

Effects of Human Resource Management Practices on Environmental Performance in Libya: The Mediating Role of Organizational Culture

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Abstract: The purpose of this paper was to identify the effect of HRM practices on the environmental performance and to test the mediating effect of organizational culture between HRM practices and environmental performance. Data were collected from manufacturing companies in Tripoli, Libya. A total of 309 employees have participated in this study. The preliminary analysis was conducted to prepare the data for further analysis. SPSS as well as AMOS were used to derive the findings of this study. The findings indicated that the effect of HRM practices on environmental performance is highly significant. The study also found that training, learning, and compensation are the most important variables in HRM practice. The effect of recruitment was found not significant. The study also found that the HRM practices has a significant effect on organizational culture. In addition, organizational culture has a significant effect on the environmental performance. Organizational culture also played a partial mediating role between HRM practices and the environmental performance.

Keywords: work, HRM Practices, Requirement, training, learning and compensation. On Environmental performance in Libya

INTRODUCTION

Globally, a lot of interest has been paid to environmental studies in recent years that arises from particular treaties and agreement for combating the climate change, e.g. Bali (2007), Copenhagen (2009), Kyoto (1997) and Victor [1], and from the consequences of pollution due to accidents in high-profile industries like 15 killed and more than 100 got injuries at BP Texas City Refinery in 2005 [2].

As issues related to the environment are getting increased importance around the globe [3], and in countries like Libya, organizations these days are encountering a lot of difficulties and hurdles as compared to their Western counterparts on several EP issues. In Libya, ecological pollution far greater in volume than in whatever other nations. The government of Libya has exercised various regulations in order to manage this type of contamination and pollution. Therefore, a research study for the protection of ecosystems and Eco life will be of great help for organizations who want improvement in EP [3].

The firms are expected to initiate environmental management activities for delivering environmental performance that is considered as an extremely important indicator of performance. As the resource-based view states that organizations apply strategies that create value in for creating synergy in their resources to compete the competitors for

generating higher return. Environmental performance refers to the degree of success of an organization that is involved in the implementation of environmental programs in order to reduce the negative effects of manufacturing product and processes and the destruction of natural environment [4]. Thus, failed of human resource management in Libyaan organizations in applying the environmental programs will lead to low environmental performance.

Most of previous studies about environmental performance are conducted in western countries [3] and few studies have been conducted in Africa and Middle East such as in Libya. Moreover there are lack of studies conducted in Arabic contexts specially in Libya. It is significant to conduct this study in Libyan manufacturing firms to address this gap and contribute to the environmental performance in Libyan contexts. And this study is conducted to examine the effect of HRM practices on environmental performance on Libya.

Theoretical background

The Resource-based view (RBV) theory is the basis of the conceptual framework of the present study. For a thorough comprehension of the present study and keeping the existing literature in view, recruitment, training, learning, and compensation factors are identified as the independent variable (IV), environmental performance is considered the dependent

variable (DV), and organizational culture is mediating variable.

Resource-based view (RBV) theory

The theory of resource-based view states that an organization is known by the resources it controls. Moreover, it presumes that all the competitors are not same, but, are different on the basis of their resources and the differences in performance of organizations are due to such differences in their resources (same as the difference in environmental performance). Organizations will have competitive advantage if that organization holds more valuable resources than its competitors and if that organization has the capability to exploit its resources Barney, [5]. Barney [5, 6] and others Boxall, [7] Carmeli and Schaubroeck, (2005) have contended that some intangible resources of advantage that are organization-specific (as culture, history, human dimensions and learning of the organization) are very important to gain competitive advantage as these resources are much valuable and rare and are very difficult to imitate and substitute these resources. As a result, recent research is focusing on human resource management practices as vital sources of competitive advantage.

The dominant theoretical framework uses RBV for the proposed model in the study. Some other researchers also used RBV as framework to examine the relationship between performance of the organization and the HRM. Kraaijen brink *et al.*, (2010) criticized RBV as resources and values are not clearly defined. If resources are contributing towards ability of the organization to create and execute strategies that create other valuable resources, then resource is called valuable (e.g. environmental performance).

