

## Leadership Transformation: Adaptation of a Labor Service Provider Company in the Development of Green Human Resource Management (Study at PT Karya Usaha Baru Sidoarjo-East Java)

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**Keywords:** Leadership Transformation, Green Human Resource Management, Outsourcing.

**Abstract:** The purpose of this research is to understand the dynamics of leadership transformation in the development of Green HR at PT Karya Usaha Baru, as well as the strategies used to face and manage these changes. The informants in this research are the General Manager, HRD, Operational Staff, Field Coordinators and workers. The research method used a qualitative case study approach, data collection was carried out by in-depth interviews and observations. This research data analysis uses interactive data analysis. The results showed that the leadership plays an important role in the transformation process of GHRM implementation, especially related to strategy formulation. It was also found that the implementation of GHRM Pt Karya Usaha Baru has not been maximized. However, the company has implemented green employee behavior in aspects of recruitment and selection, employee training and development, compensation and benefits, organizational culture, and performance management. Some of the benefits obtained in the implementation of Green HRM are a healthier work environment, building better relationships with partners and getting a positive response by the general public as well as increasing the performance and productivity of the company.

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## Introduction

The industrial world has developed in tandem with information and technology advancements. The phenomena of the digital sector brings with it a host of new difficulties for every aspect of society. The rise of an information and knowledge society is impacted by this. Players in the industry must adapt to current developments, and implementing management transformation is one way to do this. For more sophisticated and evolved industrial life to continue, transformation is required. Changes in competitiveness, data, innovation, value, and human behavior are the fundamental ideas behind the significance of transformation (Aleksandrovna Zhuravleva & Milos Poliak, 2022). The development of organizational staff competencies in data management and networking, analytics and intelligence, conversion to the physical world, and human-machine interaction is necessary to get the best outcomes in digital transformation (Fahmi et al., 2020).

The success of the industrial management transformation process is greatly aided by the role that organizational leadership plays. The ability of people to act in a way that furthers the goals of the organization and the leader without feeling pressured is a key indicator of a leader's effectiveness. Leadership is the process of persuading others to do as the leader pleases. A leadership style that adapts to the demands of the business and shifts in the management strategy of the company is required in digital industrial management. Changes in competitiveness, data, innovation, value, and human behavior are the fundamental ideas behind the significance of transformation (Aleksandrovna Zhuravleva & Milos Poliak, 2022). In order to guide their staff members in utilizing digital infrastructure that enhances organizational performance, leaders need to possess innovative thinking. A shift known as "electronic leadership" is necessary to control the mindset and style of operation of leaders in the digital sector (e-leadership) (Fahmi et al., 2020)

Globally, both industrialized and developing nations have extensively adopted the idea of green industrial management. By taking social and environmental factors into consideration, this management paradigm seeks to attain economic growth. This is consistent with sustainable development's objective. The traits of an organizational leader must change in order to facilitate the success of green sector management. Green leadership is defined as being enthusiastic, proactive, full of initiative, environmentally sound, and creatively focused on the interests of many people as well as the universe (Lina Saptaria & Sopiah, 2022).

Concurrently, there is a growing dynamic awareness of the phenomenon of human life change in the business, worker, and work domains (Muttaqien, 2014). Among these is the outsourcing corporations' pattern of leadership transition. The system is inextricably linked to the Green Human Resource Management (GHRM) development trend. The acronym for this set of essential practices is GHRM, and it includes things like employee engagement, green pay and benefits, green training, and green recruiting and selection. It goes without saying that GHRM plays a crucial role in the establishment of green practices and norms in businesses (Yong et al., 2020). The world of outsourcing has become an essential component of contemporary business. Businesses are becoming more aware of the advantages and value that come with using service providers in this dynamic climate.

PT Karya Usaha Baru is a company engaged in labor provider services established on September 22, 2005. Where there are several services offered, namely Manpower, Security, Cleaning Service and Customer Service. Based on the results of preliminary observations, it was found that there are several advantages of PT Karya Usaha Baru's outsourced services including, a form of respect for the workforce, as well as fees during the recruitment process charged fairly and not arbitrarily, a commitment "no wage deductions" other than normative ones such as BPJS and Income Tax 21 and developing partnerships with outsourced human resources by re-placement in other companies for employees who perform well.

