

Chapter I

Introduction

This chapter will throw light on the background of the research, the research questions, the research objectives, research contribution, research limitations and the research design. It explains why the research is being conducted and why it is a relevant study today.

1.1 Research Background

1.1.1 Generations mindset towards the environment

The world has been evolving with the creation of new technology, new ideas, innovations, the rapid growth of the population and the increasing rate of natural resources getting scarcer as time goes by. The change of the community's mindset is changing as well in regard to our planet Earth. As time flies by with new generations arising, the trending mindset has shifted towards more of a pro-environment behaviour.

A study conducted by Ballew et al. (2019) on the topic about the concerns of different generations on the environment has resulted with 70% of the adults with their age ranging from 18 to 34 say that they worry about the environment. In comparison, the more senior aged people who are aged 55 or older has resulted with 56% of them caring about the environment.

One example concerning the environment is global warming. During two surveys conducted by members of Yale University and George Mason University on December 2018 and April 2019, it has shown that younger generations are more concerned and engaged compared to the older generations. The survey results are shown in *Figure 1.0* below. The results prove that as generations progress, the later generation will be increasingly concerned about the climate.

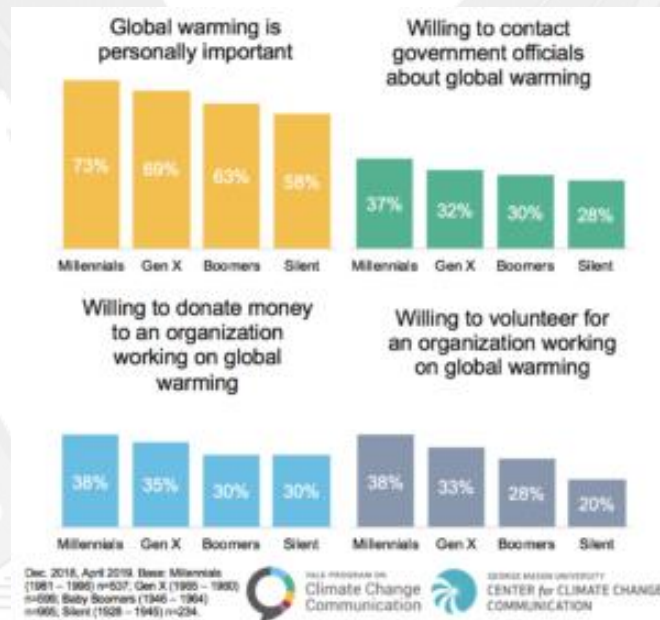


Figure 1.0: The difference in the concern of the environment between generations

(Source: Ballew et al., 2019)

Thus, this research would continue to study the environmental behaviour and environmental sustainability of employees who are currently on active employment in Indonesia.

Indonesia's age structure begins with 24.63% of the population aged 0 – 14 years old, 16.94% being aged 15-24 years old, 42.44 % of the population ranging from 25-54 years old, 8.73% aged 55-64 years old and 7.26% aged 65 and older (Index Mundi, 2019). From this age structure, we can conclude that there are currently more millennials and generation X compared to other generations like the baby boomers and the silent generation.

A survey was conducted and aimed at fresh graduates of university in Tangerang, BSD and Alam Sutera or those who have just joined the workforce and have been working for a maximum of 1 year about their opinions on pro-environmental behaviour and organizations' relations to sustainability. The reason why people from this category is selected, is because as time passes, more people of this age will join the workforce, while others of the older generation will retire, thus creating this an opportunity to start this research early. In addition, there are numerous people who are still in university or similar to that age, where they have joined movements regarding sustainability, so this population is perfect in determining thoughts regarding this issue. There was a total of 30 surveys distributed and it had a 100% response rate with 30 respondents. According to Sekaran and Bougie (2016), 30 respondents is the minimum requirement for a survey to be used as a sample. The results from the survey are shown below.

Is sustainability towards the environment considered important to you?

