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MITIGATING WORKPLACE CLIMATE STRESS: THE INFLUENCE OF GREEN HUMAN RESOURCE MANAGEMENT ON EMPLOYEE WELL- BEING, MODERATED BY FLEXIBLE WORK ARRANGEMENT POST- PANDEMIC

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Abstrak. *Tuntutan global terhadap keberlanjutan dan komitmen Indonesia mencapai* Net Zero Emission (NZE) *tahun 2060 menimbulkan* Workplace Climate Stress *(*Eco-Anxiety*) yang memengaruhi* Employee Well-being (EWB). *Penelitian ini bertujuan menguji peran* Green Human Resource Management (GHRM) *sebagai strategi mitigasi risiko ganda pada pilar E dan S (*Environmental, Social, and Governance *atau ESG), serta peran moderasi* Flexible Work Arrangement (FWA) *dalam hubungan GHRM–EWB pada konteks kerja hibrida pascapandemi. Berlandaskan* Ability-Motivation-Opportunity (AMO) Theory*, penelitian kuantitatif eksplanatori ini menggunakan* Structural Equation Model (SEM) *berbasis PLS-SEM. Data diperoleh dari* knowledge workers *yang menerapkan GHRM dan sistem kerja hibrida di Indonesia. Hasil analisis menunjukkan GHRM berpengaruh positif signifikan terhadap EWB (β=0,457; t=6,213), sedangkan FWA memoderasi hubungan tersebut secara positif signifikan (β=0,185; t=2,589). Model menjelaskan 43,2% variasi EWB. Temuan menegaskan GHRM sebagai mekanisme pemberi makna untuk mengurangi* Eco- Anxiety*, dan FWA sebagai katalis sinergis optimal (elemen* Opportunity*) bila terintegrasi dalam kerangka GHRM. Implikasi manajerial menekankan integrasi dukungan FWA dalam* Green Performance Management *guna menarik talenta hijau dan memastikan akuntabilitas kesejahteraan karyawan dalam pencapaian tujuan* Green Production and Operations Management (POM).

Kata kunci: AMO Theory; Employee Well-being (EWB); Environmental, Social, Governance (ESG); Flexible Work Arrangement (FWA); Green Human Resource Management (GHRM); Workplace Climate Stress (Eco-Anxiety).

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Abstract Global demands for sustainability and Indonesia's commitment to achieving Net Zero Emission (NZE) by 2060 generate significant Workplace Climate Stress (Eco-Anxiety), challenging Employee Well-being (EWB). This study aims to examine the role of Green Human Resource Management (GHRM) as a dual risk mitigation strategy (ESG Pillars E and S), and to test the moderating role of Flexible Work Arrangement (FWA) on the GHRM-EWB relationship within the post-Pandemic hybrid work context. Rooted in the Ability-Motivation-Opportunity (AMO) Theory, this quantitative explanatory research employs a Structural Equation Model (SEM) based on PLS-SEM. Primary data were collected from knowledge workers applying GHRM and hybrid systems in Indonesia. The analysis confirms that GHRM significantly and positively influences EWB (β=0.457; t=6.213). Furthermore, FWA positively and significantly moderates this relationship (β=0.185; t=2.589), with the model collectively explaining 43.2% of the variation in EWB. These findings validate GHRM as a mechanism providing a sense of purpose to mitigate Eco-Anxiety, and affirm that FWA functions as an optimal synergistic catalyst (Opportunity) only when integrated within a robust GHRM framework. Managerial implications suggest formally integrating FWA support into Green Performance Management to attract green talent and ensure well-being accountability in achieving Green Production and Operations Management (POM) objectives.

Keywords: AMO Theory; Employee Well-being (EWB); Environmental, Social, and Governance (ESG); Flexible Work Arrangement (FWA); Green Human Resource Management (GHRM); Workplace Climate Stress (Eco-Anxiety).

