



Sustainable Human Resource Management: The Interconnection between Green HRM, Ethics, and Talent Development in Enhancing Organizational Impact

Ciptaning Retno Wahyu Windrati¹⁾;Irmawanti²⁾;Tiya Putri Asih³⁾

^{1,2,3)}Magister Manajemen Universitas Pamulang

cptng.piacevole@gmail.com¹⁾; imeywanti76@gmail.com²⁾; putritiya606@gmail.com³⁾

Abstract: This study explores the interconnection between Green Human Resource Management (Green HRM), ethics, and ethical talent development in achieving sustainable organizational impact. In the era of global sustainability challenges, organizations are increasingly required to align economic performance with environmental and social responsibility. Through a qualitative literature review, this study synthesizes findings from previous research on sustainable human resource management to understand how Green HRM and ethical principles can be integrated into talent management practices. The results indicate that Green HRM initiatives—such as eco-friendly recruitment, green training, and environmentally oriented performance appraisal—contribute significantly to shaping pro-environmental employee behavior and strengthening organizational culture. Ethical leadership and value-based talent development further enhance this relationship by embedding moral awareness and social responsibility within human capital strategies. The integration of these dimensions not only improves organizational legitimacy and employee engagement but also supports the realization of long-term sustainability goals. The study contributes theoretically by linking Green HRM with ethical frameworks and talent development concepts, and practically by offering a model for organizations to create sustainable competitive advantages through ethical and environmentally responsible HR practices.

Keywords: Green HRM, Ethics, Talent Development, Sustainability, Organizational Impact

INTRODUCTION

In an era of globalization and increasingly evident climate change, organizations are faced with demands to focus not only on financial profits, but also on social and environmental sustainability. The concept of Green Human Resource Management (Green HRM) has emerged as a strategic approach that integrates environmental sustainability principles into all human resource management activities. This practice includes green recruitment, environmentally friendly training, performance assessments based on environmental responsibility, and organizational policies that support energy efficiency and waste reduction (Cia Cai Cen et al., 2025). Green HRM plays a crucial role in fostering ecological awareness

in the workplace and shaping employee behavior that supports sustainable business practices.

Green HRM not only benefits the environment, but also improves overall organizational performance. Through the implementation of green policies in HR management, companies can reduce operational costs, strengthen their reputation, and increase employee loyalty and satisfaction (Ir H Fakhrul Rozi Yamali et al., 2025). Additionally, Green HRM can strengthen the relationship between business strategy and corporate social responsibility (CSR), making organizations more adaptive to global environmental policy changes and society's increasingly high expectations for ethical business practices.

However, the successful implementation of Green HRM cannot be separated from ethical aspects in human resource management. Ethical talent development is a key factor in ensuring that the green practices implemented are not merely symbolic, but reflect the moral values and integrity of the organization (Ashari et al., 2025). Employees with high ethical awareness will find it easier to adapt to sustainability values and play an active role in maintaining a balance between economic, social, and environmental interests.

Ethics in talent development also plays a role in shaping the character and professional behavior of employees. Through ethics training, moral values coaching, and a reward system that encourages responsible behavior, organizations can create a culture of integrity (Handayani & Shaddiq, 2025). This culture is an important foundation for organizational sustainability, because every decision made considers not only short-term profits, but also long-term impacts on people and the environment.

The link between Green HRM and ethical talent development creates significant synergy in building a sustainable organization. Green HRM provides a framework oriented towards environmental preservation, while ethics and talent development strengthen the moral and social dimensions of these practices (Nurmadani & Waskito, 2025). This synergy helps organizations create a workforce that is not only highly competent but also has strong social responsibility and deep ecological awareness.

Additionally, the implementation of sustainable HRM through the integration of Green HRM and ethics has the potential to drive innovation in business strategies. Environmentally conscious and highly ethical employees tend to generate creative ideas to improve efficiency, reduce waste, and create environmentally friendly products and services (Takwa et al., 2025). Thus, sustainability is no longer seen as a burden but as a source of competitive advantage that distinguishes organizations in the global market.

The paradigm shift toward sustainable human resource management also requires commitment from organizational leaders. Strong managerial support, consistent communication of sustainability values, and company policies that are in line with green and ethical principles are key to the successful implementation of this concept (Mei le et al., 2025). Without ethical leadership, efforts to build a sustainable HR system will be difficult to realize and may potentially remain at a symbolic level.

