

Green Human Resource Management and Circular Economy- A Theoretical Review

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ABSTRACT

The study examines the role of Green Human Resource Management in influencing Circular economy. The present paper studies about how GHRM is focusing on Sustainable strategies, relationship between GHRM and creation of jobs. The paper also studies about green recruitment and selection, training and development, reward and compensation and performance management and different opportunities and challenges in Green Human Resource Management with Circular Economy.

Keywords: Sustainable Strategies, Creation of jobs, green recruitment and selection, training and development, reward and compensation and performance management.

INTRODUCTION

By incorporating sustainability into fundamental workforce strategies, Green Human Resource Management (GHRM) propels the circular economy. Through targeted hiring, on-going training, and eco-focused performance incentives, it shifts organizational culture away from linear "take-make-dispose" models and toward waste reduction, material reuse, and recycling. The workforce's capacity to innovate and embrace regenerative processes is critical to the shift to a circular economy.

Objectives

1. The basic objective of this paper is to examine how Green Human Resource Management practices will influence the circular economy

GHRM facilitates this transition through four key pillars

Green Human Resource Management practices for example in Tata Industries Tata Steel HR Practices reflect its commitment to sustainability by focusing on green recruitment strategies here Attracting personnel with an understanding of the environment and competence in waste management or sustainable design is known as "green recruitment and selection."

Employee up skilling in areas such as resource efficiency, product up cycling, and life-cycle evaluation is part of training and development programme and Performance management Including Key Performance Indicators (KPIs) with a sustainability focus in employee assessments to make sure environmental objectives are fulfilled.

The Reward & Compensation is giving bonuses or recognition to staff members and cross-functional teams who successfully carry out circular activities that cut emissions or waste. And the use of HRM strategies to encourage environmentally responsible behaviour and increase staff commitment to environmental sustainability is referred to as "green HRM."

Principles of Circular Economy

The role of HRM in promoting Circular Economy within Indian organisations entails several important functions.

"A circular economy is an economic system that is based on business models that replace the "end-of-life" concept with reducing, alternatively reusing, recycling, and recovering materials in production or distribution and consumption processes. Thus, operating at micro level with products, companies, and consumers, meso level with eco-industrial parks, and macro level with city, region, nation, and beyond, with the aim of accomplishing sustainable development, which implies creating environmental quality, economic prosperity, and social equity, for the benefit of present and future generations."

The CE framework integrates environmental, socioeconomic, and climate goals with opportunities pertaining to innovation, competitiveness, productivity, wage advancement, and industrial strategy.

The foundation of CE is the reduction of waste and pollution, prolonging the usable life of materials and products, and restoring natural systems. These tenets serve as the basis for the CE concepts of redesign, reduction, reuse, and recycling. Adopting CE principles has the ability to improve society and the environment while also producing a net economic benefit (EMAF, 2015).

In order to prolong the life cycle of products, the circular economy, also known as circularity, is a model of resource production and consumption that includes sharing, leasing, reusing, repairing, refurbishing, and recycling resources and products. By focusing on the design-based application of the model's three core principles, the concept seeks to address global issues like pollution, waste, biodiversity loss, and climate change.

The principles required for the transformation to a circular economy are Designing out waste and pollution. Keeping products and materials in use and Regenerating natural systems

The circular economy is in opposition to the conventional linear economy. Over the past ten years, the concept and ideas of a circular economy have been thoroughly researched in government, business, and academia. It has been growing in popularity because it may reduce carbon emissions and raw material consumption, create new market opportunities, and, most importantly, improve consumption sustainability.

A circular economy is seen by governments as a way to both prevent global warming and promote long-term growth. In order to break material loops at the regional level, the circular economy may geographically link actors and resources. The circular economy is defined by the European Parliament as a production and consumption model that includes sharing, leasing, reusing, repairing, refurbishing, and recycling existing resources and products for as long as feasible. Product life cycles are prolonged in this way.

Business models are essential for facilitating the transition from linear to circular processes in a circular economy. Product-as-a-service, sharing platforms, and product life extension models are just a few of the business models that have been found to promote circularity.

In addition to supporting the overarching objectives of the circular economy, these models seek to maximize resource use, minimize waste, and generate value for both companies and consumers.

