

Impact of Green Human Resource Management Practices on Sustainable Organizational Performance: Moderating Role of Green Transformational Leadership

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Abstract

The study explores the influence of Green Human Resource Management (GHRM) practices on Sustainable Organizational Performance (SOP) within the banking sector of Pakistan, with Green Transformational Leadership (GTFL) as a moderator. Using a quantitative cross-sectional design, data was collected from 106 employees of Karachi-based private banks and analyzed using Smart PLS software. Results reveal a significant positive impact of GHRM practices, particularly green recruitment, training, and performance management, on SOP. However, GTFL showed an insignificant moderating effect on these relationships. Practical implications include fostering green practices like online banking and sustainability-focused training. This study contributes to the understanding of GHRM and SOP, with a focus on green leadership's role in developing economies.

Keywords: Green Human Resource Management, Green Transformational Leadership, Sustainable Organizational Performance.

Introduction

The following study aims to derive a state-of-the-art relationship between green human resource management practices, green transformational leadership, and sustainable organizational performance under the surroundings of the banking sector of Pakistan. Owing to this, the study analyses the significance of the green practices with a brief glance at the operationalization of various banks, ultimately addressing and stating the problems and solutions as the objectives of the thesis.

The world undoubtedly faces the threat to climate change and the impending environment degradation, disrupting the ecological balance of its systems. With this rising threat, however, the global community, including private organizations and government bodies, has shown concern for the safety of the earth (Michaelowa & Sacherer, 2022; Siyambalapitiya et al., 2018). Therefore, the idea of environmental planning has come into action in almost all sectors (Koberg & Longoni, 2019). Nevertheless, the environmental management is also a big challenge for corporations for ensuring optimal functioning. In precise terms, the environmental management does not solely rely on marking the atmospheric conditions and

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safety, but also focuses on creating a social and economic balance (Al-Ghazali & Afsar, 2020). Nonetheless, even after the awareness of environment sustainability, many countries, particularly the developing regions have to face the catastrophise followed by the climate change. For instance, Pakistan, due to its geographical position and ineffective management, faces a lot of environment induced disasters. For instance, the floods of 2022 and 2023, along with extreme drought are indeed an indicator of climate change. Besides, the country has had been recognized as the eighth most vulnerable country on the global climate risk index in 2021. This however, is due to the manufacturing sector that is mostly based on fossil fuel which are a threat to environment. To illustrate, the fossil fuel increases the carbon emissions that increase global warming and are toxic to the atmosphere. To solve the issue, nevertheless, the country is also experiencing the rise of sustainable policy development that focus on environment friendly initiatives and among them the GHRM has become one of the most significant factors for ensuring sustainability and environment security (Khaskhely et al., 2022)

Thus, the environmental management, while keeping eye on the environment concerns, is achieved through green management techniques. Along with this, organizations can achieve sustainability through strengthening their economic, social and environmental dimensions which can be done under the GHRM. (DiBella et al., 2023).

However, the practical application of GHRM is not possible without leaders who can guide everyone on the issues and implications of the environmental degradation. Moreover, the organization leaders also assist in modifying an organization's acts and policies to ones that can create a sustainable environment. As a result of this, they use effective waste management and recycling methods to mitigate environment deterioration (Lahbar et al., 2023; Lee & Lee, 2022).

Problem Statement

Climate change has become a monumental issue in the contemporary world, reflecting numerous impending catastrophes. In simple terms, the world experiences environment degradation which has opened the doors for the world towards immediate actions of environmental recovery and resilience. It has, in fact coerced the United Nations to comply with the environmental safety measure and show direction to the world for saving the planet. For instance, the 2019 and 2021 sessions of the general assembly recognized climate sustainability as one of the priorities of its agenda (David, 2021). However, while the world faces climate change, corporate sectors and business, nearly all around the world, have play a humongous role in deteriorating the environment. Besides, organization's knowledge about the sustainability is very limited, that why they failed to address the solutions for unsustainability (Imbrogiano & Nichols, 2021). Furthermore, Shahzad et al. (2020) and Umar et al. (2022) have also pointed out the vulnerability of businesses to the non-renewable energy resources that are the biggest forebearer of atmospheric destruction. Therefore, environmental protection has become an unavoidable term for all the organizations to achieve sustainability, given the current situation of the world.

