

Green Human Resource Management Practices in Licensed Commercial Banks: Evidence from Sri Lanka

S. P. S. Senanayake¹, Dr. N. N. J. Nawaratne Dear²

¹Director Finance, Land Reform Commission, Sri Lanka.

²Faculty of Management and Technology, Lincoln Institute of Graduate Studies

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ABSTRACT

The increasing urgency of climate change and global sustainability goals has prompted organizations to integrate environmentally responsible practices across all functions, including human resource management. Green Human Resource Management (GHRM) has emerged as a strategic approach to embedding ecological sustainability into HR functions such as recruitment, training, performance appraisal, and compensation. This study examines GHRM practices across eight leading licensed commercial banks in Sri Lanka Bank of Ceylon, People's Bank, Commercial Bank of Ceylon, Sampath Bank, Hatton National Bank, Seylan Bank, DFCC Bank, and National Development Bank using a qualitative research methodology. A semi structured survey was distributed to senior HR managers, gathering data on the adoption of various GHRM practices, their perceived impact on sustainability outcomes (e.g., reduced paper usage, energy conservation, and cost efficiency), and organizational performance. The results reveal notable disparities between private and public sector banks in terms of GHRM adoption, with private banks exhibiting more advanced practices and better sustainability outcomes. The study contributes to the global GHRM discourse by providing empirical insights from the banking sector in Sri Lanka, offering practical implications for HR leaders and policymakers aiming to integrate sustainability into organizational strategy.

Keywords: Green Human Resource Management (GHRM); Banking Sector; Sri Lanka; Sustainability; HRM Practices; Environmental Management

INTRODUCTION

Growing global concern over climate change, resource depletion, and environmental degradation has pushed organizations to integrate sustainability into their core operations. Human Resource Management (HRM) has become a key area for this transformation, leading to the emergence of Green Human Resource Management (GHRM). GHRM involves embedding environmental management principles into HR functions such as recruitment, training, performance appraisal, and compensation to promote environmentally responsible employee behavior and reduce organizational ecological footprints (Renwick et al., 2013; Saeed et al., 2019). While GHRM is well-studied in developed economies, empirical evidence from developing countries, including South Asia, remains limited.

In Sri Lanka, the banking sector provides a particularly relevant context for GHRM due to its large administrative operations and extensive use of paper, energy, and digital infrastructure (Weber, 2014). Although several banks have initiated sustainability efforts, such as digitalization, green buildings, and energy-saving programs, research shows that GHRM practices are still uneven and often examined in isolation (Arulrajah et al., 2015; Rushya & Dissanayake, 2020; Safeena & Hassan, 2021). Little is known about how HR leaders perceive and institutionalize GHRM or how such practices collectively influence sustainability outcomes. This gap is significant because HR leaders play a critical role in aligning organizational culture, employee behavior, and sustainability goals.

This study examines the adoption and impact of GHRM practices across eight major licensed commercial banks in Sri Lanka, representing both public and private institutions. Through a qualitative exploration of HR leaders' insights, the study seeks to understand how sustainability principles are embedded in HR processes and how these influence environmental and organizational outcomes. Specifically, the research aims to:

1. Assess HR leaders' awareness and perceptions of GHRM.
2. Identify key GHRM practices implemented across banking institutions; and
3. Analyze how GHRM contributes to sustainability outcomes, including reduced paper usage, energy conservation, cost efficiency, and the development of green workplace cultures.

By addressing these objectives, the study provides valuable insights into how GHRM can be strategically integrated within HR systems to enhance environmental performance, strengthen organizational competitiveness, and support national sustainability priorities. It also contributes to addressing the empirical gap in GHRM research within the Sri Lankan banking sector and broader developing-country contexts.

LITERATURE REVIEW

Green Human Resource Management (GHRM) has become a vital component of strategic HRM, linking environmental sustainability with organizational effectiveness. Defined by Renwick, Redman, and Maguire (2013), GHRM involves integrating environmental management principles into HR functions including recruitment, training, performance appraisal, and compensation to cultivate pro-environmental employee behavior. This positions the HR function as a strategic driver of corporate sustainability by embedding ecological responsibility into workforce culture and day-to-day operations. Global research consistently highlights that GHRM contributes to reduced environmental impact, enhanced energy efficiency, and stronger corporate reputation (Jabbour & Santos, 2008).

The adoption of GHRM is supported by major theoretical foundations. The Resource-Based View (RBV) asserts that HR systems and employee capabilities are valuable and inimitable resources that create competitive advantage (Barney, 1991). Through green-oriented recruitment and training, organizations develop "green intellectual capital" that enhances innovation and operational performance (Renwick et al., 2013). Institutional Theory further explains that organizations adopt GHRM in response to regulatory, normative, and cultural pressures, which is especially relevant to sectors such as banking where compliance, transparency, and stakeholder expectations shape HR policy.