Businesses can also move to the circular economy, where comprehensive changes to their business models are required. The so-called circular business models are the consequence of the implementation of circular economy principles, which frequently calls for new ideas and tactics as well as a fundamental redesign of product concepts, service offerings, and channels toward long-life solutions.

A paradigm of economic, social, and environmental production and consumption known as "circular development" seeks to create an independent, sustainable society that is sensitive to the problem of environmental resources. The goal of the circular economy is to make the economy regenerative.

An economy that, instead of waiting to solve the effects of these problems, innovates to decrease waste and the ecological and environmental impact of industries before they arise. This is accomplished by detaching dependency on limited resources and creating new procedures and solutions for resource optimization.

The three guiding concepts of the circular economy are design-driven waste and pollution elimination, product and material reuse, and natural system regeneration.

The idea is related to several schools of thought, such as cradle-to-cradle design principles, industrial ecology, and biomimicry. The circular economy is based on the study of material and energy flows through industrial systems, which is known as industrial ecology.

Designing human systems by imitating nature's tried-and-true patterns and tactics is known as biomimicry.

Sustainable Business Strategies

Environmental, social, and governance (ESG) principles are included into fundamental business operations in a sustainable business plan. The objective is to reduce adverse effects and maximize resources while preserving long-term profitability, reducing regulatory risks, and satisfying changing customer needs. By combining economic activity with planning, sustainable business plans generate long-term benefit for the company, its stakeholders, and society at large.

The objective of a sustainable business plan is to satisfy the demands of the company, its customers, staff, and other stakeholders while safeguarding resources and developing procedures and policies that will last for a very long time.

The importance of sustainability for businesses is discussed in a recent Harvard Business Review article, which also notes an increasing emphasis on "ESG" (environmental, social, and governance) issues.

Furthermore, more than 2,000 businesses have established evidence-based carbon objectives, and almost one-third of the largest public corporations in Europe have committed to becoming carbon neutral by 2050.

Companies are promoting diversity and inclusion initiatives and policies, offering financial support to fight racial injustice, and publicly addressing societal issues they have historically refrained from discussing in an effort to solve social justice concerns.

These are but a few instances of sustainable business practices. Businesses are investigating sustainable practices in a variety of ways, as well as the inventive and creative options they present for enterprises looking to adopt them.

Relationship between GHRM and Creation of Jobs

In India, HRM is emerging as a crucial enabler of sustainability, with a growing focus on green HRM practices (Rana & Chakraborty, 2020). Indian organizations are increasingly adopting green recruitment, performance metrics for environmental impact, and sustainability-focused employee engagement programs. HRM in India plays an important role in aligning employee behaviors with organizational sustainability objectives by embedding green values and eco-friendly practices within the corporate culture (Siddiqui et al., 2019). The HR function is seen as a bridge between management and employees, facilitating a shared commitment to sustainability and circular economy goals. Workforce development in India is crucial for the effective implementation of CE. With a large young population, India has significant potential to develop a workforce that is skilled in CE practices (Confederation of Indian Industry, 2020). HR departments in Indian companies are designing training programs focused on resource efficiency, recycling, and waste management.

In order to improve environmental reservations and achieve organizational efficiency, HRM systems are defined as a series of activities, processes, and functions that aim to attract, continue to develop, and preserve

organizations' human resources while promoting sustainable traditional HR activities, processes, and functions (Jeronimo et al., 2020).

Green HRM, which combines corporate ecological management with HRM, includes practices like avoiding paper waste and using porcelain tea cups (Rwashedeh, 2021). Green HRM aims to improve employee commitment and responsiveness to problem-solving by implementing sustainable practices and solutions, which are referred to as environmentally friendly topics to archive efficiency in work (Rain, 2014).

According to Daily and Huang (2001), "green HRM" refers to an organization's policies and practices regarding the use of online and electronic methods to improve productivity and sustainability while cutting costs and time. Examples of these methods include online hiring and interviewing, online training, online meetings, and electronic performance reviews.

Since Green HRM practices reduce carbon emissions, business plays a vital role in promoting environmental sustainability. As a result, organizations should be aware of the benefits of new technology by creating environmentally friendly goods and services.

Green HRM is important for environmental performance, so it should focus on developing its technology or implementing a modern system that would allow it to save money, time, effort, and resources. Without significant employee acceptance and commitment to the environmental organizational culture, Green HRR could not be successfully achieved (Sheikh et al., 2019).

