

## **Green Human Resource Management Practices and Satisfaction of Employees of Small and Medium Enterprises**

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### **ABSTRACT**

In recent years, the growing focus on sustainability has highlighted the importance of green human resource management (GHRM) in enhancing employee satisfaction and organizational productivity. This study aimed to investigate green human resource management practices and satisfaction of SMEs employees in Digos City, with a particular emphasis on identifying the substantial relationship between green human resource management practices and job satisfaction. Using a stratified random sampling technique, 200 SMEs employees of Digos City in Davao del Sur, Philippines were surveyed, wherein the resulting data was analyzed using mean to describe the level of the variables and Spearman's rho coefficient. The findings revealed that the level of green human resource management practices and satisfaction of SME employees in Digos City are high and very high, respectively. Moreover, a strong positive relationship was found between green human resource management practices

and satisfaction of SMEs employees. The study concludes that SMEs should prioritize the development of green policies that not only support environmental sustainability but also create a satisfying and productive work environment, with potential implications for broader organizational success and sustainability practices globally.

*Keywords: green human resource management practices, satisfaction, small and medium enterprises, business management, Philippines*

## **INTRODUCTION**

Employees are regarded as the most significant resource for any business organization anywhere in the globe since they work to increase organizational performance by doing their best at the business (Rahaman et al., 2021). Green human resource management practices have good environmental and social consequences; however, they also have a set of challenges. Lack of green awareness and motivation, organization culture, green training, education, and leadership would be a massive obstacle to earning the satisfaction of the employees. In the contemporary business landscape, the issue of employee job satisfaction has become increasingly critical, demanding close attention from organizations (Ahmed et al., 2022). Employee dissatisfaction can impede productivity, weaken internal motivation, and ultimately decrease workplace commitment and engagement (Almaamari, 2023). Consequently, the long-term consequences of having dissatisfied employees can lead to a deterioration in the overall performance of the business firm.

Green human resources management (GHRM), which consists of green policies, practices, and systems, refers to encouraging a company's workforce to embrace environmentally friendly activities to create an environmentally conscious, resource-efficient, and socially responsible workplace. These GHRM practices provide a positive work environment that motivates employees to do their best, represented in their behavior as a desire to attain green performance (Huo et al., 2022). A foundational aspect of GHRM is the integration of green considerations into recruitment and selection processes, which involves personality traits that help organizations achieve their environmental goals, such as candidates' green consciousness, conscientiousness, and agreeableness (Mwita & Kinemo, 2019). This will inspire the employees to be more efficient, satisfied, motivated, and productive in finishing their duties and tasks. The proper performance of the employees in small-medium enterprises depends on effective leadership. Employee satisfaction is significantly impacted by Green Human Resource Management Practices (Kodua et al., 2020).

Green human resource management (GHRM) practices can be seen as an organization of internal procedures that are organized and sensible to have the goal of supporting and fostering employee commitment, motivation, satisfaction, and competence (Faheem et al., 2023). Green human resources management practices are likely to produce green working conditions and a culture where employees are highly committed to the company and work hard to achieve the company's goal. The willingness of employees to commit one another to the organization's success can also be considered an organizational commitment. Thus, green human resource management

practices include certain activities and procedures that intend to train, encourage, and keep staff members satisfied while ensuring their productivity is maintained for the organization's survival. The study of Cherif (2020) underscores the positive relationship between green human resource management (GHRM) practices and employee engagement and satisfaction. The research reveals that implementing GHRM practices such as green recruiting and selection, work-related training and development, compensation and benefits, and performance appraisals contributes to a heightened sense of organizational commitment and employee satisfaction.

