

Management of Environmental Quality

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**Management of Environmental Awareness,
Protection and Pro-environmental Behaviours**

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Management of environmental awareness, protection and pro-environmental behaviours

Since recent years, environmental protection has got prominence due to increased environmental awareness among people and policy makers. Environmental awareness and protection can play a significant role in reinforcing pro-environmental behaviours. According to [Steg and Vlek \(2009\)](#) human behaviour patterns are crucial for the management of environmental quality. Globally, the world is suffering from environmental issues such as air pollution, global warming and scarcity of safe drinking water, these environmental problems are somewhat rooted in the human behaviours ([Steg et al., 2014](#)). To deal with such environmental problems organizations and governments around the globe consume a large sum of resources for the cultivation of pro-environmental behaviours. Previous researchers in this area focused on the role of environmental awareness to protection of the environment ([Bassi et al., 2019](#)), environmental education and environmental protection ([Li, 2018](#)) and cultivating environmental awareness ([Nazarenko and Kolesnik, 2018](#)).

Environmental protection is related to economic development, [Peng et al. \(2020\)](#) argued environmental protection and economic development has become controversial since the recent decade. A large stream of literature has focused on exploring the linkage of economy and the environment ([Acheampong, 2018](#); [Balsalobre-Lorente et al., 2018](#); [Giddings et al., 2002](#); [Hou et al., 2021](#); [Shahbaz et al., 2021](#); [Zameer et al., 2020a, b](#)). Most of these studies explored the linkage and confirmed the relationship either positive or negative. However, none of the researches emphasized are exploring how and what factors can play a critical role in reinforcing pro-environmental behaviours. In addition, existing researchers also missed to study how environmental protection and awareness can work as triggering factors for the management of environmental quality. To provide insights for environment related decision making, this special issue entitled “management of environmental awareness, protection and pro-environmental behaviours” advance the existing knowledge in the area of pro-environmental behaviours and environmental quality management to meet the scholarly requirements of the futuristic challenges of the sustainable development of the environment. Thus, we believe, this special issue opens a fruitful discussion upon new avenues and mechanisms that can play a pivotal role for the management of environmental awareness, protection and pro-environmental behaviours.

The accepted papers in this issue explored a variety of ways through which management and protection of environment is possible. First paper entitled “Automobile industry managers’ views on their roles in environmental sustainability: a qualitative study” focused on exploring the role of HR managers, health and environment managers to promote environmental sustainability in Malaysian automotive sector. The next paper “How environmental awareness and corporate social responsibility practices benefit the enterprise? An empirical study in the context of emerging economy” studied the relation of environmental awareness and firm green practices with firm performance and its reputation. The third paper “The effect of heavy metal pollution on urban ecosystem and the evaluation of different land classifications; in Bingöl city/ Turkey” emphasized on the management of eco-systems and explored how heavy metal pollution is impacting it in the context of Bingol, Turkey.

The fourth paper “Consumer attitude towards green products: revisiting the profile of green consumers using segmentation approach” studied environmental consciousness of consumers and focused on exploring consumer attitudes toward opting green products. The fifth paper “The impact of individual motivation on employee voluntary pro-environmental



behaviours: the motivation toward the environment of Polish employees” studied the pro-environmental behaviours of Polish employees. The sixth paper “Systemic support and environmental awareness in a normalised environmental management system consistent with ISO 14001” highlighted the systematic support for the challenge of cultivating environmental awareness. Another paper “The role of governance indicators to minimize the carbon emission: a study of Saudi Arabia” indicated the role of governance indicators to minimize the emissions for the management of environmental quality.

The next paper “Promoting environmental sustainability: the influence of knowledge of eco-labels and altruism in the purchase of energy-efficient appliances” argued the importance of eco-labels for promoting environmental sustainability. Another paper entitled “How Industry 4.0 technologies and open innovation can improve green innovation performance?” highlighted the role of industry 4.0 for reinforcing green innovation performance. The tenth paper “Impact of blockchain technology on green supply chain practices: evidence from emerging economy” focused the exploring about blockchain technology and its contribution in promoting green supply chains. Next paper “Green product preferences considering cultural influences: a comparison study between Malaysia and Indonesia” study the cultural influences for green product preference in consumer decision making.

One other paper “Determinant analysis of employee attitudes towards pro-environmental behavior in textile firms of Pakistan: a serial mediation approach” explored employees’ attitudes toward reinforcing pro-environmental behaviours in Pakistan. The next paper “Managing environmental quality in Pakistan through sustainable development of energy–economy–environment (3E): insights from graph model of conflict resolution (GMCR)” developed a GMCR based strategy for the management of environmental quality. The last paper of this issue “Sustainable management of national resources through implementation of balanced scorecard” emphasized on the sustainable management of resources and argued their role for environmental management.

Guest editors hope that this special issue shall positively impact the debate upon the management of environmental awareness, protection and pro-environmental behaviours.

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Automobile industry managers' views on their roles in environmental sustainability: a qualitative study

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Abstract

Purpose – This paper focusses on the roles and experiences of the human resource managers and safety, health and environment managers in promoting environmental sustainability in automobile industry.

Design/methodology/approach – The exploration uses the data generated from ten in-depth interviews with human resource managers as well as safety, health and environment (SHE) managers from three automobile companies.

Findings – Three main themes were derived from the inductive analysis in support of environmental sustainability. They comprised environment-oriented perspectives, green human resource management (HRM) practices and supportive mechanisms. These findings served as insights for the HR managers who played a supportive role in environment sustainability. This study also found that Green HRM practices within the automobile industry were confined to green training and development, green rewards, green employee involvement and green orientation.

Research limitations/implications – The outcome of this study carries implications for managers and businesses in designing a more sophisticated framework for Green HRM practices for their companies so as to achieve a more progressive sustainable goal. For instance, HR managers who are environment-oriented can play a more active role in environmental sustainability. They can participate directly in developing policies by co-partnering with their SHE colleagues. They can encourage and motivate their employees to apply green practices both at work and in their homes. This integration would eventually create a cascading effect that could reduce the industry's negative impact on environment, thereby developing a more environmentally-friendly society.

Practical implications – This study provided practical implications for both the HR and SHE managers in taking up responsibilities in environmental sustainability. This study also indicated the practical implications for the top management in the automobile industry, especially in the designing of the environmental sustainability framework.

Originality/value – This study contributes to the Green HRM area by understanding and comparing the roles of the HR managers and their counterpart, the SHE managers, in support of environmental sustainability. The comparison would provide a clearer picture on how the implementation of Green HRM can be implemented within the automobile industry.

Keywords Environmental sustainability, Green human resource management, Human resource managers, Resource-based view, Automobile

Paper type Research paper

1. Introduction

Destruction of the eco-system has increased tremendously due to anthropogenic activities (Zhang *et al.*, 2019). Human activities triggered by manufacturing, dumping of chemical wastes, deforestation and the burning of fossil fuels and oil are believed to be the main culprits causing global warming (Islam *et al.*, 2019). As a result, sea levels have risen globally by 15 cm during the 20th century, and currently sea levels are rising twice as fast, around 3.6 mm per year (IPCC, 2019). Report from the IPCC (2019) stated that the sea levels will continue to rise from 60 to 110 cm, for centuries, if the greenhouse gas emissions continue to accelerate in a strong mode. It is known that greenhouse gases, such as carbon dioxide, methane and nitrous oxide from industrial activities are the major causes of global warming (Ge and Friedrich, 2020). Of these



gases, carbon dioxide comprises 74% of the greenhouse gas emissions, causing a huge negative impact on environment sustainability (Ge and Friedrich, 2020).

A recent report made by the [United Nations on Climate Action Summit \(2019\)](#) stated that there has been a continual increase in carbon dioxide levels including other greenhouse gases, from 2015 to 2019. This situation has worsened today as new records showed that carbon dioxide increase is 20% higher, as noted in the past five years. As such, governments, regulatory bodies, business leaders and other civil societies are urged to plan and build a comprehensive framework which can be used to limit global warming ([United Nation on Climate Action Summit, 2019](#)). As an emerging economic nation, Malaysia plays a fundamental role in limiting global warming ([Hamid, 2018](#)).

