

INTERNATIONAL JOURNAL OF INNOVATIVE RESEARCH AND KNOWLEDGE

ISSN-2213-1356

www.ijirk.com

EFFECT OF GREEN HUMAN RESOURCE MANAGEMENT ON FIRM PROFITABILITY AND GROWTH

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ABSTRACT

Profitability and growth of firms have become a major concern globally. It thus becomes expedient for most organizations to think outside the box to ensure continuity and sustainability. One major source of achieving this goal is to create an enabling environment that could facilitate operational method that is sustainable and profitable. Green Human Resource Management is seen as one of such sources. Hence, this study evaluated the effects of green human resource management on profitability and growth of food and beverages manufacturing companies in Lagos State, Nigeria. The study adopted quantitative method and a survey research design. The study population was 4834 staff of selected food and beverage industry in Lagos State, Nigeria. A sample size of 535 staff of top and middle level employees were enumerated. The study utilized stratified sampling method. Adapted validated questionnaire was used, the Cronbach's Alpha reliability for various constructs of the study ranged between 0.772 to 0.909. Data were analysed through descriptive and inferential statistics using multiple regression. The study found that green human resource management had significant effects on firm profitability and growth, and green human resource management was responsible for 10.1% and 16.9% variations in the firm profitability and growth respectively. Policy implications and recommendations were made.

INTRODUCTION

The performance of business organizations worldwide has elicited concerns from professionals, especially in the manufacturing sector of most economies. These concerns become debatable due to the increasingly vital role the manufacturing sector plays in the global economy to engineer growth and development. This cursory

observation is evident in areas of firm profitability, firm growth, innovation, market share, and competitive advantage. In addition, the manufacturing sector has generally witnessed low productivity, mass turnover, industrial action, recapitalization, and acquisition. The aforementioned are not nation restricted, rather geographically spread and the ripple-effects contiguous.

Globally, the COVID-19 pandemic has underscored manufacturing's role in providing products that are critical to health, safety, national security, and the continuity of multiple industries. It has also revealed the extent to which global supply chains are exposed to shocks and disruptions. All of this has occurred at a moment when new technologies, process innovations, and demand growth are reshaping the sector worldwide. The manufacturing sector in European countries is in a state of transition, growth in emerging economies; shrinking but becoming more productive in advanced economies. (Chewaing, George, Manyika, Wernaerkans, & Woetzel, 2021).

In Africa, organizational performance has always been a critical issue in the action of companies. In Kenya, the Association of Manufacturers has moved up 21 positions in the ease of doing business index to achieve position 92 out of 190 countries worldwide (KAM, 2017). Starting a business with high performance and organizational effectiveness was one of the indicators in which they showed improvement as a country and this means that they are sending a message to both local and global investors that they are ready to move their economy to the next level. There is, therefore, a high performance among manufacturing companies in Kenya, nevertheless, issues about the cost of doing business, market expansion, and reduction of regulatory burdens that affect the business are also some of the challenges being faced by manufacturers in Kenya (KAM, 2017). In South Africa, Friedrich and Newman (2018) assert that manufacturing firms are generally more productive than firms in the agricultural or services sectors and important as a source of job creation, in their research they found that the manufacturing sector in South Africa accounts for around 13% of gross domestic product (GDP). Growth in the sector has been slow relative to the rest of the economy and the sector was also hit especially hard by the recent global financial crisis. This decline is reflected in the employment and investment numbers, with the sector representing a decreasing proportion of the total numbers employed and the proportion of total fixed capital formation (Friedrich & Newman, 2018). This conclusion is supported by Rodrik (2008), who attributes South Africa's slow growth and slow employment growth to weakness in manufacturing exports, thus this has also affected the performance of various manufacturing companies in South Africa.