30 responses

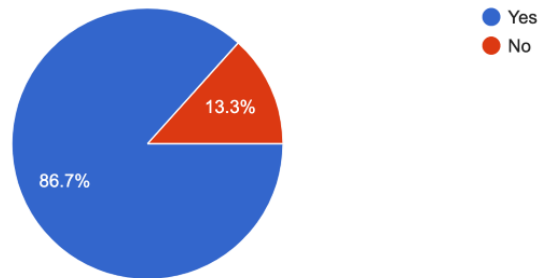


Figure 1.1: Survey results on the importance of sustainability

Do you think that managers and leaders of an organization have an impact towards employees' environmental behavior?

30 responses

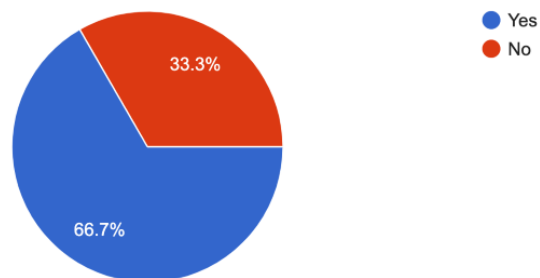


Figure 1.2: Survey results on managers effect towards employees environmental behaviour

Should businesses focus more on sustainability as they do with profits?

30 responses

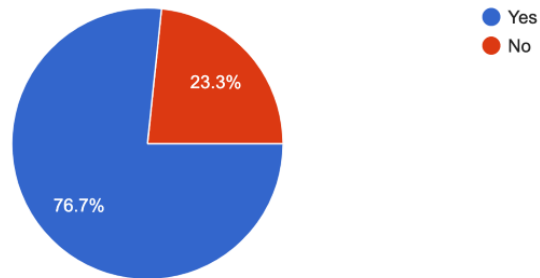


Figure 1.3: Survey results on organizations' aim towards sustainability

Do you think organizations will consider the environment factor to be as important as their financial factor?

30 responses

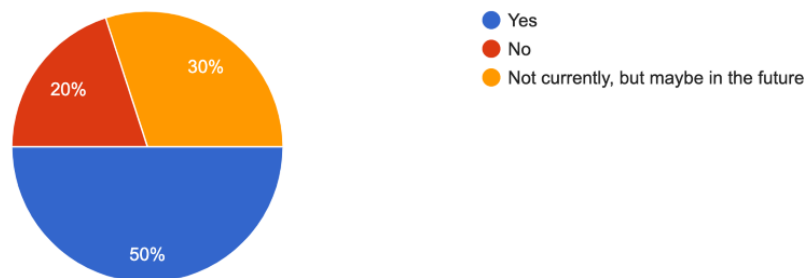


Figure 1.4: Survey results on organizations' environmental goals in comparison to financial goals

The charts above show that most of the respondents find the environment as an important factor with 86.7% agreeing to sustainability being important. 66.7% of the respondents agree that leaders and managers have an impact towards their subordinates environmental behaviours. This could point to a conclusion that there are still a few people who think their own values may matter more compared to the values of their managers. 76.7% of the respondents think that environmental factors should be considered by organizations while the remaining 23.3% may think that businesses should remain their focus on profits. For the final survey question, there was mixed opinions on the matter with 50% saying that organizations should consider environmental factors alongside financial factors. On the other hand, 50% say that organizations do not have concerns on environmental factors currently, with 30% of the remaining 50% saying they might have a change of view in the future.

According to the ILO (International Labour Organization, 2017) renewable energy generation increased between 2011 with 28,125 GWh and 2013 with 32,965 GWh. However, it has been a downward trajectory ever since then. The reason for this downward trajectory is because the use of hydropower, geothermal and bioenergy is more expensive compared to the domestically available and cheaper energy source which is coal (ASEAN Centre for Energy, 2017). Indonesia has also decreased its GHG emission by 22.5% and its intensity by 27% during the year 2010 to the year 2017 (Sustainable Development, 2017).