The automobile industry is a capital and knowledge intensive industry. It shapes the country's growth and economy ([Vaz et al., 2017](#); [Saber, 2018](#)). To date, Malaysia has become a hub for international car manufacturers to establish their manufacturing and distribution operations. The rising demand for private transportations or self-owned vehicles is one of the major factors contributing to the environmental issues including carbon dioxide (CO₂) emissions ([Ng et al., 2017](#)). Specifically, CO₂ contributes to more than 60% of the climate change in Malaysia ([Begum et al., 2015](#)), and this is in part, caused by the transport sector, which is the major contributor of CO₂ emissions of the world. In total, Malaysia contributes to 22.9% of the total CO₂ emissions throughout the world ([Ghadimzadeh et al., 2015](#)). To date, CO₂ emissions have increased from 15m metric tons in the early nineties to 42.43m metric tons in 2012. Based on this, it is worthy to note that the National Automobile Policy in 2020 is focussing on sustainability. The policy is focussing on promoting the use of environmentally friendly technology as an effort to reduce CO₂ emissions within the country. With CO₂ emissions being linked to the automobile industry, Malaysia is thus severely pressured to implement green practices by various parties, such as the regulators and customers ([Zailani et al., 2015](#)). It appears that the automobile industry has begun to show more concerns on environmental sustainability ([Raut, 2020](#)).

The paradigm shift towards environmental sustainability has encouraged businesses to adopt various approaches, practices and methods so as to incorporate the environmental aspect of sustainability ([Guerci and Pedrini, 2014](#)). In this regard, human resource (HR) plays a vital role in implementing organisational strategies, policies and initiatives ([Ahmad, 2015](#)). Organisations are able to achieve their goals by adopting the best human resource management (HRM) practices ([Huselid, 2009](#)), thus any change or execution of green practices in the organisation would require the support of the HR managers. [Daily and Huang \(2001\)](#) were the pioneers who highlighted the support of the HR in environmental management so as to achieve better environmental sustainability. Most importantly, the HRM practices play a vital role in determining the success of the company's integration with environmental management ([Jabbour et al., 2008](#)). Besides, it has also been affirmed that any operations within the organisation would depend on the HR. This means that there is a need to align green concepts with the HRM practices ([Haddock-Millar et al., 2016](#)).

[Huselid \(2009\)](#) proposed aligning HR practices with companies' business strategies so as to gain a competitive advantage, and in turn, impact organisational performance. Overall, HRM practices, HRM support and HRM contributions are vital in moving organisations towards the direction of environmental sustainability ([Yong et al., 2019](#); [Jabbour and Renwick, 2020](#)). As a result, new options to the traditional HRM practices were developed in support of the greening processes implemented ([Mousa and Othman, 2020](#)). The integration between environmental management and HRM practices which aim to achieve environmental sustainability as a goal has been labelled as Green HRM ([Jackson and Seo, 2010](#); [Jabbour, 2011](#); [Renwick et al., 2013](#)).

Studies ([Renwick et al., 2008](#); [Wagner, 2013](#)) have reported that the greater the alignment between environmental management and HRM practices, the greater the adoption of green

practices. Consequently, there has been a growing interest in incorporating environmental management into HRM practices, for example, in recruitment and selection, training and development, performance management and performance appraisal, compensation and rewards and employee involvement and participation (Masri and Jaaron, 2017; Ren *et al.*, 2018; Renwick *et al.*, 2013; Roscoe *et al.*, 2019; Saeed *et al.*, 2019). More importantly, the successful alignment between environmental management and HRM practices would lead organisations towards fulfilling their environmental sustainability objectives (Daily and Huang, 2001; Jabbar and Abid, 2014; Paillé *et al.*, 2014).

The automobile industry has become a research area that has gained the most attention of Green HRM researchers (Gupta, 2018; Chaudhary, 2019; Raut, 2020). However, those studies were limited to looking at the positivist views only, paying less attention to the in-depth understanding of the complex nature of the managers' experiences in Green HRM practices within the automobile industry. This was further argued by Pham *et al.* (2019) who suggested the use of interviews to gather a detailed understanding of the role of Green HRM practices in achieving environmental sustainability. HR professionals and their competencies are essential in promoting Green HRM within the organisations (Yong and Yusoff, 2016). Previous studies (e.g. Gholami *et al.*, 2016; Guerri and Carollo, 2016; Almada and Borges, 2018) had shown that Green HRM plays an important role in environmental sustainability, but still lack of studies in understanding the role of the HR managers in environmental sustainability (Jabbour and Renwick, 2020). In that regard, the current study aims to contribute to this research area by exploring the in-depth contributions of HR managers in environmental sustainability. An understanding of the participants' views, even though subjective, may provide deeper insights about the role of HR managers in environmental sustainability, particularly the automobile industry. Thus, the following research questions were formulated.

- (1) How do Green HRM practices in the automobile industry support environmental sustainability?
- (2) What are the managers' roles in promoting environmental sustainability?

2. Literature review

2.1 Resource-based view as theoretical lens

Barney (1991, p. 101) defines firm resources as all assets, capabilities, organisational processes, firm attributes, information and knowledge that are controlled by a firm, enabling it to conceive and implement strategies which are meant for improving efficiency and effectiveness. The resource-based view initially focused on the industry environment, but it later shifted to firm environment which emphasised on internal resources of firms, and their strategy and performance (Wright *et al.*, 1994). Barney (1991) further extended this by explaining the link between the resource-based view and internal resources, such as HR practices of firms in attaining a sustained competitive advantage. This is a value creating strategy which cannot be copied by competitors for similar benefits (Barney, 1991). To meet the condition of having a sustained competitive advantage over others, the HR practices of these firms must be rare, valuable, inimitable and non-substitutable (Wright *et al.*, 2001; De Saá-Pérez and García-Falcón, 2002). Specifically, the resource-based view postulates that when HR practices (recruitment and selection, training, performance appraisal, rewards and employee involvement) are incorporated with environmental goals, they in turn, add value to their organisational performance (Barney, 1991).

Over a period of time, more studies have begun to focus on the resource-based view, in tandem with the field of Green HRM (Zaid *et al.*, 2018; Singh *et al.*, 2020). The resource-based view is, undoubtedly, the most widely used theory, in support of Green HRM practices

(Yong *et al.*, 2019). These Green HRM practices are valuable resources which also support environmental sustainability, thereby enabling firms to improve their efficiency and effectiveness in alleviating the negative impact of the environment caused by the industry (Barney, 1991). Specifically, Green HRM practices are believed to enhance employees' ability, skill and motivation, which in turn, contribute to their environmental consciousness and commitment (Yong *et al.*, 2020). Previous studies which had utilised the resource-based view to examine Green HRM practices include Zaid *et al.* (2018) and Yong *et al.* (2020). Their studies were however, quantitative in nature. Following past studies, the present study will thus adopt the same theory to explore the implementation of Green HRM practices in achieving a sustainable competitive advantage within the automobile industry. Through the resource-based view theory, this study intends to explore with in-depth, how HR managers have a role in designing and implementing Green HRM practices as a step towards creating a sustainable competitive advantage for their firms.

2.2 Green HRM

The human factor is an important concept in environmental management because it can be used to overcome any changes in the organisation (Ren *et al.*, 2018). Moreover, the roles and responsibilities of employees integrating green activities into their companies seemed to be important (Haddock-Millar *et al.*, 2016). As a result, scholars started analysing the contributions of HRM practices in environmental management. This is known as Green HRM; it is defined as the alignment between environmental management and HRM practices (Jabbour and Jabbour, 2016; Renwick *et al.*, 2008, 2013). Green HRM has been examined as a form of HRM practices for achieving firms' environmental sustainability (Guerci and Carollo, 2016; Haddock-Millar *et al.*, 2016; Renwick *et al.*, 2016). In a recent article, Chaudhary (2019) defined Green HRM as the intersection between HRM practices and environmental management which aims to achieve environmental sustainability. The same definition is applied in the current study.

