

The Impact of Climate Change on Human Resource Practices: A Critical Review of Emerging Trends and Adaptations

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ABSTRACT

Climate change is reshaping industries globally, with profound implications for Human Resource Management (HRM). This paper critically examines how climate change influences HR practices by analyzing existing research on the topic, focusing on its impact on workforce planning, employee well-being, corporate social responsibility (CSR), and organizational sustainability. By drawing on multiple studies, this review highlights key gaps in current HR strategies and emphasizes the importance of adopting sustainable and adaptive HR practices. The paper also discusses how organizations can align their HR functions with environmental goals to ensure resilience in an evolving climate landscape. By integrating these findings, this review provides a roadmap for future HR strategies in a changing climate.

KEYWORDS: Climate Change, Human Resource Management, Employee Wellbeing, Corporate Social Responsibility

INTRODUCTION

The global threat of climate change has widespread implications for businesses, governments, and societies. While the direct environmental impacts are well-documented, climate change's effects on organizational structures and HR practices have received growing academic

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attention. The urgency of addressing climate change is no longer confined to environmentalists or governments; it has become a critical issue for businesses worldwide. Global warming, extreme weather conditions, and shifts in environmental patterns are posing significant risks to industries across the board, influencing not just operations but also human capital management. For organizations, the ability to adapt to climate change has become a core competitive differentiator. While the conversation around sustainability traditionally focused on operational processes—such as reducing carbon footprints or transitioning to renewable energy—there is an increasing recognition that Human Resource Management (HRM) must also be part of this transformation. HR professionals are at the forefront of facilitating organizational adaptability to climate risks by implementing sustainable policies, promoting environmental responsibility among employees, and ensuring the well-being of the workforce amidst changing environmental conditions.

Practical implications of climate change are evident in top organizations like Google, which has been a leader in integrating sustainability into its business strategy. Google's sustainability initiatives go beyond reducing operational carbon footprints; they directly influence the company's HR practices. The ability of businesses to adapt to climate risks depends significantly on their human capital, making HR a pivotal player in this process. Furthermore, the company's HR department plays a pivotal role in shaping Google's corporate social responsibility (CSR) agenda. Google actively encourages its employees to participate in green initiatives through volunteering programs, internal environmental awareness campaigns, and by rewarding sustainable behavior. These practices not only increase employee engagement but also ensure that sustainability goals are achieved from the ground up, involving every layer of the organization. For instance, Google's green recruiting strategies have expanded to attract candidates with expertise in renewable energy and environmental sciences, demonstrating how HR is evolving to meet the demands of a changing world.

In this way, the role of HR is expanding from traditional functions like recruitment and employee relations to include sustainability advocacy, risk mitigation, and workforce resilience planning. This review critically examines the literature on the role of HR in climate adaptation, focusing on how organizations are recalibrating their workforce management strategies to address environmental challenges.

LITERATURE REVIEW

Strategic Workforce Planning and Talent Acquisition

Research has consistently emphasized that climate change disrupts traditional workforce planning and demands new talent acquisition strategies. According to O'Donovan et al. (2020), the shift towards sustainability has increased the demand for workers skilled in environmental sciences, sustainability management, and renewable energy. This shift compels HR departments to reconsider their recruitment practices and prioritize candidates with expertise in green technologies. Similarly, a study by Renwick et al. (2013) on Green Human Resource Management (GHRM) highlighted the role of HR in building a workforce capable of driving sustainability initiatives within organizations. The authors argue that HR departments must take a proactive stance in developing green job roles and training programs that align with the organization's environmental goals (Renwick et al., 2013).

However, critics like Deloitte (2018) point out that while talent acquisition efforts are shifting towards green skills, many organizations are still lagging in incorporating comprehensive climate-related risk assessments in their HR strategies. These gaps leave many businesses unprepared for climate-related disruptions in key industries like agriculture and construction, where labor shortages due to extreme weather are already evident. HR must thus collaborate with operational teams to better anticipate climate risks and align workforce planning with long-term sustainability goals.

