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## **JOB SATISFACTION AS A MEDIATING VARIABLE BETWEEN GREEN HRM PRACTICES AND EMPLOYEE BEHAVIOUR IN THE PRIVATE BANKING SECTOR**

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### **ABSTRACT**

The increasing emphasis on environmental sustainability has led organizations to integrate green principles into their human resource management systems. Green Human Resource Management (Green HRM) practices aim to encourage environmentally responsible attitudes and behaviours among employees while supporting organizational sustainability goals. In the service-oriented private banking sector, employee behaviour plays a critical role in service quality, operational efficiency, and organizational reputation. This theoretical paper explores the mediating role of job satisfaction in the relationship between Green HRM practices and employee behaviour. Drawing upon social exchange theory and attitudinal-behavioural frameworks, the study proposes that Green HRM practices enhance employees' job satisfaction, which in turn fosters positive employee behaviours such as pro-environmental actions, organizational citizenship behaviour, and work engagement. The paper develops a conceptual framework highlighting job satisfaction as a key psychological mechanism through which Green HRM influences employee behaviour in private banks.

**Keywords:** Green HRM, Job Satisfaction, Employee Behaviour, Sustainability, Private Banking

## **I. INTRODUCTION**

In recent years, environmental sustainability has become a major strategic priority for organizations across the globe. As climate change, resource depletion, and ecological degradation have intensified, organizations are increasingly adopting sustainable practices to reduce their environmental footprint. While industries such as manufacturing and energy have traditionally been the focus of environmental initiatives, the service sector, including banking, has begun to recognize its critical role in promoting sustainability. The private banking sector, in particular, faces growing pressure from regulators, customers, and society to implement environmentally responsible practices. Banks are not only responsible for minimizing their direct environmental impact, such as energy use and paper consumption, but also for promoting sustainable practices through the behaviour of their employees.

Human Resource Management (HRM) plays a crucial role in supporting organizational sustainability objectives. Green Human Resource Management (Green HRM) refers to the integration of environmental management into HR practices, including recruitment, training, performance appraisal, and rewards. Green HRM seeks to create a workforce that is aware of environmental issues, motivated to engage in eco-friendly practices, and committed to organizational sustainability goals. In the context of private banks, Green HRM is particularly important because employees are the primary drivers of service delivery and operational processes. When employees adopt environmentally responsible behaviours, such as reducing paper usage, supporting digital banking solutions, or minimizing energy consumption, the organization as a whole can achieve its sustainability objectives more effectively.

Although Green HRM has gained attention in recent years, the mechanisms through which these practices influence employee behaviour remain underexplored. Previous research suggests that employee attitudes, perceptions, and satisfaction play critical roles in determining whether Green HRM initiatives translate into observable behavioural outcomes. Among these factors, job satisfaction has been identified as a key psychological mechanism that connects organizational practices to employee behaviour. Job satisfaction refers to an individual's overall evaluation of their job experience, encompassing aspects such as working conditions, recognition, work meaningfulness, and alignment with personal values. Employees who are satisfied with their jobs are more likely to engage in discretionary behaviours, support organizational initiatives, and exhibit commitment and loyalty. In the context of Green HRM, job satisfaction can determine how effectively employees adopt and implement environmentally responsible behaviours.

The concept of job satisfaction as a mediating variable is grounded in well-established theoretical frameworks. Social exchange theory posits that employees reciprocate positive organizational treatment with favourable attitudes and behaviours. When employees perceive that their organization values sustainability, provides green training, and rewards eco-friendly behaviour, they experience enhanced job satisfaction. This positive emotional state, in turn, motivates employees to exhibit behaviours that support organizational goals, including environmental initiatives. Similarly, attitudinal-behavioural models in organizational

psychology suggest that employee behaviour is influenced not only by external stimuli, such as HR practices, but also by internal attitudinal factors, including satisfaction, engagement, and commitment. By mediating the relationship between Green HRM practices and employee behaviour, job satisfaction provides a critical explanatory mechanism that links organizational initiatives to tangible outcomes.

In the private banking sector, employee behaviour is particularly significant due to the service-oriented nature of operations. Unlike industries with tangible products, banks rely heavily on human interaction, decision-making, and adherence to procedural standards. Environmentally conscious behaviour among bank employees can manifest in multiple ways, including adopting paperless banking methods, promoting digital transactions to customers, conserving energy in the workplace, and participating in corporate sustainability programs. Such behaviours not only reduce environmental impact but also enhance the bank's reputation, customer satisfaction, and operational efficiency. Therefore, understanding the factors that influence employees' adoption of sustainable practices is essential for the effective implementation of Green HRM strategies.