Scholars have described how environmental management can be incorporated into the HRM practices of companies (Ahmad, 2015; Arulrajah and Opatha, 2016; Masri and Jaaron, 2017; Renwick *et al.*, 2013; Siyambalapitiya *et al.*, 2018; Yusoff *et al.*, 2018). Companies' HRM practices can be manifested through their recruitment and selection, training and development, performance management and performance appraisal, rewards and other forms of employee involvement. The integration between firms' environmental management and their HRM practices would lead to better outcomes for environmental sustainability (Masri and Jaaron, 2017; Yusoff *et al.*, 2018; Gilal *et al.*, 2019; Roscoe *et al.*, 2019). In this regard, Green HRM practices are perceived to be important for improving environmental sustainability, specifically, in the automobile industry.

The study by Chaudhary (2019) noted that the implementation of Green HRM practices is low within the automobile industry. Thus far, the practice is confined to only green training and development, followed by employees' green involvement. In an earlier study, Gupta (2018) had also looked at the automobile industry. It was noted that among the methods used to prioritise Green HRM practices, green training and development and green employee involvement had been ranked the highest comparatively. Both studies clearly indicated that the automobile industry practised low level Green HRM. Therefore, this study is vital as it explores the type of Green HRM practices that were being practised currently, by the automobile industry in Malaysia, as a step towards supporting environmental sustainability.

2.2.1 Green HRM practices. Green recruitment and selection is the practice organisations implement so as to attract high-quality employees who can execute the firm's environmental strategies (Chaudhary, 2019). Specifically, the HR managers are often deemed to be an important part of an organisation who help to promote the environmental credentials of the organisation to job seekers (Roscoe *et al.*, 2019). They were also anticipated to conduct green

training and development programmes for their employees. They were also expected to identify the type of training needed, to design, implement and also evaluate the outcomes of the training (Siyambalapitiya *et al.*, 2018). In this regard, the HR plays an important role in developing and enhancing the employees with green skills and green competencies (Chams and García-Blandón, 2019). Online training and digitalisation was proposed by Gupta (2018), who said that such implementations save company resources, and employees' green practice performance can be evaluated by HR, based on the achievement of the firm's environmental objectives (Roscoe *et al.*, 2019). Several studies (Gholami *et al.*, 2016; Masri and Jaaron, 2017; Zaid *et al.*, 2018) had reported that green performance appraisal is vital for it, which boosts employees' motivation in improving their environmental performance, hence environmental sustainability. Another approach used is green rewards which can also spur employees' willingness to contribute to the eco-initiatives (Chams and García-Blandón, 2019). Green reward, is in fact, one of the best tools for motivating and enhancing employees' environmental commitment (Mousa and Othman, 2020). Nonetheless, despite the importance of rewards in motivating employees towards environmental sustainability, recent empirical studies conducted in emerging economies showed a lack in the utilisation of green rewards, when compared to other Green HRM practices (Masri and Jaaron, 2017; Chaudhary, 2019). Other studies (Cohen *et al.*, 2012) showed that HR managers were responsible for providing opportunities which can empower employees to express their views and ideas in solving environmental issues. Employees' high involvement in environmental activities can lead to greater green engagement (Haddock-Millar *et al.*, 2016), thereby offering more solutions to the environmental problems faced (Gupta, 2018; Chaudhary, 2019). In this regard, the resource-based view supports the use of Green HRM practices in enhancing employees' knowledge, skills and abilities for environmental sustainability.

2.3 Role of the HR managers in environmental sustainability

A successful strategy implementation requires the support of the HR professionals (Yong and Mohd-Yusoff, 2016). Findings from one of the qualitative studies (Harris and Tregidga, 2012) conducted with 14 HR managers in New Zealand showed that HR managers did not see themselves as a strategic driver in environmental sustainability. It was not because they were not important, but rather because the HR managers were focussing more on other HR core issues. These HR managers were reluctant to champion environmental sustainability (Harris and Tregidga, 2012) issues due to the fact that their organisation has a certain structure which placed the environment aspect on the particular department (Haddock-Millar *et al.*, 2016). In one of the studies involving multinational companies in three countries of the United Kingdom (UK), Sweden and Germany, it was found that the subsidiaries of the restaurant chains in the US had argued that the initiatives of the HR in supporting environmental practices varied substantially among the three countries. It appears that every organisation's structure, the position of the environment and the alignment between HR and the environmental functions differed massively (Haddock-Millar *et al.*, 2016). Results of that study further showed that the UK Ltd. Company believed in positioning the environmental functions within HR, hence the HR managers had to play a critical role in achieving environmental sustainability (Haddock-Millar *et al.*, 2016). However, the Sweden Ltd Company would align the firm's environmental management with the operational activities rather than with HR.

The lack of literature in this aspect suggests that little is understood about the roles of the HR managers in environmental sustainability (Guerzi and Pedrini, 2014; Harris and Tregidga, 2012). Nonetheless, with a growing interest in Green HRM, it is therefore, possible to understand the roles HR play in environmental sustainability (Jabbour and Renwick, 2020). If this be the case, then it is inevitable for HR professionals to possess certain competencies, such as being a strategic positioner or a change champion, in their capacity to adopt Green

HRM practices more effectively (Harris and Tregidga, 2012; Yong and Yusoff, 2016). But the truth of the matter is that most HR managers are not strategic partners for environmental sustainability, yet they need to be involved (Harris and Tregidga, 2012). It seems inevitable that HR professionals need to possess some knowledge about the business environment, so that they are able to convert the external business trends into internal strategies as a means to remain competitive (Yong and Yusoff, 2016). They are responsible for identifying opportunities, and matching these with the firms' available resources, before selecting the most effective Green HRM practices to implement in fulfilling their companies' environmental goals (Lockett and Thompson, 2009). Without doubt, it is necessary to examine the roles that HR managers play in terms of environmental sustainability so as to develop new insights as contributions to environmental sustainability.

3. Methodology

3.1 Research approach and sampling

This study adopts the interpretive approach where reality is socially constructed based on observable reality (Merriam, 2009). It aims to make sense and meanings from the constructions of those people who were involved in the reality of environmental sustainability, thus the phenomenology approach was used to understand their experiences. In phenomenology, the participants must experience the phenomenon; hence, data were collected based on the participants' reality of experiencing the environmental sustainability phenomenon (Patton, 2002). Interview protocols were designed and then conducted with ten participants who were involved in HR and safety, health and environment (SHE) within the automobile industry (Creswell and Poth, 2018). In this regard, purposeful sampling and snowball sampling methods were used (Patton, 2002).

The sample selected was based on purposive sampling and they comprised six HR managers and four SHE managers who were attached to three automobile companies (Lincoln and Guba, 1985) (Refer Table 1). The SHE managers were included because the environmental aspect was positioned within the SHE department in the automobile industry. In order to understand the role of the HR managers in environmental sustainability, it is also important to understand the roles of the SHE managers. A comparison of their roles in environmental sustainability was necessary so as to extract clearer insights of their contributions towards environmental sustainability. The interview protocols performed for this study were guided by the research questions (Maxwell, 2013).

Although the interviews were extracted from a small sample size, saturation of data had occurred at the 9th participant, where there were no new emerging themes occurring in the interview data (Corbin and Strauss, 2008). According to Lincoln and Guba (1985), sampling

No	Participations	Code assigned	Overall working experience (years)
1	Deputy General Manager of Human Resource and Administration	HR1	34
2	Head of Department of HR	HR2	20
3	Head of Department of HR	HR3	28
4	HR manager (Training and development)	HR4	30
5	HR manager (Human Resource Operations)	HR5	16
6	HR manager (Training and Development)	HR6	28
7	Head of Department of Safety Health and Environment	SHE1	14
8	Head of Department of Safety Health and Environment	SHE2	33
9	SHE manager	SHE3	24
10	SHE manager	SHE4	7.5

Table 1.
Information of
participations

can be terminated when no new insights are detected. Most importantly, however, the interviewees had vast experiences in their work due to their managerial positions as heads of departments and managers. In this regard, their input was vital, rich, insightful and relevant to the current study (Patton, 2002). Table 1 further explains.