Workers need to have faith in the company's dedication to sustainability. An organization's long-term objectives include green HR practices, which can direct that understanding. Green recruiting is essential for senior employees, and green training is suitable for younger employees. This is known as "organizational justification for sustainability" (Jeronimo et al., 2020).

Green HR practices increase an organization's revenue, cost-cutting, and branding. Some strategies, like online environmental training and an E-performance management system for tracking an employee's environmental performance, may help organizations implement green HRM. Employee engagement, participation, and turnover will all improve, as will the capacity to hire environmentally conscious workers (Rahoo et al., 2020).

It is crucial for businesses to recognize the green savings that come from remote work, since it leads to a number of green initiatives that minimize food waste, power consumption, pollution, and paperless work environments. The potential for on-going environmental savings is particularly substantial when businesses choose to either operate entirely remotely or adopt a hybrid model where over half of the workforce works from home and the remainder from the office.

The HR department must actively work to execute the green initiatives and have an executive sponsor, such as the CEO, in order to adapt to Green HRM (Santhanam et al., 2021). Green HRM is a technique for putting environmental preservation-related corporate social responsibility programs into action and reassuring professionals about eco-friendly behavior and creative environmental innovation.

Businesses must educate CEOs, managers, and human capital authorities on green HRM practices because green issues and the growth of the green economy are crucial (Tsymbaliuk et al., 2021).

Positive employee attitudes and behaviours are linked to green HRM policies and practices, which lessen the ecological effect of businesses and increase their sustainability. The green HRM approach made use of employees' commitment to the environment and their pro-environmental actions (Ansari, 2021). In order to improve environmental performance through the use of green knowledge management, top management should ensure that Green HRM policies are implemented.

Additionally, as people are green human capital, decision-makers should concentrate on safeguarding and enhancing employee knowledge. In order to effectively detect and handle their ecological impacts, managers should also share their information with important stakeholders (Jahan, 2021).

Due to the recent emergence of many environmental concerns, governments around the world have directed companies and organizations to focus on an environmental protection program in addition to their economic activity. Many companies around the world have combined traditional socially conscious initiatives with Green HR policies as part of HRM to increase employee awareness of their environmental management responsibilities.

In an effort to support the 2019 Sustainable Development Goals, organizations' green HRM practices are trying to concentrate on enhancing employees' green behavioural patterns. This is because governments in emerging nations have developed a variety of environmental safety guidelines to confirm the extreme abuse of natural resources that continues to degrade the environment (Mukherjee, 2020).

Because human misconduct damages the ecology and wastes resources, it is the cause of climate change. An organization's environmental sustainability depends on ethical leadership about people's green behaviours, the moderating acknowledgment of self-green initiatives, and the mediating function of green HRM practices (Islam, 2020).

Challenges and Opportunities

By coordinating employee actions with sustainability objectives, Green Human Resource Management (GHRM) propels the shift to a Circular Economy (CE). Businesses encounter obstacles include resistance to change, greater initial training expenses, and incorporating sustainability measures into conventional performance appraisals, even though GHRM promotes essential "green" skills and eco-innovation.

Principal Obstacle is Opposition to Culture Employees must relearn linear "take-make-dispose" routines in order to transition to a circular, cradle-to-cradle paradigm, which frequently results in operational friction. **Skill Gaps & Training Costs** It takes a lot of money and time to develop specialized skills in eco-design, trash up cycling, and closed-loop logistics. **Performance Metrics Alignment:** It is challenging for organizations to measure and assess sustainable practices, which makes it challenging to connect arbitrary "green" KPIs to conventional corporate performance.

Lack of Standardized Frameworks: Targeted workforce training is made more difficult by the lack of consistent rules and reporting across regional industries. **Important Opportunities for Talent Acquisition and Retention:** Using GHRM techniques, such as green recruitment, increases the value of an organization's brand overall and draws in environmentally concerned talent.

Rewarding employee-led circular economy initiatives promotes bottom-up green innovation in both operational procedures and product development.

Resource Efficiency and Cost Reduction is Workforce up skilling immediately contributes to waste reduction, which reduces operating expenses and preserves raw materials.