Environmental performance

Environmental performance confirms the establishment of an environmental management system that is based on a fine integration of elements that work for the best outcomes. This system may include designing environmental policies, environmental operations, measuring environment indicators, environmental reports preparation, review environmental instructions and check compliance with environmental laws and regulations and can be summed up essential elements of basic environmental management system. Nowadays, the introduction of environmental management reveals that business leaders are getting more interest in environmental sustainability, the protection of natural environment and the conservation of natural resources. Organizations are getting aware of the fact that environmental management contributes to the value addition since 1990s; therefore, they started voluntary actions for the reduction of pollution, waste and harmful activities for

the environment. As a result, organizations developed a number of systems and approaches for environmental management by using environment friendly materials, introducing environment friendly products, using less material on packaging and less consumption of energy. Environmental management initiatives among business organizations are expected to deliver EP that is considered as one of the fundamental indicator of performance of organizations. According to RBV, organizations design strategies that create value and synergy in its resources to gain competitive advantage over its competitors [8]. EP is an indicator of the success degree of an organization in implementation of policies and programs' regarding environmental sustainability to reduce the negative effects of organization's manufacturing products and processes Wong, Tan, Ng, and Fong [4].

In organizations strategize for environmental performance, HRM practices are expected to shape environmental friendly human capital and culture of a firm through hiring pro-environment employees, training employees with skills and competency in technology and innovation, as well as providing rewards and incentives for making environmental performance a success. By and large, a positive relationship between HRM and organizational performance was found in past research John and Mark [9]. However, less attention has been paid to fine tuning of HRM practices to improve the effectiveness of environmental performance until recent years. In 2008, the green HRM practices were clearly categorized for environmental performance, such as recruitment; performance management and performance appraisal; training and development; employment relations; and pay and reward Douglas *et al.*, [10]. In tandem with the above findings, lean production, an in-process environmental initiative which is associated with reduction in materials consumption, waste and pollution is found providing complementary effect to environmental performance Andrew and Michael [11]. Referring to the above literature review and our insight, it is proposed that HRM practices influence environmental performance.

Recruitment

Effective environmental performance is supported by the recruitment practices by making sure that new recruits and employees understand the culture and values of the organization Wehrmeyer, [12]. In US and UK, many surveys are conducted and the results indicated that potential employees largely pay attention on the environmental performance of the organizations and decide about employment on the basis of environmental performance Wehrmeyer, [12]; Stringer [13]. Now days, many organizations are recognizing that to gain reputation of a green employer is a good

way to attract good and well qualified talent Phillips, [13, 14].

Training

The time when managers think that organizational change is required, training programs are offered. A survey regarding beliefs of managers about best managerial practices revealed that employees involved in eco-initiatives shown that education and training of environment and establishment of an environmental culture are the most significant HRM practices to achieve environmental goals Ramus, [15]. As a starting point, training may focus on employees' education regarding technical and regulatory standards and requirement and development of new technical skills to achieve organizational goals. Organizations that want a shift in their corporate culture, they need to start training programs for improving awareness of employee regarding environmental goals of the organizations Fernandez, Junquera, and Ordiz, [16].

Learning

Research that focuses on the hurdles to successful environmental training is also required. Environmental training initiatives can have difficulty for many reasons, including poor needs analysis, meager trainee willingness, reduced training transfer to the job, deficiency in actual or perceived commitment to training objectives among senior leaders and employee pessimism, among other problems Van Velsor and Quinn, forth-coming; Wehrmeyer and Vickerstaff, [17]. For instance, consider the problem of low training willingness. Studies on training willingness have shown that exposure to learning opportunities is more effective when employees are motivated and psychologically ready to learn Goldstein and Ford, [18]. So, the effectiveness of environmental training initiatives could be improved by including assessments on environmental learning willingness – maybe even at the time of recruitment and selection. In order to move further with this idea, nonetheless, research is needed on how to assess individual willingness for environmental learning and how to increase learning willingness for employees judged not to be interested to training efforts. Case studies that demonstrate how companies have surmount this and other hurdles would be of considerable practical usefulness.

Compensation

Monetary and nonmonetary rewards are

another potentially powerful tool for supporting environmental management activities. For managers and executives, tying incentive pay to the achievement of environmental goals may help focus attention and stimulate efforts aimed at accomplishing them Milliman and Clair, [19]. In the United States, companies such as Dupont have experimented by tying up the salaries and bonuses for middle managers and senior officers to environmental stewardship practices and performance May and Flannery, [20]. In Europe, companies such as Neste Oil link managers' bonuses to environmental performance goals and support line managers to allocate rewards to motivate the environmental behaviors of employees [15].