In respect to Pakistani context, there is a little literature present on the GHRM practices to create sustainable performance in the organizations. The country has not addressed the issue of climate change thoroughly through ingraining the topic of environment protection in the roots of an organization, specifically as there is misconception that what role banks can play in environmental protection and have not been elaborated in this context. Therefore, present

study is focused on examining the impact of GHRM practices on SOP and the how the GTFL will help to achieve in the banking sector this objective in the banking sector.

Literature Review

The literature view is based in the previous studies on the green human resource practices, organization sustainable performance and the strong role of transformational leadership. The relationship between these variables is explained; hypothesis here showing the positive, negative, strong or weak relationship between them and the conceptual framework represents the diagrammatical relationship.

The green human resource management is undoubtedly a synthesis evolved from the rise of environment protection as an important parameter for the corporate sectors. While human resource management focuses on optimizing process and systems, the greening of the term indicates the significance of environment safety and global sustainability in the management practices. In other words, every action of reducing pollution to save the planet for the future and the GHRM as a tool to sustainability (Saeed et al., 2019a).

The role of HRM has been evolving under the rule of greening of everything. In this case, the concept of GHRM has found place to ultimately change the entire structure of an organization. In simple, the GHRM is an evolved branch of HRM which follows the principles of greening and sustainability predominantly. This, therefore includes green agenda in all aspects and situations. For instance, the recruitment and training are also a part of GHRM. Besides, scholars argues that HRM to be an essential ingredient of an organization, helping it reach unsurpassable success. And ultimately, addresses GHRM as the weapon to inculcate green practices and shift towards energy efficient natural resources for sustainability (Santana et al., 2020).

Green recruitment and selection in corporations is a process necessary for accelerating the pace of greening. It involves hiring of candidates, who are open to challenges, suitable for the smooth running of an organization on the green principles. Therefore, the organizations which hold the green concept under their agenda consider GRS as an important principle of GHRM. Moreover, while research, some scientists have defined three important principles for GRS that are “green awareness of candidates, green employer branding, and green criteria to attract candidates”. Here the green awareness refers to imparting knowledge to the employees about environment sustainability. It includes giving the employees an idea about the drastic impacts the world can face due to environment pollution. Moreover, the knowledge of use of energy efficient and environment friendly practices can also be transferred to the employees to influence the creativity in the green sector. after this, the green employer branding is the process of attracting interested candidates who can act justly to the sustainability criteria. To do so, GHRM depicts its behaviour of the organization as environment friendly. At last, a criterion for job is created that ascertains the establishment of greening of the organization through evaluation that could select best candidates to serve the challenges faced during greening. Through following the criteria, an organization can strengthen green practices, move towards sustainability, and continuously motivate the candidates who are eager to pursue green projects. (O’Donohue & Torugsa, 2016; Tang et al., 2018a).

The role of GHRM, however, extends beyond just observing, managing, and recruiting. It contains a series of actions necessary for the continuance of green agenda and rise of creativity. Infact, many research studies have also considered training as an inalienable process of sowing sustainability in an organization (Aykan, 2017). According to Hameed et al. (2019), employees