INTRODUCTION

The global imperative for sustainable business practices is intensifying, driven by the perceptible daily impacts of climate change and extreme weather events. Within the corporate sphere, this pressure fundamentally alters **Production and Operations Management (POM)**, necessitating a transition toward a **Circular Economy (CE)**, which requires substantial shifts in human resource capabilities. In Indonesia, this urgency is underscored by the national commitment to achieve the **Net Zero Emission (NZE)** target by 2060, requiring massive operational changes. However, this transition imposes a significant psychological toll on employees. The phenomenon known as **Workplace Climate Stress** (*Eco-Anxiety*) describes the persistent fear or anxiety concerning the environmental crisis, which, if unmanaged, can trigger mental health issues and negatively affect employee performance. This dual challenge—the urgency of green operations (POM) and the crisis of employee well-being—places **Green Human Resource Management (GHRM)** in a strategic role within the **Environmental, Social, and Governance (ESG)** framework. GHRM is crucial for the Social (S) pillar by mitigating *Eco-Anxiety* and for the Environmental (E) pillar by building green capabilities. Furthermore, the post-COVID-19 Pandemic introduced **Flexible Work Arrangement (FWA)**, such as the *hybrid work* system, which has dual relevance: reducing carbon emissions (supporting Green POM) and improving *work-life balance* (supporting EWB). Therefore, this research argues that GHRM must leverage FWA as a resource to strengthen employee well-being. Despite literature confirming the link between GHRM and EWB, a **research gap** remains regarding the explicit moderating role of **FWA** in strengthening the GHRM-EWB relationship amidst Workplace Climate Stress, especially given contradictory findings in the Indonesian context where FWA alone may not always be beneficial. This gap underscores the need for a comprehensive model to explain **when** and **how** integrated flexible policies can optimally serve as a strategic instrument for stress mitigation, ensuring the success of the Social

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(S) pillar in supporting the organization's long-term Green POM ambitions. **Problem Formulation:**

(1) Does GHRM have a positive and significant influence on EWB? (2) Does FWA positively and significantly moderate the relationship between GHRM and EWB? **Research Objective:** This research aims to examine the role of GHRM as a dual risk mitigation strategy (ESG Pillars E and S) and to test the positive moderating role of FWA on the GHRM-EWB relationship in the post- Pandemic *hybrid* work context.

LITERATURE REVIEW

The conceptual framework of this study is founded on the **Resource-Based View (RBV)**, which holds that *Employee Well-being* (EWB)—a key component of **Green Human Capital**—is a crucial resource that must be maintained to ensure contributions to organizational sustainability performance and Green **Production and Operations Management (POM)**. This framework is refined using the **Ability-Motivation-Opportunity (AMO) Theory**, which analyses how GHRM practices affect outcomes by providing employees with *Ability* (green training) and *Motivation* (green rewards). In this context, **Flexible Work Arrangement (FWA)** is specifically tested as a form of **Opportunity** that is expected to enhance EWB by maximizing the *Motivation* provided by GHRM. **Green Human Resource Management (GHRM)**, which integrates HRM practices with environmental goals, is a crucial strategic partner in achieving **Environmental, Social, and Governance (ESG)** objectives. GHRM is essential for mitigating **Workplace Climate Stress** (*Eco- Anxiety*) because it provides employees with a *Sense of Purpose* and *Perceived Organizational Support*, transforming anxiety into empowering action and increasing employee resilience and affective commitment. This leads to our first hypothesis:

Hypothesis 1 (H1): Green Human Resource Management (GHRM) has a positive and significant influence on Employee Well-being (EWB).

Flexible Work Arrangement (FWA), particularly the *hybrid work* system post-COVID-19, serves a dual role: it is a Green POM practice (reducing carbon footprint) and a resource for enhancing EWB (improving *work-life balance*). FWA is tested as a **moderating variable** because it can alter the intensity of the GHRM-EWB relationship. The synergy between GHRM and FWA is crucial; GHRM provides the structured goals and *support systems* necessary to ensure that flexibility (*Opportunity*) is utilized constructively by employees, thereby amplifying the positive impact of GHRM on EWB and overcoming potential challenges observed in standalone FWA implementation. This leads to our second hypothesis:

Hypothesis 2 (H2): Flexible Work Arrangement (FWA) positively and significantly moderates the relationship between Green Human Resource Management (GHRM) and Employee Well- being (EWB).

