectives of the company and to make a commitment to being sustainable. It is related to the approaches, activities an framework that orients the workers of the company into the green movement for the benefit of the individual, society, natural environment and the business (Opatha, 2017). Without creating personal and integrity practical techniques, it is rather hard to turn the organization green. That is the reason why Human Resource Practices are a crucial

segment of sustainable business development. The hospitality industry which is becoming increasingly global with the search for new markets and increased international travel has an important requirement for players to develop a strong identity and promote a recognizable brand in order to succeed.

### **Statement of the problem**

The inevitable consequence of not having effective green human resource management practices in an organization could lead to decline in profitability. An organization that neglects the environmental impacts of its operations will someday lose its sustainability; profit is short-lived. Through selective hiring, an organization could build an environmentally oriented workforce. Moreover, another consequence of not having effective green human resource management in the organization could lead to decline in productivity level regarding the usage of energy resources (electricity, oil, gas, etc). having an energy efficient office space which is a pro-environmental or green behavior minimizes harm to the environment as much as possible. When there is no green behavior, companies particularly companies that depend on the natural environment for its operations, loses their environmental sustainability which could be harmful to the sustainability of the business.

### **Objectives of the study**

The broad objective of the study is to examine the effect of green human resource management practices on the performance of registered hospitality firms in Enugu State, Nigeria. To achieve the objective, the study specifically strives to;

- i. Determine the effect of selective hiring on the profitability of registered hospitality firms in Enugu State.

### **Research questions**

- i. What is the effect of selective hiring on the profitability of registered hospitality firms in Enugu State?

### **Statement of hypothesis**

To realize the objective of the study and to provide answers to the research question, the following null hypothesis was formulated to guide the study:

- i. Selective hiring does not have a significant effect on the profitability of registered hospitality firms in Enugu State.

### **Conceptual framework**

#### **Green**

Green within this study means the practice of environmental management. It means those activities involved in the management of the environment. The act of greening involves being conscious of one's environment to enhance environmental sustainability (Adeyinka, 2019). When an organization goes green, it becomes conscious of the waste products that are emitted from the factory as well.

#### **Human Resource and human Resources**

A human resource is a single person or employee within an organization and part of the overall personnel or workforce of that company. A human resource is one person within a company's overall workforce with each person leading to their skills and talents to the organization to help to succeed. Any person willing to trade their labor, knowledge or time needs to be compensated in an effort to improve the organization is a human resource. Human resources refers to the department charged with managing personnel. In an organization, human resources is the department in charge of all employees and employee-related operations. As a term, it is also use it to describe the entire workforce of an organization.

## **Human Resources Management**

Human Resources management can be defined as that branch of management which is responsible on a staff basis, for concentrating on those aspects of operations, primarily concerned with the relationship of the management to employees and with the development of the individual and the group (Spiriegel, 2019). Human Resources Management, (HRM) is the function within an organization that focuses on recruitment of management of and providing direction for the people who are working in the organization. Therefore, any organization aiming at achieving some of its goals must ensure not only maintaining constant and adequate supply of human resources but also ensure that they were adequately motivated.

## **Green Human Resources Management (GHRM)**

Green human resources management can be defined as the act of using staff or workers to achieve the environmental objectives of an organization. GHRM is considered as a broader framework of Corporate Social Responsibility (CSR). Renwick (2018) originated a framework including HRM functions such as recruitment & selection, training, development, reward system, performance management system and employee that are considered to be the powerful tools of linking with organizational strategy. various researchers approved the significance of environmental training and communication, organizational learning and the execution o environmental management programs. Human resource management makes it possible to incorporate environmental responsibility to their mission statement. Green HRM develops employees for adopting green Culture and understanding green culture, which they can practice in their private life (Muster & Schrader, 2018). Existing literature has recognized the need to adopt environmental practices as primary objectives towards the achievement of

organizational functioning. It has gone ahead to create a nexus between these environmental Performances and the HRM practices and hence the need to integrate the two in the delivery of a sustainable Business entity. Bratton (2019) notes the need for businesses to create a balance between their commercial goals and environmental preservation since it has been established that creating a nexus between the two could largely help the particular business to optimize its long-term profitability as Opposed to when it does not focus on-going green.