While individual perspectives on job satisfaction may vary, there is a unanimous agreement among employees that management needs to address these issues comprehensively, recognizing that different working conditions and environments can influence varying levels of job satisfaction. Furthermore, Ekhsan and Parashakti's (2023) study reinforces the positive and significant impact of green human resource management practices on employee satisfaction. It is also determined in the study of Mohammed et al. (2019), who claimed that effective human resource management practices significantly impact worker satisfaction. This implies that a well- implemented human resource management strategy, especially one that integrates green practices, not only contributes to employee satisfaction but also has the potential to boost overall productivity and morale, leading to success beyond the immediate confines of the firm.

This study is anchored on Resource-Based View theory which emphasized the strategic importance of effectively managing resources and capabilities within small and medium enterprises (SMEs) to enhance employee satisfaction and overall organizational performance. The RBV

theory contends that organizations can attain a sustainable competitive advantage by strategically leveraging valuable, rare, sustainable, and well-organized resources. In the context of green human resource management practices, this theory becomes particularly pertinent, as it sheds light on how SMEs can harness their unique set of resources and capabilities to implement environmentally conscious HRM practices. By focusing on the valuable and sustainable management of green initiatives, such as recruitment, training, compensation, and performance appraisal, SMEs in Digos City can create a competitive edge, fostering higher levels of employee satisfaction and contributing to long-term success in the dynamic business environment. The RBV theory, therefore, provides a robust conceptual lens through which to explore the relationship between green HRM practices and employee satisfaction in the specific context of SMEs in Digos City.

Despite the significance of this study, a notable gap exists in the existing literature, particularly in the context of exploring the relationship between green human resource management practices and the satisfaction of employees in small and medium enterprises (SMEs) in Digos City. While the importance of green HRM practices in fostering sustainability and employee well-being is acknowledged in broader organizational studies, there needs to be targeted research that delves into the unique dynamics and implications within the SME landscape in Digos City. The premise of the preceding idea inspired the researchers to conduct this study as it underscores the need to address and contribute to understanding how green HRM practices specifically impact employee satisfaction in the SME sector of Digos City, offering insights tailored to the local context and business environment.

### **Statement of the Problem**

This study aimed to determine the relationship between green human resource management practices and satisfaction of SME employees in Digos City. Specifically, this study sought to address the following objectives:

1. To evaluate the level of Green Human Resource Management Practices in terms of:

- 1.1 organizational culture;
- 1.2 recruitment and selection;
- 1.3 training and development;
- 1.4 performance management and appraisal;
- 1.5 reward and compensation; and
- 1.6 employee empowerment and participation.

2. To assess the level of satisfaction of SME's Employees in Digos City in terms of:

- 2.1 teamwork;
- 2.2 leadership;
- 2.3 reward and recognition;
- 2.4 empowerment and participation;
- 2.5 training and individual development;
- 2.6 working hours;
- 2.7 communication; and
- 2.8 working condition.

3. To ascertain the significance of the relationship between the green human resource management and employee satisfaction of SMEs.

## METHOD

**Respondents.** The study encompassed a total population of 414 employees within the retail sector, from which a sample size of 200 was selected with a 95% confidence level and a 5% margin of error. Stratified random sampling was used to ensure an even representation of respondents. This method involves dividing a population into smaller subgroups, or strata, based on the member's shared features and randomly choosing from each stratum to generate the final sample (Simkus, 2023). This will ensure that each SME that makes up the overall sample size has an equal proportional representation.

This study covered registered small and medium enterprises (SMEs) listed in the Municipal Environment Natural Resources Office (MENRO) that have both regular and probationary employees currently employed in selected retail establishments within Digos City. However, to ensure a comprehensive and relevant sample, retail stores not registered with MENRO and those with fewer than five employees in retail services were excluded from the study. Moreover, respondents who initially agreed to take part in the research study were allowed to withdraw at any point without penalty.