Despite the growing recognition of Green HRM, research on its application in the private banking sector remains limited. Most studies focus on manufacturing or large industrial settings, where environmental practices are more visible and measurable. Service organizations, and particularly private banks, present unique challenges and opportunities. Employees' cognitive and attitudinal responses to green practices, such as job satisfaction, may play a more significant role in shaping behaviour compared to industrial settings. By exploring job satisfaction as a mediating variable, this study aims to bridge this gap in the literature and provide theoretical insights into how Green HRM practices influence employee behaviour in a service context.

## **II. GREEN HRM PRACTICES AND JOB SATISFACTION**

Green Human Resource Management (Green HRM) has emerged as a strategic approach to integrate sustainability into organizational operations, focusing on the environmental awareness and behaviours of employees. It involves the design and implementation of HR policies that promote eco-friendly practices, align employees with organizational sustainability goals, and foster a green workplace culture. In the private banking sector, where service delivery relies heavily on human capital, Green HRM can influence not only operational efficiency but also employee attitudes, engagement, and overall job satisfaction. Understanding the link between Green HRM practices and job satisfaction is critical, as satisfied employees are more likely to demonstrate behaviours that support organizational sustainability initiatives.

### **Green Recruitment and Selection**

One of the foundational components of Green HRM is green recruitment and selection. This involves attracting and hiring candidates who are environmentally conscious and aligned with the organization's sustainability objectives. By incorporating environmental values into job descriptions, interviews, and selection criteria, banks can ensure that incoming employees are

motivated to support green initiatives. Employees recruited under a green framework are likely to experience higher job satisfaction because their personal values resonate with organizational priorities. When individuals feel that they are contributing to a meaningful purpose, such as environmental sustainability, it enhances their sense of fulfillment and satisfaction in the workplace.

### **Green Training and Development**

Green training and development is another key practice that contributes to job satisfaction. Training programs that focus on sustainability, energy conservation, paperless banking, and responsible resource usage equip employees with the knowledge and skills needed to implement eco-friendly practices. Such training not only enhances employee competence but also communicates the organization's commitment to environmental responsibility. Employees perceive these initiatives as opportunities for personal and professional growth, which increases their job satisfaction. In private banks, where employees are responsible for processes like digital banking adoption and customer advisory, green training empowers them to execute their roles effectively while contributing to organizational sustainability.

### **Green Performance Management**

Performance management in a Green HRM context integrates environmental criteria into performance evaluations. Employees are assessed not only on traditional productivity metrics but also on their adherence to sustainable practices, such as minimizing waste, promoting digital transactions, and reducing energy consumption. Linking performance appraisal to green behaviours provides recognition for employees' environmentally responsible actions. This recognition enhances job satisfaction by reinforcing positive behaviour and validating employees' contributions to the organization's green objectives. Employees feel valued and motivated when their efforts towards sustainability are acknowledged and rewarded.

### **Green Reward and Recognition Systems**

Rewards and recognition play a significant role in influencing job satisfaction within the Green HRM framework. Incentives such as bonuses, awards, or public acknowledgment for eco-friendly initiatives reinforce desirable behaviours. In private banks, employees who actively participate in sustainability programs, reduce paper usage, or innovate green solutions for banking operations may receive recognition through awards or other benefits. Such initiatives increase job satisfaction by fostering a sense of accomplishment and appreciation, encouraging employees to continue their engagement in green practices.

### **Impact on Job Satisfaction**

The collective impact of Green HRM practices—recruitment, training, performance management, and rewards—contributes significantly to employees' job satisfaction. Employees perceive that their organization values sustainability and ethical responsibility, which strengthens their emotional attachment to the workplace. When employees experience

alignment between their personal values and organizational goals, they report higher levels of satisfaction, engagement, and motivation. In private banking, job satisfaction resulting from Green HRM practices not only enhances employee well-being but also serves as a mediator for translating organizational initiatives into positive behavioural outcomes, including pro-environmental behaviour and organizational citizenship behaviour.

In Green HRM practices provide a structured approach for promoting environmental sustainability in the private banking sector while simultaneously enhancing employee job satisfaction. By recruiting environmentally conscious employees, offering green training, evaluating performance based on eco-friendly behaviours, and recognizing contributions to sustainability, banks create a positive psychological environment. Job satisfaction, in turn, strengthens the likelihood that employees will actively participate in green initiatives and exhibit behaviours that support the organization's sustainability goals.

### **III. JOB SATISFACTION MEDIATOR AND EMPLOYEE BEHAVIOUR**

Job satisfaction is a critical psychological construct that reflects employees' overall evaluation of their work experience, including the alignment of personal values with organizational goals, recognition, work conditions, and career growth opportunities. In the context of Green HRM, job satisfaction plays a central role in bridging the gap between organizational initiatives and employee behavioural outcomes. Employees who perceive that their organization prioritizes sustainability and provides opportunities to engage in environmentally responsible practices are likely to experience enhanced job satisfaction. This satisfaction not only contributes to their overall well-being but also acts as a psychological mechanism that motivates them to adopt positive behaviours in the workplace.

