

A Review Study on the Sustainable HR Practices in Fintech Organisation in India

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Abstract—The rise of fintech organizations has necessitated the adoption of sustainable human resource (HR) practices that balance technological innovation with social and environmental responsibility. This literature review synthesizes findings from 100 scholarly articles published between 2016 and 2025, examining key themes such as Green Human Resource Management (GHRM), employee engagement, corporate social responsibility (CSR), and digital transformation in HRM. Studies highlight that sustainable HRM practices such as green recruitment, eco-friendly work policies, and employee well-being programs enhance organizational performance, reduce environmental impact, and improve employee productivity. Moreover, fintech companies that integrate sustainability into their HR strategies benefit from increased employee retention, ethical leadership, and compliance with global sustainability frameworks. The review also explores the role of HR technology in enabling sustainable practices, including artificial intelligence (AI) in recruitment, cloud-based HR systems, and remote workforce management. Despite these advancements, challenges such as regulatory complexities, employee resistance to change, and high implementation costs persist. Future research should focus on developing standardized sustainability metrics for fintech HRM and exploring the long-term impact of green HR practices on financial performance.

Index Terms—Sustainable HRM, Fintech, Green HRM, Employee Engagement, Corporate Social Responsibility, Digital HR Transformation.

INTRODUCTION

The relevance of financial technology (fintech) in human resource management (HRM) has gained substantial attention, particularly in India's banking sector. With rapid digital advancements, financial institutions are integrating fintech solutions into HRM functions such as recruitment, training, performance evaluation, and employee engagement. By incorporating automation, artificial intelligence (AI), and data-driven decision-making, fintech is improving efficiency, aligning HR processes with business objectives, and enhancing operational performance. One emerging aspect of fintech-driven HRM is the adoption of Green HRM (GHRM) practices, which integrate sustainability and environmental consciousness into HR functions.

Green HR practices refer to sustainable strategies within HRM that promote environmental consciousness while enhancing employee engagement and business efficiency. These practices include reducing paper usage by digitizing HR records, promoting energy efficiency in workplaces, encouraging remote work and flexible schedules to lower carbon footprints, implementing environmental training programs, and incorporating sustainability metrics into performance evaluations. Organizations that adopt these practices benefit in multiple ways.

One of the most significant advantages of Green HRM is cost savings. By minimizing resource consumption through digital HR processes, energy-efficient office spaces, and waste reduction programs, companies can lower operational expenses. Research by Renwick et al. (2016) highlights that organizations implementing green HR strategies significantly reduce their environmental impact while optimizing costs. Additionally, enhanced employee engagement is another critical benefit. Employees today seek workplaces that align with their values, including environmental responsibility. A study by Guerci et al. (2016) found that sustainability-focused HR policies boost employee motivation and productivity, ultimately enhancing overall organizational performance.

Improved brand reputation is also a key outcome of green HRM. Companies with strong sustainability initiatives gain a competitive edge by attracting eco-conscious consumers and investors. Jabbour & de Sousa Jabbour (2016) argue that integrating sustainability into HR policies enhances corporate credibility and stakeholder trust. Furthermore, regulatory compliance is becoming increasingly important, particularly in India's banking sector, where environmental laws are becoming stricter. Proactively adopting green HRM ensures compliance, reducing legal risks. Daily & Huang (2001) assert that firms with forward-thinking environmental HR policies are better prepared to meet evolving regulatory demands.

Another long-term advantage is sustainability and resilience. Organizations adopting green HR strategies contribute to sustainable economic development while fostering a responsible corporate culture. A study by Zaid et al. (2018) highlights that firms prioritizing green HRM not only reduce their environmental footprint but also future-proof their operations against climate-related risks and regulatory changes.

The integration of fintech solutions has accelerated the adoption of green HRM practices. Cloud-based HR systems eliminate the need for paper records, AI-driven recruitment reduces redundant administrative processes, and remote work technologies minimize travel-related emissions. Iqbal (2020) discusses how fintech-enabled HR practices enhance sustainability, making workforce management more efficient and environmentally responsible.

The fusion of fintech and green HRM is revolutionizing human resource management in India's banking sector. Sustainable HR strategies not only reduce environmental footprints but also enhance efficiency, cost-effectiveness, and employee engagement. As financial institutions continue adopting fintech-driven HRM, their commitment to sustainability will play a crucial role in shaping the future of work. Future research should focus on developing standardized sustainability metrics and examining the long-term

