

## **Improving Employee Performance through Green Human Resource Management Practices**

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INFO	ABSTRACT
<b>Article History</b> Received: 2025-02-10 Revised: 2025-04-14 Accepted: 2025-04-29	<p>This study investigates the impact of green human resource management (HRM) practices on employee performance within the state banking sector, emphasizing the mediating roles of transformational leadership, employee affective commitment, and readiness to change capability. A quantitative research design was employed, utilizing purposive sampling to select participants. Data were gathered through online and in-person questionnaires, with follow-up reminders increasing the response rate. A total of 500 questionnaires were distributed, yielding 390 responses, with 360 deemed valid and subsequently included in the analysis. Structural equation modeling (SEM) and multivariate analysis were used to test the hypotheses and examine relationships between variables. The findings confirmed that green HRM practices enhanced employee performance by fostering affective commitment and change readiness. Transformational leadership further strengthens this relationship by improving employees' adaptability and engagement. This study's novelty lies in integrating green HRM with transformational leadership and change readiness as key mechanisms for improving employee performance. However, its focus on affective commitment limits the generalizability of findings, as other forms of commitment remain unexplored. Additionally, combining private and state-owned bank respondents may obscure sector-specific insights. Future research should address these gaps by expanding the scope to different industries and assessing practical applications of green HRM strategies.</p> <p><b>Keywords:</b> Green HRM practices; Transformational leadership; Employee effective commitment; Readiness to change capability; Employee performance</p>



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## **INTRODUCTION**

More attention has been drawn to the effect of green human resource management (HRM) practices on performance. Green HRM involves integrating environmental considerations into HRM strategies, and multiple studies have delved into this connection. For example, Obeidat et al. (2023) explained that green HRM practices improved environmental performance and impacted organizational performance. From a behavioral point of view, Saeed et al. (2019) revealed that green HRM practices help employees refine their behavior to be more pro-environmental and behave similarly within the organization. Even though some organizations have emphasized pro-environmental behavior, one of them is automotive organizations that integrate green HRM practices into their business process (Chaudhary, 2019). As more attention is paid to HRM practices research, this study also aims to investigate its impact on employee performance further, especially in other industries.

Organizations strive to enhance employee performance through various means, including training, development, and performance management systems. One important

aspect that influences employee performance is the readiness change capability of employees. Neill et al. (2019) found that readiness change capability refers to an employee's ability to adapt to and embrace organizational changes. It encompasses the employee's willingness to learn, openness to new ideas, and ability to cope with change through the communication climate in the organization. Therefore, according to Naqshbandi et al. (2023) ability for being openness, organizations can gain a competitive advantage by cultivating an atmosphere where knowledge is freely exchanged. In addition, being an organizational intangible asset, readiness to change emerges through employees who are confident in their ability to handle change and actively seek solutions (Malik, 2023), enhancing employee performance.

Prior studies have found some determinants that can enhance readiness to change capability and employee performance. Employees' readiness for change is often reflected in their acceptance and commitment. Hence, employees with higher commitment are more able to exhibit readiness for change (Nwanzu & Babalola, 2019). Employee commitment can also create a supportive environment and employee involvement, so employees are willing to engage in the change process (Harrison et al., 2022). In terms of affective commitment, I can also enhance my readiness to change. Affective commitment refers to an employee's emotional attachment and identification with an organization. This affective commitment can influence an employee's readiness to embrace and adapt to change (Alqudah et al., 2022). Accordingly, employee affective commitment through readiness for change capability can be a transformational mechanism to embrace employee performance (Chrisanty et al., 2021).

Besides readiness for change and employee affective commitment, transformational leadership can generate employee performance. According to Bass (1999), transformational leaders can influence employees to think outside the box and within a safe environment, resulting in transformational leaders being able to communicate their optimistic vision for the future. Albuni (2022) has also found that, similarly, within motivating communication, transformational leaders can enhance employee performance by creating a motivating environment. From a green HRM practices point of view, transformational leadership also enhances employee performance. Green HRM practices aim to stimulate employee pro-environmental behavior. Transformational leaders have the role of influencing employees through their transformative mechanisms to employ green HRM practices to enhance performance (Jia et al., 2018).