Sustainable Performance: By incorporating sustainability goals into evaluation systems, businesses can both achieve long-term market resilience and comply with international ESG regulations.

Employee Engagement and Participation in Green HR Practices for the successful growth of a Circular Economy

By converting employees from passive workers into active sustainability advocates, employee engagement propels the transition to a circular economy. In order to increase eco-innovation and resource efficiency, organizations include green principles into recruitment, sustainability-focused training, and performance measurements.

Important Green HR Techniques for Circular Development Organizations must incorporate environmental objectives into the employee lifecycle in order to successfully make the shift to a circular economy. Included in sustainable recruitment is Recruiting and attracting talent that adheres to circular principles Training that is

focused on the environment includes Through specialized training programs, current staff will be equipped with abilities in sustainable innovation, recycling technologies, and resource efficiency.

By linking Key Performance Indicators (KPIs) and performance reviews to sustainability goals, green performance management encourages employees to actively cut waste and maximize resource utilization. Encouraging Intense Employee Involvement An organizational culture that prioritizes and rewards sustainability is necessary for high involvement.

The Green Teams and Task Forces, as well as giving staff members the authority to spearhead grassroots projects like workplace recycling drives, energy-saving campaigns, or brainstorming sessions for product lifecycle enhancements, are key motivators.

Acknowledgment and incentives consist of formal acknowledgment or bonuses for green contributions, which have a good correlation with increased engagement and job happiness. Support for Leadership consists of fostering transformational leaders who support green initiatives and give staff members the freedom they require to promote eco-innovation.

Alignment and Business Outcomes Long-term, quantifiable organizational benefits result from integrating employees into a circular approach. As modern professionals seek socially conscious employers, engaged workforces lower a company's environmental footprint, achieve significant operational savings, and enhance retention.

Future Perspectives of GHRM with the Circular Economy

By coordinating employee behaviour with sustainability objectives, integrating Green Human Resource Management (GHRM) with the Circular Economy (CE) redefines workplace strategy. GHRM's future depends on going beyond simple green policies and actively promoting resource optimization, waste reduction, and life-cycle extension throughout entire organizations. The integration's future prospects are influencing contemporary business strategy in a number of crucial ways.

The following are:

1. Outcome-Based CE Metrics: Companies are moving from abstract sustainability objectives to quantifiable CE performance matrices. HR directors are modifying performance management to directly tie pay and promotions to quantifiable goals for material recycling, energy efficiency, and waste reduction.
2. Green Skill Development: The shift to circular business models, such up cycling and remanufacturing, necessitates a thorough up skilling of the workforce. In order to develop employee competences in eco-design, circular supply chain management, and data-driven sustainability tracking, companies now create focused green training programs.
3. AI and Digital Integration: Industry 4.0 and GHRM are closely related. Human resources will use Big Data and AI-powered workforce planning to track sustainability objectives and initiate cyclical recovery procedures.
4. Green Transformational Leadership: The capacity of leaders to promote a green organizational culture is assessed. This guarantees that circular ideas are ingrained in all aspects of daily operations, including sustainable employee relations and the hiring and selection of eco-conscious people.

CONCLUSION

The essential human element of the circular economy is green human resource management. GHRM spearheads the shift away from a "take-make-waste" model by coordinating workforce tactics including green hiring, training, and performance incentives with sustainability objectives. This actively promotes an organizational culture of continuous resource recovery, reuse, and zero waste.

A change from reactive environmental compliance to a proactive, integrated corporate strategy is represented by the integration of GHRM and the Circular Economy. Workforce alignment is crucial because the strategy cannot drive circularity on its own, according to the final conclusions and consequences of this synergy. GHRM makes sure that workers have the particular abilities, know-how, and drive needed to apply waste-reduction, recycling, and remanufacturing techniques.

Enhanced Sustainable Performance includes Businesses that combine circular economy business models with GHRM practices routinely report better overall performance, reaping financial and environmental benefits from lower costs and carbon footprints.

Included in organizational resilience are Organizations gain a competitive advantage by incorporating these ideas. It strengthens stakeholder engagement in resource management and increases capacity to handle external environmental demands.

Establishing a Green Organizational Culture (GOC) underpins innovation by strengthening the connection between circular adoption and HR policies and enabling staff to develop sustainable, closed-loop procedures.

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