3.2 Data collection and sampling

This qualitative study focusses on understanding the managers' experiences, and how they made meanings of their involvement in implementing environmental sustainability within the automobile industry (Miles *et al.*, 2014). Prior to data collection, approval for conducting this study was acquired from the university's ethical committee, in accordance with the research procedure, and the ethical standards set by the university (Silverman, 2018). This was obtained in June 2018, following which, consent to conduct the study was extended to the CEO/President of the selected companies. Subsequent to this approval, all the participants were contacted personally via email and telephone messages. This process was between October 2018 and March 2019. Confidentiality and privacy were stated to the participants; hence, the names of all the interviewees and their respective companies were converted to initials. They were from three companies which were part of the Malaysian Automotive Association (MAA). All the interviews were conducted in the natural setting of their respective plants and offices.

The semi-structured interview protocols allowed the interviewees to express their viewpoints more openly (Merriam, 2009). This approach enabled the qualitative study to extract more spontaneous data in the form of their verbal responses, with more depth. Some important questions that paralleled the research questions were asked, for instance, "*What are the HRM practices that had been adopted by your organisation in supporting environmental sustainability?*" "*How do you see your role in promoting environmental sustainability?*" Probing was conducted extensively so as to get more in-depth information (Creswell and Poth, 2018). The interviews were recorded by using the voice recorder with the consent of the participants. The duration of the interview was between 20 and 50 min each.

3.3 Data analysis

Data analysis for a qualitative approach takes a reiterative process, hence data were coded and categorised back and forth until the data formulated only a few relevant themes (Miles *et al.*, 2014). A rigorous and trustworthy approach for analysing the data was the back and forth analysis. Meantime, the interview data were transcribed one after the other consecutively so as to ensure consistency. The coding process was done with the aid of the NVivo software version 12. Following the coding process, a total of 60 codes were formulated in the initial coding process. These initial codes were further analysed until they could be grouped into 10 categories, which finally, became only three themes. Figure 1 highlights the themes generated. They include environment-oriented perspectives, Green HRM practices in achieving environmental sustainability and the mechanisms that supported environmental sustainability.

4. Results and analysis

4.1 Environment-oriented perspectives

The first theme detected from the data was environment-oriented. Analysis suggests that both the HR and SHE managers were environmentally oriented. Their input showed that both types of managers had some level of environmental concerns. In fact, they had even engaged in green practices within their private lives or at home.

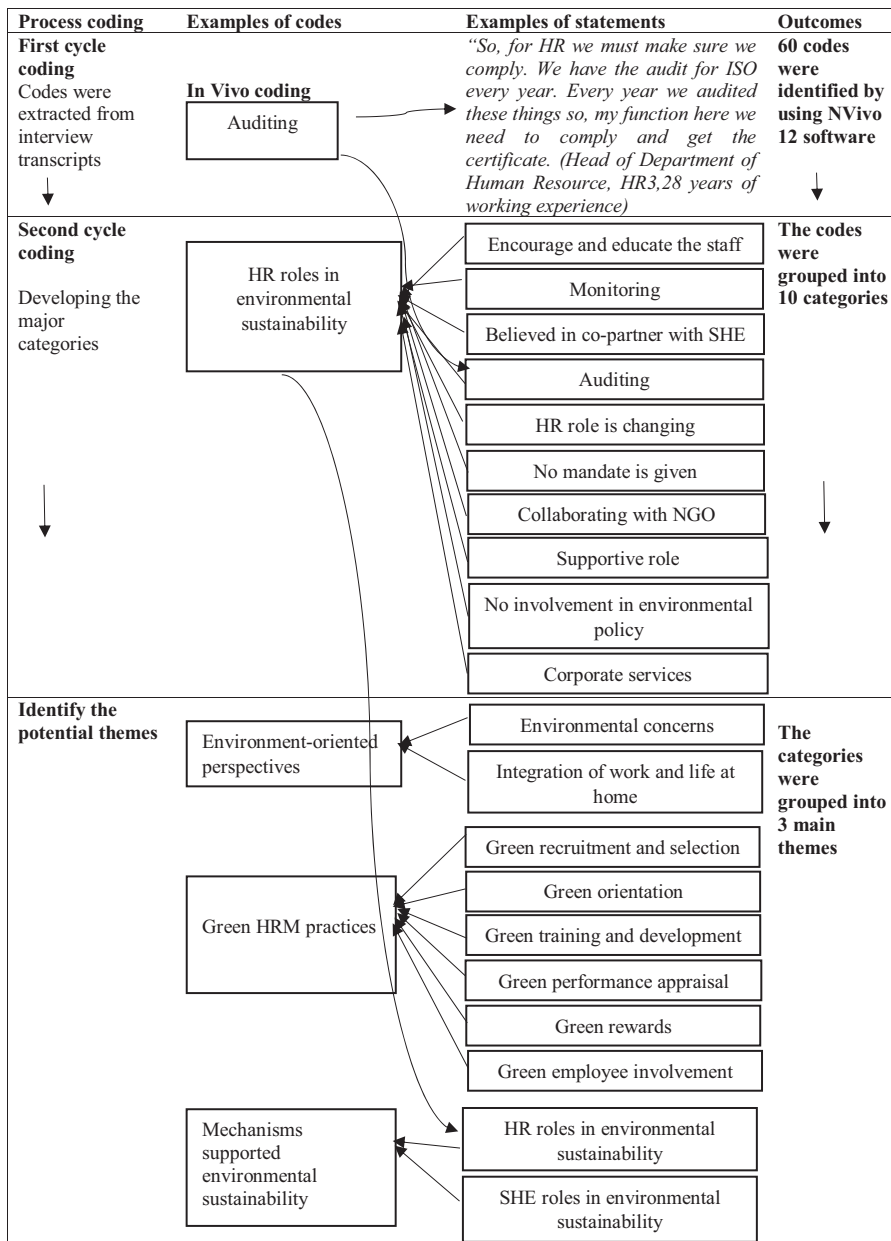


Figure 1.
Coding process

4.1.1 Environmental concerns. More than half of the managers interviewed, showed high levels of concern for the environment. Although the SHE managers were responsible for managing the environmental aspects in their organisations, results showed that the HR managers also displayed high levels of concern for the environment. This may be due to their

supportive role wherever and whenever change was required (AlfesShantz *et al.*, 2019). It appears that they were also motivators who engaged their employees in any good acts, including those involving environmental sustainability.

We need to have green or environmental sustainability. I believe in it. If we do not care for our environment what will happen to our next generation? Maybe our next generation will have to live in a polluted or unhealthy environment. We need to support the green initiatives. We need to think about green or recycling. (Human Resource Manager, HR4, 30 years of working experience)

Environmental sustainability is possible. We can achieve sustainable environment. I think we should start from small kids. Never create rubbish than what need to do. For example, how to reduce the consumption of disposable item plastic all those things. Like when we use plastic, we do not think the eventualities. (Safety, Health and Environment manager, SHE 3, 24 years of working experience)

This study also found that the HR managers showed concerns over the environment through support, such as providing bottled mineral water and food. They worked together with the non-governmental organisations (NGOs), for example, when open fires occurred and burnt the forest due to prolonged heat in the nearby areas. This is seen in one of the HR manager's claim:

We also participated in the green programme organised by the local NGO. The recent activity that we have participated was helping the firefighters during "forest fire" where happened recently here, due to extreme hot weather. We provided mineral water bottles, lunch, food to firefighters to show our support towards the environment. (Deputy General Manager of HR and Administration, HR1, 34 years of working experience)

4.1.2 Integration of work and life at home. The pivotal point of any human behaviour is perhaps the integration between work life and home life. In other words, a belief that was initiated at work could possibly have a larger impact on our behaviour at home. This manifestation was observed among the HR managers who genuinely articulated their practice of green activities in their private lives, such as recycling at home. The results also indicated that two out of six HR managers, compared to none of the SHE managers, practised green activities at home. This implies that the HR managers have some level of awareness in protecting the environment, not only at their workplace but also in their personal lives. However, the green activities that were being practised at home were confined to recycling only.

Yes, I apply that the recycle thing. I collect all the box, paper, tins and aluminium and then do the 5S. (Human Resource Manager, HR4, 30 years of working experience)

4.2 Green HRM practices in achieving environmental sustainability

Results showed that Green HRM practices were being implemented at the moderate level in the automobile industry of Malaysia. There was evidence to show that the Green HRM practices which were aligned with firms' environmental management include: green training and development, green rewards, green employee involvement with green orientation being the least used. Despite this being so, one of the HR managers had also claimed that green orientation was considered important in educating the newcomers on environmental knowledge.