are also trained to acquire the skills that can contribute in green practices in the organization. The GTND that can help in establishing skills among employees for taking actions against climate change, has become a significant part of almost every organization of the world (Tang et al., 2018b). It consists of encouraging and enhancing the capabilities of employees that can help the corporation (Aykan, 2017). Besides, the training shapes the behaviour of employees and inculcate in them basic management skills through various activities and work shops (Tang et al., 2023). GTND also helps built an informative and friendly environment for motivating the employees. Training, therefore, increases the innovation that regards the goals of GHRM. Moreover, studies also suggest the green training to be a part of all sectors of an organization, rather than solely organizational departments, to increase the awareness and knowledge that would increase the stakeholder's attention to the sustainability criteria (Aykan, 2017). For instance, these training can carry the awareness and training of waste management through recycling process (Yusoff & Nejati, 2019). Researchers, furthermore, have given the ideas of conducting seminars and sessions for the desired purpose. This would also increase the awareness of everyone on the recycling and waste management practices that need the collaboration of every individual (Opatha & Arulrajah, 2014; Ren et al., 2018). Therefore, green training makes an organization suitable to the environment (Mousa & Othman, 2020a). The greening of businesses has given rise to the concept of green performance management. It is, in simple terms, the evaluation of employee's actions and endeavors towards creating a green environment (Mandago, 2018). It focuses on the principles performance evaluation and performance appraisals to follow the green policies in letter and spirit. Infact, the study of points the observation and appraisal as rewards to employees, encouraging them to continue their positive behaviour. In addition, the appraisal also increases the awareness and knowledge of employees and they strive for their better performance (Malik et al., 2021). Besides, it is considered as the most significant tool of the performance management, in the contemporary world, rising the status an organization (Tweedie et al., 2019).

A detailed analysis of the GPM show that the phenomenon usually focuses on the rise of profits generated through the use of green practices. It ultimately focuses on the reductions of harmful emissions such as carbon dioxide which is a heat trapping gas that is responsible for the global warming. Moreover, it also paves way for the rise of environmental policies that reduces the conventional practices in organization that give rise to climate change. Therefore, it establishes a roadmap for the employees so that they can contribute in the rise of environmental safety and security. (Masri & Jaaron, 2017; Nejati et al., 2017; Saeed et al., 2019b).

A study conducted by Opatha and Arulrajah (2014) through observing the green performance of airports. Nonetheless, the studied airports have had the environment friendly policies that makes it crucial for the employees to comply with the demanded regulations. Nevertheless, the study also regards the appraisal of the employees a tool to enhance the performance. For instance, the acts of bonuses and employee encouragement can not only motivate the regarded employee, but also grab the attention of other employees. Ultimately, it can approve the voluntary actions of employees in the contribution of greening of an organization (Arulrajah et al., 2016b).

The transformational leadership is a multidimensional, here the role of leader is to create vision and high-performance expectations, provide support to individuals, leading towards goals and intellectual stimulation (Luyten & Bazo, 2019). Thus, it is not a very easy task and needs the leader to be creative and enthusiastic to pursue the goal for long term benefits, unlike those who give up on a task if they don't see a benefit immediately (Suparna et al., 2021).

The notion of GTFL is to produce leaders who have goal of sustainability and greening the environment in the organization. In this way, when the leaders who develop the green vision encourage and motivate all the other team towards this agenda. To do so, they create awareness among each other, shows them the path of greening by reflecting on the environmental concerns and the degradation caused by the climate change. (Li et al., 2020; Meo & Hussain, 2022).

Besides, the GTL is beneficial tremendously as it enhances the participation of both individuals and groups (Salama & Mansour, 2022). However, the transition is usually done through the series of managerial actions. Furthermore, it focuses on creating an innovative atmosphere through environment friendly policy and actions. Thus, it overall establishes an approach of advancing the products and services of a company that are advantageous for everyone. moreover, in respect to the organization, it raises its value in the competitive market environment which has been undoubtedly moving towards cost effective and environment friendly practices (Li et al., 2020; Suparna et al., 2021).

The sustainable performance of an organization defines the parameters of economy, environment, and society simultaneously. It thus defines how organizations should work to fight against climate change along with producing an amiable economic rise and maintaining social justice such that no person can be deprived of its basic rights (Shoaib et al., 2022). Besides that, Hussain et al. (2018) also defined sustainability as a cumulation of the aforementioned factors. In fact, to do so, he has also mentioned the variables of profit rise, return on equity, and social and environmental factors, concluding greening under the sustainable organization process. He also points out social responsibility as a major chunk of sustainability where employees develop behaviour and skills to advocate universal justice during the application of green practices.