According to the Manufacturers Association of Nigeria (2021), Nigeria's Gross Domestic Product (GDP) grew by 0.51 percent in Q1 2021, according to the National Bureau of Statistics (NBS), with the Bureau pointing out that one of the sectors that contributed to the positive growth was the manufacturing sector. The positive growth, early in the year, was an indication that the economy was beginning to recover from the shocks of the COVID-19 pandemic, and later, its emerging variants. However, the prevailing economic circumstances and the struggling state of the manufacturing sector remained worrisome throughout the year. Some of the obvious indications that the manufacturing sector struggled during the year even though the economy was gradually gathering some momentum after the emasculating effect of the COVID-19 lockdowns and constrained economic activities included but were not limited to the negative impact of the depreciation in the value of the local currency, the Naira; acute shortage of Foreign Exchange (forex); deteriorating infrastructure particularly electricity; unavailability of raw materials; and pervasive insecurity. Most, if not all these challenges hurting the sector, were visible in the second and third quarters of the year. For instance, the Manufacturers Association of Nigeria (MAN) in its 'Manufacturers CEOs Confidence Index (MCCI)' for Q2 2021, lamented that difficulty in sourcing forex for the importation of raw materials and machines that are not locally available was a critical challenge to manufacturing in Nigeria. Many factors have been identified by MAN to be the root cause of the problem: They include: high production costs caused by energy, high interest, and exchange rates, the influx of inferior and substandard products from other nations, multiplicity of taxes and levies, poor sales partly as a result of low purchasing power of the consumers, bogged down with delay in clearing consignments due to

existence of multiple inspection agencies at the port. All these problems align with the inadequacy of going green in the area of need which if present and properly applied could have suppressed the emergence.

Augusto (2020) viewed that in Lagos State, the food & beverage manufacturing industry has experienced phenomenal growth due to factors like growing population, technological advancements, streamlined manufacturing processes, and more efficient supply chains. It is expected that these factors should sustain growth in the short to medium term, although, at a level that is slightly subdued due to the adverse impact of the COVID-19 pandemic. The recent trends in the food & beverage industry include; the increasing importance of corporate environmental sustainability, innovative packaging, and changes to regulations around nutritional facts. Lagos State with its large consumer market has the potential to be the fastest-growing economy in Africa, with a projected annual GDP growth rate of 4.2% in the period 2016-2050 according to the IMF.

Several studies have been carried out on green human resource management and organizational performance of manufacturing firms in different areas, organizations, countries, and contexts (Asikhia, 2019; Bisseker, 2014; Kathuku, 2017; Rungani & Potgieter, 2018; Wagner, 2015). Nevertheless, the linkage between green human resources dimensions and firm profitability and growth of manufacturing firms in Lagos State, Nigeria has not been properly established (Adepoju, Akinwale, & Olomu, 2020; Olateju, 2020). This, therefore, leaves a gap that needs to be attended to in the case of green human resource management and organizational performance in Lagos State, Nigeria. There are various factors internal to manufacturing firms that influence the adoption of green human resource management for improved organizational performance. Firm profitability and growth are measures of the performance of a firm and it constitutes an essential aspect of its financial reporting. They reveal the firm's ability and capacity to generate earnings at a rate of sales, level of assets, and stock of capital in a specific period (Margaretha & Supartika, 2016). Consequently, firms' profitability and growth, as well as modalities for improving them have generated serious debates in the literature and have remained topical in the field of manufacturing industries. Profitable and growing firms create value, hire people, tend to be more innovative, more socially responsible, and are beneficial to the entire economy through the payment of taxes. The high rate of performance of firms indeed contributes effectively to income generation and the overall development of an economy (Lazar, 2016; Olutunla & Obamuyi, 2008). Lack of green human resource management has not only degraded the economy but has also led to ruined and reduced profitability and growth of manufacturing organizations, it is, therefore, important to evaluate the effect of green human resource management on the profitability and growth of manufacturing firms in Nigeria.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Green human resource management is a strategy that complies with the company's environmental policy and preservation initiatives (Ren, 2018). It consists of a set of rules and processes designed to encourage company employees to conserve the abundance of knowledge capital in the most ecologically friendly and cost-effective way possible (Tang et al., 2018; Masri & Jaaron, 2017). The application of HR policies to promote sustainable use of company resources and support ecology; and its primary objective is to develop ecological sensitivity in employees and to make them aware of how their behavior may affect the environment (Bombiak & Marciniuk-Kluska, 2018). Opatha (2019) stated some characteristics of GHRM which include the following GHRM is a domain of HRM, It is the result of the integration of environmental management into HRM, It includes greening of HRM functions, It is a system of transforming normal employees into an organization into green employees, It is for the benefit of the individual, society, natural environment, and the business, It has policies, procedures, and practices which influence greening of employees, It focuses on protection and enhancement of the natural environment through managing people at work, It applies policies to support ecology, It applies policies to promote sustainable use of organizational resources, Its concern is with planet-related matters such as green roles of employee, green HR functions, green attitude and behavior, and green performance of job.