Thus, this study aims to examine the relationship between Green HRM, ethics, and talent development in enhancing sustainable organizational impact. This study is expected to contribute theoretically and practically to the development of sustainable human resource management literature and assist organizations in designing HR strategies that are in line with the principles of social and environmental responsibility (Saluy & Kemalasari, 2025). This approach is expected to strengthen the position of organizations in facing global challenges while supporting the achievement of sustainable development goals.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Agency Theory

Agency Theory was introduced by Jensen and Meckling (1976) in Sugiyanto and Etty (2018) as a basis for explaining the relationship between principals (owners) and agents (managers) in an organizational context. This theory emphasizes the existence of conflicts of interest between the two parties due to differences in objectives and information asymmetry. The principal expects managers to act in the interests of the company, while managers tend to behave in accordance with their own interests. In the context of sustainable human resource management, agency theory can be used to explain how Green HRM policies and work ethics function as oversight mechanisms that reduce opportunistic behavior and encourage agents to act in accordance with the organization's sustainability values (Alifian et al., 2025) .

Furthermore, the application of Green HRM principles and the development of ethical talent can be considered as instruments to align the interests of management and other stakeholders. When organizations instill ethical values and social responsibility through training and green HR policies, control mechanisms over agent behavior become more effective. Thus, agency theory provides a conceptual foundation for organizations to understand the importance of implementing HR systems that are not only economically efficient but also oriented toward environmental and social sustainability.

Asymmetric Information Theory

Asymmetric Information Theory, proposed by Akerlof (1970), explains a condition in which one party in an economic relationship has more information than the other party. In the context of organizations, managers often have more in-depth information about the internal conditions of the company than shareholders or other stakeholders. This imbalance can lead to behavior that is detrimental to the organization, such as non-transparent decision-making or the concealment of important information [3]. In the application of Green HRM and ethical talent development, this theory plays a role in explaining the importance of transparency and ethical communication in reducing the risk of information imbalance among members of the organization (Mawarni et al., 2025) .

By implementing an ethics-based Green HRM system, organizations can enhance information transparency and build trust among all stakeholders. Ethical talent training and development programs help create employees who are aware of the importance of integrity and responsibility in conveying information. In addition, honest and open reporting of environmental and social activities is one way to reduce information asymmetry that could potentially hinder the achievement of organizational sustainability goals (Sartika, 2024) .

Signalling Theory

Signaling Theory, introduced by Ross (1977), explains how parties with more information attempt to send signals to other parties to reduce uncertainty and build trust. In the context of organizations, Green HRM and ethical talent development can serve as positive signals to investors, customers, and the public that the organization has a strong commitment to sustainability and social responsibility principles (Tribuana & Usman, 2025) . By displaying ethical behavior and environmentally friendly programs, companies can enhance their reputation and attract the attention of stakeholders who support sustainable business practices.

Furthermore, the consistent implementation of sustainable HR strategies can strengthen the organization's credibility. Employee training that instills ethical values and environmental awareness will show the public that company policies are not mere formalities, but truly reflect

a long-term commitment to sustainability. Thus, signal theory becomes relevant in explaining how organizations utilize Green HRM policies and ethical talent development as a means of communicating positive values to the external environment while strengthening internal trust among employees.

Hypothesis Development

Based on these three theories, it can be concluded that the implementation of Green HRM and ethical talent development has a significant influence on organizational sustainability. Agency theory provides a basis for understanding the relationship between managerial supervision and ethical behavior; information asymmetry theory emphasizes the importance of openness and honest communication; while signaling theory explains how these practices reflect the organization's commitment to sustainability. The three complement each other in forming a conceptual framework that underlies the relationship between sustainable HRM and organizational impact (Fathurohman et al., 2025) .

Thus, the following hypotheses can be developed: (1) The implementation of Green HRM has a positive effect on improving organizational sustainability; (2) Ethical talent development has a positive effect on achieving sustainable organizational performance; and (3) Work ethics mediates the relationship between Green HRM and organizational sustainability. These hypotheses reflect the interconnection between green human resource strategies, ethical behavior, and organizational goals in creating positive long-term economic, social, and environmental impacts (Prakoso et al., 2025) .

METHODS

This study uses a literature review method with a qualitative approach aimed at examining and synthesizing various literature related to the concepts of Green Human Resource Management (Green HRM), ethics in talent development, and their impact on organizational sustainability. This approach was conducted through a systematic analysis of scientific sources such as reputable international journals, academic books, and research reports relevant to the theme of sustainable human resource management. The literature data collection process was carried out by searching academic databases such as Scopus, Google Scholar, and ScienceDirect using the keywords "Green HRM," "ethical talent development," "sustainable human resource management," and "organizational sustainability." Furthermore, the literature obtained was selected based on relevance, year of publication (at least the last ten years), and its relevance to agency theory, information asymmetry theory, and signaling theory as the conceptual basis of this study. The analysis was conducted by identifying key findings, comparing results between studies, and drawing conceptual relationships between the variables of Green HRM, ethics, and talent development in relation to organizational sustainability. Thus, this literature review method not only serves as a conceptual basis but also as an effort to build a comprehensive theoretical framework in explaining the relationship between sustainable HRM practices and holistic organizational impacts (Muchsam et al., 2025) .