The reason that led the organizations follow the environmental safety standards is the rising awareness of customers towards the climate change and the environmental friendly products and services. Therefore, the concept of environment protection has also become a matter of social responsibility, taken all the public is now considered as stake holder during generation of products and policies. For that organizations have to ensure that the environment safety is now the concern and demand of the consumers and underestimating its principles can neglect the needs of the customers (Schaltegger et al., 2019). It is a fact that customers now want companies to consider the environment and they also know the impacts of climate change on the general community (Sun et al., 2018). Hence, all the concerns, in a nutshell, refer to the sustainable performance where employees and organizations focus on the principles of equity, social justice, and climate sustainability simultaneously (Del Baldo & Baldarelli, 2017).

A case study on the healthcare industry, shows that green practices in the industry can be applied through the process of recycling, waste management, ad energy efficient practices for producing a sustainable environment (Pinzone et al., 2016). Another case study conducted in China, to seek sustainability in a business. Studies hence show that sustainability is an inevitable product of greening of an organization. In a deep analysis, the companies who consider environmental protection among the top goals of their organizations regard the principles of equity and social justice which are essential for collective profit. For instance, an environmentally friendly project not only enhance creativity and an approach of using the natural resources, but also implements the standards of social responsibility where they save the public sector from the toxicity released by the products that are harmful to the atmosphere (Svensson et al., 2018). Nonetheless, for this to happen, the employees should be well informed

about the impacts, challenges and benefits of the greening of environment and the its long-term results. By doing so, the employees can observe their practices and its impacts on the environment. This then broadens their perspectives on the social justice, organizational sustainability and profit gains (Orobia et al., 2020).

The relationship between the GHRM and sustainable organizational performance is the matter of great importance to all organizations. As the HRM helps a business to run smoothly by creating an atmosphere of creativity, innovation, knowledge that can move the organization towards excellence, it shift towards green enhances the role of management for creating synergy between environment protection and sustainability. The GHRM, moreover, focuses on recruiting employees that can help in protecting their vision of sustainability. It, moreover, considers the activities of employees and gives them shape through training development. The study is also focused by various researchers regarding the relationship between GHRM and its effect on environment aspects (Sun, et al., 2022). Kim et al. (2019), infact carried an examination of GHRM on a hotel industry and concluded a proportional relationship between them.

According to Rossi et al. (2020) business operations can be sustained and enhanced by incorporating the greening perception into the polices and practice of HRM, leadership innovation, and for the wellbeing of society. A study conducted in Egypt and UK companies on the GHRM practices with a focus of environmental responsibility revealed that when they implement green initiatives into their hiring, training, performance and rewards process, helps to improve their business performance, not only in terms of environment but also socially and profitability (Paulet et al., 2021). To understand the relationship between GRM and SOP, scholar Yong et al. (2020b) has had done a study of Malaysian corporations. He has analyzed that how the greening of organizations, done through management, recruitment and selection, and skills development, can elevate the efficiency of a business. For instance, he has mentioned the use of online forums for the interview or discussion purposes which can mitigate the harmful impacts of transportation, unavoidable otherwise. Therefore, he has defined a positive relationship be defined GHRM and SOP. Moreover, Bose and Gupta, (2017) have also carried out a study on GHRM, finding it a precursor to SOP. In the research, they have stated green practices such as green recruitment and selection and awareness to build the foundations of greening of a corporation. In addition, they have also said the practices as a means of achieving long term sustainability in an organization.

First, the GTFL in many enterprises is a source of inspiration and motivation on the employees and juniors. It gives them road through which they can implement environment safety along with creating sustainability. The GTFL also makes policies that make the HRM regard the environment security perspectives of the employees. It makes it essential for an organizations member to ascertain that they implement the sustainable practices (Jia et al., 2018).The GHRM for achieving this is, however, crucial. It helps in managing and shaping the thoughts and behaviour of employees towards sustainability. Moreover, the hiring and training of individuals also comes under the GHRM where the transformational leaders are responsible for making them fit to the goals of the company (Dumont et al., 2017).