Profitability has been given considerable importance in finance and accounting literature. It is another important measure of performance that must be considered as it is unlikely that firm growth can be sustained without profits being available for reinvestment in the firm. Similarly, Guda (2013) defines profitability as a financial benefit that is realized when the amount of revenue gained from a business activity exceeds the expenses, costs, and taxes needed to sustain the activity. The researcher went further to define profitability as the profit-making ability of an enterprise. Profitability is a measure of evaluating the overall efficiency of the business. Similarly, Shafiwu and Mohammed (2013) defined profitability as the increase in profit that is brought about by a differentiated product or brought about as a result of product differentiations. Makau and Kosimbei (2014) view profitability as the organization's ability to generate income and its inability to generate income is a loss. They further assert that if the income generated is greater than the input cost, that is simply profitability but if the incomes are less than the input cost, it reflects poor performance. Inefficient financial management combined with the uncertainty of the business environment may damage organizations' profitability and, as a result, the difficulties of manufacturing firms will become greater. Conversely, efficient financial management will help manufacturing firms to strengthen their profitability and, as a result, these difficulties can partly be overcome.

Other authors (Babalola & Anifowose, 2018; Ziad, Ahmad, and Abdelrazaq, 2017) viewed the profitability outcome of business operations from a well-designed and implemented strategic template. They described profitability as composed of two words namely, profit and ability. The scholars stressed that profitability is the ability of a business entity to earn profits. The ability also depicts the earning power, capacity, or operating performance of the business entity. Gadoiu (2017) relates profitability to the efficiency of a company expressed as a ratio between the resulted benefits and the efforts to achieve them. Ziad, Ahmad, and Abdelrazaq (2017) also defined profitability as the indicator that detects the competitive status of the organization in its sector as well as the quality of its management. Ziad *et al.*, (2017) expressed profitability in the form of retained earnings which is one of the main sources of generating capital for the business.

There are three different approaches to measuring a firm's profitability; Traditional approach, economic approach, and market-based approach. There are two ways of measuring profitability in the traditional approach the absolute profitability measure or the relative profitability measure (Nduku, 2015). The absolute terms are measured on the level of profit calculated as total income less total expenses. The relative approach focuses on the traditional ratios to measure profitability. These are the gross margin, net profit margin, return on assets, (ROA) and return on equity, (ROE). The ROA measures the pre-tax returns to the entire business (Doehring, 2012). It compares the income recurring to a business to its assets base. ROE is a measure of pre-tax returns to the equity base. It compares the income occurring in a business to the total equity base of a firm. The gross margin and the net margin ratios measure the efficiency of a firm in terms of how much of the sales are turned into profits (Ziad *et al.*, 2017).

The economic approach in addition to the traditional expenses takes into consideration the opportunity cost incurred by the business. It aims to measure the net worth of your money, management, and labor abilities. Thus, the opportunity cost refers to investment returns foregone by not having resources invested elsewhere. These thus form part of the expenses and are deducted from income alongside other conventional expenses. The perspective provides a long-term perspective of a business and reveals opportunities where resources could have been better utilized (Nduku, 2015). Under this approach, the time value for money is also considered and all cash flows are discounted to the net present value. It thus takes into consideration changes in inflation rates to reflect the true value of cash flows expected at different timing. Similarly, Petersen and Kumar (2010) argued profitability proportions can be separated into two folds that is margin and returns. Proportions that display margins signify the capability of a company to convert transactions into incomes at numerous phases of dimension. Proportions remain vital gears intended for gauging the productivity of the company since they exemplify the capability of a company towards quantifying the general efficacy of the firm in producing earnings for its stockholders. This study defines firm profitability as the capability of the firm to make a profit

from all its business activities or engagement. This is an indication of how efficiently the firm can generate income using the capital accessible in the market.

The concept of firm growth was introduced in the early 1930s known as the law of proportionate effect (sometimes called Gilbrats rule of proportionate growth). The law of proportionate effect is frequently used as a benchmark for many studies to determine business growth. Gilbrats (1931) explains a firm's growth rate does not depend on its size of a firm. According to Janssen (2009), firm growth is an expansion of demands for products or services. It first results in a growth in sales and consequently in investments in additional production factors to adapt it to new demands (Janssen, 2009). The growth rate performance of firm output is a key driver and indicator for the level of industrialization, modernization, urbanization, employment generation, income per capita, equitable distribution of income, and standard of living by the citizenry (Abiodun, 2014; Aremu & Adeyemi, 2011).