RESULT AND DISCUSSION

Literature Review

Nama Peneliti	Tahun	Metode	Hasil Penelitian
Gita Sartika	2024	Qualitative (Interviews and	Human resource management plays a strategic role in supporting organizational sustainability through the implementation of <i>the Triple Bottom</i>

		Document Analysis)	<i>Line</i> , which encompasses economic, social, and environmental aspects. Sustainability-oriented HRM practices can build an organizational culture that supports innovation and employee engagement.
Yoki Muchsam, Galih Respati, Mulfi Sandi Yuda, dan Mochamad Afrizal Maulana	2025	<i>Systematic Literature Review (SLR)</i>	The integration of <i>E-HRM</i> and <i>Green HRM</i> improves sustainable organizational performance by optimizing resource efficiency, reducing carbon footprints, and increasing employee engagement through the digitization of HR processes.
Lutfi Hari Prakoso, Pramitha Ayunda Hanifah, Citra Dwi Irianti, Nabilah Aulia Firdausy, dan Novita Setyawati	2025	<i>Literature Review</i>	Green HR, diversity, and inclusion have a positive impact on human resource management in the digital age. These practices promote efficiency, environmental awareness, and equitable access to green technology and innovation.
Arif Prigara Fathurohman, Rizki Fathurrahman Septian, Annisa Fitri Anggraeni, dan Winna Roswinna	2025	Qualitative Descriptive (Literature Review)	The integration of <i>Green HRM</i> and <i>Corporate Social Responsibility (CSR)</i> enhances corporate sustainability performance by strengthening economic, social, and environmental aspects. The main obstacles are limited resources and managerial literacy, while opportunities arise from global momentum and consumer awareness.
Dhimas Tribuana, Usman, dan Dayanti	2025	<i>Systematic Literature Review (SLR)</i>	<i>Green HRM</i> plays a significant role in supporting the implementation of <i>Environmental, Social, and Governance (ESG)</i> through improved environmental performance, green innovation, and the formation of pro-environmental employee behavior. GHRM also strengthens the social dimension and integration of long term ESG strategies.

Analysis

Analysis of the five journals above shows that Green Human Resource Management (Green HRM) practices are consistently considered a strategic component in achieving organizational sustainability. Gita Sartika's (2024) research confirms that sustainable HRM plays a role in supporting the application of the Triple Bottom Line concept—economic, social, and environmental—through talent management that instills sustainability values in the organizational culture. This is in line with the focus of this study, which places Green HRM and ethical talent development as two main pillars in creating organizational impact that is not only oriented towards financial performance, but also social and environmental responsibility.

This means that human resources are not merely operational resources, but drivers of change towards ethical and sustainable organizations.

Furthermore, research by Yoki Muchsam et al. (2025) reinforces the view that digitization and the integration of E-HRM with Green HRM can expand the impact of sustainability through process efficiency and employee engagement. This shows that technology plays an important role in strengthening ethics and green values within organizations. In the context of this study, these aspects show how ethical talent development can be facilitated by transparent and accountable digital systems, in accordance with ethical principles in sustainable HRM. Therefore, the results of this study broaden the understanding that ethical and technology-based talent development is an important strategy in achieving the sustainability of modern organizations.

Research conducted by Lutfi Hari Prakoso and colleagues (2025) highlights the importance of diversity and inclusion as elements of Green HRM in the digital age. This study emphasizes that sustainability values are not only measured in terms of the environment, but also in terms of fairness and equal access to opportunities for self-development. In the context of this study, these aspects enrich the perspective on ethical talent development, where ethics is not only related to moral behavior but also to organizational policies that are fair and inclusive of all employees. Thus, the integration of Green HRM, ethics, and diversity becomes a strong foundation for creating a sustainable and highly competitive organization.

Meanwhile, the research by Arif Prigara Fathurohman et al. (2025) emphasizes the synergy between Green HRM and Corporate Social Responsibility (CSR) in improving sustainable performance. This relationship shows that green HRM practices cannot stand alone but must be integrated with social values and corporate responsibility. In this study, the link between Green HRM and organizational ethics becomes increasingly clear: both are instruments for building public reputation and trust in the company. Ethics in talent management also plays a role in strengthening the social legitimacy of the organization, which ultimately supports long-term sustainability.