The findings of the study conducted in the banking sector demonstrates that the principles of sustainability with role of GTFL and GHRM. Hence, the GHRM, GTFL both have a duty over the environment and creating sustainability. According to research of various scientists, the GTFL regards the equity and society's prosperity along with the green environmental initiatives. Therefore, to apply green concept banks have shown that transformational

leadership acts as a moderator for GHRM. The banks leaders thus can use and emphasize on practices of greening the tech and influence the management from top to bottom on accompanying the environment safety standards (Niazi et al., 2023). Infact, according to Miao and Cao (2019) the GTFL serves as an internal factor to ingrain the green values. It thus cultivates the ideology of greening of the corporation in each individual. It also is a source of motivation for employees who can then follow the path of their leaders. In addition to this, boosting green performance of employees by instilling vision and strategies in their minds (Al-Romeedy & El-Sisi, 2024). Furthermore, Le (2020) has had taken a study of banks over their green project and has claimed that those banks show a strong green citizenship social responsibility.

The impacts of greening of an organization, whether on the HRM level or the transformational leadership, benefits an organization by paving the road of a sustainable future for the business. Infact, the situation is also predicted by Peng et al. (2020) who elaborates the effects of green transformational leadership sown in the collective functioning of a team. Moreover, he predicts the role of a leader as humongous for the effective administration and transfer of knowledge about greening and its long-term advantages. Besides, the leader acts as a binder which holds the team together for proper functioning. All in all, the forces of leadership and effective HRM are the proprietors of the greening of an organization.

The study defines the inevitable behaviour of GTFL on the sustainability of an organization. It foresees the ability of GTFL to foster a culture of competence leading to success. For instance, the GTFL introduces the skill trainings and awareness campaigns that can bind together the employees of a corporation on a solid vision. Ultimately, it can also coerce the employees to work in collective collaboration for producing optimum results.

The study, moreover, regards the GTF leaders as the foundation of the greening of the organization who are a role model for other employees and work as leaders to form green team resilience (Çop et al., 2021).

Theoretical Framework

The study is supported by the two theories that are AMO and NRBV theory. The AMO theory articulates that exceptional performance of employees in the organization depends on the three components i.e. Ability, Motivation and Opportunity. The AMO theory proves favorable for the sustainable organizational performance. It defines the role of human resource management as crucial to sustainability (Appelbaum, 2000). In terms of environment safety and sustainability, the AMO theory can increase an organization's performance due to the rise of awareness, trainings, and effective recruitment and selection, as concluded by the study of Pham, Thanh, et al., (2020). This criteria of investing in human capital boosts the ability of employees, motivates them through the green TL, and paves the way of opportunities through the creative ideas of every employee in the way of greening. In a nutshell, the AMO theory can help a corporation achieve sustainability and optimism while remaining under the go green agenda (Haddock-Millar et al., 2016).

The Natural Resource-Based View theory claims the grip on natural resources as a scale of success of an organization. the theory believes that whoever has a plethora of resources to enrich its organization on the clean economy has an edge. The strong hold, therefore, makes an organization unique in the market, allowing it to attract consumers. In addition, the theory has also regarded three methods as its major components i.e.; pollution prevention, product stewardship, and sustainable development. These strategies, however, all work on the principle

of environmental protection (Barney, 1991). The role of green transformational leadership is vital element of the resource-based theory, enabling an organization to develop the culture of green environment along with promising sustainability. In detail, the green transformational leadership is an abstract resource of an organization that is responsible for spreading awareness, resulting in active participation of employees. In fact, according to Younis and Hussain, (2023) the GTFL creates a psychological green climate in an organization that ultimately rises creativity of each individual, paving the way of sustainability.

Research Hypotheses

H1: There is positive relationship exist between green recruitment and selection and sustainable organizational performance.

H2: There is positive relationship exist between green training and development and sustainable organizational performance.