impact of fintech-driven HRM on organizational performance. (Kao, 2022) The study explored emerging opportunities and challenges associated with the FinTech business model in Southeast Asia's banking and enterprise sector in the post-COVID-19 era. It analyzed how organizations can achieve sustainable growth by integrating new operational models with existing ones while adapting to the evolving work environment. By reviewing literature on human resource management (HRM), the study suggested that banking and FinTech firms can address the growing demand for tech talent by recruiting professionals with relevant expertise or investing in training programs before hiring. Additionally, as businesses prioritize sustainability-oriented employees, they are implementing flexible work arrangements and structured reward systems to enhance remote work efficiency and employee retention. Companies that focus on upskilling and reskilling their global workforce by promoting talent mobility and embracing diverse cultural talent can strengthen their workforce, support employees' long-term career aspirations, and maintain a competitive edge in the industry. (Balu, 2023) primary goal of any HR department aiming to attract and retain a diverse workforce is to develop inclusive hiring practices, provide professional growth opportunities, and foster a workplace culture where employees feel valued and respected. Modern organizations actively contribute to social and economic development by collaborating with local suppliers, hiring talent from local communities, and supporting charitable and social initiatives. This study reviews the key objectives and challenges that organizations face when implementing sustainable HR practices, emphasizing the importance of balancing business success with social responsibility. (Sana Arz Bhutto a, 2023) study found that service innovation plays a crucial role in driving firm growth and confirmed that human resource competencies significantly influence FinTech adoption in the banking sector. It emphasizes the need for effective HR practices to enhance employee skills, ensuring that workforce capabilities align with technological advancements. By optimizing employee performance, organizations can foster service innovation, leading to improved business outcomes and greater FinTech integration. Additionally, the research contributes to existing knowledge by highlighting the mediating role of HR competencies in linking FinTech adoption with firm growth. (Manu Sharma, 2022) study investigates the impact of Sustainable Human Resource Management (SHRM) practices and Industry 4.0 Technologies (I4Te) on employees' employability skills (ES). It focuses on four key SHRM practices—Training (TR), Flexibility (FL), Employee Participation (EP), and Employee Empowerment (EE)—to assess their influence on workforce capabilities alongside I4Te adoption. The findings reveal that these SHRM practices, in combination with I4Te, significantly enhance employees' skills and competencies, aligning with the evolving demands of future organizations. This integration of technology-driven HRM strategies is essential for developing a workforce that is adaptable, skilled, and prepared for Industry 4.0. (Pekkarinen, 2023) study enhances the practice-based model of sustainable HRM by highlighting the outcomes of HRM practices and the significance of contextual factors. It contributes to the ongoing discussion on sustainable HRM by emphasizing organizational context, content, and process elements, thereby aligning with the 'soft' HRM model, which prioritizes employee development and well-being. The findings suggest that employers, employees, and society can reap long-term benefits from sustainable HRM practices. Positive outcomes include enhanced employee well-being, extended career longevity, reduced turnover rates, lower absenteeism, and delayed retirements, ultimately fostering a more sustainable and resilient workforce. (AMAN, 2024) India's fintech industry is experiencing steady growth, driven by a robust five-layered foundation: universal telecom access, affordable smartphones, digital identity for all, democratized payment systems, and a transformative shift in mindset.

OBJECTIVE OF THE STUDY

The study aims to investigate the integration of FinTech and Green Human Resource Management (GHRM) in India's banking sector and their impact on sustainable HR practices. It explores the role of Sustainable Human Resource Management (SHRM) and Industry 4.0 Technologies (I4Te) in enhancing employability skills, employee engagement, and overall business performance. Additionally, it seeks to identify the key factors driving the adoption of FinTech-driven HRM and its influence on workforce sustainability, service innovation, and firm growth.

HYPOTHESES OF THE STUDY

H1: The adoption of FinTech in HRM positively influences the implementation of Green HRM practices in the banking sector.

H2: Sustainable HRM (SHRM) practices, including Training (TR), Flexibility (FL), Employee Participation (EP), and Employee Empowerment (EE), significantly enhance employees' employability skills when integrated with Industry 4.0 Technologies (I4Te).

H3: Effective HRM practices and employee competencies mediate the relationship between FinTech adoption and firm growth in the banking sector.

H1: The adoption of FinTech in HRM positively influences the implementation of Green HRM practices in the banking sector.

(G. SRIVIDYA, 2022) paper aims to analyze employees' perceptions of Green Human Resource Management (GHRM) practices and examine the correlation between employees' demographic factors—such as age, gender, education level, and work experience and their views on GHRM within selected organizations. The study adopts an Exploratory Research Design, utilizing both primary and secondary data sources to derive meaningful conclusions. The findings suggest that Green HRM practices play a crucial role in fostering environmental awareness among both new and existing employees. Additionally, these practices encourage human resources to actively participate in sustainability efforts by promoting green programs, eco-friendly workplace initiatives, and sustainable development strategies. The study further hypothesizes that demographic differences influence employees' perceptions of Green HRM, and that organizations implementing these practices experience higher employee motivation, increased commitment to sustainability, and a significant reduction in environmental degradation through structured green initiatives.