Mediating variable of organization culture

Organization culture is thought to be a key determinant and gauge of success or failure for environmental management programs at companies Brío, Fernández, and Junquera, [21]. An Organization's culture represents the main assumptions, values, symbols and activities within an Organization that show what the employees and top management think about environmental sustainability issues Harris and Crane, [22]. As research by Govindarajulu and Daly [23] has shown, top management support is fundamental to a green organization culture. Besides lack of top management support, Harris and Crane [22] identified other hurdles that often prevent the greening of an Organization's culture. However, much more research is desirable to understand how HR professionals can alleviate these barriers and encourage a green organization culture.

One main objective of research in HRM is to develop an in-depth understanding of the way HRM practices help in greening the culture of organizations. Empirical research studies that link HRM practices, for example, rewards and trainings, and the development of a green organizational culture are vital for the survival of the organizations who want to excel in green context. Valid measures to develop green organizational culture are required in this type of research. Some of the interesting information are also emerged from various research studies examining the impact of national cultures on the greening of organization cultures. The difference in cross-country cultures may become a challenge for multinational companies because they struggle to develop a green organizational culture equally effective and appropriate around the globe.

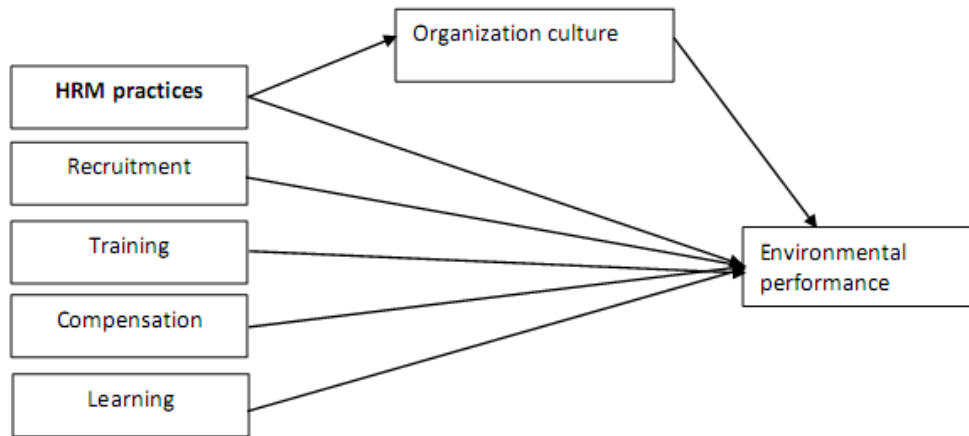


Fig-1: Conceptual framework

METHODOLOGY

The population refers to employees in the Libyan manufacturing firms. The research is concentrated on the study of the effects of human resource management practices on environmental performance. In this work, all employees in the manufacturing firms that located in Tripoli considered as the targeted population while the sample size will be determined through simple random sampling technique. The size of the sample is the number of employees in the Libyan manufacturing firms and the subset of this size would make up the sample for the study. There are five manufacturing firms in Tripoli. According to the managers of the manufacturing firms the populations of employees in each firm are around 200 employees respectively. According to Krejcie and Morgan [24] and Sekaran (2006) , if the population is 1000 then the total sample will be around 278 employees.

The questionnaire was developed based on the literature review. An in-depth review of the pertinent green human resource management has yielded the appropriate scales of the constructs to be used in this study.

ANALYSIS AND RESULTS

Convergent Validity

The sub-construct measurement model was used to calculate the convergent and discriminant validity. Three methods can be applied to test the convergent validity. The first method is the Average Variance Extracted (AVE), which expected to be higher than 0.5 to consider the construct has high convergent validity [25]. Second method is to assess the factor loading. Factor loading greater than 0.60 indicates that the variable has high convergent validity [26]. Lastly, the construct reliability (CR) greater than 0.7 is considered as an indicator of high convergent validity. The reliability was also achieved as the internal reliability of the variables and they are higher than the recommended value of 0.7.

From the above statistical tests, it can be seen that all the criteria for convergent and construct validity were achieved. Thus, it can be concluded that the variables have high convergent and construct validity.