Empirical studies demonstrate a strong link between GHRM and sustainability performance. Organizations that implement green HR initiatives show improvements in waste reduction, energy conservation, and environmental compliance (Jabbour & Santos, 2008; Opatha & Arulrajah, 2014). Digital HR systems, e-learning platforms, and paperless workflows have strengthened these outcomes, particularly within service-oriented and knowledge-intensive industries.

In South Asia, GHRM remains an emerging field. Research by Arulrajah, Opatha, and Nawaratne (2015) shows that many organizations adopt GHRM primarily through CSR initiatives rather than fully embedded strategic systems. However, progressive financial institutions have begun integrating eco-friendly recruitment processes, green performance indicators, and sustainability-focused employee development aligned with the UN Sustainable Development Goals (SDGs). In Sri Lanka, licensed commercial banks increasingly view GHRM as a pathway to achieve operational efficiency, regulatory compliance, and enhanced stakeholder trust. Nonetheless, significant differences persist between public and private sector banks in terms of technological adoption, policy maturity, and leadership commitment to sustainability.

Despite global advancements, GHRM research in emerging economies remains limited, with few comprehensive studies examining its strategic implementation and outcomes. This study addresses these gaps by analyzing the extent, nature, and sustainability impact of GHRM practices across major licensed commercial banks in Sri Lanka, offering new insights into how HR-driven environmental initiatives contribute to the green transformation of the financial sector.

Conceptual Foundations of GHRM

Green Human Resource Management (GHRM) is an emerging discipline that integrates environmental sustainability into key HR functions. As defined by Renwick et al. (2013), GHRM embeds ecological

responsibility into recruitment, training, performance appraisal, and reward systems to encourage environmentally responsible employee behavior. The Resource-Based View (RBV) positions human resources as strategic assets essential for long-term competitiveness and sustainability (Barney, 1991). Through practices such as green recruitment, sustainability-focused training, and performance systems incorporating environmental KPIs, organizations can build “green intellectual capital” that enhances innovation and provides a unique competitive advantage.

Institutional Theory further supports the understanding of GHRM adoption by highlighting the influence of regulatory, cultural, and stakeholder pressures on organizational behavior (DiMaggio & Powell, 1983). In highly regulated sectors such as banking, compliance with national sustainability mandates, environmental policies, and stakeholder expectations often acts as a primary driver for integrating GHRM practices. Together, these theoretical perspectives illustrate how GHRM functions both as a strategic resource and as a response to institutional demands, enabling organizations to strengthen sustainability performance and align with broader environmental objectives.

GHRM Practices and Sustainability Outcomes

Several studies have shown that GHRM positively impacts both environmental and organizational outcomes. These include:

1. **Recruitment and Selection:** Organizations that integrate environmental values into job descriptions and recruitment processes foster an eco-conscious workforce (Mandip, 2012).
2. **Training and Development:** Green training programs improve employees' environmental literacy, leading to measurable reductions in energy consumption, waste production, and carbon emissions (Renwick et al., 2016).
3. **Performance Management:** By incorporating green performance indicators into appraisal systems, organizations enhance accountability and motivate employees to contribute to sustainability goals (Daily et al., 2012).
4. **Compensation and Rewards:** Financial or non-financial rewards for eco-friendly behavior have been linked to increased employee engagement in sustainability practices (Zoogah, 2011).
5. **Green Workplaces:** HR practices that support the creation of green-certified buildings and eco-friendly workplace practices contribute to sustainability goals (Jackson et al., 2011).

In the Sri Lankan context, GHRM is still in its infancy. While banks have introduced digital recruitment systems and energy-saving practices, the adoption of comprehensive green HR strategies remains uneven across the sector (Arulrajah et al., 2015). Public sector banks, often more focused on regulatory compliance, lag behind private banks in implementing strategic GHRM practices.

Global Perspectives on GHRM

Research across developed economies demonstrates that GHRM enhances both environmental and financial performance.

- **Recruitment & Selection:** Integrating green values into job descriptions and using digital recruitment tools foster eco-conscious organizational cultures (Mandip, 2012; Ahmad, 2015).
- **Training & Development:** Green training improves employees' environmental literacy, leading to measurable reductions in waste and energy use (Renwick et al., 2016).
- **Performance Management:** Incorporating green KPIs into appraisal systems increases accountability for environmental outcomes (Daily et al., 2012).
- **Compensation & Rewards:** Incentives for eco-friendly practices have been positively linked to reduced carbon footprints in European firms (Zoogah, 2011).

- **Green Workplaces:** HR facilitates adaptation to green-certified buildings and eco-friendly work practices, maximizing the benefits of sustainable infrastructure (Jackson et al., 2011).

Global evidence consistently shows that GHRM contributes to cost savings, improved reputation, and employee engagement, demonstrating its potential as both an environmental and strategic HR tool.