**Instruments.** The study used survey questionnaire in the form of a rating scale. The first portion provided guidelines on how to evaluate the questions as well as the respondents' profiles. The second portion included specific questions about green human resource management, which consists six indicators namely: organizational culture, recruitment and selection, training and development, performance management and appraisal, reward and

compensation, employee empowerment and participation. The instrument on green human resource management practices was taken from the study of Masri (2016). Furthermore, the scale used is a five-point Likert-type with choices ranging from very high to very low. The level of responses was then classified and analyzed as follows:

Range of Means	Descriptive Level	Interpretation
4.20 - 5.00	very high	This indicates that human resource management practices are always observed.
3.40 - 4.19	high	This indicates that human resource management practices are often observed.
2.60 - 3.39	moderate	This indicates that human resource management practices are sometimes observed.
1.81 - 2.59	low	This indicates that human resource management practices are seldom observed.
1.00 - 1.80	very low	This indicates that human resource management practices are never observed.

The third part of the questionnaire consisted of questions regarding Employee Satisfaction in Small-Medium Enterprises in Digos City, which included eight indicators, namely: teamwork, leadership, reward and recognition, empowerment and participation, training and individual development, working hours, communication and working



condition. The questionnaire was adapted from the study of Ahmad et al (2020).

Range of Means	Descriptive Level	Interpretation
4.20 - 5.00	very high	This indicates that the job satisfaction is always observed.
3.40 - 4.19	high	This indicates that the job satisfaction is often observed.
2.60 - 3.39	moderate	This indicates that the job satisfaction is sometimes observed.
1.81 - 2.59	low	This indicates that the job satisfaction is seldom observed.
1.00 - 1.80	very low	This indicates that the job satisfaction is never observed.

**Design and Procedure.** A correlational research design was used in this study. The correlational design examines the connections between the variables and may go in either a positive or negative direction (Bhandari, 2022). This design is appropriate since the study aims to explore the nexus between green human resource management practices and satisfaction of small-medium enterprises employees.

Prior to the administration of questionnaires, the researcher submitted letters of approval to conduct the

research, which was duly recommended by the Dean of College to the approving authorities of the selected SME's in Digos City. After retrieval, the responses were gathered and analyzed using the proper statistical methods. The tabulated data was evaluated and interpreted in accordance with the problem statements. Weighted mean and Spearman's rho coefficient was used to analyze the data. Weighted mean was used to characterize the green human resource management practices and satisfaction of small-medium enterprises employees. On the other hand, Spearman's rho was used to assess if the two variables are correlated.

## **RESULTS AND DISCUSSION**

Table 1 displays the level of green human resource management practices in SMEs that contain six indicators: organizational culture, recruitment and selection, training and development, performance management and appraisal, reward and compensation and employee empowerment and participation. The overall mean score of 4.08 (SD=0.43) indicates a high level of green human resource management practices, which means that the practices in the SMEs are often observed. As shown in the table, organization culture has the highest mean score of 4.25 (SD=0.49), followed by employee empowerment and participation ( $\bar{x}$ =4.11, SD=0.57), performance management appraisal ( $\bar{x}$ =4.09, SD=0.52), training and development ( $\bar{x}$ =4.07, SD=0.56), reward and compensation ( $\bar{x}$ =3.99, SD=0.57), and recruitment and selection ( $\bar{x}$ =3.99, SD=0.52).

When analyzing the specific indicators, it is evident that organizational culture garnered the highest mean score

Table 1. *Level of green human resource management practices (n=200)*

Indicators	Mean	SD
organizational culture	4.25	0.49
recruitment and selection	3.99	0.52
training and development	4.07	0.56
performance management appraisal	4.09	0.52
reward and compensation	3.99	0.57
employee empowerment	4.11	0.57
Overall	4.08	0.43

of 4.25 (SD=0.49). This implies that SMEs in Digos City place significant emphasis on fostering an eco-friendly organizational culture, which can include values, norms, and policies aligned with environmental sustainability over their environment. The notion of green human resource practices has raised awareness of employee empowerment within the firm (Zaki & Norazman, 2019). This commitment to a green organizational culture sets a positive foundation for adopting other GHRM practices. This finding is consistent with the study of Amenze (2022), who asserted that a strong organizational culture that prioritizes environmental sustainability can serve as a catalyst for the successful implementation of green human resource management (GHRM) practices. Furthermore, Hadi et al.'s (2022) study emphasizes that organizational culture reflects the essence of the organization, encompassing its thinking style, values, ethics, and purpose. This perspective resonates with Hadi et al.'s (2022) study, which suggests that organizational culture is manifested not only in attitudes and behavior but also in routines, slogans, and visuals such as facilities and infrastructure.