## **Green Human Resource Management Practices**

Sheikh (2020) concluded that GHRM plays an Important role in identifying environmental issues, accepting it, and including solutions to the problem and developing a workforce to protect environmental Issues and work for sustainability. Green initiatives within HRM form part of wider programs of corporate social responsibility. Green HR essentially consists of two major elements namely environment-friendly HR practices and the preservation of knowledge capital (Mandip, 2018). Mandip (2018) further defined that Green HRM refers to involvement of employees towards awareness of environmental issues and commitment to sustainability of the environment.

## **Components of Green Human Resources Management Practices**

Emphasizing long-term employment security is to avoid disruption for employees, their families and their communities. By providing security, employees morale, loyalty and commitment are likely to increase. Open communication creates an opportunity to contribute to and influence decisions that impact the work lives of employees. Open communication fosters information availability and environmental education. Training and learning is a practice that

focuses on developing employees skills, knowledge and attitudes. By virtue of green training and development, environmental awareness is created, employees are educated on waste management techniques, how to save energy and resources e.g. recycling, turning light off, etc. Teleconferencing can be used to conduct business meetings and conferences wherever possible to reduce business travel. Also, the use of papers is minimized. Virtual interviews helps organizations to reduce the use of papers which is one of the major waste products in organizations today.

### **Components of Green Human Resources Management that formed part of the Objective**

#### **Selective hiring**

Selective hiring helps a company to bring more value adding workers to the company. In the selective context, when making selection for the job vacancies some companies consider environmental concern and interest as selection criteria, when interviewing candidates or evaluating them for selection.

### **Green Human Resource Management Functions**

Human Resource Management Functions when linked with greening, play a significant role in the firms success and environmental management (Opatha and Arulrajah, 2018). It is the hiring process of employees that possess knowledge, skills, and behavior towards environmental management. The recruitment practices ensure that hired new employees are aware of the environment and organizational culture (Wehrmeyer, 2018). Literature suggested that environmental goals and sustainability can be achieved through parameters such as including green job descriptions by the employer, paperless interviews, environment- friendly locations, Video recruiting in order to minimize travel expenses, inviting candidates over emails.

### **Significance of Green Resource Management**

In the last two decades the sustainability of what has become a vital part of business strategy, by optimizing financial performance, band social and environmental issues (Boone, 2018). In order to achieve balance between social issues and environmental risk at the same time profitable organization are now focusing on environmental issues by adding them into their strategies. Organizational culture is a very important factor in this regard and considered as a key for success environmental policy in the organization (Bertela & Papania, 2020). It is observed that HRM can change organizational culture regarding implementing certain policies and procedures for Implementing environmental policies and tools (Harris & Crane, 2018).

### **Advantages of Green Resource Management**

In order to retain employees, organizations are now focusing on green practices to promote socially responsible firms. Employees turn over can be minimized by applying green practices in human resource management (Daily, 2019). There are different advantages if developing green HRM or green workforce.

- 1. Environmental-friendly business decisions:** employees who are well aware of environmental issues can make innovative solutions and decisions for business problems keeping the sustainability issue.
- 2. Desirability as an employer:** employer can get competitive edge by hiring green employees, who understand environmental issues and sustainability and converting these skills into organizational policies.

### **Green Management Initiatives**

In the past, organizational performance was measured by delivering financial perform

once to its Shareholders. The focus is now shifted towards financial performance along with minimizing ecologist footprints and considering environmental issues in policy making. Therefore, this new concept of green management and environment management has emerged in 1990s (Lee, 2019). Green organization is a place where resources are well managed, environment is protected and organizations are socially responsible. Green management is concern with the balance between financial soundness and protection of environment for the sustainable future (Daily and Huang, 2019).

### Performance

Organizational performance comprises the actual output or results of an organization as measured against its intended outputs (or goals and objectives). Organizational performance encompasses three specific areas:

- a. Financial performance (profits, return on assets, return on investment etc).
- b. Product market performance (sales market share, etc).
- c. Shareholder return, economic value added, etc).