This study used the banking sector as a sample because understanding the role of transformational leadership in the banking sector is vital. This sector is undergoing significant changes due to technology, rules, and customer expectations. Transformational leaders inspire and motivate employees to adapt to these changes. They build trust, empower employees, and enhance organizational commitment (Yue et al., 2019). Employee commitment is also crucial for job satisfaction and overall performance in banking. Transformational leaders create a positive work environment, strengthening relationships and commitment (Choy-Brown et al., 2020). In a constantly changing banking sector, a readiness to change is vital. Transformational leaders prepare employees for change by creating a supportive and empowering environment (El-Aziz et al., 2020). Lastly, employee performance is essential for success in banking. Transformational leadership inspires employees to exceed their job requirements, positively influencing performance. Research

on the relationship between transformational leadership, commitment, and readiness to change provides insights into employee performance (Pawisari et al., 2023).

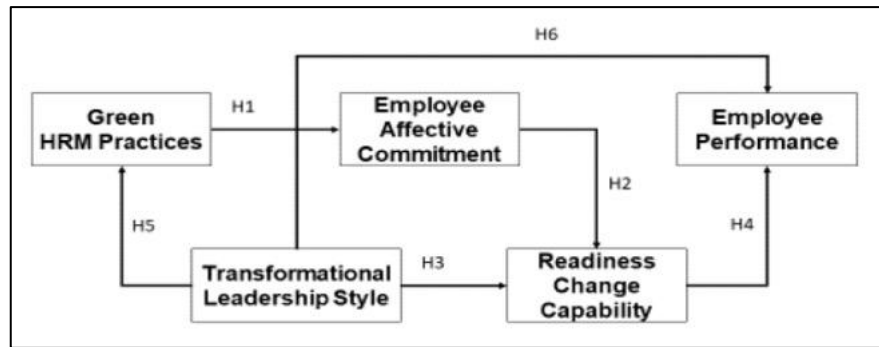
This study's idea lies in its integrative approach to examining how green HRM practices, transformational leadership, employee affective commitment, and readiness to change capability collectively influence employee performance, particularly within the banking sector. While previous research has established the benefits of green HRM in fostering pro-environmental behavior and enhancing organizational outcomes (Chaudhary, 2019; Obeidat et al., 2023; Saeed et al., 2019), this study extends the discourse by highlighting the pivotal role of transformational leadership in driving these effects. Unlike existing studies that view readiness to change as an individual trait (Naqshbandi et al., 2023; Neill et al., 2019), this research positions it as a dynamic capability shaped by transformational leadership and affective commitment, forming a transformational mechanism that enhances employee performance (Alqudah et al., 2022; Chrisanty et al., 2021). Furthermore, by situating the study within the banking industry—a sector undergoing rapid technological and regulatory transformations—this research provides critical insights into how leadership can foster a culture of adaptability and performance excellence in high-change environments (Choy-Brown et al., 2020; El-Aziz et al., 2020; Yue et al., 2019). This multidimensional perspective enriches the literature by offering a nuanced understanding of the interplay between sustainability-driven HRM, leadership, and employee adaptability in a competitive business landscape.

## **LITERATURE REVIEW**

### **Social exchange theory**

Numerous analyses investigating the antecedents and outcomes associated with preparedness for change have been formulated within distinct theoretical frameworks. The present study draws upon social exchange theory (SET) and the framework of opportunity, motivation, and capability. Initially introduced by Blau (1964), SET provides the foundational theory for establishing a connection between HRM practices, affective commitment, and employees' readiness to embrace change. SET posits that individuals reciprocate disparate benefits from their counterparts through long-term mutual give-and-take (Rhoades & Eisenberger, 2002) and actively seek advantages in their interactions (Yamagishi & Cook, 1993). Within professional relationships, SET underscores that individuals are inclined to reciprocate benefits or services with their partners during periods of transformation (Blau, 1964).

When employees perceive HRM practices as manifestations of investment, rewards, and acknowledgment, they engage in a dynamic of social exchange rather than mere transactional dealings (Wayne et al., 1997). Employees who benefit from sustained organizational investment through HRM practices are motivated to reciprocate (Gong et al., 2010). The opportunity, motivation, and capability framework elucidate the connection between readiness for change and employee performance. This framework underscores employees' discretionary efforts and comprises three core elements: requisite skills, ample motivation, and opportunities for active participation. Employees can contribute effectively to the organization's overarching goals through these components (Figure 1) (Harrell-Cook et al., 2001).