With 18 years of experience, the company has proven its commitment to the field of labor services. This is inseparable from the Company's ability to adapt to the times. Thus, this research aims to understand the dynamics of leadership transformation in the development of Green HRM at PT Karya Usaha Baru, as well as the strategies used to face and manage these changes.

### **Research Method**

This research was designed with a qualitative method, which is descriptive in nature. Where this research uses case studies, whose targets are people, events, settings, and documents, then these targets are examined in depth as a totality, according to their respective settings or contexts with the intention of understanding the various links that exist between the variables. The location of this research was carried out at PT Karya Usaha Baru Sidoarjo-East Java. Data collection methods are interviews, observations, and documentation. For the determination of informants selected by purposive sampling technique, so that the key informant is the General Manager of PT Karya Usaha Baru with code (A1). While supporting informants are HRD with code (B1), one person each from the Operations staff (B2), field coordinator (B3) and one worker or (B4).

The data analysis procedure goes through several stages, namely: Data Condensation, Data Display, and Conclusion Drawing/Verifications. The validity of this research data uses triangulation. This triangulation is done by researchers with the intention of checking the truth of certain data and comparing it with data obtained from other sources, at various phases of field research at different times triangulation will be carried out in two ways, namely with data sources and method triangulation. Triangulation with sources, using: (1) comparing observation data with interview results; (2) comparing what people say in public with what is said in private; (3) Comparing what people say about the research situation with what is said over time; (4) comparing interview results with related documents. While triangulation with methods, by using ways: (1) checking the degree of confidence in the findings of research results using several data collection techniques; (2) checking several data sources with the same method.

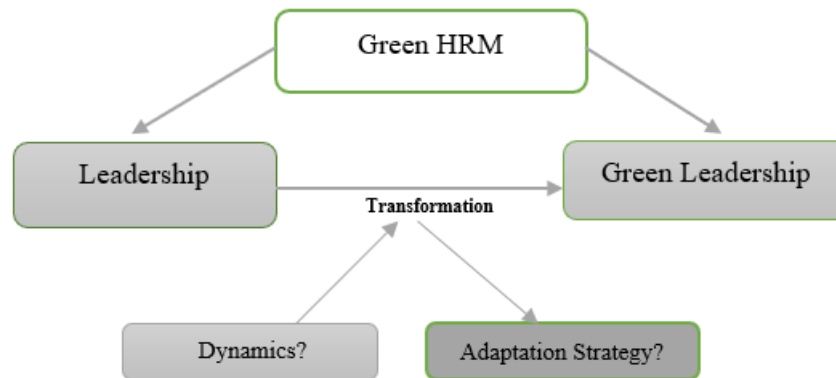


Figure 1. Framework

## Result and Discussion

An essential component of sustainable development for businesses is the environment. In this instance, the corporation directly contributes to the endeavor to lessen the negative effects by directing every activity of the production process with an environmentally friendly approach. Ensuring environmental sustainability must serve as the foundation for environmental management.

Efforts in managing the environment according to Article 1 point 2 of Law No. 32 of 2009 concerning Environmental Protection and Management (Government Regulation of the Republic of Indonesia, 2009), namely that efforts to preserve environmental functions and prevent environmental pollution or damage can be carried out including planning, utilization, control, maintenance, supervision, and law enforcement. Regarding the importance of implementing Green HRM in the company, PT Karya Usaha Baru has carried out a transformation in the organization as a form of implementation in the ability to adapt to change since 2019.

### Leadership Transformation.

In the process of adapting to the implementation of GHRM over the past 5 years, as an organization engaged in service providers or outsourcing, PT Karya Usaha Baru has experienced dynamics in the transformation process in terms of implementing Green HRM itself which is also inseparable from how the company leader plays an important role in his leadership. This was also conveyed by informant A1: "The role of leadership is critical in directing and supporting Green Human Resource Management (Green HRM) change within organizations. Effective leadership can shape an organizational culture that supports sustainability, ensures the implementation of sustainable practices, and inspires employees to contribute to sustainability efforts."