We have constant campaign from SHE department and we emphasize it on our newcomers during the induction programme. We have a slot for SHE to share with the staff why it is important. (Head of Department of Human Resource, HR2, 20 years of working experience)

Of the Green HRM practices involved, green training and development was the most commonly used (Masri and Jaaron, 2017; Nejati *et al.*, 2017). In the present study, the HR and SHE managers admitted that green training and development was essential in the automobile industry, especially

towards meeting the ISO 14001 requirement and for achieving environmental goals. Green training and development in the automobile industry was mainly managed by the SHE department. The managers involved tend to focus on 5S and other environmental related trainings, such as scheduled waste and chemical management. Evidence is provided below:

Yes, but here in term of environmental focus on 5S is normal, and then we focus on schedule waste management. Here we also conducted schedule waste management and chemical, spill, drill, chemical management part of the environment. (Head of Department of Safety, Health and Environment, SHE 1, 14 years of working experience)

Although the SHE managers and HR managers may seem to be doing different jobs, it was apparent in this study that the SHE managers were mainly involved with the environmental related training programmes which were for training their staff whereas the HR managers were doing a little more. They were also responsible for developing the internal employees as environmental officers whose job was to relay messages to other employees in the same department within the organisation. The role of the HR managers was slightly more crucial because they were also involved with the allocation of budget and scheduling as they arranged for the training programmes developed for the employees.

HR's job is that you must select the right people and if they do not have the knowledge you need to train them. So, this is our job. Environmental officer can be engineers, production engineers, or quality. (Head of Department of Human Resource, HR3, 28 years of working experience)

Another highlight of this study is the finding which showed the importance of both monetary and non-monetary rewards in motivating and engaging employees' in environmental activities within the automobile industry. Some interviewees mentioned that the Kaizen approach was being implemented in their organisations, such that the accepted ideas of Kaizen would be rewarded in monetary terms. The Kaizen approach which originated from Japan emphasises on making continuous improvements in every aspect of the business, including the environmental components (Maarof and Mahmud, 2016; Cherrafi *et al.*, 2019). In this regard, monetary rewards were given for those who participated in competitions organised by their respective firms. In addition to these monetary rewards, nonmonetary rewards were also emphasised in the form of certificates and points which would be reviewed in their performance management. This practice involved employees who voluntarily participated in the environmental activities, both inside and outside their organisations. In this regard, green rewards enabled the automobile companies to contribute towards environmental sustainability. The excerpts below served as evidence:

Yes 2 ringgits. Any suggestion or any improvement from employees are always welcomed but the suggestion will be reviewed by the kaizen committee. If you are eligible to receive this and then the token will be given to you. (Head of Department of Safety, Health and Environment, SHE 1, 14 years of working experience)

Like I said the Innovation Circle Convention (ICC) offers rewards and monetary. They can get about 500 or 200 ringgits. Certificate of achievement will be given and with that certificate, they can get extra points for their PMS (Performance Management System). (Human Resource Manager, HR4, 30 years of working experience)

During the forest fire as what the Deputy General manager mentioned just know, we gave them certificates and additional marks during the performance management review because that is based on their voluntarily basis which is outside their job scope. (Human Resource Manager, HR6, 28 years of working experience)

The third Green HR practice detected in this study was green employee involvement. The Kaizen practice encouraged the employees to become more involved in environmental activities. This had been highlighted by both the HR managers and the SHE managers who

noted that they played an important role in getting their staff to become involved in the environmental management activities. The practice of the Kaizen approach and the Innovative Circle Convention made this possible. The HR and SHE managers also described the employees as being free to give suggestions for making environmental improvements within their organisations through Kaizen. Apart from Kaizen and the Innovative Circle Convention, other activities included the “gotong royong” (communal work) campaigns and the 5S. Here, employees were encouraged to be involved in cleaning and maintaining the work premises cooperatively as a team. Further to this, the 5S cycle was introduced to encompass sort, set in order, shine, standardise and sustain, in the context of the automobile industry. This 5S practice was necessary and important; it helped to maintain the cleanliness of the workplace. The excerpts are provided as evidence:

Gotong royong is also for the environment. So, we will do gotong royong around the plant to get rid of all the mosquitoes. We clean all the drain to avoid dengue so that's part of it. (Deputy General Manager of HR and Administration, HR1, 34 years of working experience)

We also have competition for encouraging our staff to come up with innovative ideas and good ideas to improve our processes, services and products, so that go to green and innovation. (Human Resource Manager, HR4, 30 years of working experience)

4.3 Mechanisms that supported environmental sustainability

Analysis of data derived from this study showed that there were two main mechanisms which supported environmental sustainability within the automobile industry. They were the HR managers and the SHE managers.

4.3.1 Human resource managers' roles in environmental sustainability. The HR managers have strategic roles to play in implementing sustainable business strategies (Dubois and Dubois, 2012; Chams and García-Blandón, 2019; Yong *et al.*, 2019). Previous studies (Masri and Jaaron, 2017; Siyambalapitiya *et al.*, 2018; Chaudhary, 2019) had only focussed on the HRM practices which helped organisations to achieve environmental goals. These were general findings. To date, no study had unravelled the roles played by the HR managers in environmental sustainability. To provide a better understanding of the HR managers' roles in environmental sustainability within the automobile industry, it is essential to make a comparison between the roles played by the two types of managers—the HR managers and the SHE managers, in supporting environmental sustainability.

Analysis of the interviews showed that the HR managers' role in environmental sustainability were rather limited. Despite their role in engaging the employees in Green HRM practices, they were playing supportive roles, unlike the SHE managers who were the main drivers in environmental sustainability. The HR department supports the SHE department in achieving the environmental sustainability objectives, rather than championing for environmental activities. Analysis also showed that the supportive roles of the HR managers in environmental sustainability were confined to auditing, administration, encouraging and educating employees in environmental sustainability as well as assisting local NGOs in protecting the environment (Refer to Table 2). Evidence is provided below:

HR plays very important role because we are working with people. We are responsible to educate people such as employees on the environmental policy. We advise our staff to follow the schedule and explain to them the implications of breach of policy. (Head of Department of Human Resource, HR3, 28 years of working experience)

Besides their supportive role in environmental sustainability, the HR managers also announced their desire to co-partner with the SHE managers in terms of championing environmental sustainability. They expressed their wish in playing more strategic roles by taking more responsibilities in environmentally related activities as well as in encouraging

			Environmental sustainability
Roles	HR managers	SHE managers	
Environmental policy	Very limited involvement in environmental policy. However, HR managers involve in – (1) internal auditing (2) ensuring everyone complies to ISO 14001	High involvement in – (1) reviewing and reporting the environmental issues to the top management (2) managing the certification (3) internal auditing	855
Environmental activities (govern by ISO 14001, Doe and DOSH)	(1) Encourage and educate the employees in environmental or green practices	(1) Managing and implementing environmental or green practices (2) Ensuring no penalty regarding the environmental issues	
Environmental data	No involvement in collecting environmental performance data	SHE department is in charge of collecting the environmental performance data and submitting to HQ for sustainability reporting	
Supporting role/ strategic driver	HR managers play more a supportive role than a strategic driver in environmental sustainability (1) Supportive role mainly in terms of administration and engaging employees in ● <i>Orientation</i> – invite SHE manager to give briefing on environmental aspects. ● Training – SHE will liaise with HR for the training purpose ● Employee involvement – encourage employee involvement in environmental management through Kaizen ● Rewards – monetary and non-monetary through Kaizen	SHE managers are the strategic drivers of environmental sustainability in the organisation Strategic driver (1) Main secretariat for environmental related meeting with the management (2) Formulating and implementing the green practices across the organisation (3) Make sure everyone in the organisations follow the SHE policy and ISO 14001 requirements to meet the environmental objectives	

Table 2.
Comparison between the HR and SHE managers' roles in environmental sustainability

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environmentally related behaviours among their employees at the workplace and at home. The following excerpts support this claim:

I believe HR can have co-partnership with SHE. For example, by virtue, SHE's departmental function covers environment. I believe if HR can partner with, SHE, then we can champion the green for the company, provided we provide compelling reasons for management to accept it. I believe HR together with SHE can be the champion for environmental sustainability. By champion meaning we guide, we promote it, we continually motivate the staff, and may be organisers of the projects that encourage environmental related behaviour, not just for the company but they can carry this value to their homes. (Human Resource Manager, HR5, 16 years of working experience)

4.3.2 SHE managers' roles in environmental sustainability. As previously noted, the HR managers had lesser environmental sustainability responsibilities when compared to the SHE managers (Table 2). The reason could be because the environmental aspects of the firms lie within the SHE department rather than with the HR department. Moreover, the SHE managers were the key persons acting as the coordinator and the green champion in

promoting environmental activities within the automobile industry. This was expressed by one of the SHE managers as noted below:

As a SHE manager we have a bigger role to make sure people are aware. We need to promote more awareness in terms of maintaining the environment. We need to engage with the Department of Environment officers to create more awareness. (Safety, Health and Environment manager, SHE 3, 24 years of working experience)

5. Discussion

The Green HRM practices that were being implemented by the automobile industry in support of environmental sustainability comprised green training and development, green rewards, green employee involvement and green orientation. Other Green HRM practices, such as green recruitment and selection and green performance appraisal, were noted to be less important within the automobile industry in Malaysia. The findings derived from the present study contradicted those of Chaudhary (2019) who noted low Green HRM practices within the automobile industry. The outcome generated from the current qualitative study demonstrated that green training development, green rewards, green employee involvement and green orientation were important practices implemented by the automobile industry. They were used to enhance the knowledge, abilities and skills of the employees in support of environmental sustainability. This is because Green HRM practices were responsible and appropriate for creating more environmentally committed employees (Yong *et al.*, 2020). The present study also noted that the HR managers were environmentally oriented, but their roles were limited to that of being supportive in environmental sustainability, unlike the SHE managers. This means that the Green HRM practices within the automobile industry was at the moderate level even though the HR managers' role in environmental sustainability was comparatively limited. The HR managers were not strategically involved in environmental sustainability because they did not play the championing role. Rather, the SHE departmental managers played the role of being the strategic drivers of the environmental aspects. They were not only responsible for the environmental aspects in the automobile industry, they were also directly involved in the formulation and implementation of the ISO 14001, environmentally related campaigns, environmental activities and the reviewing and reporting of environmental issues to the top management. In contrast, the HR managers do not play a strong role in formulating and implementing environmental sustainability (Harris and Tregidga, 2012). They were merely playing a supportive role which focussed on administrative duties, auditing, encouraging and motivating their employees to become involved in environmental activities. This finding is consistent with Sarvaiya *et al.* (2018) who noted that HR departmental managers only performed administrative and supportive functions in the environmental initiatives. Based on this, it can be argued that HR managers played a more operational role than the role of a strategic driver in environmental sustainability (Ulrich, 1997). Although the current study had found the HR managers' role to be a supportive or operational one in terms of environmental sustainability, their roles were still vital in helping the organisation to develop employees who would become more environmentally committed through green training and development, green rewards, green employee involvement and green orientation. However, it can be argued that HR managers have not entirely played a passive role in environmental sustainability as reported in previous studies (Harris and Tregidga, 2012). Their involvement in supporting environmental sustainability was, nonetheless, vital as they contribute to the behaviour change of the organisations, hence enabling the organisations to gain a sustainable competitive advantage.

6. Conclusion

The current study had highlighted that green training and development, green rewards, employee involvement and green orientation are important aspects of Green HRM practices implemented by the automobile industry as a measure to reduce the negative impact caused on the environment. This study had also uncovered that HR managers and SHE managers had slightly different roles in supporting environmental sustainability. While the role of the former was a supportive and operational one, their role was crucial in developing their employees to become more environmentally committed. In comparison, SHE managers played the role of strategic drivers who were involved in promoting and implementing environmental activities within the automobile industry. It has not been explained why such was the outcome, but it is very likely that there is a lack of HR practices being integrated into environmental sustainability, at a strategic level. Hence, this constrained the HR managers' performance (Harris and Tregidga, 2012). Moreover, the bureaucracy of the organisation within the automobile industry could be another factor contributing to the phenomenon, such that most of the environmental aspects had been under the purview of the SHE departments. Indirectly, this also reduces the role of the HR managers. Despite their restricted roles, this study had shown that the HR managers were the key people of the organisations; they were the ones behind the scene, motivating and engaging their employees in fulfilling organisational goals through Green HRM practices (Renwick *et al.*, 2013). Most importantly, this study provided the insight highlighting the HR managers' desire to co-partner with the SHE managers who were environmental sustainability champions, for a better greening process in the organisations.

The implication of the study is important for business, managers, employees and the government. The practical contribution of Green HRM practices is that the findings serves as a guide to the automobile companies in terms of implementation and prioritisation of the best Green HRM practices as a means to achieve environmental sustainability. Furthermore, the findings derived may encourage businesses to increase their investments in Green HRM practices so as to reduce the environmental impacts, such as pollution, greenhouse emission and the depletion of natural resources. Most importantly, by exploring the roles of the HR managers and the SHE managers in environmental sustainability, steps could be taken by the HR managers to become more strategically integrated with environmental sustainability (Buller and McEvoy, 2016). Although this study had shown the different roles of the HR managers and the SHE managers, it is important to note that an understanding of their specific roles in the context of environmental sustainability could lead to a better implementation of the Green HRM practices. Specifically, the HR managers would be able to assist the SHE managers in developing the employees' knowledge, skills and abilities towards attaining environmental sustainability goals. Further, since the HR managers were also environmentally oriented, they could encourage the employees to integrate green practices at work and in their personal lives too. Employees who apply these practices would develop into better citizens who care about protecting the environment for the well-being of the people and country. This effort is particularly important for a developing nation like Malaysia which is striving to achieve its sustainable development goals, especially climate change (Nee, 2019). Hence, a better understanding of the HR managers' roles in implementing the Green HRM practices would serve as a guide for future practices within the country's diverse industries.

The main limitation of this study lies in the small sample size. Nonetheless, it can be argued that majority of the participants had more than 20 years of experience in the automobile industry; hence, they had the foundation and experience to provide a clear view of their roles in environmental sustainability. Future studies should concentrate on conducting more interviews with HR managers from different industries so as to understand the roles of HR managers in environmental sustainability with more in-depth. Feedback from non-

managerial employees on Green HRM practices should also be included in future studies so as to provide a more balanced insight. This is particularly important as employees are directly involved in Green HRM practices.

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How environmental awareness and corporate social responsibility practices benefit the enterprise? An empirical study in the context of emerging economy

Corporate
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Abstract

Purpose – The study explores the linkage between environmental awareness, green practices, firm reputation and performance. Undeniably, very few studies have been conducted on corporate social responsibility (CSR) and its effect on firms' performance.

Design/methodology/approach – In the current study, the data are collected from 404 firms located in Pakistan, and structural equation modeling (SEM) is employed to validate hypotheses.

Findings – The results show that green practices are statistically significant to build a positive image of firms; also, these practices enhance firm performance. Furthermore, the results also confirmed that CSR practice “indirect support to the community” has an insignificant relationship with firm reputation due to mismanagement and corruption involvement on governmental levels.

Research limitations/implications – This study suggests that the firms' management should spend money on CSR activities and concentrate on proper monitoring of CSR activities to utilize funds efficiently. The research is conducted in Pakistan's context, while future studies need to be conducted in other emerging economies to investigate the linkage between CSR, firm reputation and performance.

Originality/value – According to the researcher's best knowledge, very few studies have been conducted regarding the relationship between environmental awareness, green practices, firm reputation and performance in emerging economies like Pakistan.