Employee empowerment and participation, with a mean score of 4.11 (SD=0.57), are also notably high. This suggests that SMEs encourage employee involvement in green initiatives and decision-making processes related to environmental concerns. This is crucial as engaged and empowered employees can be instrumental in implementing and sustaining GHRM practices. As stated by Nuris et al. (2020), empowered employees have the opportunity to participate in green programs and trainings that may enhance their environmental attitudes and behavior, as well as their green performance. This aligns with the findings of the study by Ranjbar et al. (2023), emphasizing that employee empowerment and participation involve instilling confidence in employees. Employee empowerment enhances motivation and reduces conflicts at both individual and group levels, providing individuals with more significant influence over their work environment. As highlighted by Odinga et al. (2019), green human resource management practices have contributed to an increased awareness of employee empowerment within organizations, recognizing its pivotal role in fostering a green and sustainable work culture.

Performance management and appraisal ( $\bar{x}$ =4.09, SD =0.52) indicate that SMEs in Digos City are proactive in aligning employee performance assessments and skill development with green objectives. This is indicative of their commitment to continuous improvement and skill-building in the context of environmental sustainability. Evaluating an employee's performance can enhance their work performance, engagement and satisfaction (Sahija, 2022). These results are consistent with the study of Hamidi (2023), which highlighted how green performance management and assessment systems increase employee knowledge, which enhances an

organization's environmental performance. According to Ardiza et al. (2021), green performance management and appraisal is a planned, systematic method created to assess and share the actions of employees' performance on the job in environmental management and create a plan for employee improvement.

Training and development also garnered a mean score of 4.06 from the respondents, which suggests that SMEs in Digos City implemented green training and development initiatives for their employees that are specifically tailored to equip employees with the necessary skills and knowledge to engage in green practices, effectively mitigating the production of environmental pollutants. Moreover, the emphasis on enhancing both managerial and technical abilities through these programs suggests a comprehensive strategy aimed at empowering employees to contribute meaningfully to the preservation of natural resources. According to Srinivas et al. (2023), green training and development workshops contribute to green education on environmental issues to enhance the attitude and conduct of managerial and non-management personnel. Employees who undergo green training and development are more competent in identifying different sources of pollution, collecting waste data, and protect the environment (Hussain et al., 2019). As suggested by Saeed et al. (2019), all company employees, not only those connected to the environmental departments, should receive green training in addition to educational programs covering, but not limited to fundamental and advanced skills.

On the other hand, reward and compensation ( $\bar{x}=3.99$ ,  $SD=0.57$ ) and recruitment and selection ( $\bar{x}=3.99$ ,  $SD=0.52$ ) exhibit slightly lower mean scores but still remain at a

respectable level. While these areas are considered in the context of GHRM, there may be room for further enhancement and fine-tuning of reward systems and recruitment processes to better align with green practices. Although green recruitment and selection, as well as reward and compensation, are widely recognized as integral components of GHRM practices, Pham et al. (2019) posit that understanding the ability of employers with pro-environmental credentials to attract skilled employees is crucial. Green recruitment and selection involve attracting and selecting candidates dedicated to addressing environmental issues and displaying a genuine interest in sustainability (Abbasi et al., 2022). These findings align with the insights from the study of Mahato and Kaur (2023), highlighting the significance of green rewards and remuneration in motivating employees to enhance their role-specific competencies. Therefore, the study suggests that while SMEs in Digos City have laid a foundation in these areas, there is room for refinement to fully optimize the potential of green reward systems and recruitment processes in promoting environmentally conscious human resource practices.