**Figure 1.** Theoretical model

### **Green HRM Practices and Employee Affective Commitment**

Several prior studies found that green HRM practices affect employee affective commitment, one of them through the perceived organizational support (POS) mechanism. According to Kinnie et al. (2005), when employees perceive that the organization values and supports their well-being and development through green HRM practices, they are likelier to feel committed to the organization. It has developed because green HRM practices, one of the strategic HRM practices, create a positive work environment (Alolayyan et al., 2021) and emerge the emotional attachment from employees (Raza & Khan, 2022), fostering employee commitment. Hence, HRM practices also compose a learning environment in the informal learning process. It impacts the employees' need for knowledge that is useful for their work within the organization, impacting employee commitment (Khandakar & Pangil, 2021). So that, this study proposed:

*H1: Green HRM practices positively related to employee affective commitment*

### **Employee affective commitment and employee readiness for change**

Affective commitment refers to employees' emotional ties and positive work experiences with their organization (Caniago & Mustoko, 2020). Some prior studies have shown that affective commitment positively relates to readiness for change. Employees with a strong emotional attachment to their organization are more likely to be open and accept organizational change (Lubis et al., 2022). Emotional attachment can lead to a greater willingness to engage in change efforts and adapt to new ways of doing things (Akbar & Tirtoprojo, 2021). Moreover, employees with higher levels of commitment are more likely to have positive attitudes toward change and be more willing to support and participate in change initiatives (Yousef, 2000). Some findings suggest that employee commitment is crucial in shaping employee readiness for change. Hence, this study proposed:

*H2: Employee affective commitment positively related to employee readiness for change*

### **Employee affective commitment and employee performance**

Affective commitment refers to employees' emotional attachment and positive work experiences with their organization, so employees with affective commitment directly impact their performance (Swalhi et al., 2017). Those mechanisms could happen because employees with a strong emotional attachment to their organization are more likely to be engaged, motivated, and committed to their work, leading to higher performance levels

(Semedo et al., 2016). Employee commitment is useful as a steadying strength entity to encounter the organization's fluctuating condition of psychological and fairness (Allen & Meyer, 1990). Once employees have higher commitment, they perceive that their values and goals fit the organization. Further, it maintains their loyalty and exceptional expectations of the organization (Hackett et al., 2001). So, this study proposed:

*H3: Employee affective commitment positively related to employee performance*

### **Readiness to change capability on employee performance**

Employee performance is influenced by various factors, including their readiness to change capability. Leadership fosters employee readiness to change, affecting performance (Katsaros et al., 2020). Effective leadership can influence employee readiness to change, subsequently enhancing performance. Additionally, self-efficacy moderates the relationship between employee readiness to change and change implementation, indicating that employees with higher self-efficacy are more likely to effectively implement changes, leading to improved performance (Masruroh et al., 2022). Organizational culture and ethical leadership also impact employee readiness to change and, consequently, their performance (Maheshwari & Vohra, 2015).

Furthermore, transformational leadership positively influences employee readiness to change, enhancing performance (Hariadi & Muafi, 2022). Overall, organizations should focus on developing leadership capabilities, fostering a supportive culture, and providing opportunities for employee participation and communication to enhance employee readiness to change and improve performance. Hence, this study proposed:

*H4: Readiness to change capability positively related to employee performance*

### **Transformational leadership and green HRM practices**

One study found that ethical leadership significantly impacts green HRM practices, promoting in-role and extra-role green behaviors among employees (Islam et al., 2021). Ethical leadership catalyzes green HRM practices, influencing employees to engage in environmentally friendly behaviors within and beyond their formal job requirements. Another study examined the effects of green HRM and CEO ethical leadership on organizations' environmental performance (Ren et al., 2021). The findings revealed that green HRM practices, which encompass various HRM activities to promote environmental sustainability, are positively influenced by CEO ethical leadership. Ethical leadership behaviors exhibited by CEOs can contribute to adopting and implementing green HRM practices within organizations.

Furthermore, the linkages between green transformational leadership, organizational green learning, and radical green innovation have been explored (Cui et al., 2023). The study found that green transformational leadership positively influences organizational green learning, facilitating radical green innovation. It highlights the role of transformational leadership in promoting a culture of environmental sustainability and driving innovative green practices within organizations. So that, this study proposed:

*H5: Transformational leadership positively related to green HRM practices*

## **Transformational leadership and employee performance**

Transformational leadership has significantly impacted employee performance (Alharbi & Aljounaidi, 2021; Ardichvili & Kuchinke, 2002). This leadership style inspires and motivates employees to achieve their full potential, leading to improved performance outcomes (Asrar-ul-Haq & Kuchinke, 2016). Additionally, transformational leadership has positively influenced employees' job satisfaction and organizational commitment, contributing to enhanced performance (Ahmed et al., 2020). Employee engagement and job satisfaction also mediate the relationship between transformational leadership and employee performance (Balasuriya & Perera, 2021; Roz, 2019). Furthermore, the effect of transformational leadership on employee performance can be influenced by variables like employees' proactive personality and intrinsic work motivation (Chen et al., 2018). Studies have consistently demonstrated the positive association between transformational leadership and employee performance across various industries and countries, including the telecom sector in Pakistan (Hussain et al., 2020), public service employees (Patricia et al., 2020), and oil processing companies (Achmad & Fitriansyah, 2021). The evidence suggests that transformational leadership is crucial in driving employee performance and organizational success. Hence, this study proposed:

*H6: Transformational leadership positively related to employee performance*

## **RESEARCH METHOD**

### **Sample and data collection procedures**

This study was conducted from January to May 2022 within the population of state banking sector employees. A multipurpose questionnaire was utilized and distributed via email, personal email, and Google Forms. Out of 500 questionnaires dispatched, 383 were deemed valid for subsequent analysis due to the rest being incomplete in filling in the questionnaires. The approach was adopted to assess non-response test bias. A comparative analysis was conducted between the initial three months and the later responses to ascertain significant disparities (Küfner et al., 2022). Employing a T-Test considering two groups of acquired data, the statistical outcomes indicated the absence of differences between non-respondents and respondents at the 0.05 significance level. This finding suggests that non-response bias was not evident.

### **Variables measurement**

This study employed four self-reported scales to assess green HRM practices, transformational leadership, readiness to change capability, and employee performance. All indicators presented in Table 1 were translated from English to Bahasa Indonesia utilizing the back translation method, a procedure recognized for upholding the validity of translation (Z. Wang et al., 2016). Green HRM practices were assessed with five items by Szamosi and Duxbury (2002), transformational leadership was assessed with four items by Carvalho et al. (2018), readiness to change capability was assessed with five items by Novitasari et al. (2020), and employee performance assessed with four items by (Holt et al., 2007).

**Table 1. Summary of measurement scale results, average variance extracted (AVE) and validity**

Variable	Indicators	$\lambda$	AVE	$\alpha$	CR
Green HRM Practices	Sustainable situation in the workplace	0.74	0.71	0.75	0.72
	Awareness on workplace	0.70			
	High knowledge of the working method	0.75			
	Employees' knowledge of environmental value-chain	0.69			
	Sustainable of employee's job	0.66			
Affective Commitment	Employees loyalty	0.85	0.75	0.80	0.78
	High emotional at the firm	0.85			
	High understanding of the job	0.68			
	High employee commitment	0.69			
	High psychology attachment	0.67			
Transformational Leadership	Predominantly organizational structure	0.78	0.69	0.72	0.76
	Demonstrating responsible organizational authority across multiple levels	0.57			
	Highlighting the importance of control and authority.	0.72			
	The accuracy of authority delegation.	0.65			
Readiness Change Capability	Employee's ability to implement change commitment	0.57	0.70	0.74	0.76
	Employees' ability to build trust with coworkers for effective change	0.63			
	Employee's ability to understand the benefits and challenges of change	0.76			
	Capability in readiness for collaborative assessment	0.82			
	Employees' ability to adjust to new policies	0.67			
Employee Performance	Employees' outstanding performance in their roles	0.73	0.73	0.75	0.77
	High task completion rates	0.79			
	Employees' efficiency in producing both high quantity and quality of work	0.78			
	The ability of employees to recognize problems and provide solutions	0.76			

## RESULTS AND DISCUSSION

### Reliability and Validity

Confirmatory Factor Analysis (CFA) was employed to assess the scales, encompassing discriminant analysis, convergent validity, and scale reliability (Holt et al., 2007). Content validity was ensured through a rigid literature review to ascertain that the measurement used met content validity requirements. Five indicators represented green HRM Practices. The "High knowledge of working methods" indicator exhibited the highest CFA value among all items (0.75). Respondents concurred that employees' comprehension and mastery of work methods were the primary catalyst for fostering a green working environment, followed by sustainable workplace design (0.74). Subsequently, Employee Affective Commitment, represented by five items, demonstrated high reliability, with "employees' loyalty" and "emotional attachment" registering the highest reliability scores (0.85) each. Thirdly, transformational leadership was assessed using four indicators, with "organizational

structure" emerging as the most significant loading factor (0.78). The readiness for change capability, conveyed through five indicators, highlighted collective assessment readiness as the pivotal factor during changes (0.82), as agreed upon by most respondents. Employee performance, captured by four indicators, exhibited the highest loading factor in "high job completion" (0.80). The strongest employee performance was driven by a high rate of completed tasks, demonstrating convergent validity (Holt et al., 2007).