Keywords Environmental awareness, CSR practices, Structural equation modeling, Environmental protection programs, Ecological design

Paper type Research paper

1. Introduction

The idea of corporate social responsibility (CSR) introduced by Bowen in 1952 is now resonating in the global business landscape (Jamali and Karam, 2018). A KMPG survey showed that out of 4,900 global firms, 79% of companies have begun reporting CSR initiative formally (Blasco and King, 2017). Similarly, the business organizations from 170 countries of



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the world have signed the United Nations Global Compact, where these firms committed to adopting sustainable and socially responsible guidelines by revisiting their business operations (United Nations Global Compact, 2014). However, the reality is that CSR is not a new concept in the light of religions, especially in Islam and Christianity. The world countries, which are majorly based on Christian and Muslims, emphasize CSR activities and emphasize productive human activities and community-related practices (Ray *et al.*, 2014; Cui *et al.*, 2019). Koleva (2020) and Zinkin (2007) explored the relationship between Islam and CSR, and he concluded that in Islam, helping society with CSR advancement is a fundamental element, which can be seen from that *Qur'an* said: “The main purpose of the creation of mankind is special nature of worship in term of serving humanity (ibadah).”

CSR has been linked with related terms such as corporate accountability, business ethics and business partners' involvement. Since the last couple of decades, CSR has been discussed at different international forums. The discussion among scholars has now shifted toward sustainability and CSR activities to elaborate on how businesses are developing CSR activities and improving social and ecological outcomes (Nave and Ferreira, 2019; Hussain *et al.*, 2018). Also, CSR's development results from firms understanding their role and responsibility toward their business partners in growing concern of social issues and environmental degradations. Furthermore, modern businesses are motivated to adopt CSR activities and sustainability to handle social and environmental challenges (Wijethilake and Lama, 2019). In light of Elasrag (2015), CSR is an idea whereby firms integrate environmental and social concerns into their business practices, strategies and decisions.

Undeniably, in the last couple of decades, the corporate sector is more involved in CSR activities such as donating money to charitable organizations, donating money to the hospital for buying medical instruments, providing fully funded scholarships for needy students to promote the importance of education, adopting green practices in business processes such as green purchasing, cooperation with customers to fulfill their green products' requirement, reduction of fossil fuel in logistical operations, promoting recycling idea through adopting reverse logistics function, tree plantation projects and free health-care camps. These CSR activities and green practices help society become more advanced and improve environmental sustainability. These activities and practices build a competitive edge in better customers and employees' satisfaction, explore new market opportunities and develop customer trust development with enhanced firm economic performance.

Corporate sectors need to prioritize and integrate their CSR activities with the country social plan for a better outcome. Because each country has its problems, which need to be resolved through CSR initiatives such as most African countries suffering from health issues and several Asian countries suffering from heavy smog, air pollution, solid waste and climate change problems. An article by Pervaz (2013) was published in the Pakistani newspaper (*Tribune*). She highlighted that in Pakistan, solid waste is generated up to approximately 20.024 m tons per year. Her research also indicated that the growth rate of solid waste generation in Pakistan is almost 2.4% per annum.

In the literature, many driving factors are identified behind the growing trend toward CSR initiatives. Khan and Yu (2020) have discussed that some firms adopt CSR to strengthen their brand image, building a positive and good reputation among their stakeholders; it also improves firm economic performance. Also, CSR activities' associated fruitful benefits are that they motivate firms to act in a socially responsible way. Kim and Kim (2017) and Hult *et al.* (2018) have also suggested that CSR perception and doing good create a significant effect on customers' satisfaction and trust and affect firm reputation. Furthermore, governmental and reputation bodies' increasing pressure reduces hazardous chemicals in manufacturing activities and adopts green approaches for better sustainability growth (Khan and Dong, 2017).

There is no doubt that these driving factors have incurred a greater desire for companies to optimize and align their business strategies and decisions with environmental sustainability goals and CSR plans. The structure of this research is as follows. “CSR in Pakistan” provides a detailed overview of green and CSR practices. “Theoretical framework and hypotheses development” discusses the theories in the context of CSR activities and the development of hypotheses based on theories and published papers. “Corporate sector role in CSR initiatives” discusses green practices and other CSR practices adopted by firms for improving their performance and reputation. “Proposed Model and Research Methodology” discusses the research methodology and data collection procedure and presents the proposed research model. “Results and Analysis” covers different statistical analyses. Lastly, “Debate and concluding remarks” covers the in-depth discussion on findings with the support of published materials/papers and also contains highlights of crucial results with concluding remarks.

2. CSR role in Pakistan

Undeniably, the federal and provincial governments must play a strategic role in motivating CSR activities and practices in Pakistan. This can only be done by providing a stable political environment and working with the enterprises to execute CSR programs. In Pakistan, several private and public firms have also given great importance to the CSR value. Many firms that manage and monitor all the CSR activities and practices have a special department of CSR. Mainly firms are engaged in providing shelters, fully funded scholarships, medical treatment, food and clothing to the needy and uprooted peoples. Besides, many national and multinational corporations are significantly involved in adopting green practices in their business operations and providing training and awareness programs on CSR and environmental sustainability.

The CSR activities are mainly based on economic, social and environmental dimensions, while these three dimensions are also called the triple bottom line ([Khan and Dong, 2017](#)). The CSR fulfills stakeholder needs (customers, investors, employees and community), not at the cost of future generations’ living conditions. Besides, enterprises’ CSR activities are voluntarily adopted by enterprises rather than a legal requirement because it creates value for the firm itself in terms of positive image and better firm performance. So, firms always integrate environmental, social and economic policies with their business operations for maximum output.

Many Pakistani corporate sectors are involved in different CSR activities such as building infrastructure in villages, providing clean drinking water and scholarships. For example, Pakistan State Oil (PSO) mainly focuses on healthcare, education, environment and community development and disaster relief programs, while Pakistan Telecommunication Limited (PTCL) drives tree plantation programs to preserve the environment. On the other hand, Unilever Pakistan has defined several targets to be achieved by 2020. Unilever Pakistan focuses on reducing its business operations’ environmental impacts by reducing carbon emissions, greenhouse gases and waste management optimization ([Pakistan Economist, 2018](#)).

Besides, national and multinational firms, nongovernment organizations (NGOs) and the country’s political parties are also responsible for CSR activities. In Pakistan’s context, NGOs and political parties are already involved in CSR activities, a constructive sign for Pakistanis’ society. Undeniably, there is a long list of NGOs and political parties working on CSR activities, but we will discuss a couple of NGOs and political parties in the following section to understand CSR’s role in Pakistani society better.

Pakistan Tehreek-e-Insaf (PTI) is a political party, but it is much more than that. The party was established in 1996 by Imran Khan, a former cricketer. The party struggles for a prosperous Pakistan, where people take care of fellow citizens according to humanity’s main

principles. In the 2013 election, the party received 7.5 m votes, the second highest votes in the election. The party is engaged in different CSR activities and projects, including pollution-free Pakistan, free education and health-care services. In 2014, the party started the “Pakistan Billion Tree Tsunami” to control global warming and enhance environmental sustainability. This party planted trees in 350,000 hectares of degraded forest landscapes, which surpassed its initial target (Tehreek-e-Insaf, 2018). In the last election of 2018, the party got the highest votes in election, and since 2018, it is a ruling party in Pakistan (Tehreek-e-Insaf, 2018).

3. Theoretical framework and literature review

3.1 Theoretical underpinning

The CSR concept is a fundamental idea along with practice on CSR, which has a vast history, can be traced back to centuries ago in the Muslim world. The companions of the Holy Prophet Muhammad (peace be upon him) and the other Muslims. Besides, protecting the environment and helping the poor and charity work are the most famous Islamic world practices.

3.1.1 CSR in the light of the Holy Quran and Hadiths. The broader concept of Ihsan (benevolence) or kindness contributes to people and their society. Benevolence is widely known as “an act which benefits persons other than those from whom the act proceeds without obligation.” Benevolence demands for kindness and benefits to others without any obligation are necessary for whole society development. This idea is very similar to CSR, while Islam mainly focuses on volunteer activities, not asking return other than acquiring pleasure of Almighty Allah.

Obvious guidelines are provided in Islam for such issues as that wasting or contamination of water is strictly prohibited: “Indeed those who needlessly waste are brothers of the devils, and the devil is very ungrateful to his Lord” (*The Holy Quran*).

