



Green Management – The New Normal for Sustainable Development of Business Houses

Shahwathi B S, Assistant Professor, Department of Management Studies, BGS Institute of Technology, Adichunchanagiri University, BG Nagara, Nagamangala Taluk ²Research Scholar, VTU, Belagavi, shashwathibs@gmail.com

Rohith N R, Assistant Professor, Department of Management Studies, BGS Institute of Technology, Adichunchanagiri University, BG Nagara, Nagamangala Taluk, rohith09@gmail.com

Dr. Hema Patil, Associate Professor, Department of Management Studies, Centre for Post Graduate Studies, VTU RRC, Mysuru, drhemapatil.vtu@gmail.com

Abstract- Traditional Management Practices of business houses have become obsolete. Reframing and redesigning their operations according to contemporary environment has become essential. One such tool is Green Management. Green management principles are future oriented and their major objective is sustainable development. Green Management includes recognizing the operations of the business which affects the environment and making them more sustainable. Modern business houses have ample opportunities to take care of environment along with their growth by the way of green management. These practices also add reputation to business and stimulate innovation which in turn will have a positive impact on overall society at large and a business community in particular. Also, green management helps businesses operate in ways that helps to solve environmental, social and government issues as whole. The main focus of this paper is to understand the concept of green management such as Green Finance & Investment, Green Marketing and Green Human Resource Management. Every individual business house should understand the need of protecting the environment and in turn contribute in all possible ways in rebuilding the same. The paper also highlights a model for sustainable development of business in terms of application of green management principles.

Keywords: Green Management, Sustainable Development, Green Human Resource Management, Green Marketing

I. INTRODUCTION

Every business houses strives for maximum creation of profits and wealth. At the same time, they do not concentrate towards environment protection; rather they harm the environment further even though the government laws are at place. Now a days, it is very essential to understand and protect the environment first and then to produce or to manufacture the goods in order to satisfy the human beings needs and wants. Green management is one such tool towards protection of environment for the sustainable development as well as increasing the wealth of the business houses.

The concept of green management is wider and understanding in detail will help in reaching the goals of sustainable development. Green management is the inclusion of green or sustainable practices in the operations of the business houses which includes green finance and investments, green marketing, green human resources and alike. Many business houses are following a part of their operations to decrease the harm created by them to the environment in a way of CSR activities. But green management is beyond that which means just not a single operation followed but a whole process of managing a business house.

Objectives

1. To comprehend the concepts of green management
2. To analyze how green management is contributing towards sustainable development of business houses
3. To suggest a suitable model for sustainable development of business using green management

II. LITERATURE REVIEW

1. Nailya Saifulina, Adolfo Carballo-Penela, Emilio Ruzo-Sanmartín (2020) are of the opinion that green human resource management acts as a guiding mechanism for motivating employees towards pro environmental behavior which contributes towards achieving corporate sustainability. Authors also bring to light that green human resource management is a major driving force of organization's goals towards

sustainable development.

2. Dr. C Vijai and P Anitha (2020) have emphasized green marketing as a phenomenon where eco-friendly products are produced or marketing is carried out in a sustainable way. Authors also opine that green marketing strategies not only make a business houses but also the customers sustainable.
3. Muhammad Salman Shabbir, Mohammed Ali Bait Ali Sulaiman, Nabil Hasan Al- Kumaim, Arshad Mahmood and Mazhar Abbas (2020) have analyzed whether green marketing approaches impacts on the consumer behavior towards environmental protection. They propose the companies to implement green marketing in their operations to increase value creation in the contemporary business environment.
4. Paula Benevene and Ilaria Buonomo (2020) states that green human resource management has been raising prominence as a part of sustainable corporate development. According to authors green human resource management covers all the economic, environmental, social activities of the employees which contribute to sustainability.
5. Edyta Bombiak ID and Anna Marciniuk - Kluska (2020) are of the opinion that in order to raise the scope of green human resource management, awareness and adequate knowledge must be provided to the business houses. They also emphasize that these concepts will contribute to the welfare of the employees, business and society at large.
6. Lieli Suharti and Agus Sugiarto (2019) accentuate that green human resource management aims in shaping the employee behavior desired to achieve environment friendly goals. Authors also believe that green human resource management also create environment friendly organizations and work climate which increases the overall efficiency of the varied resources.
7. Sharif Mohd. and Vijay Kumar Kaushal (2018) are of the opinion that financial developments lead to environment degradation and green finance acts as a solution for optimising both economy and nature. The authors also state that awareness needs to be created among the corporate citizens for sustainable development.
8. Shailender Kumar and Geethu (2018) have listed out the various components of green management such as green alliance, green products, green promotion, green waste, green logistics, green positioning and green design. The authors have also highlighted the real time examples of the business houses where these have been implemented.
9. Uppu Padmavathi (2017) has highlighted that green investments are important as it brings large scale capital to green projects which further leads to sustainable developments. The author also provides prominence on the role of green bonds acting as a medium for sustainability practices in the economy.
10. Y Lokanath and B Abdul Azeem (2017) describe green management as a process which manufacture environment friendly products and minimize the ill effects of its operations on environment by the green practices such as green production, green research and development, green marketing and others. Authors also observe that green management promotes to improve the quality of lives of customers, employees and community as a whole.