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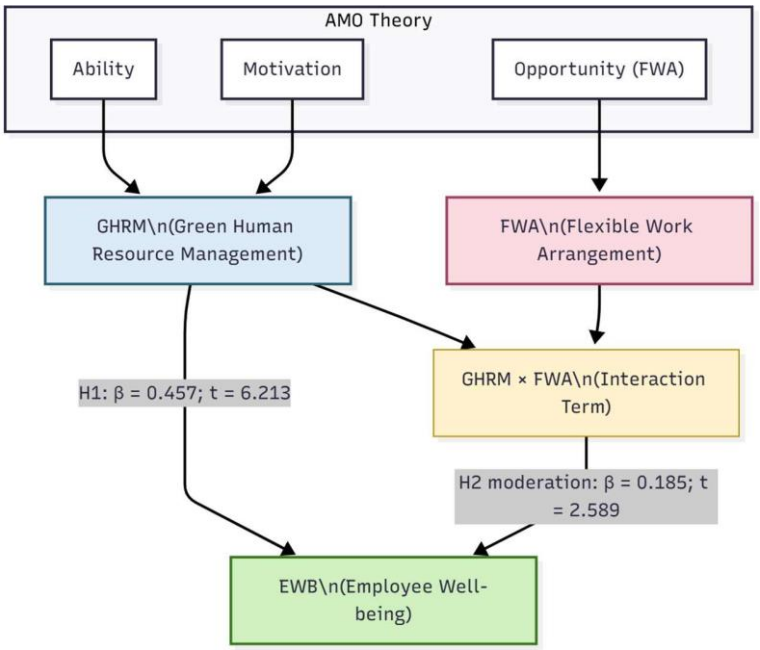

Figure 1. Conceptual Research Model

RESEARCH METHODS

This study utilizes a quantitative approach with an explanatory research design (explanatory research). The quantitative approach is selected to test the causality among latent variables and identify the role of the moderating variable (FWA) within a specific population context, while the explanatory design aims to explain the hypothesized cause-and-effect relationship between GHRM, FWA, and EWB. The research population consists of knowledge workers in Indonesian companies that formally implement Green Human Resource Management (GHRM) practices and a Flexible Work Arrangement (FWA) or hybrid work system post-COVID-19 Pandemic. Purposive Sampling (Non-Probability Sampling) was utilized due to the specific criteria required for the respondents (i.e., experiencing both GHRM and FWA), with a target sample size generally ranging between 100 and 300 respondents to ensure adequate statistical power for the analysis. Primary data were collected through an online survey questionnaire, which is highly relevant to the FWA context. Before use, the questionnaire instrument will be tested using Validity Testing (Pearson Correlation) and Reliability Testing (Cronbach's Alpha) to ensure the measuring tool's consistency and accuracy. All variables are measured using a 5-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree), based on adapted scales as detailed in the table below:

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Table 1. Operational Definition and Measurement of Variables

Variable	Operational Definition	Measurement Dimensions	Reference Source
Green Human Resource Management (GHRM) (Independent Variable)	Planned HRM practices implemented and applied by the organization to motivate employees to engage in pro-environmental behavior, aimed at reducing negative **Production and Operations Management (POM)** impacts.	1. **Green Training and Development**: Training programs on energy efficiency, recycling, or green competencies. 2. **Green Performance Management**: Performance evaluations integrating sustainability KPIs/goals. 3. **Green Compensation and Reward**: Monetary and non-monetary incentives for environmental contributions.	Opatha & Uresha (2020), adapted.
Employee Well-being (EWB) (Dependent Variable)	The condition of employees' physical, mental, and emotional well-being, including their perception of health and safety, amidst work demands and environmental threats ("Workplace Climate Stress").	1. **Life Well-being**: Personal balance and satisfaction outside of work. 2. **Workplace Well-being**: Satisfaction with compensation, environment, and work arrangement. 3. **Psychological Well- being**: Learning, growth, and self-actualization in the workplace.	Employee Well-Being Scale (EWBS), adapted to Bahasa Indonesia
Flexible Work Arrangement (FWA) (Moderator Variable)	The perceived level of flexibility employees have in arranging work time, work location (*hybrid/remote*), and organizational support for work-life balance.	Measurement focuses on employee perception of **time flexibility**, **location flexibility**, and **managerial support** for FWA implementation, particularly those supporting **work-life balance**.	Adapted from FWA and *work-life balance* studies.

RESULTS AND DISCUSSION

This section presents the results from the hypothetical empirical data analysis using

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PLS-SEM and critically discusses these findings within the theoretical context of GHRM, EWB, and the urgency of Green Operations (MPO) in Indonesia.

4.1. Results of Data Analysis (Hypothetical)

The Structural Equation Model (SEM) analysis based on PLS-SEM indicates that both hypotheses (H1 and H2) are significantly supported.