Table 1 below represents previous research related to this current research that holds variables that are similar or the same as environmental leadership, pro-

environmental behaviour, motivation, and top management commitment. These previous researches have portrayed certain information and correlations between the variables stated for each research that can help further support this research by showing results each author has concluded.

Table 1.1: Research Gap

Reference	Title	Variables	Results	Results compared to this research
Anwar et al. (2020)	Green Human Resource Management for organizational citizenship behaviour towards the environment and environmental performance on a university campus	Green competence building practices, Green motivation enhancement practices, Green employee involvement practices, Organizational Citizenship Behaviour towards Environment, Environmental Performance	All variables are positively related to Organizational Citizenship Behaviour towards Environment (OCBE), OCBE mediates green competence, green motivation and green involvement	This research has no mediating variables; however, both researches have similar results in regards to employee motivation and behaviour
Ilyas, Abid & Ashfaq (2020)	Ethical leadership in sustainable organizations: The moderating role of general self-efficacy and the mediating role of organizational trust	Organizational Trust, Employee Engagement, Ethical Leadership, General Self-Efficacy	All variables are related to each other in terms of sustainability	The results are similar even though leadership in this research is environmental leadership instead of ethical leadership. There are also no mediating variables in this research, however, variables lean towards a similar direction for both research

Kim et al. (2020)	Hotels' environmental leadership and employees' organizational citizenship behaviour	Organizational Environment Policy, Environmental Belief, Environmental Training, Environmental Transformational Leadership, Level of Organizational Environmental Support, Organizational Citizenship Behaviour towards Environment	All variables positively influence employees' environmental beliefs	This research concludes that passive environmental leadership negatively influences employees' environmental behaviours, meanwhile the compared research does not provide evidence for it, however, other variables have similar results
Li et al. (2020)	Unlocking employees' green creativity: The effects of green transformational leadership, green intrinsic, and extrinsic motivation	Green Transformational Leadership, Green Intrinsic Motivation, Green Extrinsic Motivation, Green Creativity	All variables positively influence green creativity, if green extrinsic motivation is high, it moderates the effect of green intrinsic motivation to green creativity.	This research concludes that passive environmental leadership negatively influences employees' environmental behaviours, meanwhile the compared research does not provide evidence for it, however, other variables have similar results
Ojo & Fauzi (2020)	Environmental awareness and leadership commitment as determinants of IT professional's engagement in Green IT practices for environmental performance	Leadership Commitment, Environmental Awareness, Green IT belief, Green IT Attitude, Engagement in Green IT Practices, Environmental IT Performance	All variables are positively related to Green IT	This research concludes that passive environmental leadership negatively influences employees' environmental behaviours, meanwhile the compared research does not provide evidence for it, however, other variables have similar results
Peng, Lee & Lu (2020)	Employees' perceived job performance, organizational identification, and pro-environmental behaviours in the hotel industry	Organizational Identification, Perceived Job Performance, Pro-Environmental Behaviour	Perceived Job Performance is positively related to pro-environmental behaviours, Perceived Job Performance is positively related to Organizational Identification, Organizational Identification positively influences pro-environmental behaviours	Results are the same in terms of the relation towards pro-environmental behaviours, however, the independent variables are more job related, while this research relates to the people.