Discriminant Validity

The discriminant validity is assessed using the output of the measurement model. Hair *et al.* [26] pointed out that the discriminant validity achieved when a diagonal value (presented in bold in Table 1) is higher than the value of its row and column. Table 2 shows that the discriminant validity of the variables was achieved.

Table 1: Discriminant Validity

	EP	LE	TR	RE	CM	OC
Environmental Performance	0.838					
Learning	0.501	0.845				
Training	0.502	0.669	0.840			
Recruitment	0.379	0.481	0.513	0.779		
Compensation	0.473	0.631	0.539	0.496	0.882	
Organizational culture	0.513	0.578	0.574	0.452	0.470	0.827

Note: EP: Environmental Performance, TR: Training, LE: learning, CO: compensation, OC: organizational culture, RE: recruitment

Structural Model

Two structural model are presented in this section. First structural model is to test the direct effect of the HRM practices on the environmental performance. The second structural model is to test the mediating effect of organizational culture.

Direct Effect

The first direct effect hypotheses is the effect of HRM practices on the environmental performance. Subsequently, a four sub hypotheses are proposed to affect the environmental performance. Table 2 presents the hypotheses testing of the direct hypotheses.

Table 2: Regression Weights

Hypothesis	D.V		I.V	Estimate (β)	S.E.	C.R.	P	Label
H1	Environmental performance	<---	HRM practices	.954	.112	8.528	0.000	Significant
H2	Environmental performance	<---	Training	.285	.097	2.932	.003	Significant
	Environmental performance	<---	Learning	.226	.104	2.181	.029	Significant
	Environmental performance	<---	Recruitment	.112	.102	1.097	.273	Not Significant
	Environmental performance	<---	Compensation	.206	.080	2.585	.010	Significant
H3	Organizational Culture	<---	HRM practices	.881	.092	9.537	.000	Significant
H4	Environmental performance	<---	Organizational culture	.188	.097	10.499	.049	Significant

For the first hypothesis, the study proposed that the effect of HRM practices is significant. Table 2. Shows that the effect of HRM practices on environmental performance is significant ($\beta= 0.954$, P-value=0.000). Thus, the first hypothesis is accepted. The second hypotheses of this study proposed that the effects of Recruitment, Training, Learning, and Compensation on environmental performance is significant. The effect of recruitment on environmental performance is not significant ($\beta= 0.112$, P-value=0.273). This is because the P-value is greater than 0.05. Thus, the hypothesis related to recruitment is rejected. Training affected positively the environmental performance ($\beta= 0.285$, P-value=0.003). Thus, the hypothesis related to the training is accepted. Learning affects the environmental performance positively and significantly ($\beta= 0.226$, P-value=0.029). Thus, the hypothesis related to learning is accepted. The compensation has positive effect on the environmental performance. The hypothesis related to compensation is accepted ($\beta= 0.206$, P-value=0.010). Thus, it can be concluded that the H2 is accepted.

The third hypothesis predicted that the effect of HRM practices on the organizational performance is significant. Result of the hypotheses testing in Table (2) showed that the effect of HRM practices on the organizational performance is significant ($\beta= 0.881$, P-value=0.000). The fourth hypothesis assumed that the effect of organizational culture on environmental performance is significant and positive. Result in Table 2. Showed that the effect is positive and significant ($\beta=$

0.188, P-value=0.049). Discussion of the direct effect hypotheses is given in the discussion section.

Indirect Effect

Fifth hypothesis predicted that the organizational performance mediates the effect of HRM practices on the environmental performance. Table 3 presented the unstandardized effect of the hypothesis. Awang [27] suggested researchers to look at the direct effect before entering the mediator and check if the effect will reduce after entering the mediator. If the effect reduced, this indicates that the mediation occur. However, to determine whether the mediation is partial or full, researcher should examine the direct effect and check if the significant direct effect remain significant, this indicates that the mediation is partial, while if the direct effect turned to insignificant effect, the mediation is full. In this study, it can be seen that before entering the mediator (organizational culture) the direct effect was significant with $\beta= 0.954$. However, after entering the organizational culture, the effect of HRM practices on environmental performance reduced to $\beta= 0.779$. This indicates that the mediation occurred. The direct effect (before and after) is significant. This leads to the conclusion that the mediation is partial. In other words, organizational culture partially mediates the effect of HRM practices on environmental performance.