Recent research has also explored the growing importance of sustainability in employee engagement and retention strategies. Studies suggest that employees, especially younger generations, increasingly prefer to work for organizations that prioritize environmental responsibility and corporate social responsibility (CSR). According to Mehta and Chugan (2020), companies that actively integrate sustainability into their HR practices are more likely to attract and retain top talent, as employees are drawn to organizations whose values align with their own. This connection between sustainability and employee satisfaction is becoming more evident as businesses face mounting pressure from both employees and consumers to adopt greener practices. Additionally, firms that promote environmentally conscious behaviors within their workforce are finding that such efforts lead to higher levels of employee motivation and productivity. For instance, companies that engage employees in sustainability

initiatives, such as waste reduction programs or community environmental projects, not only improve their environmental impact but also foster a sense of purpose and belonging among staff. These insights underline the need for HR departments to not only manage workforce sustainability but also to actively promote green practices as a core aspect of employee engagement.

Employee Well-being and Mental Health

Numerous studies explore the link between climate change and employee well-being. Research by Clayton et al. (2017) found that climate-related anxiety, also known as "eco-anxiety," is becoming a significant factor affecting mental health, particularly among employees in climate-vulnerable sectors such as agriculture, fisheries, and coastal tourism. The study emphasizes the role of HR in mitigating these psychological effects by offering mental health support programs, flexible working arrangements, and access to counseling services (Clayton et al., 2017). Furthermore, Berry et al. (2018) suggest that HR should collaborate with health and safety departments to address the physical risks posed by extreme weather conditions, such as heatwaves and floods, which directly affect worker productivity and health.

Despite these findings, a critical gap exists in the extent to which organizations actively monitor and address the psychological toll of climate change on their workforce. As Nazarenko (2020) points out, many organizations tend to overlook the emotional strain caused by climate-related disruptions, focusing instead on operational concerns. This oversight can lead to reduced employee engagement and productivity, making it crucial for HR departments to incorporate comprehensive well-being programs that consider both the mental and physical effects of climate change (Nazarenko, 2020).

Remote Work and Flexibility

The COVID-19 pandemic demonstrated the feasibility of remote work, and climate change has further strengthened the case for flexible working arrangements. A study by King et al. (2021) found that flexible work policies can be a significant climate adaptation tool, allowing employees to work from locations less affected by extreme weather events or environmental hazards. Remote work also helps reduce an organization's carbon footprint by cutting down

on commuting-related emissions (King et al., 2021). However, critics like Hobson (2022) argue that remote work presents its challenges, such as difficulties in maintaining employee engagement, collaboration, and innovation, particularly in industries that rely on in-person interactions (Hobson, 2022).

Moreover, HR's role in facilitating remote work goes beyond logistics. HR departments need to ensure that remote employees have the necessary tools and resources, address ergonomic concerns, and provide mental health support to cope with the isolation that often accompanies remote working environments.

ORGANIZATIONAL SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY (CSR)

HR's Role in Driving CSR and Sustainability

There is growing evidence that HR can significantly influence an organization's sustainability agenda. Renwick et al. (2016) argue that HR departments are critical in embedding environmental consciousness within corporate culture, through initiatives like green training, energy-saving programs, and sustainability reporting. They suggest that integrating CSR goals into employee performance appraisals and reward systems can motivate workers to actively participate in sustainability efforts (Renwick et al., 2016).

However, some scholars, such as Utting (2015), critique the superficial implementation of CSR initiatives, arguing that many organizations view these efforts as PR-driven rather than genuinely transformative. Utting emphasizes the need for HR to ensure that sustainability efforts are deeply embedded in the organizational ethos, rather than remaining a token gesture (Utting, 2015).

Green Human Resource Management (GHRM)

The concept of Green HRM, first conceptualized by Wehrmeyer (1996), has gained traction as companies strive to balance economic performance with environmental sustainability. GHRM practices involve integrating environmental management into every stage of the employee lifecycle, from recruitment and training to performance evaluation and employee engagement. Research by Jackson et al. (2011) found that organizations that adopt GHRM practices tend to have better environmental performance, with reduced resource

consumption and waste production (Jackson et al., 2011). In recent years, the occurrence of natural disasters—many of which are exacerbated by climate change—has accelerated the need for businesses to incorporate green practices into their HR strategies. Major companies, especially in disaster-prone regions, have adapted their HR policies not only to ensure employee safety but also to align with broader corporate sustainability objectives.