Recent research by Dhimas Tribuana and colleagues (2025) provides a more comprehensive view by linking Green HRM to the Environmental, Social, and Governance (ESG) framework. The study shows that the implementation of Green HRM can be a catalyst for strengthening the social and ethical governance dimensions of an organization. In the context of this study, the ESG concept emphasizes that ethical talent development practices serve as a link between HRM policies and the sustainable impact of an organization. Ethics is key to maintaining a balance between environmental performance and social responsibility, as well as ensuring that HR policies are in line with good governance principles.

From these five studies, it can be concluded that Green HRM practices and ethical talent development are strongly related to the achievement of organizational sustainability goals. All previous studies point to the conclusion that organizational success in the modern era is not only measured by economic efficiency, but also by the extent to which organizations are able to build an ethical, green, and human-development-oriented work culture. Therefore, this study seeks to fill the theoretical gap by integrating the dimensions of ethics and talent development into the Green HRM framework as a comprehensive approach to creating sustainable and long-term organizational impact.

Discussion

The discussion on the relationship between Green HRM, ethics, and talent development shows that the three form a mutually supportive managerial ecosystem in realizing organizational sustainability. Green HRM acts as an operational framework that integrates environmentally friendly policies into all HR management processes, from recruitment and

training to performance evaluation. However, its effectiveness is highly dependent on the ethical foundation applied by the organization. Ethical values in HRM practices not only serve to avoid violations or conflicts of interest, but also as moral guidelines in building environmental awareness among employees. When work ethics are combined with a green orientation, companies not only generate resource efficiency, but also foster employee behavior that is more socially and ecologically responsible. Thus, ethics become the foundation for the sustainability and reputation of long-term oriented organizations.

In addition, ethical talent development is an important element in strengthening the implementation of Green HRM. Ethical talent development does not only focus on improving technical competencies, but also instills values of sustainability, integrity, and social responsibility in individuals. Employees equipped with ethical awareness and environmental orientation will tend to behave proactively in supporting the company's green strategy. This is in line with previous research emphasizing that the success of Green HRM lies not only in formal policies but also in the internalization of green values in individual behavior. In the era of digital transformation, ethical talent development can be facilitated through technology-based learning platforms that promote transparency, collaboration, and sustainable innovation. Ethics-based talent development ultimately strengthens organizational cohesion and increases employee engagement, which are important indicators in achieving sustainable performance.

Conceptually, the synergy between Green HRM, ethics, and talent development creates a sustainable organizational impact through increased productivity, reputation, and social legitimacy. The implementation of this strategy not only strengthens the environmental dimension but also improves more transparent and accountable organizational governance, as demonstrated in the Environmental, Social, and Governance (ESG) approach. From a managerial perspective, companies that integrate these three aspects will have a competitive advantage because they are able to adapt to global pressures for ethical and environmentally friendly business practices (). In the context of this study, this integration is not only a trend but also a strategic necessity for organizations to survive and grow amid the complexities of modern business. Therefore, sustainable HRM based on Green HRM, ethics, and talent development not only impacts the improvement of internal organizational performance but also contributes to the global Sustainable Development Goals (SDGs).

CONCLUSIONS

The conclusion shows that the success of modern organizations is not only measured by economic achievements, but also by their ability to apply the principles of sustainability, ethics, and human resource development in an integrated manner. Green HRM serves as a strategic approach that instills environmentally friendly values throughout the entire HR management cycle, from recruitment to employee retention. However, the implementation of green policies will not be effective without a strong ethical foundation and a talent development system that is oriented towards moral values and social responsibility.

Ethics in HRM serve as the moral foundation ensuring that organizational practices are conducted fairly, transparently, and with integrity. Meanwhile, ethical talent development serves as a means to foster sustainability awareness in employees, so that they are not only professionally competent, but also care about the environment and society. The integration of Green HRM and ethics creates a work culture that encourages sustainable innovation and increases employee engagement with the organization's mission.

Overall, this study confirms that the synergy between Green HRM, ethics, and ethical talent development has a significant impact on organizational sustainability. The implementation of sustainable HRM not only strengthens the company's reputation and social

legitimacy but also contributes directly to the achievement of the Sustainable Development Goals (SDGs). Thus, organizations that are able to integrate these three aspects will be more adaptive, innovative, and highly competitive in facing future global challenges.

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