DISCUSSION OF THE FINDINGS

This study has developed four hypotheses to answer the research questions and fulfill the research objective related to the effect of HRM practices and its

dimensions on the environmental performance of manufacturing companies in Libya. In the following section, a discussion of the findings is given.

HRM practices and Environmental performance

The first hypotheses of this study predicted that the effect of HRM practices on environmental performance is significant. *H1: HRM practice has a positive effect on environmental performance.* In addition, the first research objective is to examine the effect of HRM practices on the environmental performance. The findings indicated that the hypothesis is significant and accepted. HRM practices has a significant effect on the environmental performance of the manufacturing companies in Libya. This indicates that when the manufacturing companies improve the HRM practices, the companies will achieve better environmental performance.

The findings of previous studies are in agreement with the findings of this study. Paillé, Chen, Boiral, and Jin [3] investigated the effect of HRM practices on the environmental performance of the Chinese companies. Arulrajah, Opatha, & Nawaratne, [28] conducted a literature review study to examine the effect of HRM practices on the environmental performance. The findings showed that HRM practices are integrated into the Environmental performance and they have significant effect on the companies environmental performance. Researchers have linked the green HRM practices to the environmental performance. Practices included the recruitment and selection, training and development, performance management and appraisal, pay and compensation and employee relationships. In addition, the findings showed that HRM initiative positively affects Environmental performance [4, 29]. Jabbar and Abid [30] investigated the effect of HR practices on the environmental performance and found significant effect. Guerci, Longoni and Luzzini [31] found that HRM practices can improve the environmental performance.

Dimension of HRM practices and Environmental Performance

The second hypothesis of this study consists of four sub-hypotheses that are related to the effect of training, learning, recruitment, and compensation on the environmental performance of the manufacturing companies in Libya. H2: Recruitment, Training, Learning, and Compensation have a positive effect on environmental performance. In parallel, the second research objective was to find the effect of the four dimension of HRM practices on the environmental performance. The effect of each dimension was tested.

Training and Environmental Performance

The first sub-hypothesis is related to the effect of training on the environmental performance. The findings showed that training has a significant effect on the environmental performance. Thus, when the manufacturing companies in Libya increase the training, the environmental performance of these companies will increase. The findings of this study is in accordance with the findings of previous studies. For example, Zakaria [33] pointed out that training helps employees to acquire new knowledge and develop new skills that are used in improving innovation competencies in employees.

Lee *et al.* [32] found that training can be effective on performance in two ways. First by developing skills and second by improving the employees job satisfaction. Ramus [15] pointed out that training as part of the HRM practices affect significantly the HRM practices to achieve environmental goals. Fernandez, Junquera, and Ordiz, [16] suggested that training is capable of increasing the awareness of employees to achieve environmental goals. Thus, overall, it can be concluded that training is an effect factor in the HRM practices and it has significant effect on the environmental performance of the manufacturing companies in Libya.

Learning and Environmental Performance

The second sub-hypothesis is related to the effect of learning on the environmental performance. The effect of learning on environmental performance was predicted to be significant and positive. The findings showed that the effect is significant and positive. Learning has a significant effect on the environmental performance of the manufacturing companies in Libya. This indicates that an increase in the learning will lead to an increase in the environmental performance of these companies.

The findings of this study is in agreement with the findings of previous studies. Worley, Feyerherm, and Knudsen, [34] pointed out that understanding of the conditions that maintain development and learning would be particularly useful. In addition, the core objective of the learning organization is to fabricate change in the method in which employees and organizations work on. Rush [35] pointed out that there are five learning principles personal mastery, team learning, mental models, shared vision and systems thinking and these principle are essential for the organizations to grow, change, and learn.

Recruitment and Environmental Performance

The third sub-hypothesis predicted that recruitment has a significant effect on the environmental performance. The findings showed that the prediction is

ulture. Recuritement has insignificant effect on the environmental performance. This indicates that the recuritement is not one of the factors that affect the environmental performance of manufacturing companies in Libya. This findings is in disagreement with the previous studies.