For instance, in the aftermath of Hurricane Katrina in the U.S. (2005), many companies were forced to rethink their crisis management and environmental policies. Corporations such as Walmart and Chevron reviewed their HR strategies to incorporate more robust disaster preparedness and resilience-building programs for their workforce. Walmart, for example, implemented extensive training for employees on disaster response and expanded its remote work capabilities to allow staff to continue operations even in the event of environmental disruptions. The disaster spurred Walmart to engage more deeply in sustainability, leading to its ambitious goals of achieving zero emissions by 2040 and shifting to renewable energy sources.

Similarly, after the 2011 Tōhoku earthquake and tsunami in Japan, Toyota and Sony reevaluated their HR practices, focusing on workforce relocation, mental health support, and the enhancement of sustainable operations. Toyota not only developed a more flexible work environment to accommodate employees affected by the disaster but also introduced policies encouraging workers to engage in energy-saving practices. These steps reflected Toyota's broader commitment to green transitions, as evidenced by their investments in hybrid and electric vehicles, emphasizing the need for HR to align employee behavior with sustainability objectives.

In Australia, Rio Tinto revised its HR strategies following the 2019-2020 bushfires, which had devastating environmental and economic impacts. The company introduced green training programs to educate employees on reducing energy consumption and minimizing waste. Additionally, Rio Tinto developed more robust employee assistance programs (EAPs) to address the physical and mental health issues exacerbated by such disasters. Their green transition initiatives, bolstered by these HR practices, include reducing greenhouse gas

emissions by 30% by 2030, demonstrating the alignment of HR policies with broader sustainability goals.

Despite its benefits, GHRM adoption remains limited to larger organizations with the financial resources to implement these initiatives. As pointed out by Ren et al. (2020), smaller firms often face financial and operational constraints that prevent them from fully integrating GHRM into their HR strategies (Ren et al., 2020). This creates a disparity in climate resilience between large corporations and smaller firms, further complicating HR's role in promoting environmental responsibility across industries.

THE FUTURE OF HR PRACTICES IN A CHANGING CLIMATE

As businesses adapt to the realities of climate change, HR must evolve to meet the demands of a green economy. Several studies, including those by Boudreau and Ramstad (2016), emphasize the need for HR departments to focus on reskilling and upskilling the workforce to fill emerging green jobs in industries like renewable energy, sustainable agriculture, and waste management. They argue that the future of HR will involve a greater emphasis on workforce flexibility and adaptability to cope with the uncertainty brought about by climate change (Boudreau & Ramstad, 2016).

However, critics warn of the challenges involved in transitioning to a green economy, particularly in sectors that may see job losses due to decarbonization efforts. According to Stern (2020), HR departments will play a crucial role in managing these transitions, ensuring that employees in affected sectors receive the support and retraining necessary to move into new roles (Stern, 2020).

CONCLUSION

The critical review of existing literature demonstrates that climate change has a profound and multifaceted impact on HR practices, from talent acquisition and employee well-being to corporate sustainability and CSR. HR departments are at the forefront of efforts to build resilient and adaptable workforces in the face of environmental uncertainty. However, significant gaps remain, particularly in the integration of climate-related risk assessments into workforce planning and the mental health impacts of climate change on employees.

As climate change continues to drive extreme weather events and natural disasters across the globe, the role of HR in leading green transitions has never been more critical. HR departments in top organizations are at the forefront of this transformation, adapting workforce policies to ensure both business resilience and environmental sustainability. As Paul Polman, former CEO of Unilever, famously stated, "You can't have a healthy business on a sick planet." Polman's emphasis on aligning corporate success with environmental well-being reflects the growing importance of Green Human Resource Management in today's corporate landscape.

Christiana Figueres, former Executive Secretary of the UN Framework Convention on Climate Change (UNFCCC), has also emphasized the role of businesses in combating climate change, stating, "Business and HR leaders have the power to lead the charge for a sustainable future, using their influence to embed climate-conscious practices within their organizations. As moving forward, the success of Green HRM will depend on its ability to balance workforce needs with the imperative to reduce environmental impact, ultimately shaping the future of work in a low-carbon economy. HR leadership of contemporary organizations need to take cues from the emerging trends to combat the adverse effects of climate change by adopting sustainable practices in people management.

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