In short, organizational performance is the most important criteria in evaluating organizations, their actions and environments.

### Measures of performance of hospitality firms that formed part of the objectives

1. **Profitability:** Profitability is usually defined as the ability of a given investment earns a return from its use. The term “profitability” is composed of two words “profit” and “ability”. The word “profit” has been defined in a number of ways, is the sum arrived by deducting total costs from sales revenue. The term “ability” is also referred to as earning capacity or operating performance of the concerned investment. The overall objective of a business is to earn at least a

satisfactory return on funds invested in it consistent with maintaining a sound financial position. If an enterprise fails to earn profits, invested capital is eroded and if this situation is prolonged, the enterprise may ultimately cease to exist. Profit may ultimately cease to exist. Profitability of a business indicates the financial ability and leads to enhance the income earning capacity.

2. **Employee turnover rate:** Employee turnover or employee turnover rate, is the measurement of the number of employees who leave an organization during a specific time or period, typically one year. To calculate employee turnover divide the sum total of the number of employees that leave within a specific period of time (month, quarter, year, etc) by the average number of employees that work within the selected time frame. Multiply that number by 100 to calculate the employee turnover rate. For example, if you have an average of 140 employees working during specific months, time and 26 employees leave the turnover rate would be around 18.6 percent. The equation would read as follows:  $(26/140) \times 100 = 18.57$ . Employees can move between organizations, start new ones or leave an organization for good. Employees resign for many reasons. Sometimes, it is the attraction of a new job or the prospect of a period outside the workforce which pull them while on other occasions they are pushed (due to the dissatisfaction on their present jobs) to seek alternative employment. It can also be as a result of both pull and push factors.

### Concept of hospitality

Hospitality means extending a welcome to travelers or offering a home away from home. The word is derived from the Latin word “hospes” meaning visitor or stranger. The hospitality and tourism industry is a vast sector that includes all the economic activities that directly or indirectly contribute

to, or depend upon, travel and tourism. This industry sector includes: Hotels & Resorts, Restaurants & Catering, Night Clubs & Bars, Travel & Transportation, Tourism, Spas & Wellness, Cruise Liners & Bus tours, Events (Private, Business, Cultural & Sports).

#### **Four Pillars of Hospitality Technology**

First Pillar: Physical Infrastructure. This first pillar is the most readily understood as well as the most established and expensive to upgrade, Second Pillar: Management Systems. Third Pillar: Digital Marketing Channels and Fourth Pillar: Your Staff.

#### **Theoretical framework**

##### **Theory of Environmentally Responsible Behavior (ERB)**

The ERB theory was proposed by Hines, Hungerford and Tomera, the model argues that possessing an intention of acting is a major factor influencing ERB. The Model of Responsible Environmental Behavior indicates that the following variables; intention to act, locus of control (an internalized sense of personal control over the events in one's own life), attitudes, sense of personal responsibility, and knowledge suggested whether a person would adopt a behavior or not. In waste management processes, no single factor is responsible for current behaviors or sufficient to initiate behavior or cause behavior change. For instance, people pile up their waste materials in the middle of the streets in large cities like Aba, Onitsha, Ibadan, Port Harcourt, Jos etc., despite regulations from waste management authorities, prohibiting these acts. Many of these flouters do so at odd hours when law enforcement agencies are not available, others are influenced to indiscriminately dump these waste materials because they see others doing so, yet some still find ways of decently disposing off their waste materials. The model further revealed that knowledge alone is grossly insufficient to act responsibly towards the environment, while some

individuals' knowledge on the environment and its regulations could prompt them to have a good attitude which could translate to good intentions to act, other individuals may go through the internal and external control, such as being influenced by the actions of others or holding strongly to a belief to act rightly despite the actions of others towards the environment. Although, separate constructs of attitudes, control center and intention of acting may not be enough for creating an intention to act, united under one overarching concept they become a base on which predispositions for pro-environmental behavior are formed.