Table 2 displays the level of satisfaction of SMEs employees across eight indicators: teamwork, leadership, reward and recognition, empowerment and participation, training and individual development, working hours, communication, and working condition. The overall mean score of satisfaction was 4.27 (SD=0.44), indicating a very high level of satisfaction among employees. As shown in the table, teamwork has the highest mean score of 4.39 (SD=0.58), followed by working condition ( $\bar{x}$ =4.37, SD=0.59), working hours ( $\bar{x}$ =4.32, SD=0.60), leadership ( $\bar{x}$ =4.30, SD=0.58), employee empowerment and participation ( $\bar{x}$ =4.28, SD=0.51),

Table 2. *Level of Safety Climate Practices of HR Practitioners in Digos City*

Indicators	$\bar{x}$	SD
teamwork	4.39	0.58
leadership	4.30	0.58
reward and recognition	4.15	0.60
employee empowerment and participation	4.28	0.51
training individual development	4.17	0.52
working hours	4.32	0.60
communication	4.20	0.53
working condition	4.37	0.59
Overall	4.27	0.44

communication ( $\bar{x}=4.20$ ,  $SD=0.53$ ), training individual development ( $\bar{x}=4.17$ ,  $SD=0.52$ ), and reward and recognition ( $\bar{x}=4.15$ ,  $SD=0.60$ ).

Upon analyzing these specific indicators, it is evident that teamwork garnered the highest mean score of 4.39 ( $SD=0.58$ ). This highlights a strong sense of collaboration and positive cooperation among employees in small and medium enterprises (SMEs) in Digos City. Moreover, these findings suggest that employees easily get along with their co-workers and experience an environment of enthusiastic teamwork within the organization. This observation aligns with Syafri et al.'s (2020) study, emphasizing that employee satisfaction is a robust predictor for maintaining effective teamwork within organizations. Furthermore, it increases the efficacy of teamwork in the services, and it is helpful for practitioners who want to enhance employee performance while encouraging cooperation inside their firms. Consistent with

these results, Berber et al. (2020) report high employee satisfaction towards working in teams. Similarly, the study of Khaliq et al. (2020) claimed that teamwork fostered during courses facilitated efficient collaboration with colleagues from other departments. This consistency in findings suggests that emphasizing strategies to enhance employee satisfaction contributes to individual commitment and improving teamwork and performance within SMEs.

Working conditions garnered a mean score of 4.37 (SD=0.59), which indicates a notably high level of satisfaction among employees in SMEs within Digos City. These suggests that organizations always maintain the tools and resources their employees need to retain their work satisfaction. The emphasis on maintaining favorable working conditions underscores the organization's commitment to ensuring conducive and supportive environment for their workforce. This aligns with the assertion by Dhanshetti et al. (2023) that employee satisfaction is intricately linked to productivity, motivation, and work performance, contributing to personal fulfillment. As stated by Badrianto and Ekhsan (2020), there is a noteworthy correlation between variables influencing employee performance and indices of work satisfaction, particularly concerning the working environment. The significance of working conditions becomes particularly evident in the current landscape, where, according to Yanchovska and Vladimirov (2023), working conditions pose challenges for businesses in retaining happy and dedicated staff members. However, the study conducted by Vinith in 2023 affirms the vital connection between working conditions and employee satisfaction.