The insignificant effect of recuritement on the environmental performance is mainly related to the fact that previous studies was conducted in developed countries while in contrast the situation in libya is different in term of technology usage and mechnisim of recuritement as well as the awareness of green process. This could be related to the fact that the recruitment process includes the hiring of green-aware candidates without the use of paper i.e. Employee applications can be accepted on the web. Interviews can be made either on the telephone or online [36]. The induction of green recruitment encourages the involvement of employees for monitoring of long term competency and informing employees about the green company-wide initiatives like reducing wastage and greenhouse gasses. This ultimately facilitates in improving environmental performance. However, in Libya, the green process of recruitment is still in its early stage and more improvement needed to encourage online and green recruitment.

Compensation and Environmental Performance

The last sub-hypothesis is related to the effect of compensation on environmental performance. It was proposed that the effect of compensation on the environmental performance is significant. The finding showed that the effect is as expected. Compensation is important driver for the environmental performance of the manufacturing companies in Libya. The compensation include monetary and green compensation. This finding is in agreement with the findings of previous studies. Zakaria [33] pointed out that organizations use the compensation as a method to aling the performance of employees with the compensation that they recieve. Ramus [15] commented that european companies has created a system to increase the environmental of performance of employees by linking this performance to the compensation that they received. Berrone and Gomez-Mejia [37] pointed out that executive pay practices is recommended by a longitudinal study of 469 US organizations operating in high-polluting industries.

Incentives and rewards are important HRM practices that link the interest of organization with the interest of employees Benz and Frey, [38]; Denis *et al.*, [39]. Brio *et al.* [21] pointed out that compensations practices can support the attainment of environmental goals.

HRM Practices and Organizational Culture

The third hypothesis of this study assumed that the effect of HRM practices on the organizational culture is significant. **H3: HRM practises affect positively on organization culture.** Findings of this study indicated that the effect of HRM practices on organizational culture is significant. This confirms the hypothesis that HRM practices in the manufacturing companies in Libya has a significant effect on the organizational culture of these companies.

The findings of previous studies support the findings of this study. HRM practices can shape the environmental and the human capital as well as the culture of the companies by hiring employees that are pro-environment or by rewarding the environmental friendly behaviour of employees so that the behaviour will be imitated by other employees [9]. In addition, organizations that wish to increase the environmental perfofrmance will select candidates that are suitable with the organzational culture. Ramus [15] refers to the importance of the invovlement of employees in in eco-initiatives and the importance of training and educating employees about the environmental protection which are helpful in transforming the culture to environmental friendly culture. Fernandez, Junquera, and Ordiz, [16] suggested that for organization that wish to shift their culture, they have to use the HRM practices such as training to achieve their environmental goals.

Organizational Culture and Environmental performance

The fourth hypothesis of this study assumed that the organizational culture has a significant effect on the environmental performance. **H4: Organization culture has a positive effect on environmental performance.** The findings indicated that the organizational culture has a significant effect on the environmental performance. Thus, it is safe to say that the increase in the organizational culture toward the environmental protection will have an increase in the environmental performance of the manufacturing companies in Libya.

Previous studies are in agreement with the findings of this study. Brío, Fernández, and Junquera, [21] found that organzational culture is a key driver for the environmental performance in companies. Harris and Grane [22] emphasized on the importance of organzational culture in shaping the values, and the activities of an organization to achieve better environmental performance. This is becuase the organzational culture gauge the organzational beliefs, values and philosophies of the members of an organization toward achieving the organzational goals.

Mediating Role of Organzational Culture

This study assumed that the organizational culture can play a mediating role between the HRM practices (as construct) and the environmental performance. The fifth hypothesis of this study was stated: ***H5: Organization culture mediates the effect of HRM practises on environmental performance.*** The fifth objective also sought to find the mediating effect of organizational culture between the variables. The findings showed that organizational culture partially mediated the effect of HRM practices on the environmental performance. This indicates that the organizational culture can facilitate the effect of HRM practices on the environmental performance. In other word, organizational culture can improve the HRM practices and makes it more effective toward achieving the environmental objectives.