#### **Empirical review**

##### **Effect of Selective Hiring on Profitability**

In a study conducted by Ugwu (2022) in Enugu State on the influence of selective hiring on the staff retention of manufacturing firms, a population of 455 workers was studied using the survey method of research and questionnaire as the major instrument of data collection. The special package for statistical software (SPSS) was used to analyse the data and it was found that selective hiring has a significant influence on reduced turnover of manufacturing firms in Enugu State.

##### **Effect of Fair and Performance Base Compensation on Employee Turnover Rate**

Vizano, Ahmad S. and Endri (2020) investigated the effect of compensation and career on turnover intention; Evidence from Indonesia. In the study, a population of 215 workers was studied using the descriptive survey research design and questionnaire was the major instrument of data collection. The structural equation model was used to analyse the data and it was found that compensation career has a significant effect on turnover intention in Indonesia. In a similar study, Uwimputive, Mushabe and Kajugino (2018) investigated the influence of compensation

system on employee attraction and Retention in Kigali city. A population of 1200 was studied using the correlation method of research and questionnaire was the major instrument of data collection. The Pearson correlation coefficient was used to analyse the data and it was found that compensation system has a significant influence on employee attraction and retention in Rwanda.

## Methodology

### Research Design

The researcher adopted the survey research because survey is convenient for both small and large population. Moreover, survey is economical and has a wider reach. The major instrument of data collection was the questionnaire. The data collected were represented in tables using tables, frequencies and percentages. The hypotheses were tested using the t- test statistical tool.

### Population of the study

Population means members or elements of a well-defined group. According to Enugu state tourism board, the number of all the registered hospitality firms in Enugu state is 403 and 5560 staff. The researcher selected four hospitality firms in Enugu State. The researcher studied the number of staff of Protea Nike Lake, Psalms Hotel, Maxbe Continental and Bon Sunshine. The total population of the member of staff of the selected hospitality firms is 512.

**Table 1: Population Distribution**

S/N	HOTELS	NUMBER OF WORKERS
1	Protea Nike Lake	138
2	Psalms Hotel	98
3	Maxbe Continental	114
4	Bon Sunshine	162
	Total	512

Source: Field Survey, 2023

### Sample size determination

Sample size means the number of workers that can be used for generalization of the

entire population. Four (4) hospitality firms was selected for this study. Appropriate sample size in a research study is better done by the use of statistical techniques or formulae, particularly when dealing with population. Although many other ways or techniques are employed to statistically arrive at an appropriate sample size, the formula that has gained popularity is that of Taro Yamane's formula. Yamane (1964) posits that the sample size of a definite population is given by:

$$n = \frac{N}{1 + N(e)^2}$$

Where; n = sample size

N = population of the study

I = mathematical constant

E = error limit

In this study, the population of the study is 512. The error limit is 5% i.e. 0.05

Substituting in the above formula, we have

$$\begin{aligned} &= \frac{512}{1 + 512(0.05)^2} \\ &= \frac{512}{1 + 512 \times 0.0025} \\ &= \frac{512}{1 + 1.28} \\ &= \frac{512}{2.28} \\ &= 224.56 \end{aligned}$$

Approximately = 225

Therefore, sample size = 225

## Presentation, analysis and interpretation of data

### Relating to Research Question one

**Research Question 1:** What is the Effect of Selective Hiring and the Profitability of Registered Hospitality Firms in Enugu State?

### Distribution of Respondents on whether selective hiring prevents costly turnover of Staff

Analysis of the responses from the respondents on whether selective hiring prevents costly turn-over of staff

### Table 2: Distribution of Respondents on whether selective hiring prevents costly turnover of Staff

RESPONSES	FREQUENCY	PERCENTAGE
Strongly Agree	80	35
Agree	95	42
Undecided	8	12
Disagree	12	5
Strongly Disagree	8	6
TOTAL	225	100

Source: Field survey, 2023

Table 2 shows that 80 respondents representing 35% strongly agreed that selective hiring prevents costly turnover of staff. 95 respondents representing 42% agreed, 30 respondents representing 12% were undecided, 12 respondents representing 5% disagreed while 8 respondents representing 6% strongly disagreed.

#### Distribution of Respondents on whether Selective hiring increases employee's morale

Table 2: Analysis of the response on whether selective hiring increases employee's morale.