GHRM in the Sri Lankan Context

In Sri Lanka, the banking sector is a critical service industry with significant potential to influence sustainability outcomes. However, GHRM adoption remains at an early stage. Studies highlight the following trends:

- Banks have introduced paperless systems, e-HRIS, and digital documentation, reducing reliance on physical records (Perera, 2024).
- Energy-saving practices such as automated lighting, motion sensors, and virtual meetings are linked to HR-led training initiatives (Ockersz & Arulrajah, 2025).
- Several banks, including Sampath Bank and Hatton National Bank, have invested in green-certified buildings, supported by HR-driven culture-building programs (Fernando & Fernando, 2017).
- Evidence suggests a positive link between GHRM and employee job performance (Safeena & Hassan, 2021), yet reward systems for green behavior remain weak or symbolic (Francis et al., 2025).

Despite these developments, challenges persist, adoption levels vary across institutions, with public banks often focusing on compliance while private banks adopt more proactive strategies. Moreover, research rarely explores how GHRM directly contributes to sustainability outcomes such as cost savings or employee engagement.

Research Gap

Although the global literature underscores GHRM's strategic importance, evidence from developing economies remains sparse. In Sri Lanka, most studies are quantitative, focusing on specific practices (e.g., recruitment or training) rather than holistic frameworks. Few qualitative inquiries examine how HR leaders perceive, interpret, and institutionalize GHRM in the banking sector.

This study addresses these gaps by:

1. Exploring HR leaders' perceptions of GHRM in Sri Lanka's leading commercial banks.
2. Identifying institutional practices and variations between public and private banks.
3. Examining how GHRM contributes to tangible outcomes such as reduced paper usage, energy conservation, cost efficiency, and enhanced organizational reputation.

METHODOLOGY

Research Design

This study adopted a qualitative multi-case research design to generate rich, contextual insights into how Green Human Resource Management (GHRM) is understood and implemented within Sri Lankan banks. A qualitative approach is well-suited for examining complex institutional processes and exploring how sustainability objectives are translated into HR practices across different organizational settings. The multi-case design enabled comparison across banks with varying ownership structures and strategic orientations, supporting the identification of both common patterns and institutional differences.

Survey Development

The survey instrument was designed based on the literature on GHRM, and it includes sections on:

- HR practices: Questions related to the integration of green values into recruitment, training, performance appraisal, compensation, and workplace practices.
- Sustainability outcomes: Questions related to reductions in paper usage, energy efficiency, and cost savings.
- Demographic information: Bank type (public/private), size, and other relevant factors.

A Likert-scale format (0 = Strongly Disagree to 1 = Strongly Agree) was used to assess the extent to which banks have implemented various GHRM practices, and a set of performance metrics was used to gauge sustainability outcomes.

Population and Sampling

The study focused on Sri Lanka's 24 licensed commercial banks. Eight banks were selected purposively based on their size (over 100 branches), visibility in sustainability initiatives, and influence within the financial sector. These banks include:

- Bank of Ceylon (BOC)
- People's Bank
- Commercial Bank of Ceylon PLC
- Sampath Bank PLC
- Hatton National Bank PLC
- Seylan Bank PLC
- DFCC Bank PLC
- National Development Bank PLC

These banks represent both public and private sector institutions. Senior HR managers or sustainability officers from each bank were surveyed, with two participants from each bank, resulting in a total of 16 respondents.

Table 1: Sampling Framework

Bank	Ownership	No. of Interviews	Selection Criteria
Bank of Ceylon	State-owned	2	Large state bank with CSR-driven green practices
People's Bank	State-owned	2	Strong policy alignment with sustainability mandates
Commercial Bank	Private	2	ESG reporting and green-certified branches
Sampath Bank	Private	2	Pioneer in green finance and energy-saving programs
Hatton National Bank	Private	2	Investments in green-certified infrastructure
Seylan Bank	Private	2	Early-stage adoption of GHRM practices
DFCC Bank	Private	2	Active in green innovation branding
National Development Bank	Private	2	Emerging green HR practices, UN SDG alignment

Source: Research Data

The selection ensured representation across ownership types to capture variations in governance and sustainability practices. A total of 16 semi-structured interviews (two per bank) were conducted with senior HR and sustainability officers, focusing on organizations demonstrating strong commitment to environmental

management, implementation of Green HRM initiatives, and engagement in sustainability-oriented programs such as green finance, digital HR transformation, and UN SDG-aligned projects.

Data Collection

Primary data were collected through 30 – 45-minute semi-structured interviews guided by themes derived from the GHRM literature and the study’s objectives. Interview topics included awareness of GHRM, sustainability-related HR practices, drivers and barriers to implementation, and perceived organizational outcomes. Interviews were conducted in person or via secure online platforms, recorded with participant consent, and transcribed verbatim for accuracy.

Secondary data was obtained from annual reports, sustainability and ESG disclosures, HR policy manuals, handbooks, and training materials. These documents provided contextual insights and enabled triangulation of interview findings.

Data Analysis

Data were analyzed using Braun and Clarke’s (2006) six-phase thematic analysis process, involving familiarization, coding, theme development, review, refinement, and interpretation. NVivo software was used to manage and code the data systematically, enhancing rigor, transparency, and consistency in the analysis. (see Figure 1).