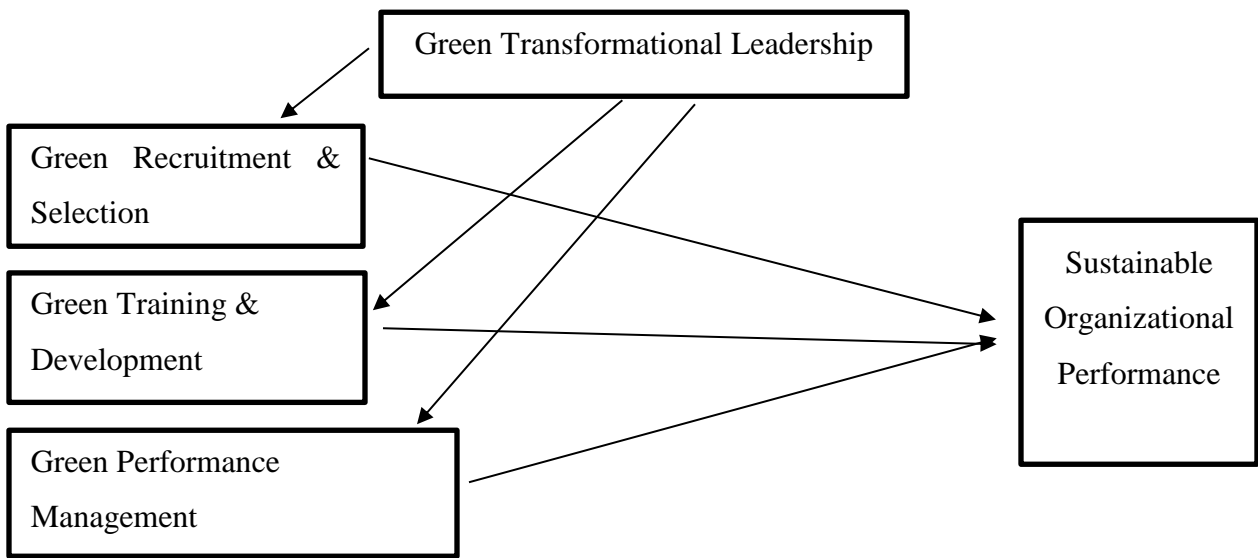
H3: There is positive relationship exist between green performance management and appraisal and sustainable organizational performance.

H4: Green transformational leadership moderates the relationship between green recruitment and selection and sustainable organizational performance.

H5: Green transformational leadership moderates the relationship between green training and development and sustainable organizational performance.

H6: Green transformational leadership moderates the relationship between green performance management and appraisal and sustainable organizational performance.

Figure 1: Conceptual Framework



Methodology

The study is based on the impact of GHRM on SOP with the moderating role of GTFL. The approach of the research is deductive where to test the existing theory. A deductive approach was chosen to test existing theories about GHRM's influence on SOP and the moderating role of GTFL. This aligns with the study's goal of confirming theoretical relationships in the banking sector. The type of research is quantitative and explanatory, where explaining the

causal relationship between the variables and making conclusions based on the facts and figures.

A quantitative cross-sectional design allowed for data collection at a single time point, providing a snapshot of the relationships between variables. This design is efficient for exploratory studies with resource constraints. This research design let us to observe and analyze different variables and collect data from a group of individuals at single period of time. The study focused on employees of 15 private banks in Karachi. Using convenience sampling, 106 responses were collected. While non-probability sampling limits generalizability, it was practical given the unknown population size and time constraints. As according to Qazi et al., (2023), banks that are highly involved in green banking polices by SBP, are of private sector. The data was collected from the experienced employees i.e. officers, executives and managers, they can be helpful to provide the knowledge about this research variables i.e. green HRM, sustainable organizational performance and green transformational leadership.

Besides, the study is focused on the banks of Pakistan, for the reason the population is unknown as a whole but limiting the scope by considering the private banks only of Karachi participants for collecting. So, the sampling technique will be non-probability sampling as the population is unknown, from which convenience sampling will be selected because of its approach, providing ease in collecting data, its cost effectiveness and due to time constraint.

developed by Mousa and Othman, (2020b), and GTFL through 6 items by Chen & Chang, (2013).

Primary data was gathered via structured questionnaires using a 5-point Likert scale, developed by Mousa & Othman, (2020), and GTFL through 6 items by Chen & Chang, (2013). Items were adopted from validated sources, ensuring reliability and alignment with study variables. Structural Equation Modeling (SEM) with Smart PLS was employed for its flexibility in handling complex relationships and latent variables. Reliability and validity were assessed using Cronbach's alpha, Composite Reliability (CR), and Average Variance Extracted (AVE).