Growth is associated with the firms' survival and achievement of organizational goals. It is measured in the terms of employment, revenue, market share, and product development (Pasanen, 2007). Organizational growth has gained interest among different academics mainly because it contributes to the economy through new job creation. Growth is considered an indicator of organizational performance and it is associated with the achievement of financial goals. The turnover of the firm is the most frequent measure of growth, which addresses taxation concerns, whereas the number of employees is another, measure of growth, which addresses the job concerns. There is an interconnection between these two growth indicators within the context of a Manufacturing firm and they are used due to their visibility and simplicity to obtain within organizations (Asikhia, 2019; Fadahunsi, 2012).

Firm Growth is an important phenomenon in a manufacturing organization. Their survival essentially depends on their power to participate in the market with other big companies. Growth decreases the possibility of closing small businesses (Rauch & Rijskik, 2013). Strengthening is important not merely for the enterprises and their owners but for all stakeholders since these companies thrust forward the economy by underscoring the diversity of products and services. The growth phenomenon of small enterprises had been widely analyzed within entrepreneurship. One motive is that most fail to expand during their life span (McKelvie & Wiklund, 2010) and small businesses refrain from growing (Doern, 2009). According to Blackburn, Brush, and Ceru (2009), some enterprises do not desire growth and others desire slow growth even though they are successful as those that grow fast. Most new enterprises do not go beyond the stage when they initiated their activities (Head & Kirchhoff, 2009).

Firms are affected by the external macroeconomic environment that cannot be controlled such as political, economic, social, technological, environmental, and legal factors (Morrison (2006). As already mentioned above, these factors can rarely be affected by management decisions because they are external factors beyond the control of the manufacturing firm. The first challenge is financial constraints. Lack of capital or financial resources was a major barrier for Manufacturing firms and entrepreneurs who usually have to mobilize their capital or their resources to establish or expand their business (Abiodun, 2014). Besides, manufacturing firms in developing countries have difficulties in accessing bank loans as a consequence of the high risk of failing loans, low profitability, and lack of collateral required by banks (Abiodun, 2014).

Mohammad, Niu, and Rounok (2021) assessed the effect of green human resource management (GHRM) practices (overall) on the organization's environmental performance (OEP) and identify how the organizations can improve their environmental performance by using GHRM practices through Green Employee Empowerment (GEE). The empirical findings showed that the GHRM practices (overall) have a significant effect on OEP, and GEE mediated their relationship and it theoretically contributed to the green HRM/HRM literature by establishing a link between GHRM practices and their EP outcomes in manufacturing companies.

Alharbi (2020) investigated the impact of green human resource management practices (GHRM) on an organization's sustainability, which are intertwined and fragmented in a resource-based view discipline. The model showed that GHRM has a positive and significant impact on sustainability. This explains that GHRM allows organizations to achieve an important competitive advantage in today's highly competitive global environment. Nawangsari and Saputro (2021) investigated green human resource management on employee performance through organization Citizenship behavior and firm growth and discovered the significant effect of green human resource management on employee performance. Bhutto and Auranzeb (2016) investigated the impact of green human resources like green recruitment, green training and development, and green learning on the Firm Performance in Pakistan. Responses were gathered from 376 Pakistani firms. The result indicated that all variables significantly affected the profitability of the firm differently, based on these mixed findings, this study hypothesizes that:

H₀₁: Green Human Resource Management dimensions have no significant effect on firm profitability among manufacturing firms in Lagos State Nigeria.

Different studies around the world in both developed and developing countries have focused on the link between green human resource management and firm profitability. Dessouky and Alquaiti (2020) investigated the impact of Green Human Resource Management (GHRM) practices on organizational performance. Descriptive research design was used and data was collected through structured questionnaire. The population included all employees across (top-level management, middle-level management, the lower-level management) working in the private drilling company in Bahrain. The results of the study showed that Green HRM Practices have a positive relationship with organizational performance. In similar studies, Alghamdi (2021) investigated Green human resource practices on organizational profitability. Exploring the green HRM being practiced by various businesses, the result revealed that the overall influence of green HRM practices was positive on organizational profitability and performance in the light of relevant internal and external contextual factors.