Green Finance and Investments

Green finance is a configured financial activity which has been created to ensure environment protection and sustainable development. Green finance comprises of green banking, green lending and green investments.

Often conflated with socially responsible investing (SRI) green investments are essentially investment activities that focus on companies or projects that are committed to the conservation of natural resources, the production and discovery of alternative energy sources, the implementation of clean air and water projects, and/or other environmentally conscious business practices. Green investments may fit under the umbrella of SRI, but is fundamentally much more specific. Green Investment includes green bonds, green ETFs, sustainability bonds, social bonds, sustainability linked loans, green loans and alike.

Pros of Green Finance & Investments

- ☐ The company's participation for the sustainable future require the upfront investments of a significant amount which can be achieved through green investments
- ☐ From the investors' point of view, investment in green or sustainable projects will contribute for claiming exemption from tax

☒ Green Finance embodies the future of the financial sector through creative and innovative financial instruments and by supporting the financial contribution in projects with positive and sustainable externalities

☒ Green investment will attract many responsible investors towards the projects and in turn aids in the sustainable development of a nation as a whole.

Green Marketing

Green marketing is a process of endorsing products and/or services on the basis of their environmental advantages. The products built in green marketing will be environment friendly in usage or their process of production will be contributing for sustainability. The practices of green marketing includes the manufacturing in sustainable style or sustainable products, not utilizing any environment toxic materials, ensuring optimum utilization of material resources and recycling, not using excessive and unnecessary packaging and ensuring repairable but not one time use products.

Pros of Green Marketing

☒ Profitability can be achieved by ensuring the sustained long term growth

☒ Initial setup of the projects might become costlier but it saves money in the long run,

☒ Competitive advantage can be achieved by getting access to new markets by keeping the new norm of sustainable development and environmental safety.

☒ Employees will be happy and proud to work in an environmentally responsible organization and can create a better work atmosphere.

Green Human Resource Management

Green Human Resource Management refers to the application of environment friendly practices into the arena of human resource management along with the development of modern competitive edge. It can be observed as policies and procedures implemented which derive the environment friendly employee behavior and a socially responsible organization. Green Human Resource Management has its implementation in recruitment and job design, selection methods, operations and on boarding processes, performance management and appraisals, learning and development, compensation and benefit systems and employee relations.

Pros of Green Human Resource Management

☒ Organizations will be having more opportunities by being sustainable and creating an environment which is friendly and in turn contribute towards operational savings by minimizing their carbon footprint.

☒ Will aids in creating a culture of having concern for the welfare and wellbeing of their stake holders / partners

☒ Higher productivity and sustainability can be achieved with better job satisfaction and employee commitment.

☒ Decline of environmental damage by encouraging employees, through proper training programs, and to find ways to reduce the use of environmentally damaging materials.

Comparative Analysis of Green Management and Traditional Management

As studied earlier, green management concepts are much varied from the traditional management practices. The following are the key areas which makes green management different,

a. **Brand image** - The practice of green management helps in enhancing the brand image and reputation of the products and company as well which will in turn enhance the goodwill of the business house.

b. **Relationships** - The green practices inside the organization will promote more to the welfare of the stake holders thus provides improvised and quality relationships with them.

c. **Health** - Green management provides better health for employees and people surrounded by usage of less chemical or chemical free products and processes.

d. **Reuse** - The reuse of articles will be a short term cost benefit for the organization. This will also

promote reduced paper and plastic wastage.

e. **Recycling** - The recycling of products which is a part of green marketing and production will promote effective utilization of resources.

f. **Energy usage** - Energy utilization can be done effectively by the adaption of green principles which ensures zero wastage and efficient practices.

g. **Tax benefits** - Government proposes various taxation benefits by the adaption of green practices in the business houses. These can be reaped for the cost benefits of the business.

h. **Customer attraction** - New customers can be attracted towards business by differentiating green products from the market. Even the existing customers will feel pride to use the green branded goods.

i. **Innovation** - Green practices will definitely leads towards new innovations inside the business houses which will ensure long term growth.

j. **Sustainability** - Going green not just works for a single day rather ensures sustainability and longevity of the business over future.

Model representing Green Management



SUSTAINABLE DEVELOPMENT

Figure.1: Figure representing Green Management

III. CONCLUSION

Green Management is an effective tool which is available for the business houses to ensure sustainable development as well as economic growth. Initially it might become a challenging task for the organizations to switch over to green management and many of the organizations has to shell out more resources for the development of the processes and projects which have an impact on sustainable development. Just not the organizations have to strive for sustainable development but also the end-users should contribute for the same. The wide arena of green management such as green human resource management, green finance and investments, green marketing and alike will contribute to the overall development of the business at large and which is the new normal. The role of government is also very important in terms of motivating and encouraging the business houses by effective policies which contribute for the sustainable development through green management.

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