Conceptual Framework

The study adopts a conceptual framework that positions Green Human Resource Management (GHRM) as a key driver of sustainable banking operations. The framework integrates core HRM functions such as green recruitment, training, performance appraisal, rewards, and digital HR systems with organizational sustainability goals including reduced paper use, improved energy efficiency, and environmentally responsible infrastructure. These linkages are theorized to contribute to cost savings, operational efficiency, and enhanced organizational performance. Figure 1 presents the conceptual framework adapted from Renwick et al. (2013), illustrating how GHRM practices influence organizational processes and lead to measurable sustainability outcomes.

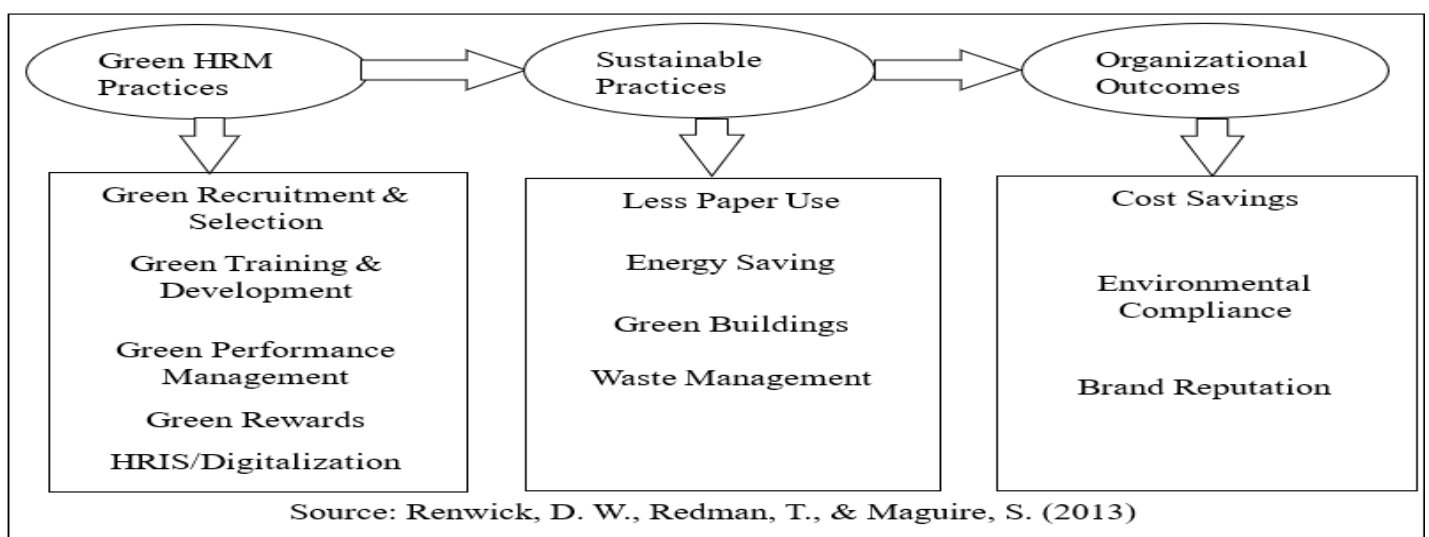


Figure 1: Conceptual Framework for GHRM Implementation

Figure 1 shows the Conceptual Framework for GHRM Implementation adapted from Renwick et al. (2013), which outlines the core components of Green Human Resource Management (GHRM). The model demonstrates how key HR functions such as green recruitment, training, performance management, and rewards collectively influence employees’ environmental behaviors and contribute to organizational sustainability outcomes. This framework guided the development of the study’s themes and provided the theoretical basis for examining GHRM practices within the banking sector.

Ethical Considerations

Ethical approval was obtained from the Institute of Human Resource Advancement, University of Colombo. All participants provided informed consent, anonymity was maintained, and data were securely stored.

Trustworthiness of the Study

Trustworthiness was ensured following Lincoln and Guba's (1985) criteria. Credibility was strengthened through triangulation of interviews and documents. Dependability was supported by maintaining an audit trail of research procedures and analytical decisions. Confirmability was enhanced through reflexive notes taking to minimize bias. Transferability was facilitated by providing detailed contextual descriptions to allow readers to assess the relevance of findings to similar settings.

FINDINGS AND DISCUSSION

This section presents and discusses the findings derived from the thematic analysis of interview data and documentary evidence. Six major themes emerged from the analysis, reflecting how Green Human Resource Management (GHRM) is perceived, implemented, and evaluated within Sri Lanka's licensed commercial banking sector. The findings reveal notable variations between public and private sector banks, shaped by strategic orientation, governance structures, and institutional pressures.

Perceptions of HR Leaders on GHRM

Interviews revealed that senior HR managers across the eight banks generally acknowledged the strategic relevance of Green Human Resource Management (GHRM). However, perceptions varied significantly between the private and public banks. Private banks (e.g., Commercial Bank, HNB) viewed GHRM as a core driver of competitiveness and ESG compliance, integrating it into their broader corporate strategies. In contrast, public banks (e.g., BOC, People's Bank) framed GHRM primarily as a policy-driven compliance measure, reflecting their focus on meeting regulatory requirements. Seylan Bank, with limited resources, demonstrated early-stage adoption of GHRM, citing resource constraints as a major barrier to more extensive implementation.