Results

Table 1: Respondents Profile

| Demographics | Frequency | Percentage | |
|------------------------|------------------|------------|-----|
| Gender | Female | 30 | 19% |
| | Male | 127 | 81% |
| Age | 18 - 24 | 24 | 15% |
| | 25 - 34 | 101 | 64% |
| | 35 - 45 | 25 | 16% |
| | 45 or above | 4 | 3% |
| Qualification | Matriculation | 0 | 0% |
| | Intermediate | 0 | 0% |
| | Undergraduate | 21 | 15% |
| | Graduate | 45 | 29% |
| | Post-graduate | 91 | 58% |
| Work Experience | Less than 1 year | 15 | 10% |
| | 1-5 years | 68 | 43% |
| | 6-10 years | 43 | 27% |
| | 11-15 years | 15 | 10% |
| | 15+ years | 16 | 10% |

Reliability Analysis

The study focuses on SEM's essential metrics i.e. Cronbach's alpha, composite reliability and average variance extracted to assess robustness and validity of the latent variables. Cronbach's Alpha, higher values (above 0.70) indicate strong reliability, suggesting that the items are consistently measuring the same underlying construct (Al-Ghazali & Afsar, 2020). CR gauges the internal consistency of a construct by examining how well its indicators correlate with each other, with values above 0.70 indicating strong reliability (Digkstra & Henseler, 2015). AVE, on the other hand, quantifies the proportion of variance in the indicators that is explained by the construct itself, with values above 0.50 suggesting satisfactory convergent validity (Bagozzi & Yi, 1998).

Table 2: Summary of Reliability Analysis

| Constructs | No. of Items | Cronbach's Alpha | CR (rho_a) | CR (rho_c) | AVE |
|--|--------------|------------------|------------|------------|-------|
| Green Recruitment and Selection | 3 | 0.627 | 0.729 | 0.885 | 0.555 |
| Green Training and Development | 3 | 0.647 | 0.656 | 0.808 | 0.584 |
| Green Performance Management | 4 | 0.833 | 0.848 | 0.885 | 0.658 |
| Sustainable Organizational Performance | 5 | 0.815 | 0.834 | 0.870 | 0.574 |
| Green Transformational Leadership | 3 | 0.822 | 0.908 | 0.889 | 0.729 |

Findings

Green Recruitment & Selection (GSR) significantly influenced SOP ($\beta = 0.299$, $t = 3.352$, $p < 0.01$). This suggests that hiring environmentally conscious candidates aligns organizational goals with sustainability practices.

Green Training & Development (GTND) showed the strongest impact on SOP ($\beta = 0.440$, $t = 5.126$, $p < 0.001$), underlining the importance of skill enhancement and knowledge sharing for sustainability.

Green Performance Management (GPM) also positively impacted SOP ($\beta = 0.187$, $t = 2.259$, $p = 0.024$), highlighting the role of performance evaluation in promoting green behaviors.

GTFL failed to significantly moderate the relationships (e.g., GSR and SOP: $\beta = 0.009$, $p = 0.912$), potentially due to limited sample size or cultural leadership dynamics.