Working hours notably garnered a mean of 4.32 (SD=0.60), which indicates that employees are satisfied with



their total working hours. This suggests that employees are content with their flexible schedules, allowing them to manage their work and non-work interests effectively. This result aligns with the findings of Wu and Zhou (2022), which found that working hours have a significant impact on employee satisfaction. The more hours worked, the higher the workforce productivity, and vice versa. Furthermore, the study by Dong et al. (2021) supports this by noting that employees working more than nine hours tend to report lower levels of job satisfaction, with a more pronounced drop for those working more than twelve hours. According to heterogeneous analysis, female employees are less satisfied with their jobs when they work lengthy hours than their male counterparts. The study of Arduc and Beyhan (2023) argues that there is a gender gap in employee work schedules, which, in particular, affects job satisfaction, particularly for women.

Empowerment and participation garnered a mean score of 4.28 (SD=0.51), which means that employees understand the vision, mission, and purpose of the organization that makes them feel their job is important, and employees are satisfied with their involvement in decisions that affect their work. The level of job satisfaction is intricately linked to various factors, among which empowerment and participation play a crucial role. This result aligns with the research by Al-Swidi et al. (2012), which found that employees benefit from empowerment and are reported to have higher work satisfaction with higher levels of responsibility. Furthermore, Staniulienė and Zaveckiz (2022) emphasized that empowerment and participation are based on trust, which means that individuals are given more authority and responsibilities, enabling them to explore their potential within the workplace. The study by Naggar (2020) reinforces

these findings by asserting that employee empowerment significantly impacts the satisfaction of employees in the organization.

Leadership reveals a substantial mean score of 4.30 (SD=0.58), which means that supervisors and senior managers visibly demonstrate a commitment to quality, effectively communicate job expectations to employees, address concerns and questions, and exhibit strong management skills. The study by Assiddiki (2023) supports these findings, asserting that organizations with good leadership boost employee happiness, increase employee organizational commitment and satisfaction, and provide job security for employees for job satisfaction to preserve current resources. Furthermore, Ogonegbu and Kyongo (2023) emphasize the importance of leadership in providing support for employees. Similarly, the study conducted by Chandra and Widhianto (2023) on the leadership style of medical device companies in Jakarta demonstrates a positive and significant influence on the level of job involvement and satisfaction among employees. Specchia et al. (2021) also contribute to this understanding by revealing that negative leadership practices cause employee discontent and burnout, while a leader's satisfaction or leadership style positively impacts worker contentment and job satisfaction.

Communication garnered a mean score of 4.20 (SD=0.53), which indicates that organizations excel in keeping employees informed about matters affecting them, providing clear explanations for decisions on key issues, and ensuring employees know where to obtain information. Heuss and Datta (2023) noted that effective communication is essential for maintaining team cohesion, fostering talent development and retention within organizations, and positively correlated

with employee job satisfaction. Moreover, Pham et al. (2019) highlight the positive relationship between open communication and employees' job satisfaction. In an environment where communication is open, transparent and values the actions and efforts of employees, they become more engaged in all aspects of the company. This resonates with the principle articulated by Enyan et al. (2023), emphasizing that the ability to communicate directly correlates with job satisfaction.

Training and Individual Development remarkably got a mean score of 4.17 (SD=0.52), which means that initial training provided by the organization is sufficient, training offered by the organization helps employees to be effective and efficient in their job, and organizations encourage continued education and professional growth. These findings align with the research conducted by Pellin et al. (2021), which emphasized that organizations with green training policies, aligned with corporate plans and seeking agreement between individual and organizational interests, contribute to stronger organizational ties, ultimately impacting employees' satisfaction within the organization. Similarly, the study by Papos & Kumar (2019) supports these results by highlighting a favorable connection between training and development strategies implemented in technical educational institutes and the level of job satisfaction experienced by faculty members. The findings of Wajidi et al. (2023) further reinforce the significant influence of training and development opportunities on employee job satisfaction. This underscores that green training methods, designs, and delivery styles substantially and positively affect employees' satisfaction within organizations.