Suganthi (2019)	Examining the relationship between corporate social responsibility, performance, employees' pro-environmental behaviour at work with green practices as mediator	Corporate Social Responsibility, Green Practice, Performance, Pro-environmental Behaviour	All variables positively influence pro-environmental behaviour	Results are similar but does not separate the top management and leadership, while this research has its separation between top management and leadership.
Wesselink, Blok & Ringersma (2017)	Pro-environmental behaviour in the workplace and the role of managers and organization	Intention to Act, Pro-environmental Behaviour, Institutional Support, Leadership, Attitude	All variables positively influence pro-environmental behaviour	Passive environmental leadership negatively influences employees' environmental behaviours, and the negative influence of low commitment from top management; otherwise, other variables have similar results
Asfar, Badir & Kiani (2016)	Linking spiritual leadership and employee pro-environmental behaviour: The influence of workplace spirituality, intrinsic motivation, and environmental passion	Spiritual Leadership, Workplace Spirituality, Environmental Awareness, Environmental Passion, Pro-environmental Behaviour, Organizational Support, Intrinsic Motivation	All variables positively influence pro-environmental behaviour	This research concludes that passive environmental leadership negatively influences employees' environmental behaviours, meanwhile the compared research does not provide evidence for it, however, other variables have similar results
Ruepert et al. (2016)	Environmental considerations in the organizational context: A pathway to pro-environmental behaviour at work	Biospheric Values, Environmental Self Identity, Personal Norms towards pro-environmental behaviours at work, Pro-environmental behaviours	All variables positively influence pro-environmental behaviour	The research conducted is analysed using the VIP model while this research does not, however, the results of the external motivation negatively influencing PEBs are the same for both

From the information above, we can clearly see that people in today's generation are more concerned with the environment than decades before. This has an impact towards people of the older generation as well, thus changing the trend of

people's mindset towards the environment. This significantly improves the way people thinks and acts towards saving the environment globally. However, due to issues that companies face, namely pricing, they have tried to improve their methods to do business while protecting the environment for a few years but went back to methods which cause more harm to the environment than the alternative to save costs.

According to the survey and the research gap table, it is shown that currently, a higher percentage of people is more concerned with the environment and has proven that sustainability is an important factor for organizations to focus on. It is also evident that the leaders and management of organizations has a significant impact towards their employees' pro-environmental behaviours.

Therefore, this research aims to compare the pro-environmental behaviour of employees who are currently active in the workforce and companies, which as a stereotype, sacrifices more green but expensive methods for a cheaper method but harms the environment more. This paper will figure out how the company management and the employees treat the environment while at the same time having to take into account the cost of the companies to prevent it from receiving less profit.

1.2 Research Questions

According to the research background mentioned in the above section, there are multiple research problems which can be assembled and used to create a series of research questions. These questions are stated below:

1. Does the top company management positively impact their employee's way of thinking about pro-environmental behaviour?
2. Does active environmental leadership positively impact employees' pro-environmental behaviour?
3. Does passive environmental leadership negatively impact employees' pro-environmental behaviour?
4. Does the top management commitment moderate the positive relationship between active environmental leadership and employees' pro-environmental behaviour?
5. Does the top management commitment moderate the negative relationship between passive environmental leadership and employees' pro-environmental behaviour if commitment is low?
6. Does employee's external motivation negatively impact employees' pro-environmental behaviour?
7. Does employees' internal motivation positively impact employees' pro-environmental behaviour?

1.3 Research Objectives

1. To determine whether the top management commitment positively influences employees' pro-environmental behaviour.
2. To determine whether active environmental leadership positively influences employees' pro-environmental behaviour.
3. To determine whether passive environmental leadership negatively influences employees' pro-environmental behaviour.
4. To determine whether the top management commitment will moderate the positive relationship of active environmental leadership and employees' pro-environmental behaviour.
5. To determine whether the top management commitment will moderate the negative relationship of passive environmental leadership and employees' pro-environmental behaviour if commitment is low.
6. To determine whether external motivation negatively influences employees' pro-environmental behaviour.
7. To determine whether internal motivation positively influences employees' pro-environmental behaviour.

1.4 Research Contribution

1.4.1 Theoretical Contribution

The aim of this research if seen from a theoretical perspective is to determine the relationship between company managers and leaders in comparison to employees today in terms of pro-environmental behaviour. Due to the relationship of environmentally friendly methods in the way the company operates does not fall in line with the companies' cost saving operations, this research aims to study the employees and leaders work behaviour and thoughts about green products.

The theoretical contribution this study provides is an additional research on a manufacturing company in Indonesia which can be used to support further future studies with numbers, examples and data. There is a limited number of research about pro-environmental behaviour of employees and company management in Indonesia, thus this research can provide additional study towards this topic. This paper is expected to further enhance new ideas and provide data that can support future research based on this subject which adds to the limited number of research provided.