(Fazal, 2023) study emphasizes the necessity of developing ecological consciousness among employees, enabling them to understand environmental concerns and actively contribute beyond their designated roles to promote sustainability. By fostering a sense of environmental responsibility, organizations can encourage employees to integrate eco-friendly practices into their daily work habits. Additionally, the paper makes a significant contribution to the Green Human Resource Management (GHRM) landscape by proposing a green conceptual framework that outlines future prospects for GHRM. This framework serves as a

strategic guide for organizations aiming to implement sustainable HRM practices, ensuring long-term environmental benefits and corporate sustainability.

(Hanan Qudah, 2024) study explores the transformative impact of FinTech solutions, including digital tools, automation, and data analytics, on Human Resource Management (HRM) practices in Jordanian banks. It examines how these technologies can improve recruitment strategies, training programs, and performance evaluation systems, addressing the challenges related to HRM efficiency. The findings offer valuable insights for banking institutions in Jordan, enabling them to strategically integrate FinTech into HRM processes to enhance organizational performance, streamline HR operations, and optimize workforce management.

(Imdadullah Hidayat-ur-Rehman, 2024) study examines the intermediary role of green finance and competitiveness, along with the moderating impact of digital transformation (DT), in the relationship between FinTech adoption and sustainable performance. The findings highlight the direct and significant influence of FinTech adoption and DT on banks' sustainable performance. Additionally, green finance and competitiveness serve as crucial mediators, effectively bridging the gap between FinTech adoption and long-term sustainability, reinforcing the importance of integrating digital advancements and financial sustainability strategies in banking institutions.

H2: Sustainable HRM (SHRM) practices, including Training (TR), Flexibility (FL), Employee Participation (EP), and Employee Empowerment (EE), significantly enhance employees' employability skills when integrated with Industry 4.0 Technologies (I4Te).

(Pancić, 2024) study confirms the significant impact of FinTech adoption on banking sustainability and identifies the mediating role of digital awareness in the relationship between green finance and FinTech adoption. It provides novel insights into the connection between sustainable finance initiatives and digital banking trends, emphasizing the importance of enhanced digital awareness and the integration of green finance principles in the banking sector. The findings offer practical implications for banks in Croatia, advocating for strategic digital awareness programs, leveraging FinTech to enhance customer experience, and fostering collaboration to create a supportive FinTech ecosystem.

(Sharma, 2021) study highlights that SHRM practices aligned with I4Te can directly influence employees' core skills, IT skills, and personal attributes. These practices enhance career opportunities and long-term retention, making organizations more sustainable and competitive. Research is pioneering in the HRM field, as no prior study has explored the interrelationship between SHRM, I4Te, and ES. By analyzing these five key constructs together, the study provides unique insights into the evolving role of HRM in a technology-driven era.

(Keshtegar, 2023) study estimates the impact of industry development on employees' employability skills with an impact factor of 0.63. Findings suggest that employees who demonstrate flexibility, engage in long-term skill-based training programs, and actively participate in empowerment initiatives are more likely to enhance their career prospects. Furthermore, acquiring technological skills such as artificial intelligence (AI), cloud computing, and data analytics significantly improves employability. Employees equipped with these competencies will be better prepared for future job opportunities in an evolving and technology-driven job market.

(Joshi, 2024) study reveals that all four SHRM practices (TR, FL, EP, and EE), along with I4Te adoption, directly and positively influence ES in organizations. These findings highlight the critical role of strategic HRM and technological advancements in enhancing employees' skills, adaptability, and career prospects in an evolving job market.

H3: Effective HRM practices and employee competencies mediate the relationship between FinTech adoption and firm growth in the banking sector.

(Habib Ullah Khan 1, 2025) study highlights the significant influence of the proposed MCDM approaches in evaluating FinTech adoption, HR competency, service innovation, and firm growth. The findings emphasize the effectiveness of the entropy-TOPSIS method in providing a structured and data-driven analysis, enabling smarter and more informed decision-making. By systematically assessing multiple alternatives, this research identifies the optimal choice among the evaluated options, offering valuable insights into the evolving role of FinTech, the critical importance of HR competencies, and the impact of service innovation on firm growth in the banking sector.

(Nana, 2019) Study revealed that employee competencies play a mediating role in the relationship between HRD practices and organizational effectiveness. This research was conducted within the banking industry, and the analysis is based on cross-sectional data, limiting its generalizability across other sectors. The findings provide valuable insights for policymakers and bank management in designing well-structured HRD practices that effectively harness employee competencies, ultimately enhancing organizational effectiveness.

(Duy-Thanh Nguyen a, 2023) Study indicated that high-performance human resource management (HRM) practices have an indirect impact on firm performance while directly influencing innovation. Moreover, innovation serves as a mediating factor in the relationship between high-performance HRM practices and firm performance. Additionally, organizational size emerges as a key variable affecting firm performance. The findings offer valuable insights for managers seeking to enhance human resource management systems, emphasizing the role of innovation and organizational size in driving firm success.