By putting the Green HRM idea into practice, businesses may foster a culture where employees are motivated to work in an environmentally sustainable manner, which will boost productivity, create a healthy work environment, and lessen the negative effects of mining exploitation on the environment. Aspects of hiring and selection, employee training and development, pay and benefits, corporate culture, and performance management are the

foundation for the establishment of the criteria used to create Green HRM implementation strategies (Susan E et al., 2011; Opatha & Arulrajah, 2014).

In the process of change, many challenges have been faced. As the results of the interview with informant A1: "There are many challenges we face in this transformation, in general, including changing the culture of the organization to focus more on sustainability and environmental responsibility, limited financial and technological resources to implement new systems or infrastructure that support, as well as establishing accurate metrics to measure sustainability impacts and compile accountable reports."

This was also conveyed by informant B1: "There are several challenges and obstacles in the GHRM transformation process, namely: related to employee awareness of the work environment, high costs at the initial stage of implementation and the most significant is the change in corporate culture which does require extra time and energy in its implementation". The next interview result obtained by informant B2 said that: "Challenges and obstacles in the GHRM transformation process are the preparation of supporting facilities and infrastructure such as organic, nonorganic and hazardous waste bins and other facilities and infrastructure".

These obstacles are the dynamics of PT Karya Usaha Baru, which the company needs to overcome in order to continue operating and growing. As such, a plan of action is required to address these dynamics. In light of the interview's outcomes, informant A1 declared that: In order to address these issues, we have implemented a number of strategies, which include: 1) Creating a responsible investment plan, looking for outside funding, and using cost-effective technology solutions; 2) Including leaders and staff in the development of new values that support sustainability; 3) Adopting pertinent measurement frameworks like ISO 26000, GRI (Global Reporting Initiative), or other frameworks; and 4) Using technology to automate the reporting process; 4) collaborating with sustainability consultants or legal experts to comprehend and abide by relevant regulations; 5) planning workshops and training sessions, involving staff in learning initiatives, and developing internal resources to enhance comprehension; 6) developing a hiring approach that targets candidates who share sustainability values and developing interview questions that demonstrate a dedication to the environment."

The strategy received a positive response from employees, as said by informant B1: "The strategy is very good if it can be understood thoroughly but still needs further explanation of the application of GHRM". Furthermore, Informant B3 also said that: "The strategy implemented has been effective and all that remains is to monitor employee behavior".

In order to facilitate the implementation of Green HRM, the organization offers a job description that includes environmental management activities. This is consistent with the viewpoint of Mwita (2019), which asserts that employee responsibilities must, whenever and whenever applicable, comprise environmental responsibilities and at least one aspect relevant to environmental preservation. Employers will find it simpler to adopt eco-friendly procedures as a result, and workers will have complete accountability for doing so.

Implementation Green Human Resource Management (GHRM)

Regarding the importance of implementing Green HRM in the company, informant A1 stated that "It is very important because it is a form of environmental responsibility and the company must take part in preserving the environment and employee health will be guaranteed."

The form of Green HRM implementation at PT Karya Usaha Baru is based on the results of Informant A1's interview: "As a form of seriousness in implementing GHRM, we try to apply it to all HRM functions. Starting from recruitment and selection to performance management".

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Eco-friendly principles have been included by the examined organizations into their recruiting and selection process, namely in the areas of candidate selection and interviewing. This is done to get a competitive edge related to sustainability, such as greater eco-efficiency, by getting to know the personalities of potential employees and determining whether they are committed to work oriented toward environmentally friendly principles.

According to informant A1, "in terms of hiring and choosing employees, we carry out sustainable staff selection, which entails modifying the selection standards to consider individuals' aptitudes and interests in sustainability and environmental responsibility. In order to incorporate sustainability concerns into performance evaluations and applicant assessments throughout the selection process, we also carry out ongoing performance evaluations."