However, the study of Benevene and Buonomo (2020) indicated that there is no significant relationship between Green human resource management and firm performance. Hence, this study hypothesizes that:

H₀₂: There is no significant relationship between Green human resource management and firm growth of selected manufacturing companies in Lagos State Nigeria.

METHODS

This research is empirical, it is based on primary data, it adopts explanatory cross-sectional survey research design which includes the analysis of quantitative data with the use of structured validated questionnaire at a point in time of the study, which has the advantage of being cost-effective and less time consuming.

The Study Context, Sampling and Data collection

The population of the study comprised selected food and beverages companies in Lagos State Nigeria that deal in fast moving consumer goods (FMCG). The Manufacturers Association of Nigeria (MAN) has one hundred and eighty-five (185) registered members in the food and beverage sector (MAN, 2018). Fifteen (15) members from this category of food and beverages companies have their head offices and factories in Lagos and Ogun States. For the purpose of brevity, this study focused on four (4) registered members of MAN in Lagos because they are fast moving consumer goods (FMCG) companies that had implemented changes as a result of economic and operational dynamism. The population of the study is the total number of staff in the specified categories from these four (4) companies, which is four thousand eight hundred and thirty - four (4834). The target population consists of management, senior and junior personnel of the selected Food and Beverages firms in Lagos State. The choice of Lagos State as the study area was because it houses the corporate head offices of the selected companies and the relevant staff-levels surveyed. These selected companies are seen as market leaders

in the food and beverage manufacturing sector judging from their profile, portfolio, market reach, acceptability and financial performance as determined from the Nigeria Stock Exchange (2021) also because they are significant players in the fast-moving consumer goods (FMCG) industry that had strategically managed changed processes within the last two years.

The variables under consideration seek the perception of respondents on each construct and this was achieved through primary data alone. The primary data was collected by administering the questionnaire to the target respondents. The copies of the questionnaires were distributed in person as well as with the support of trained research assistants (and where applicable, staff in various manufacturing companies), with specific instructions on the administration process which involves administering copies of questionnaires from the respondents.

The questionnaires were adapted from extant literature and was used to collect data relating to both dependent and independent variables. Green human resource management is the independent variable and its sub-variables are green human resource planning, green recruitment, green training, green reward management, and green selection. The dependent variable is organisational performance and its sub-variables are firm profitability, firm growth, innovation, market share and competitive advantage with moderating variable of environmental policy and Organisational culture. The questionnaire contains three parts; part I was for demographic data while Part II obtained information required for the analysis of the study variables. Part II has five sections (A-E) which focused on the independent variables while part III was for the dependent variables and comprises of sections F-J. Section K contains constructs for the moderating variable. Each variable's question was designed in the form and the design has 6-point-type Likert scale of Very High (VH) = 6, High (H) =5, Moderately High (MH) = 4, Moderately Low (ML) = 3, Low (L) = 2 and Very Low = 1.

The research instrument was used to collect data on both independent and dependent variables in this study. Saunders, Lewis and Thornhill (2007) observed that the questionnaire is mostly used to collect data in most survey research methods as it enhances adequate uniformity of response. The questionnaire was administered by research assistants. They were trained by the researcher for two days, on the procedure of administering the questionnaire. The training included how to be courteous to respondents, objectives of the study and the rudiments of questionnaire administration.

Measurement of Variables

Drawing from this study's research framework, the following independent variables are green human resource dimensions (green human resource planning, green recruitment, green training, green reward management, green selection) and the dependent variable are firm profitability and firm growth.

Data Analysis

The study employed a regression analysis to first establish the functional relationship between green human resource management and firm profitability and subsequently assessed the relationship between green human resource management and firm growth.

Model Specification

Given the effect of the predictor variable on the outcome variable

$$FP = f(GHP, GR, GTD, GRM, GS)$$

$$FP = \alpha_0 + \beta_1 GHP + \beta_2 GR + \beta_3 GTD + \beta_4 GRM + \beta_5 GS + \mu_i \dots \dots \dots \text{Regression equation 1}$$

$$FG = f(GHP, GR, GTD, GRM, GS)$$

$$FG = \alpha_0 + \beta_1 GHP + \beta_2 GR + \beta_3 GTD + \beta_4 GRM + \beta_5 GS + \mu_i \dots \dots \dots \text{Regression equation 2}$$

$$OP = f(GHP, GR, GTD, GRM, GS)$$

$$OP = \alpha_0 + \beta_1 GHP + \beta_2 GR + \beta_3 GTD + \beta_4 GRM + \beta_5 GS + \mu_i$$

$$OP = f(GHRM * EP)$$

$$OP = \alpha_0 + \beta_1 GHRM + \beta_2 EP + \beta_{iz} GRHM * EP + \mu_i \dots \dots \dots \text{Regression equation 6}$$

$$OP = f(GHRM * OC)$$

$$OP = \alpha_0 + \beta_1 GHRM + \beta_2 OC + \beta_{iz} GRHM * OC + \mu_i \dots \dots \dots \text{Regression equation 7}$$