There are thousands of Hadiths and verses in the Holy Quran, which directly encourage people to act ethically and to protect environmental resources and help others, including poor people, neighbors, relatives, employees, customers, businessman and creditors, without expecting any monetary or any other kind of benefits. If we go into detail, then we will possibly need to conduct one more research, “CSR concept under the light of the Holy Quran and Hadiths.”

3.1.2 CSR and social contracts theory. Donaldson and Dunfee (1994) established the theory. This theory guides the managerial and decision makers. The enterprises that implement CSR in the perspective of the social contract would consider it a societal expectation. As shown in this theory, corporate sectors are part of the social structure, contributing to society with CSR practices (Dusuki, 2008).

3.1.3 CSR and stakeholder theory. Known from stakeholder theory, managers and decision makers should consider and adopt CSR practices that focus more on all the firm’s stakeholders’ rights and needs, not part of them (Lindblom, 1994). The bottom line of stakeholder theory is prioritizing stakeholders while taking any decision and/or making any policy (Clark, 1969). In simple words, the idea of stakeholders’ interests’ supremacy is strengthened in the theory while making a decision (Dusuki, 2008).

3.2 Corporate sector role in CSR initiatives

Many firms convert their polluted manufacturing processes toward green and environmentally friendly processes for better environmental sustainability, donating money to local government for building infrastructure, including schools and hospitals. To measure Pakistani firms’ achievement in CSR activities, we provide some key factors that will be used to collect data from different manufacturing firms of Pakistan to measure their CSR activities’ effectiveness in terms of firm performance and reputation. Besides, the constructs’ definitions are illustrated in Table 1.

Constructs	Abbreviations	Definitions	Citations
Ethical leadership	EL	Ethical leaders behave desirably, and they have qualities such as trustworthiness, fairness and honesty in taking responsibility for their actions	Muslim (875), Donaldson and Dunfee (1994), Vitell (2003), Groves and LaRocca (2011), Metcalfe <i>et al.</i> (2011), Mayer <i>et al.</i> (2012), Liu and Loi (2012), Sama and Shoaf (2008), Tekin <i>et al.</i> (2015) and The Holy Quran 21:73
Firm reputation	FR	A solid reputation with social acceptance contains four main characteristics: reliability, trustworthiness, credibility and responsibility. It is the self-reported reputation data, which have been collected from sample firms for testing our study's hypotheses	Fombrun and Shanley (1990), Dutton <i>et al.</i> (1994), Russo and Fouts (1997), Simpson and Kohers (2002), Rindova <i>et al.</i> (2005), Sood and Arora (2006), McWilliams <i>et al.</i> (2006), Seggie <i>et al.</i> (2007), Highhouse <i>et al.</i> (2009), Hall <i>et al.</i> (2010), Boyd <i>et al.</i> (2010), Pfarrer <i>et al.</i> (2010), Kotha <i>et al.</i> (2001), Zhu <i>et al.</i> (2014), Saeidi <i>et al.</i> (2015)
Firm performance	FP	It is the firms reported performance data, which have been collected from the sample firms for testing our study's hypotheses	Ahmed <i>et al.</i> (1998), Sood and Arora (2006), Highhouse <i>et al.</i> (2009), Pfarrer <i>et al.</i> (2010), Boyd <i>et al.</i> (2010), Simpson and Kohers (2002), Mackey (2005), Sanchez and Sotorrio (2007), Keh and Xie (2009), Kotha <i>et al.</i> (2001), Dues <i>et al.</i> (2013), Saeidi <i>et al.</i> (2015)
Ecological design	ED	The ecological design facilitates the remanufacturing, recycling, reuse and recovery of parts	Donaldson and Dunfee (1994), Hartley and Choic (1996), Ahmed <i>et al.</i> (1998), Seggie <i>et al.</i> (2007), Christman (2000), Stanaland <i>et al.</i> (2011)
Environmental protection training and programs	Env.P	Environmental protection training and programs are conducted by enterprises to enhance the knowledge and evoke employees and consumers' responsibility to protect the natural beauty	Muslim, 875, Bukhari (870), Cook and Seith (1992), Delmas (2004), Perron <i>et al.</i> (2006), Ali (2009), Rodriguez-fernandez (2016), Manrique and Martí-Ballester (2017)
Direct support to community	DSC	Firms directly involve community development activities, mainly including building infrastructures such as schools and hospital in order to improve people's living style	The Holy Quran, Sood and Arora (2006), Yawar (2009), Aras <i>et al.</i> (2010), Zhu <i>et al.</i> (2014), Abdullah <i>et al.</i> (2017), Fauji Foundation (2018)
Indirect support to community	IDSC	The corporate sector donates money to the provincial and federal government for building a hospital, older adults' home and orphan schools. Additionally, the corporate sector also provides funds to government programs to help the poor	The Holy Quran, Beekun and Badawi (2005), Khan (2007), Brugmann and Prahalad (2007), Zhu <i>et al.</i> (2014), Hussain and Riaz (2012), Engro Corp (2018)

Table 1.
Definitions of
constructs

3.2.1 Ethical leadership. The stakeholder theory reinforces the proposed positive association between ethical management and CSR. The theory mainly addresses supervision values in a firm among all business partners/stakeholders (Zhu *et al.*, 2014). Today's entrepreneurs operate in a very volatile and complex global environment. Thus, thoughtful leadership in the background of stakeholder theory is worth to be well supported. Beekun and Badawi (2005) described the concept of a leader: a leader is capable of fulfilling his followers' basic needs, works for the betterment of the entire society and inspires the followers to improve themselves. The Holy Prophet Muhammad (peace be upon him) emphasized the servant aspect of Islamic leadership by preaching that

A ruler who, having obtained control over the affairs of the Muslims, does not strive for their betterment and does not serve them sincerely shall not enter paradise with them (Muslim, 875).

Ethical leaders can influence the behavior of employees by setting an example and by making ethical norms (Grojean *et al.*, 2004); also, the ethical leaders have a moral obligation to provide a healthy working environment, appreciations and rewards to employees for their struggle and efforts in the implementation of CSR practices including eco-friendly products design, environmental protection training and programs, directly and indirectly, support to the community through building infrastructure, etc. For successful CSR implementation, firms need ethical leaders who engage employees in these practices (Wang *et al.*, 2015). To the local community, ethical leaders assess the impact of business operations and decisions on social and ecological sustainability. Besides, ethical leadership also ensures that manufacturing processes should not negatively affect environmental sustainability and adopt green practices as possible. Besides, ethical leadership leads to citizenship behaviors (Babalola *et al.*, 2019) and enhances employees' job satisfaction (Magbool *et al.*, 2016; Nejati *et al.*, 2017). CSR's main goal is to balance the firm's social, economic and environmental objectives without compromising the stakeholder expectation and shareholder value.

CSR embraces a broad range of citizenship behaviors, such as protecting shareholder rights, adopting environmentally friendly practices in business operations for reduction of environmental degradation and creating value for the local community through different activities including building schools and hospital, providing environmental awareness programs and training to encourage and enhance the knowledge of their employees and customers. Several researchers provided empirical evidence for the positive impact of ethical leaders on CSR practices (Khan *et al.*, 2019; Mondal and Samaddar, 2020; Saha *et al.*, 2020). Therefore, we develop the following hypotheses:

H1a. Ethical leadership is enforced on firms to adopt an ecological product's design.

H1b. Ethical leadership conducts environmental protection training and programs.

H1c. Ethical leadership involves and promotes direct support to community.

H1d. Ethical leadership supports and promotes indirect support to community activities.

3.2.2 Ecological product design. An empirical study was conducted by Khan and Dong (2017) in the context of Pakistan. The results confirmed that ecological design significantly helps firms enhance their productivity, eliminate waste from different supply chain processes and increase the firm reputation and operational performance with greater environmental sustainability. There is no doubt that products' ecological design is primarily based on senior management decisions, reflecting their moral and ethical values. The firms also focus on innovative products that have less impact on the environment and meet market requirements and satisfy customers, which helps the firm gain a competitive advantage (Pinto, 2020). Furthermore, green production practices also proved significant and positive in influencing firm reputation and environmental performance (Baah *et al.*, 2020).