Reward and recognition have a mean score of 4.15 (SD=0.60), which means that small-medium enterprises in Digos City provided proper base pay, retirement plans, annual raises, and the process used to determine promotions and annual raises. According to Mundhe and Mohanty (2022), rewards and recognition have become one of the most critical factors in determining employees' engagement with their work. In line with the study by Ndungu (2017), it has been found that rewards and recognitions significantly impact employees' motivation and satisfaction. Froese et al. (2019) also suggested that systematic rewards should be used in order to generate job satisfaction rather than reduce the attrition rate. According to Phangestu et al. (2022), rewarding and recognizing the top employee is a means of showing gratitude for their long-term commitment to the company.

Table 3 shows the correlation of the variables in this study. It indicates a statistically significant and moderately positive relationship between green human resource practices and the satisfaction levels of employees in SMEs in Digos City,  $\rho(198)=0.458$ ,  $p<0.01$ . This means that the consistent implementation of green HRM practices is associated with an increase in employee satisfaction (Kafil et al., 2021). Supporting this, the study of Baykal (2023) emphasizes that green human resource management significantly contributes to employee satisfaction within organizations.

Further analysis reveals that specific indicators of Green HRM practices are correlated with the satisfaction of SMEs employees in Digos City: training and development ( $\rho=0.562$ ,  $p<0.01$ ); reward and recognition ( $\rho=0.486$ ,  $p<0.01$ ); communication ( $\rho=0.453$ ,  $p<0.01$ ); leadership ( $\rho=0.421$ ,  $p<0.01$ ); empowerment and participation ( $\rho=0.413$ ,  $p<0.01$ ); teamwork ( $\rho=0.297$ ,  $p<0.01$ ); working condition ( $\rho=0.229$ ,

Table 3. *Correlation matrix of green human resource practices and satisfaction*

	OC	RS	TD	PMA	RC	EEP	Overall
T	.353**	.276**	.260**	.214**	.204**	.255**	.297**
L	.420**	.379**	.483**	.377**	.346**	.244**	.421**
RR	.408**	.420**	.396**	.416**	.412**	.341**	.486**
EP	.492**	.367**	.296**	.324**	.314**	.249**	.413**
TID	.524**	.470**	.483**	.444**	.415**	.437**	.562*
WH	.336**	0.119	.246**	0.049	.160*	.185**	.192**
C	.208**	.297**	.421**	.435**	.359**	.513**	.453**
WC	.499**	.152*	.272**	0.124	0.101	.173*	.229**
Overall	.540**	.350**	.436**	.335**	.335**	.355**	.458*

\*p<.05, \*\*p<.01

p<0.01); and working hours ( $\rho=0.192$ ,  $p<0.01$ ). These positive relationships highlight the importance of various human resource practices in fostering employee satisfaction. Drawing from broader literature, Kim et al. (2019) take a significant step forward by revealing evidence suggesting that GHRM practices favorably impact on employees' environmental behavior and satisfaction.

Additionally, the findings of Khan (2019) highlight the positive correlation between employee engagement and satisfaction with authentic leadership. The results of this study provide preliminary insights into the interconnectedness of employee job satisfaction, engagement, and authentic leadership within organizations, the link between employee

job satisfaction, employee engagement, and authentic leadership in the organization. It underscores the significance of leader authenticity in building trust and enhancing employee engagement and job satisfaction. Notably, the core objective of green HRM practices is aptly highlighted, emphasizing the integration of environmentally friendly practices into human resource policies and procedures.

Furthermore, Naseer et al.'s (2023) study establishes a positive and substantial correlation between green HR practices and employee satisfaction. This suggests that businesses with environmentally friendly HR policies tend to have employees who perform better on the job. The findings also showed the presence of some mediation between employee job performance and GHRM practices. The study emphasizes the importance for organizations prioritizing creating a work environment that fosters employee job satisfaction. This can be achieved through initiatives such as promoting employee engagement, providing recognition, and offering opportunities for professional growth.

Similarly, the findings of Raza and Khan (2022) explicitly states that the implementation of green human resource management practices within an organization can led to increased employee satisfaction. It emphasizes that employees who are satisfied with their workplace or occupations are more likely to exhibit dedication to their companies and their roles.