The following Table 2 summarizes the perceptions of HR leaders on GHRM across the eight banks.

Table 2: Perceptions of HR Leaders on GHRM

Bank	Perception	Score (0–1)
BOC	Policy-driven, state-guided	0.75
People's Bank	Compliance-oriented, gradual improvements	0.50
Commercial Bank	Strategic priority, ESG integration	1.00
Sampath Bank	Essential for competitiveness & cost savings	0.75
HNB	Strong leadership commitment, green culture	1.00
Seylan Bank	Early-stage, resource-limited	0.25
DFCC Bank	Reputational opportunity, moderate adoption	0.50
NDB	Relevant for SDGs, compliance focus	0.50

Source: Research Data

Above table shows that significant variation in how HR leaders perceive and implement Green Human Resource Management (GHRM) across the eight licensed commercial banks. Commercial Bank and HNB exhibit the strongest integration of GHRM, embedding it within their ESG strategies (score 1.00). Bank of Ceylon and Sampath Bank display moderate adoption driven by policy requirements and competitive positioning (score 0.75). People's Bank, DFCC Bank, and NDB demonstrate mid-level, compliance-oriented approaches (score 0.50), while Seylan Bank remains at an early stage with limited institutional capacity and resources (score 0.25). Overall, the results highlight that leadership commitment, strategic priorities, and resource availability heavily influence the depth of GHRM adoption. These patterns are consistent with institutional theory (DiMaggio & Powell, 1983), which suggests that state banks focus primarily on regulatory compliance, whereas private banks adopt GHRM more proactively to enhance competitiveness and sustainability.

Green Recruitment and Selection

Recruitment practices varied widely across banks. Leading private banks (Commercial Bank, Sampath Bank, HNB, DFCC Bank, NDB) fully integrated green values into job descriptions, employer branding, digital platforms, candidate assessments, and onboarding processes. In contrast, public banks (Bank of Ceylon, People's Bank) emphasized CSR-driven branding and paperless recruitment but adopted sustainability criteria in candidate evaluation only to a limited extent. Seylan Bank lagged significantly, demonstrating only symbolic adoption of GHRM practices.

The following Table 3 shows the green recruitment and selection practices across the banks.

Table 3: Green Recruitment and Selection Practices across Banks

Bank	Job Descriptions	Employer Branding	Digital Recruitment	Green Criteria in Assessments	Onboarding Green Orientation
BOC	✓	✓	✓	Partial	✓
People's Bank	Partial	✓	✓	Partial	✓
Commercial Bank	✓	✓	✓	✓	✓
Sampath Bank	✓	✓	✓	✓	✓
HNB	✓	✓	✓	✓	✓
Seylan Bank	Partial	Partial	✓	✗	Partial
DFCC Bank	✓	✓	✓	✓	✓
NDB	✓	✓	✓	✓	✓

(□ = fully adopted; Partial = limited adoption; □ = not evident)

Source: Research Data

The results of the Table 3 indicates that most private sector banks such as Commercial Bank, Sampath Bank, HNB, DFCC Bank, and NDB have fully adopted green recruitment practices, incorporating environmental values into job descriptions, employer branding, digital recruitment platforms, assessment criteria, and onboarding programs. State banks, particularly BOC and People's Bank, demonstrate partial implementation, primarily focusing on digital recruitment and green orientation programs rather than systematic integration across all recruitment stages. Seylan Bank shows limited progress, with partial adoption in most areas and no evidence of green assessment criteria. Overall, the figure highlights that private banks are more advanced in embedding sustainability principles into recruitment functions, positioning GHRM as a key element of employer branding and talent acquisition.

Discussion: The findings suggest that private banks act as “green pioneers”, embedding sustainability into the entire recruitment cycle, consistent with global trends (Mandip, 2012; Ahmad, 2015). Public banks remain in a transitional stage, while Seylan demonstrates symbolic adoption. These differences highlight how organizational resources and leadership commitment influence the institutionalization of GHRM.

Theme 2: Green Training and Development

Green training and development (GTD) emerged as a cornerstone of GHRM across all banks, though with varying levels of intensity and structure. Commercial Bank, Bank of Ceylon (BOC), and People’s Bank integrated sustainability modules into induction programs and offered continuous ESG-focused training. DFCC Bank, Sampath Bank, and HNB implemented regular workshops and digital campaigns. In contrast, Seylan Bank and NDB provided basic virtual training but lacked structured training calendars.

The following Table 4 shows the results of this.