Where:

- Y = Organisational Performance (OP)
- X = Green Human Resource Management (GHRM)
- Y = (y1, y2)
- X = (x1, x2, x3, x4, x5)

Where:

- y1 = Firm Profitability (FP)
- y2 = Firm Growth (FG)

$$X = (x_1, x_2, x_3, x_4, x_5)$$

x₁ = Green human resource planning (GHP)

x₂ = Green Recruitment (GR)

x₃ = Green Training and Development (GTD)

x₄ = Green Reward Management (GRM)

x₅ = Green Selection (GS)

α₀ = Constant term

β₁, β₂, β₃, β₄ & β₅ = Coefficients of Explanatory Variables

μ_i = Error term

RESULTS AND DISCUSSION

Validity and Reliability Test

The research instrument was subjected to expert opinion validity as recommended by Raza and Nawaz (2011). To make sure that the research instrument was valid, the instrument was subjected to content and construct validity. Content validity refers to the degree to which the content of the items adequately represents the universe of all relevant items under study. Expert opinion was sorted from the supervisors of the research and other well-versed persons to establish the content validity. Construct validity was measured statistically using Principal Component Factor Analysis (PCFA). Kaiser-Meyer-Olkin measures (KMO), Bartlett’s Test of Sphericity was used to determine sample adequacy while Average Variance Extracted (AVE) was used to determine the construct validity. The result of the Bartlett test of Sphericity at 0.000 which is less than 5%, indicate that there is a highly significant relationship among variables in measuring the variables under study. The Average Variance Extracted (AVE) > 0.5 was used to test the construct and convergent validity of the research instrument.

Table 1: Validity and Reliability test for measuring items

Construct	Number of Initial Items	Number of Items Finally Retained	KMO	Bartlett’s Test of Sphericity	Sig.	AVE
Green Human Resource Management						
Green Human Resource Planning	4	4	0.751	73.425	0.000	0.605
Green Recruitment	4	3	0.563	98.293	0.000	0.724
Green Reward Management	4	4	0.525	326.081	0.000	0.662
Green Selection	4	4	0.570	428.352	0.000	0.816

Green Training and Development	4	4	0.590	91.233	0.000	0.62
Organisational Performance						
Firm Growth	4	4	0.565	57.927	0.000	0.645
Firm Profitability	4	4	0.645	69.704	0.000	0.884

Source: Researcher pilot Survey (2021)

Green Human Resource Management and Firm Profitability

H₀₁: Green human resource management dimensions have no significant effect on firm profitability of selected food and beverage firms in Lagos State Nigeria.

Table 2: Summary of multiple regression analysis for the effect of Green human resource management on firm profitability of selected food and beverage firms in Lagos State Nigeria

Model	Beta	t	Sig.	R	R ²	Adj. R ²	Anova Sig.	F(df)
(Constant)	3.474	27.155	0.000					
Green human resource planning	0.025	0.474	0.636					
Green recruitment	0.125	2.315	0.021	0.330 ^a	0.109	0.101	0.000	13.333 (5,545)
Green training and development	0.126	1.961	0.049					
Green reward management	0.108	1.913	0.056					
Green selection	-0.178	-3.272	0.001					

- a. Dependent Variable: Firm profitability
- b. Predictors: (Constant), green human resource planning, green recruitment, green training and development, green reward management, green selection

Source: Researcher’s Field Survey Results (2022)

Table 2 presents the results of multiple regression analysis for the effect of green human resource management on firm profitability of selected food and beverage firms in Lagos State Nigeria. Table 2 presents a model summary which establishes how the model equation fits into the data. The *Adj R²* was used to establish the predictive power of the study’s model. From the results, Green human resource management (green human resource planning, green recruitment, green training and development, green reward management, green selection) have positive effect on firm profitability of selected manufacturing firms (R = 0.330, p=0.000). The Adjusted coefficient of determination (*Adj R²*) of 0.101 shows that green human resource management predicts 10.1% of the changes in firm profitability of selected manufacturing firms. This result suggests that green human resource management influence 10.1% of firm profitability of selected food and beverage firms in Lagos State Nigeria.