Even while the hiring and selection process aims to find candidates who best fit the objectives of the business, new hires still need to get development plans and training. This attempts to align new hires with the company's vision and goals. They can increase public knowledge of the company's operations' negative environmental effects, at the very least.

This is what informant A1 has to say about how sustainability values are implemented: "We include sustainability values into the organizational culture, making sure that every employee is aware of and committed to these values. In addition, we organize employee activities, seminars, and workshops that raise awareness of environmental issues and stress the value of sustainability".

In terms of training and development, it can be said that the company regularly offers seminars to staff members on environmentally friendly competencies and gives them the chance to explore their potential by taking part in employee exchange programs with other mining companies that have more developed Green HRM systems in place.

Green HRM is assessing teams and individuals according to predetermined standards and objectives. The organization can carry out regular evaluations to track teams' and

employees' progress toward reaching them. Environmental incidents, the application of environmental responsibility, and the dissemination of environmental policies and issues are all included in performance evaluations. For instance, to make the assessment process easier, job analysis and design can be put into practice by creating environmentally friendly job descriptions and informing every staff member.

Furthermore, while assessing an employee's performance, it is evident from the duties and responsibilities they have accomplished whether they meet environmentally friendly standards. Thus, the organization must implement performance management as a process and conduct regular evaluations to determine the most effective and efficient way to accomplish environmentally friendly goals. In response to the assertion, Informant A1 said: "with regard to performance appraisals, we provide ongoing feedback that includes employees' performance achievements in implementing sustainable practices"

The completion of PT Karya Usaha Baru's green HRM implementation phases, which include hiring and selection, training, and employee development, pay and benefits, organizational culture, and performance management, can mold employees' personalities and create a commitment to work in an environmentally friendly manner. Furthermore, the corporation has a strong commitment to conducting ethical and sustainable mining operations as a result of implementing green HRM.

One strategy to boost output and demonstrate the company's commitment to environmental sustainability is the adoption of Green HRM. Both top and bottom level management must be fully committed to implementing Green HRM. Implementing green HRM calls for a plan in order to get the best possible outcomes. As the informant B1 interview results: "Employee productivity is increasing due to better employee performance between the environment can synergize so that commitment, it also gets a good response from partners and the general public." This is also in line with what informant B3 said: "After the implementation of GHRM, waste is easier to classify and the facilities and production room are cleaner and healthier". Furthermore, this was also conveyed by informant B4: "Workers can also be more comfortable with an environmentally friendly work environment so that they are able to innovate as a form of contribution to the company."

It is hard to implement green behavior changes within a firm without the active participation and involvement of its employees. This is consistent with the view expressed by Pardhi and Chaudhari (2020), who claim that there will be a favorable influence on the attitudes and behaviors of employees toward environmental protection.

All parties involved must be committed to implementing Green HRM. The outcomes demonstrated that the company's implementation of Green HRM is not flawless. All staff have, however, been encouraged to adopt green behavior by the corporation. By implementing Green HRM in the areas of performance management within the company's work scope, organizational culture, employee training and development, and recruiting and selection, green employee behavior can be created. PT Karya Usaha Baru faces several obstacles and problems in implementing Green HRM, including shifting the organizational



culture to emphasize sustainability and environmental responsibility, having limited financial resources, and raising employee understanding of the workplace.

To minimize the obstacles and challenges that occur, the company provides strategies including: 1) Engaging leaders and employees in shaping new values that support sustainability; 2) Building a careful investment plan, seeking external resources, and utilizing economically efficient technological solutions; 3) Adopting relevant measurement frameworks such as GRI (Global Reporting Initiative), ISO 26000 4) Partnering with legal experts 5) Organizing training and workshops; 6) Building a recruitment strategy. Additionally, businesses gain from the application of Green HRM for people, businesses, and society. A few of these advantages include creating a more positive public reaction, strengthening partnerships, creating a healthier work atmosphere, and raising productivity and performance levels within the organization to foster a green lifestyle and culture.

### Conclusion

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