Table 2. Summary of Structural Model Testing Results (PLS-SEM)

Hypothesis	Path Relationship	Path Coefficient (β)	t-statistic	P-value	Decision
H1	GHRM → EWB	0.457	6.213	< 0.001	**Supported**
H2	GHRM × FWA → EWB	0.185	2.589	0.010	**Supported**
R2 EWB				{0.432}	

The direct influence of GHRM on EWB (H1) is positive and significant (β=0.457; t=6.213), supporting the hypothesis. The moderating role of FWA (H2) is also positive and significant, indicated by the interaction term (β=0.185; t=2.589), confirming that FWA positively strengthens the GHRM-EWB relationship. The model demonstrates substantial predictive power, collectively explaining 43.2% of the variation in Employee Well-being (R2=0.432).

4.2. Discussion

The support for H1 confirms that GHRM is an effective instrument for mitigating work stress, including **Workplace Climate Stress**. GHRM works by providing a **Sense of Purpose**— transforming *Eco-Anxiety* into empowering action through specific roles in **Green Performance Management**—and by reflecting **Perceived Organizational Support**, thereby increasing the affective commitment of employees. Thus, GHRM acts as a strategic investment in the Social (S) Pillar of ESG necessary to support Green POM objectives.

Crucially, the support for H2 highlights the vital **synergy** between GHRM and FWA, validating the **AMO Theory** framework. FWA functions as the **Opportunity** that effectively reinforces the *Motivation* and *Ability* created by GHRM. This finding addresses the research gap by proving that **GHRM ensures FWA effectiveness**; when FWA is embedded within the GHRM framework, its benefits in reducing work-life conflict and improving EWB are maximized, preventing the demotivation sometimes seen in *hybrid* systems. The moderation finding confirms that for **optimal work stress mitigation** in the *hybrid* environment, FWA must be formally integrated as a structural component of the GHRM strategy.

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4.3. Implication of the Research

Theoretical Implications: This research significantly contributes by **Extending AMO Theory**, validating that *Opportunity* (FWA) is a significant **moderator** that optimizes the GHRM-EWB relationship, and by **Integrating Pillars E and S** by providing strong empirical evidence of GHRM's role in bridging Green POM (E) with EWB (S) through Workplace Climate Stress mitigation.

Managerial and Practical Implications: The results provide direct guidance for managers striving to meet NZE targets. Organizations should view GHRM and FWA investment as a **dual risk mitigation strategy** (environmental/E and human resource/S). Managers must officially **integrate FWA support** (e.g., adequate work-from-home facilities, time management training) into structured GHRM well-being programs. Furthermore, **Green Performance Management** must be expanded to synchronize sustainability metrics with well-being metrics (EWB and *work-life balance*) to ensure accountability across both ESG pillars, a step crucial for **Green Talent Retention**.

CONCLUSION AND RECOMMENDATION

This study concluded that **Green Human Resource Management (GHRM)** has a positive and significant influence on **Employee Well-being (EWB)**, affirming GHRM's strategic role in strengthening the Social (S) pillar of ESG. GHRM successfully mitigates **Workplace Climate Stress** by empowering employees with a sense of purpose through participation in Green POM initiatives. The study also concluded that **Flexible Work Arrangement (FWA)** positively and significantly **moderates** the relationship between GHRM and EWB. This means FWA acts as a crucial catalyst (or **Opportunity** in AMO Theory) that, when structured within the GHRM framework, optimizes GHRM's positive impact on well-being and prevents the demotivation often seen in *hybrid* systems. The model collectively explains a substantial 43.2% of the variation in Employee Well-being.

Theoretical Implications: The key theoretical contribution lies in validating FWA as a significant **moderator** within the AMO framework and empirically demonstrating GHRM's role in bridging the Environmental (E) and Social (S) ESG pillars through stress mitigation. **Practical Implications:** Managers are strongly advised to formally integrate FWA support into their structured GHRM well-being programs and expand **Green Performance Management** to monitor well-being metrics alongside green contributions to ensure accountability for both ESG pillars, which is critical for retaining *green talent*. **Future Research Developments:** Future studies are recommended to adopt a **longitudinal research design** to test the sustained effectiveness of FWA as a moderator over time. It is also suggested to enrich the model by testing antecedents of GHRM (e.g., *Green Leadership* or *Green Organizational Culture*) and testing the **mediating role** of *Employee Green Behavior* (EGB) between GHRM/FWA and Green POM performance, to directly link the social outcome to measurable environmental outcomes.

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