Table 4: Green Training and Development Practices

Bank	Main GHRM Training/Development Practices	Score (0 - 1)
Commercial Bank	Mandatory ESG induction, ongoing climate risk training	0.9
BOC	Awareness workshops, climate risk sessions	0.8
People’s Bank	E-learning modules, digital workflow adoption	0.75
DFCC Bank	Peer learning networks, green finance training	0.7
Sampath Bank	Monthly “Green Hour” workshops, online courses	0.65
HNB	Leadership training, staff “Go Green” campaigns	0.6
Seylan Bank	Virtual programs, climate change education	0.55
NDB	Basic HR calendar linked to SDGs	0.5

Source: Research Data

The findings show that Commercial Bank leads with a comprehensive approach, including mandatory ESG inductions and continuous climate risk training (score 0.9), followed by Bank of Ceylon and People’s Bank, which conduct awareness workshops and e-learning programs (scores 0.8 and 0.75 respectively). DFCC Bank and Sampath Bank emphasize peer learning and regular sustainability-focused workshops, while HNB integrates leadership-driven “Go Green” campaigns (scores 0.7 – 0.6). Seylan Bank and NDB display comparatively lower engagement, focusing on virtual programs and basic SDG-linked HR calendars (scores 0.55 and 0.5). Overall, the figure indicates that while all banks have initiated green-oriented training, the depth, frequency, and strategic integration of such programs are notably stronger in the private sector than in state-owned institutions.

Discussion: Results indicate a hierarchy of green training maturity. Leading banks use structured, leadership-driven training, while lagging banks rely on ad hoc programs. This aligns with Renwick et al. (2016), who emphasized that green training significantly enhances employee eco-literacy and engagement. Importantly, Sri Lankan banks show progress in digital learning, which supports both cost savings and sustainability.

Theme 3: Green Performance Management

Green Performance Management (GPM) ensures that sustainability commitments are translated into measurable employee contributions. Leading banks (Commercial, Sampath, DFCC, NDB) implemented formal Green KPIs, integrated appraisals, and recognition mechanisms. Public banks (BOC, People’s Bank) adopted partial systems, while Seylan Bank lagged behind in full implementation.

The following Table 5 summarizes the results.

Table 5: Green Performance Management Practices

Bank	Green KPIs	Appraisal Integration	Monitoring Tools	Recognition/Rewards	Score (0 - 1)
Commercial Bank	✓	✓	✓	✓	1
Sampath Bank	✓	✓	✓	✓	1
DFCC Bank	✓	✓	✓	✓	1
NDB	✓	✓	✓	✓	1
HNB	✓	✓	Partial	Partial	0.88
BOC	✓	Partial	Partial	Partial	0.79
People's Bank	✓	Partial	Partial	Partial	0.79
Seylan Bank	Partial	Partial	Basic	Minimal	0.71

Source: Research Data

The results indicate that Commercial Bank, Sampath Bank, DFCC Bank, and NDB have fully embedded green performance indicators within their appraisal and reward systems, achieving the highest score of 1. HNB demonstrates moderate adoption with partial integration of monitoring and recognition components (score 0.88), while Bank of Ceylon and People's Bank exhibit policy-driven but less structured implementation (scores 0.79 each). Seylan Bank, at an early stage, relies mainly on basic monitoring and minimal recognition (score 0.71). Overall, the figure reveals that private sector banks have achieved a higher degree of institutionalization of GHRM performance practices compared to state-owned banks, primarily due to stronger strategic alignment and accountability frameworks.

Discussion: Findings show that private banks are performance leaders, aligning with global best practices where green KPIs drive accountability (Daily et al., 2012). Public banks demonstrate compliance-oriented adoption, while Seylan reflects symbolic commitment. Integration of dashboards and ESG-linked appraisals remains limited, suggesting scope for improvement.

Theme 4: Green Rewards and Compensation

Reward systems for green behavior remain **weak across most banks**. Commercial Bank, HNB, and Sampath introduced symbolic recognition (awards, certificates) but not financial incentives. Public banks lacked structured reward systems, while Seylan and NDB showed minimal initiatives.

The following Table 6 summarizes the results.

Table 6: Green Rewards and Compensation Practices

Bank	Incentives for Green Ideas	Recognition Programs	Financial Rewards	Score (0 - 1)
Commercial Bank	✓	✓	✗	0.6
HNB	✓	✓	✗	0.6
Sampath Bank	✓	✓	✗	0.6

DFCC Bank	Partial	✓	✗	0.5
BOC	Partial	Partial	✗	0.4
People's Bank	Partial	Partial	✗	0.4
NDB	Minimal	Partial	✗	0.3
Seylan Bank	✗	Minimal	✗	0.2

Source: Research Data

Above Table 6 highlights the status of Green Rewards and Compensation practices across the eight licensed commercial banks, revealing that while non-financial recognition is increasingly common, financial incentives for environmental initiatives remain limited. Commercial Bank, HNB, and Sampath Bank lead with structured programs that encourage employee participation through green idea schemes and formal recognition initiatives (score 0.6 each). DFCC Bank shows moderate progress, with partial incentives and recognition mechanisms (score 0.5), whereas Bank of Ceylon and People's Bank demonstrate minimal yet emerging efforts (scores 0.4 each). NDB and Seylan Bank are still in early stages, with limited or minimal engagement in green reward systems (scores 0.3 and 0.2). Overall, the figure indicates that while banks acknowledge the motivational value of recognizing sustainable behaviors, the integration of formalized green compensation structures especially financial rewards remains underdeveloped across the sector

Discussion: Unlike global practices where eco-incentives reduce carbon footprints (Zoogah, 2011), Sri Lankan banks rely mostly on symbolic rewards. This reflects a cultural and institutional gap, where green behaviors are acknowledged but not financially incentivized. Strengthening reward systems could enhance employee motivation and accelerate green adoption.