Previous studies have tested the effect of organizational culture as a mediator. Lok, Rhodes, & Westwood [40] investigated the mediating effect of organizational culture between the job satisfaction and commitment and found that organizational culture play a mediating role. Yu and Choi [41] investigated the mediating role of organizational culture on the relationship between stakeholder pressure and the corporate social responsibility which include the environmental performance. The findings showed that organizational culture played a mediating role between the two variables. Other studies also support the finding that organizational culture can play a mediating role between the HRM practices and the environmental performance [42]. Thus, it is concluded that organizational culture is essential for improving the effectiveness of HRM practices and their effects on the environmental performance.

Implications

The implication of this study can be divided into two: theoretical implication and practical implication. This study has contributed to the theory by examining the effect of HRM practices on the environmental performance. Studies that have done so are few and there is a need for studies that focus on the context of developing countries due to the fact that most of the studies related to environmental performance are west-focused. The study also contributes to the testing of the applicability of the RBV in the context of HRM practices and the environmental performance. It was confirmed that organizations can used its own resources and capabilities to develop better organizational performance in the form of environmental performance. Further, few studies tested the effect of organizational culture in the context of HRM practices and environmental performance. This study has tested the mediating role of organizational culture and concluded that this effect is partial.

This study has contributed practically to identify the factors that affect the environmental performance. It was found that training is the most important HRM practice to boost the environmental performance followed by learning and compensation in order of importance. Managers at the manufacturing companies in Libya have to focus on the training first and have to place importance on the learning and growth as well as the compensation. The study also found that HRM practices are far more important that organizational culture in term of the effect on the environmental performance. Managers at the manufacturing companies have to prioritize first the HRM practice and then the organizational culture. Nevertheless, the findings indicated that organizational culture played a partial mediating role between the variables. So that the manager should also focus on building environmental friendly culture that support the HRM practices and their effect on the environmental performance. Lastly, this study included the HRM practices namely: recruitment, training, learning, and compensation as well as the organizational culture and their effect on the environmental performance. The variable of this study was able to explain 48% of the variation in the organizational culture and 40% of the variation in the environmental performance. This percentage is significant and important because the independent variables are able to explain almost half of the variation in the environmental performance. Thus, decision makers at the manufacturing companies in Libya can use the findings of this study as a reference to improve the environmental performance of the companies.

Direction for Future Work

The main objectives of this study was to investigate the effect of HRM practices and organizational culture as mediator on the environmental performance of manufacturing companies in Libya. Based on the literature, it is found that few studies have investigate the environmental performance of companies in the developing countries. Thus, there is a need for more studies to investigate the environmental performance. The research in environmental performance is still in its infancy. It is believed that a qualitative studies using interview approach by interviewing managers of companies in developing countries could help in explaining the environmental performance. Further, it is highly recommended, due to the lack of literature on this topic, that future studies implement the focus group approach to develop better understanding of the dimension of environmental performance as well as its antecedent. The findings of this study showed that 40% of the variation in the environmental performance was explained by the variables of this study. Future research are recommended to include more variable to enhance the

explanatory power toward the environmental performance. Variable such as the education of employees and managers as well as the government regulation and policy could be included with the variables of this study to enhance the explanation of the variation in environmental performance. This study was conducted on the manufacturing companies in Libya. Future studies can divide the companies based on their size and use the company size as a moderator. In addition, future studies are recommended to test the environmental performance in different industry such as the service industry. Lastly, the findings of this study is generalized to the manufacturing industry in Libya. It is recommended for future work to replicate this study and compare the effect of HRM practices as well as the organizational culture on the environmental performance.

CONCLUSION

The purpose of this study was to identify the effect of HRM practices on the environmental performance and to test the mediating effect of organizational culture between HRM practices and environmental performance. The study collected data from manufacturing companies in Tripoli, Libya. A total of 309 employees have participated in this study. The preliminary analysis was conducted to prepare the data for further analysis. SPSS as well as AMOS were used to derive the findings of this study. The findings indicated that the effect of HRM practices on environmental performance is highly significant. The study also found that training, learning, and compensation are the most important variables in HRM practice. The effect of recruitment was found not significant. The study also found that the HRM practices has a significant effect on organizational culture. In addition, organizational culture has a significant effect on the environmental performance. Organizational culture also played a partial mediating role between HRM practices and the environmental performance. Lastly, the variable of this study could explain almost half of the variation in the environmental performance. A discussion of the findings was given and it was found that almost all the findings of this study are in agreement with the findings of previous studies. Theoretical and practical implication were discussed and the direction for future work was highlighted.

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