#### Table 3: Distribution of Respondents on whether selective hiring increases employee's morale.

RESPONSES	FREQUENCY	PERCENTAGE
Strongly Agree	26	12
Agree	130	57
Undecided	20	9
Disagree	25	11
Strongly Disagree	24	11
TOTAL	225	100

Source: Field Survey, 2023

Table 3 shows that 26 respondents representing 12% strongly agreed that selective hiring increases employees morale, 130 respondents representing 57% agreed, 20 respondents representing 9% were undecided, 25 respondents representing 11%

disagreed, while 24 respondents representing 11% strongly disagreed.

#### Test of hypothesis

##### Test of Hypothesis One

##### Statement of Hypothesis:

Ho: there is no significant effect of selective hiring on the profitability of registered hospitality firms in Enugu state.

H<sub>1</sub>: there is a significant effect of selective hiring on the profitability of registered hospitality firms in Enugu State.

Table 4 showing the contingency table form the responses on the effect of selective hiring on the profitability of registered hospitality firms in Enugu state

QUESTIONS ITEMS	SA %	A %	U %	D %	SD %	Statistics	
						Mean	Std
Prevent costly turnover of staff	80 35 %	95 42 %	30 12 %	12 5%	8 6%	3.7 9	1. 11
Increase employees moral	26 12 %	130 57 %	20 9%	25 11 %	24 11 %	3.7 3	1. 15
Increase profitability and performance	100 44 %	72 32 %	27 12 %	21 10 %	5 2%	3.7 6	1. 18
Attract higher quality candidates	90 40 %	83 37 %	34 10 %	3 1%	15 7%	3.7 2	1. 19
<b>Cluster Mean</b>	32.7 5%	42 %	10.7 5%	6.7 5%	6.5 %		

Source: Field Survey, 2023

Test statistics: One Sample T-test statistics

$$= \frac{\bar{X} - \mu}{\frac{S}{\sqrt{N}}}$$

S

√N

Level of significance = 0.05

P Value = 0.0000

**Decision rule:** Do not reject  $H_0$  if the computed value of T is less than the critical value otherwise reject  $H_0$ .

**Computation Using the T- test Statistical tool**

One Sample T-test statistics

**Test statistics:** One Sample T-test statistics  
 $= \frac{\bar{X} - \mu}{\frac{S}{\sqrt{N}}}$

$$\frac{32.372 - 30}{\frac{2.353}{\sqrt{4}}} = 32.372$$

**Degree of freedom** =  $N-1 = 4 - 1 = 3$

At 0.05 level of significance, 3 degree of freedom critical value of  $t = 2.353$

Computed value = 32.372

Critical value = 2.353

Computed value is more than critical value

**Interpretation:** The T-test result with T-statistic value of 32.373 shows that selective hiring has a significant effect on the profitability of registered hospitality firms in Enugu state.

**Decision:** since the computed value of  $t$  is less than the critical value, we should not reject the  $H_0$  which means there is a significant effect of selective hiring on the profitability of registered hospitality firms in Enugu state.

**Discussion of findings**

The findings from the empirical analysis are discussed below:

**Discussion of Findings one**

Selective hiring has a significant effect on the profitability of registered hospitality firms in Enugu state, Nigeria. The evidence is shown in the ( $X$  value = 32.372,  $p$ -value  $0.0000 < 0.005$ ) and therefore agree with the empirical review conducted by Ugwu (2022) on the influence of selective hiring on the staff retention of manufacturing firms in Enugu state. It was found that selective hiring has a significant and positive effect on the

influence of selective hiring on the staff retention of manufacturing firms.

**Summary of findings**

The study found out that selective hiring has a significant effect on the profitability of registered hospitality firms in Enugu State ( $X$  value = 32.372,  $p$ -value  $0.0000 < 0.05$ ).

**Conclusion**

The study concluded that green human resource management practices have a significant and positive effect on the performance of registered hospitality firms in Enugu State.

**Recommendations**

Based on the findings, the following recommendations were made:

i. that hospitality firms should take practical steps in acquiring the right blend of knowledge of workers that are environmentally oriented so as to improve profitability as well as environmental sustainability;

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