Furthermore, this research can be used as a reference for studies based on employees and companies with green products and the relation these factors have with each other.

1.4.2 Practical Contribution

This research can be used as a reference by company managers or the higher-ups of companies to investigate more about their employee's behaviour and ideologies in relation to pro-environment. They could use this research to change their leadership styles or methods to cope with the employee's ideology in order to create a better working environment as well as a more effective and efficient one. This includes the supportive behaviours by managers to encourage employees to respond in kind by following their supervisors (Brown et al., 2005), regarding pro-environment behaviour.

Employees themselves could also use this research to figure out information they require if this paper holds any. Some additional thoughts and advice may be provided in this paper if employees seek new ones that are not currently being thought of by them or the organization they work for as well.

1.5 Research Limitations

Due to certain factors at the time which this paper is written, several limitations occurred during this time of writing. These factors include the lack of resources, limited time frame for completing this paper, external factors such as the COVID-19 pandemic and the limited access to multiple company during this time of crisis plays a part in the external factor as well.

First, there is not much study about the relationship between pro-environment behaviours of employees in relation to the company's higher ups and managers, especially in Indonesia. Thus, some of the required data are a mixture of information taken from overseas and Indonesia which is then combined and formed into a theorization.

Second, the survey is distributed to one company and is therefore limited to the behaviour of that particular company. However, theoretically, those respondents who worked in previous locations will have been impacted in the way they think and work which forms their ideology and behaviour currently, which the survey provided includes, hence, it can be some form of a wider representation.

Third, due to the global pandemic, a lot of companies and employees are unable to be accessed because of various reasons related to the crisis. This includes not having the time to answer the survey, unable to retrieve their contact information to provide the email to, or some who are recently dismissed by the company no longer willing to respond to the survey.

1.6 Research Design

The collection method for the research will rely on quantitative data collection which will be gathered by distributing a survey or questionnaire. The survey will be distributed to employees of Company SMU and the data collected will be used as a sample for the research. Company SMU is a paint and putty manufacturer which is

produced using unleaded chemicals which is safer for the environment. Interestingly, as a paint and putty manufacturing company, there has to be harmful chemicals used in order to create their product, but how they decided to produce unleaded paint with a high quality brings some light to the organization's thoughts on the environment. Thus, this is an interesting subject to look at, where a paint manufacturer which supposedly is harmful to the environment creates unleaded paint instead.

1.6 Systematic Outline

This paper consists of five chapters which in order goes in the following order: Chapter 1 consists of the introduction and the background of the research, chapter 2 consists of the literature review, chapter 3 consists of the methodology of the research, chapter 4 consists of the findings and analysis, and last but not least is chapter 5 which end the research with the conclusion. A brief description of the chapters will be stated below.

CHAPTER 1: INTRODUCTION

This paper will include the background of the research, the problems with the research forming the research questions, the research objectives, the practical and theoretical contribution of the research, the research limitations, and the systematic outline.

CHAPTER 2: LITERATURE REVIEW

This chapter explains the theories which is collected mainly from books, journals, research models, hypothesis, previous theories and online information from the news and government websites for the raw data used in this research.

CHAPTER 3: RESEARCH METHODOLOGY

This chapter includes the method used for collecting the data used in this research which consists of research paradigms, research objectives, research subjects, data collection, the variables and indicators, data sources, techniques used to collect the data, the scale of measurement, and the sample and population.

CHAPTER 4: RESULTS ANALYSIS AND DISCUSSION

This chapter will explain the data collected and analyze the results. Findings of the research will be discussed in this chapter and calculations and processes will be done through validity and reliability test.

CHAPTER 5: CONCLUSION AND RECOMMENDATION

The final chapter of the research will present a conclusion and recommendations based on the analysis and findings of the research. Both conclusions and recommendations are served for readers to use as reference or an additional opinion.