#### **The Mediating Role of Job Satisfaction**

The mediating role of job satisfaction can be explained through the lens of social exchange theory and attitudinal-behavioural frameworks. Social exchange theory suggests that employees reciprocate positive organizational treatment with favourable attitudes and behaviours. When organizations implement Green HRM practices, such as green training, eco-friendly rewards, and green performance appraisal, employees perceive that their contributions to sustainability are valued. This perception enhances job satisfaction, which in turn motivates employees to engage in behaviours that support organizational objectives. In this way, job satisfaction mediates the relationship between Green HRM practices and employee behaviour, serving as the psychological channel through which organizational initiatives are translated into observable actions.

#### **Influence on Employee Behaviour**

Job satisfaction significantly influences various dimensions of employee behaviour. Satisfied employees are more likely to engage in pro-environmental behaviour, such as conserving energy, reducing paper usage, and adopting digital banking solutions in the private banking

sector. Additionally, job satisfaction fosters organizational citizenship behaviour (OCB), where employees voluntarily go beyond their formal job responsibilities to support colleagues, contribute to sustainability initiatives, and promote a positive workplace environment. Engaged and satisfied employees also demonstrate higher work commitment and motivation, which enhances overall productivity and service quality in banks.

In private banking, where the majority of work is service-oriented, the behavioural outcomes of job satisfaction are particularly important. Employees who are satisfied with their jobs are more inclined to follow green operational procedures, support eco-friendly initiatives, and actively participate in programs designed to reduce the bank's environmental footprint. Consequently, job satisfaction serves not only as an attitudinal outcome but also as a behavioural predictor that ensures Green HRM practices achieve their intended objectives.

### **Job Satisfaction and Pro-Environmental Behaviour**

One of the most critical behavioural outcomes influenced by job satisfaction in a Green HRM context is pro-environmental behaviour. Employees who are satisfied with their jobs are more likely to internalize the organization's sustainability goals and incorporate eco-friendly actions into their daily routines. For example, employees may actively suggest innovative solutions for energy savings, encourage clients to adopt paperless services, or engage in team initiatives aimed at reducing waste. Job satisfaction enhances intrinsic motivation, ensuring that employees voluntarily support environmental practices without requiring external enforcement. This intrinsic motivation is essential for long-term sustainability within private banks.

The mediating role of job satisfaction also provides theoretical insights into how Green HRM practices influence employee behaviour. By positioning job satisfaction as the intermediary variable, organizations can understand that the effectiveness of sustainability-oriented HR initiatives depends on employees' attitudes and emotional responses. Green HRM practices alone may not directly lead to desired behaviours unless employees feel valued, motivated, and satisfied with their jobs. Therefore, job satisfaction becomes a pivotal factor in designing and implementing HR policies that foster both employee well-being and organizational sustainability.

In job satisfaction acts as a vital mediating variable that links Green HRM practices to positive employee behaviour in the private banking sector. By enhancing employees' satisfaction through green recruitment, training, performance management, and reward systems, banks can motivate employees to adopt pro-environmental behaviours, engage in organizational citizenship, and contribute meaningfully to sustainability initiatives. Understanding this mediating role provides both theoretical and practical insights into how employee attitudes shape the success of Green HRM strategies.

#### IV. CONCLUSION

Green Human Resource Management (Green HRM) has emerged as a critical strategy for promoting environmental sustainability within organizations, particularly in the service-oriented private banking sector. This theoretical study highlights the significance of job satisfaction as a mediating variable that connects Green HRM practices to positive employee behaviour. Green HRM practices, including environmentally focused recruitment, training, performance appraisal, and reward systems, create a work environment that values sustainability and encourages employees to adopt eco-friendly practices. When employees perceive organizational commitment toward environmental goals, their job satisfaction increases, which, in turn, motivates them to engage in pro-environmental actions, organizational citizenship behaviours, and higher work engagement. The mediating role of job satisfaction emphasizes that the effectiveness of Green HRM initiatives depends not only on the policies themselves but also on employees' attitudinal and emotional responses. Satisfied employees internalize sustainability goals and translate them into consistent, voluntary behaviours that support the organization's environmental objectives. In the private banking sector, this relationship is particularly significant because employees' behaviours directly impact service quality, operational efficiency, and the bank's reputation. Overall, fostering job satisfaction through Green HRM practices is essential for achieving both organizational sustainability and enhanced employee outcomes, providing valuable insights for theory and practice in managing human resources for a greener workplace.

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