Theme 5: Green Workplace Practices

Workplace practices included paper reduction, energy conservation, waste management, and green-certified buildings. Commercial, Sampath, HNB, and DFCC demonstrated strong practices, while BOC and People's Bank relied heavily on state-mandated policies. Seylan and NDB were at early stages in their implementation.

The following Table 7 shows the results.

Table 7: Green Workplace Practices

Bank	Paperless Operations	Energy Efficiency	Waste Mgmt.	Green Buildings	Score (0 -1)
Commercial Bank	✓	✓	✓	✓	0.9
HNB	✓	✓	✓	✓	0.9
Sampath Bank	✓	✓	✓	Partial	0.8
DFCC Bank	✓	✓	Partial	✓	0.8
BOC	✓	✓	Partial	Partial	0.7
People's Bank	✓	Partial	Partial	Partial	0.65
NDB	Partial	Partial	Minimal	Partial	0.5
Seylan Bank	Partial	Partial	Minimal	✗	0.45

Source: Research Data

The results of the Table 7 reveal that Commercial Bank and HNB lead the sector with comprehensive adoption of all four practices (score 0.9 each), demonstrating strong institutional commitment to environmental sustainability. Sampath Bank and DFCC Bank also perform well, showing consistent integration with minor gaps in either waste management or green infrastructure (scores 0.8 each). Among state-owned institutions, Bank of Ceylon and People's Bank have initiated notable improvements, particularly in paperless systems and energy-saving measures, but still show partial implementation in other areas (scores 0.7 and 0.65 respectively). NDB and Seylan Bank lag behind, exhibiting minimal progress in waste management and green building adoption (scores 0.5 and 0.45). Overall, the figure underscores that private banks demonstrate stronger, more comprehensive workplace greening efforts, supported by technology investment and sustainability-oriented leadership.

Discussion: Results indicate that private banks are frontrunners in digitalization and green infrastructure, while public banks follow a compliance-based model. Seylan and NDB lag due to resource constraints. This confirms Weber (2014) and CBSL (2019) findings that paper-intensive sectors like banking must prioritize digitization to achieve sustainability.

Outcomes of GHRM Practices

The study revealed that GHRM adoption generated four major categories of outcomes across the banks:

- Environmental Outcomes – reduced paper use, improved energy efficiency, better waste management.
- Economic Outcomes – operational cost savings through digitization and energy-saving.
- Reputational Outcomes – enhanced employer branding and stronger ESG positioning.
- Compliance Outcomes – meeting state sustainability mandates and aligning with the UN Sustainable Development Goals (SDGs).

The following Table 8 summarizes the results.

Table 8: Outcomes of GHRM Practices

Bank	Paper Reduction	Energy Efficiency	Cost Savings	Compliance	Reputation	Overall Score (0 - 1)
Commercial Bank	High	High	High	Strong	Strong	0.9
HNB	High	High	Moderate	Strong	Strong	0.85
Sampath Bank	High	High	Moderate	Strong	Strong	0.8
DFCC Bank	High	Moderate	Moderate	Strong	Moderate	0.75
BOC	Moderate	Moderate	Moderate	Strong	Moderate	0.65
People's Bank	Moderate	Moderate	Limited	Strong	Moderate	0.6
NDB	Limited	Limited	Limited	Moderate	Moderate	0.5
Seylan Bank	Limited	Limited	Limited	Weak	Weak	0.4

Source: Research Data

Table 8 summarizes the overall outcomes of Green Human Resource Management (GHRM) practices across the eight licensed commercial banks, highlighting their impact on paper reduction, energy efficiency, cost savings, regulatory compliance, and corporate reputation. The results indicate that Commercial Bank, HNB, and Sampath Bank achieved the highest sustainability performance, demonstrating strong alignment between GHRM implementation and tangible environmental and reputational benefits (scores 0.9 – 0.8). DFCC Bank also

performs well, though with moderate gains in cost efficiency and energy savings (score 0.75). State-owned banks, namely Bank of Ceylon and People's Bank, exhibit consistent but less intensive progress, largely driven by compliance and policy adherence (scores 0.65 and 0.6). In contrast, NDB and Seylan Bank show limited environmental outcomes and weaker reputational impact (scores 0.5 and 0.4). Overall, the figure illustrates that banks with strategically embedded and well-resourced GHRM systems realize superior sustainability outcomes and stronger stakeholder confidence.