Given the current challenges with employee satisfaction, the importance of prioritizing and addressing employee contentment has become increasingly evident. In the study by Ramachandran & Divakaraan (2022, pp. 459), employee satisfaction is inversely correlated with green human resource management practices. In the digital age,

employee competition has progressively replaced customer competition in the industry. Gunasinghe (2023, p. 542) emphasized the value of satisfied employees in every organization. Another study by Huo et al. (2022, p. 16776.), implementing HRM in the organizations may significantly increase employees' job satisfaction among employees. The results of the study by Chowdhury et al. (2019, pp. 129-138) demonstrated that GHRM has developed into a cutting-edge trend of interest in the businesses to benefit employee satisfaction.

The result of the study aligns with the theoretical framework of the Resource-Based View, as a significant correlation was observed between green human resource management (GHRM) practices and employee satisfaction in small-medium enterprises. The culture of the organization's environmental policy is essential for going green, achieving sustainable outcomes, and implementing HRM practices. Furthermore, the focus at the employee level centers on work satisfaction as a crucial outcome, given that employees play a central role in implementing and executing green organizational activities. The study further emphasizes that organizations can boost employee commitment and satisfaction by establishing effective human resource management practices. By doing so, employees are likely to be motivated to exert greater effort on behalf of their organizations, reinforcing their commitment and desire to remain in their positions. This insight underscores the reciprocal relationship between GHRM practices, employee satisfaction, and overall organizational success

## **CONCLUSION AND RECOMMENDATIONS**

### **Conclusion**

This study aimed to identify the relationship between green human resource management practices and the satisfaction of small-medium enterprise employees in Digos City. The findings revealed a very high level of GHRM practices measured in terms of organizational culture, recruitment and selection, training and development, performance management and appraisal, reward and compensation, and employee empowerment and participation. On the other hand, the study also revealed a very high level of satisfaction among small- medium enterprises employees in Digos City measured in terms of teamwork, leadership, reward and recognition, empowerment and participation, training and individual development, working hours, communication, and working condition. Based on the analysis, green human resource management practices and satisfaction of small-medium enterprises employees in Digos City have a strong positive relationship, which was statistically significant at the SPEARMAN threshold. In particular, the organizational culture displayed a significantly strong positive correlation with teamwork among the indicators.

### **Recommendations**

Small and medium enterprises in Digos City may adopt the findings of this study to refine their green human resource management (GHRM) practices and enhance employee satisfaction. Although both GHRM practices and employee satisfaction are already high, organizations may benefit from implementing a Green Procurement Program that rewards environmentally responsible behaviors, thus



reinforcing a culture of sustainability. Moreover, it is recommended that SMEs invest in regular sustainability workshops and training programs to raise awareness and encourage active participation among employees. Integrating green criteria into recruitment processes, such as using assessment tools to evaluate candidates' sustainability knowledge, may also prove beneficial. Furthermore, green onboarding practices may be introduced to familiarize new hires with the organization's environmental policies and initiatives.

In addition, it is recommended that organizations integrate the concept of Comprehensive Sustainability, emphasizing the reuse and repurposing of resources, along with a Green Initiatives Program aimed at achieving a paperless environment. This approach may help SMEs develop an effective structure that encompasses multiple sustainability efforts, reducing the organization's environmental impact, fostering responsible behavior, and promoting ecological stewardship.

On the other hand, HR professionals may also gain valuable insights from this study by recognizing the significance of HR practices that support character development and career growth, which in turn contribute to employee performance by enhancing satisfaction and delivering quality services to consumers.

Finally, future researchers may explore how enhancing Green Initiatives can impact SME employees' productivity, motivation, and engagement. Addressing these aspects may enable employers to create an environment where Green Initiatives are effectively applied to inspire and motivate employees.

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