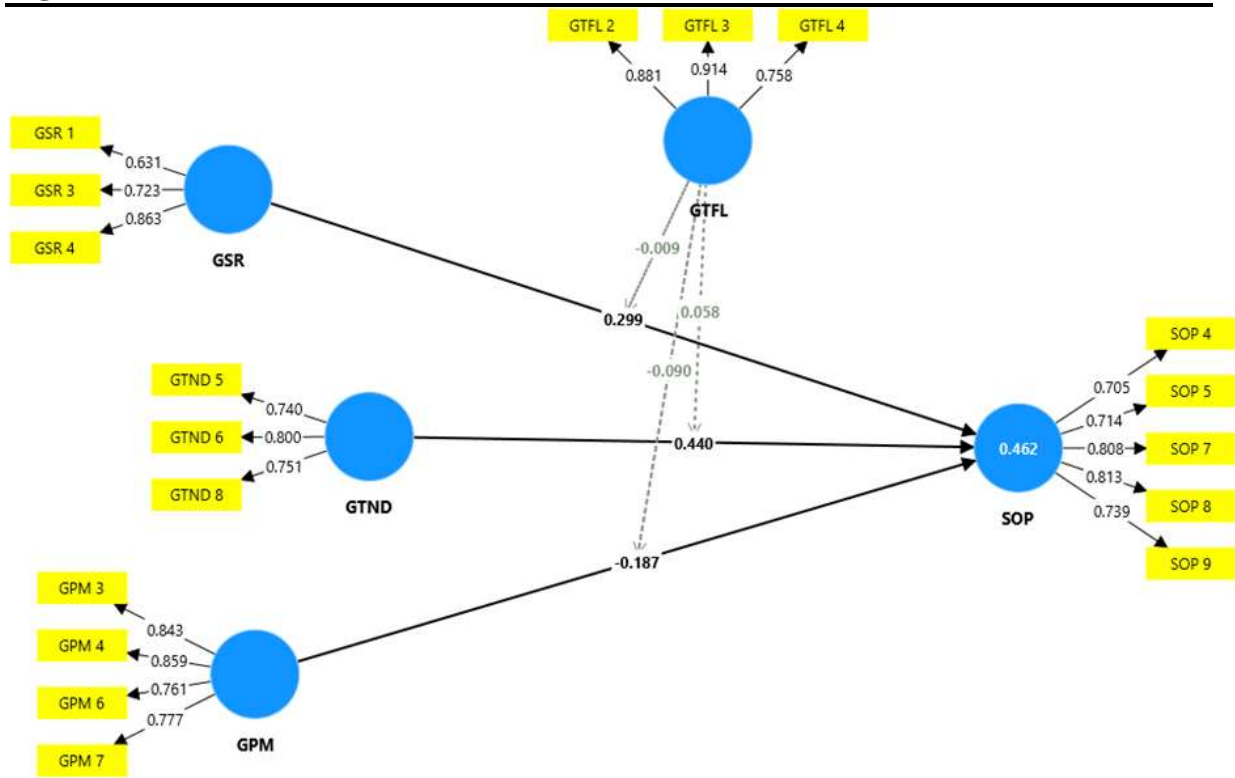
The findings align with the AMO theory, suggesting that equipping employees with ability, motivation, and opportunity through green HRM practices boosts organizational performance. The weak moderating role of GTFL may reflect contextual challenges in embedding transformational leadership in a developing economy.

Table 3: Model's Explanatory Power

| | R-square | R-square adjusted |
|--|----------|-------------------|
| Sustainable organizational performance | 0.462 | 0.437 |

In Structural Equation Modeling (SEM), R-square is used to assess how well the model explains the variance in the dependent variables. It represents the proportion of the variation in these variables that is accounted for by the independent variables. A higher R² value (0.6 or above) indicates a stronger model, meaning it explains more of the variance, while a lower R² (0.19) suggests the model may not explain much of the variation (Hair et al, 2019). The model's explanatory power for sustainable organizational performance is reflected in the R-square of 0.462 and adjusted R-square of 0.437, representing around 46.2% of the variance. The high R-square value of SOP indicates a stronger model fit and explains that constructs are doing a good job of determining the variation in that outcome.

Figure 2: Model



Conclusion

The study is taken to address some of the monumental problems of the contemporary world by deriving the relationship between green human resources and sustainable practices. To do so, however, the subject of the study is the role of banking sector in achieving sustainable practices. To cut a long story short, it shows the state-of-the-art relationship between green human resource management practices, green transformational leadership, and sustainable organizational performance under the surroundings of the banking sector of Pakistan by undertaking some sample studies on banks of Pakistan. Moreover, the research has also enlisted some recommendations to help boost the process of greening of banks. However, the study and its impacts have generalized only through the banks of Karachi. Nonetheless, with time rigorous research and implementation of the mentioned methods could result rise of sustainable green practices in the banks of the country and ultimately contribute in climate protection.

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