Discussion: The findings demonstrate that private banks lead in outcome realization, particularly in terms of environmental and reputational gains. Their integration of GHRM with digital HRM systems and ESG frameworks has resulted in measurable cost savings and competitive advantages. State-owned banks, in contrast, focus more heavily on compliance outcomes, aligning with government sustainability policies but showing slower progress in achieving cost savings and reputational benefits. Seylan Bank and NDB lagged significantly, constrained by limited resources and weak leadership commitment.

These results support the Resource-Based View (Barney, 1991), which highlights that banks with stronger financial and human resources are better able to derive competitive advantages from GHRM. The findings also align with Stakeholder Theory (Freeman, 2010), demonstrating how reputational pressures and investor expectations drive private banks toward proactive sustainability initiatives.

CONCLUSION AND IMPLICATIONS

This study demonstrates that Green Human Resource Management (GHRM) is increasingly recognized as an essential component of sustainable banking in Sri Lanka, though its depth of implementation varies across institutions. Private banks have adopted GHRM more strategically, integrating green recruitment, training, performance management, and workplace practices while public banks tend to follow compliance-driven approaches. The findings confirm that GHRM contributes to measurable sustainability outcomes, including reduced paper use, improved energy efficiency, cost savings, and enhanced corporate reputation. The study highlights the importance of leadership commitment, resource availability, and institutional pressure in shaping GHRM adoption. It also underscores the need for stronger policy support, capacity building, and integrated HR sustainability strategies to advance environmental performance in the banking sector. Overall, the research provides valuable insights for HR practitioners, policymakers, and financial institutions aiming to align human resource systems with national and global sustainability priorities.

Conclusion

This study examined Green Human Resource Management (GHRM) practices in eight leading licensed commercial banks in Sri Lanka. The findings reveal significant variation across institutions, with private banks (Commercial Bank, Sampath, HNB, DFCC) emerging as frontrunners, while public banks (BOC, People's Bank) demonstrated compliance-driven adoption, and Seylan Bank and NDB lagged behind.

Key insights include:

- **Recruitment & Selection:** Private banks integrate sustainability throughout the recruitment cycle, while public banks adopt only partial practices.
- **Training & Development:** All banks provide green training, though the intensity and structure vary, with private banks leading in offering continuous programs.
- **Performance Management:** Private banks integrate green KPIs into appraisals, whereas public banks have partial systems in place.
- **Rewards & Compensation:** While recognition programs exist, financial incentives for green initiatives remain absent across all banks.
- **Workplace Practices:** Digitalization and energy-saving initiatives are widespread, though green infrastructure investments are stronger in private banks.
- **Outcomes:** GHRM generates environmental, economic, reputational, and compliance outcomes, with private banks realizing the greatest benefits. Overall, the study highlights that GHRM in Sri Lanka's

banking sector is growing but remains unevenly institutionalized, reflecting disparities in resources and differing strategic orientations.

Implications

The findings of this study have important implications for advancing sustainability within Sri Lanka's banking sector. First, the results highlight that strong leadership commitment and strategic alignment between HRM and sustainability are essential for effective GHRM adoption. Second, the study underscores the need for regulatory bodies and policymakers to provide clearer guidelines, incentives, and monitoring frameworks to strengthen environmental accountability in HR practices, especially within state-owned banks. Third, the research demonstrates that integrating green recruitment, training, performance appraisals, and reward systems can significantly enhance environmental outcomes and operational efficiency, suggesting that banks should institutionalize these practices as part of their long-term HR strategy. Finally, the study contributes to academic literature by offering qualitative, context-specific evidence from an emerging economy, supporting future comparative studies and encouraging deeper exploration of HR's role in environmental transformation.

Theoretical Implications:

- This study enriches the global GHRM discourse by providing empirical evidence from a developing economy where institutional pressures, resource constraints, and compliance norms strongly shape adoption.
- It demonstrates the applicability of Resource-Based View (RBV), showing that banks with stronger financial and human resources translate GHRM into tangible competitive advantage.
- It supports Institutional Theory, where state-owned banks act primarily in response to policy mandates rather than proactive strategy.

Practical Implications:

- **HR Leaders** should integrate green KPIs and structured rewards into performance systems to incentivize sustainable behavior.
- **Banking Institutions** must strengthen digital HRM systems to achieve cost savings and paperless operations.
- **Policymakers and Regulators** should encourage adoption through sustainability reporting frameworks and incentives for eco-investments.
- **Employees** benefit from enhanced environmental literacy and engagement, reinforcing organizational green culture.

Policy Implications:

- Findings support the need for a national-level green HRM guideline within Sri Lanka's banking industry.
- The Central Bank of Sri Lanka (CBSL) could play a more active role in embedding sustainability in HR practices through policy directives and compliance monitoring.

Limitations and Future Research

This study is limited by its qualitative scope and focus on eight leading banks, which restricts generalizability. Future research should:

- Employ quantitative methods to measure the statistical impact of GHRM on organizational performance.
- Expand the scope to include regional and rural banks for a more holistic understanding of the industry.

- Conduct longitudinal studies to track how GHRM evolves over time in response to policy, economic, and technological shifts.
- Compare findings across different service industries (e.g., insurance, telecommunications) to identify sector-specific patterns.

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