(Cherif, 2020) study was to examine the role of Human Resource Management (HRM) practices and employee job satisfaction in predicting organizational commitment within the Saudi Arabian banking sector. The study aimed to understand the extent to which HRM practices influence job satisfaction and, in turn, how both factors contribute to enhancing organizational commitment among employees.

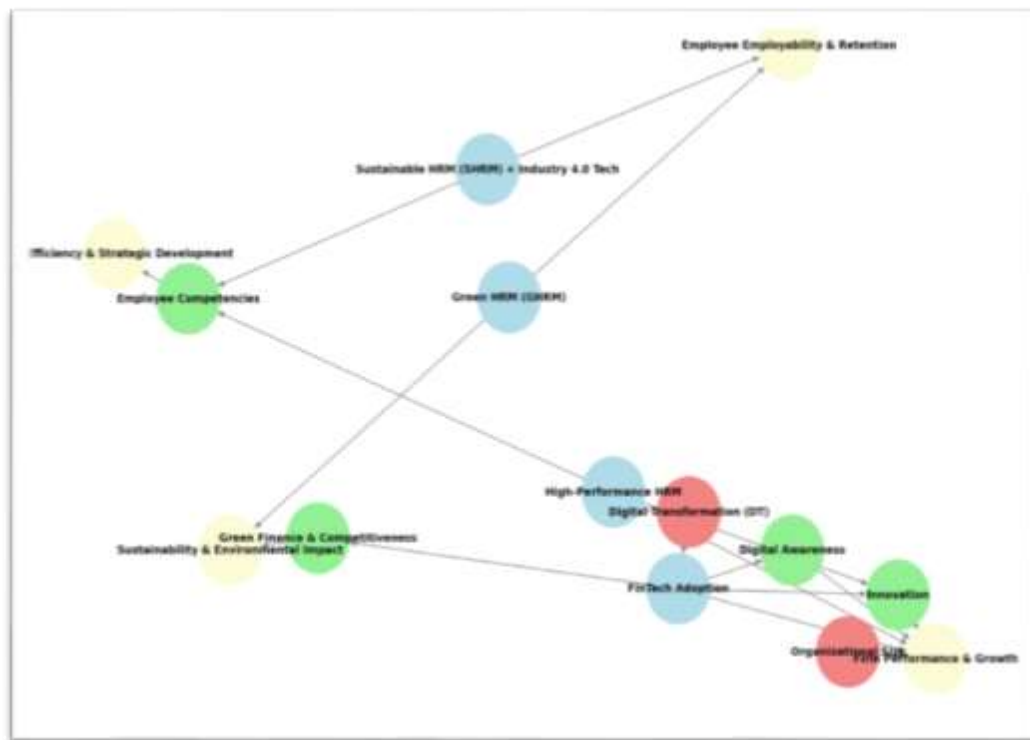


Figure 1: Conceptual Model of FinTech, HRM Practices & Organizational Performance

The conceptual model highlights the interconnected relationships between FinTech adoption, High-Performance HRM, Green HRM (GHRM), and Sustainable HRM (SHRM) integrated with Industry 4.0 technologies, demonstrating their collective impact on firm performance, employee competencies, sustainability, and organizational growth. FinTech adoption enhances innovation, digital awareness, and green finance & competitiveness, all of which contribute to improved firm performance and long-term sustainability, with digital transformation (DT) acting as a moderator that amplifies these effects. High-performance HRM practices directly influence innovation and employee competencies, reinforcing that effective HR strategies enhance workforce capabilities and organizational efficiency. Additionally, Green HRM (GHRM) fosters sustainability efforts and employee retention by promoting eco-friendly workplace policies, while SHRM, when integrated with Industry 4.0 technologies, strengthens employability skills, ensuring workforce sustainability. The model also identifies key mediators and moderators, such as innovation, which links high-performance HRM practices to firm success, and green finance & competitiveness, which bridge the gap between FinTech adoption and sustainability. Furthermore, digital awareness mediates the relationship between green finance and FinTech adoption, highlighting the necessity of technological literacy in financial sustainability. Organizational size also plays a moderating role, suggesting that HR strategies should be tailored to business scale and scope. In conclusion, this study confirms that FinTech adoption and HRM practices are essential drivers of organizational performance and sustainability. The findings emphasize that integrating digital transformation, innovation, employee competencies, and sustainability-focused HRM strategies is crucial for long-term growth. The model underscores the rising significance of Green HRM and SHRM, reflecting the evolving need for eco-conscious and technology-driven business environments. To maintain a competitive edge, organizations should leverage HRM innovations, promote sustainability initiatives, and strategically implement FinTech solutions while ensuring digital literacy among employees.

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