Green Human Resource Management and Firm Growth

H₀₂: Green human resource management dimensions no significant effect on firm growth of selected food and beverage firms in Lagos State Nigeria.

Table 3: Summary of multiple regression analysis for the effect of green human resource management on firm growth of selected food and beverage firms in Lagos State Nigeria

Model	Beta	T	Sig.	R	R ²	Adj. R ²	Anova Sig.	F(df)
(Constant)	2.895	19.742	.000					
Green human resource planning	-.074	-1.250	.212					
Green recruitment	.086	1.380	.168	.420 ^a	.176	.169	0.000	23.295 (5,545)
Green training and development	.240	3.267	.001					
Green reward management	.107	1.654	.099					
Green selection	-.024	-.380	.704					

a. Dependent Variable: Firm growth

a. Predictors: (Constant), green human resource planning, green recruitment, green training and development, green reward management, green selection

Source: Researcher's Field Survey Results (2022)

Table 3 presents the results of multiple regression analysis for the effect of green human resource management on firm growth of selected food and beverage firms in Lagos State, Nigeria. Table 3 presents a model summary which establishes how the model equation fits into the data. The *Adj R²* was used to establish the predictive power of the study's model. From the results, green human resource management (green human resource planning, green recruitment, green training and development, green reward management, green selection) have positive and moderate effect on firm growth of selected manufacturing firms ($R = 0.420$, $p=0.000$). The Adjusted coefficient of determination (*Adj R²*) of 0.169 shows that green human resource management predict 16.9% of the changes in firm growth of selected manufacturing firms under study. This result suggests that green human resource management influence 16.9% of firm growth of selected food and beverage firms in Lagos State Nigeria.

Discussion

Empirically, the findings of the study is supported by other researchers like Bon et al; (2018) who researched the impact of green human resource management and green supply chain management practices on sustainable performance. And also, Ghori et al; (2020) who explored enhancing business performance through green human resource management practices, an empirical evidence from Malaysian manufacturing industry. Their research identified the need for incorporating GHRM practices and culture at the workplace to encourage positive green behavior in employees which will increase the employee productivity and growth of the firm, the result of which was in tandem with the findings of this study. It is also in line with the study of Mahmoud et al; (2020) who examined going green during COVID-19: examining the links between green HRM, green supply chain and firm performance and growth in food Industry of Bahrain, checking the moderating role of lockdown due to COVID-19. The findings of the study highlighted that green HRM has major importance for food supply companies. It was specifically discovered that it has a positive role in promoting the performance of food supply companies in Bahrain. Also, Ghulam et al; (2020) studied pathways towards sustainability in organizations, establishing the empirical evidence of the role of green human resource management practices and green intellectual capital on firm growth, the results showed that the two dimensions of GHRM practices (green recruitment and selection, and green rewards) and green intellectual capital (green human capital, green

structural capital and green relational capital) have a positive effect on a firm's sustainability and growth, which aligns with the findings of this study.

RECOMMENDATIONS AND CONCLUSION

Sequel to the findings from the study, the following recommendations are made;

- i. Manufacturing Association of Nigeria should encourage food and beverage companies in Nigeria to embrace green human resource management in order to promote sustainability which would facilitate continuous performance and growth through establishment of environmental friendly systems, processes and tasks.
- ii. Since the study established that green human resource management dimensions had significant effect on profitability and growth of selected food and beverage manufacturing firms in Lagos State, Nigeria, it is therefore important that government agencies like SMEDAN (Small and Medium Enterprises Development Agency of Nigeria) should encourage a growth model framework that would involve green activities of the firms.

IMPLICATIONS FOR MANAGEMENT PRACTICE

This study helps the food and beverage companies to identify the key green human resource policies that will enhance maximization of profitability and growth. It provides adequate information on how food and beverage organisations in Nigeria can improve their overall performance through adoption of green human resource management creativities. Furthermore, the results of this study enlightens shareholders, boards of directors, management and other stakeholders in the food and beverage industry on the importance of fast response to green human resource policies and environmental business opportunities and challenges in improving overall profitability and growth indicators.

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