### Evaluation of full model testing

After conducting the full model test, which analyzed five variables (green HRM practices, employee affective commitment, transformational leadership, readiness to change, and employee performance), the path analysis is shown in Figure 2. The full model testing revealed three types of measurements: absolute, incremental, and parsimony. The results from the test indicated the following values: Chi-Square = 407.451, degrees of freedom (df) = 224, p-value = 0.000, Cmin/DF = 1.819, CFI = 0.95, AGFI = 0.90, GFI = 0.92, TLI = 0.94, NFI = 0.90, and RMSEA = 0.046. Further details can be found in Table 2.

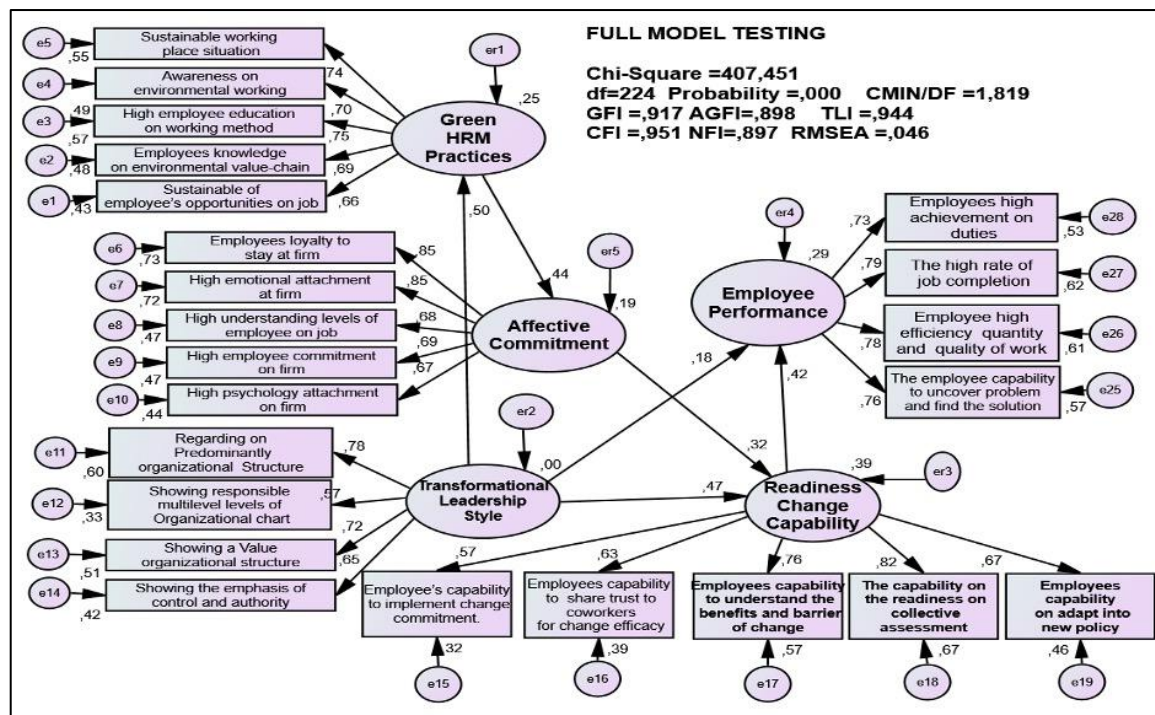


Figure 2. The estimation and full model testing

### Hypotheses testing & regression weights

This study examines six hypotheses that explore the relationships between various factors. The hypotheses are as follows: Hypothesis 1 (H1) investigates the impact of green HRM practices on employee affective commitment; Hypothesis 2 (H2) examines the connection between employee affective commitment and readiness to change capability; Hypothesis 3 (H3) explores the link between transformational leadership and readiness to change capability; Hypothesis 4 (H4) looks at the effect of readiness to change capability on employee performance; Hypothesis 5 (H5) analyzes the influence of transformational



leadership on green HRM practices; and Hypothesis 6 (H6) assesses the role of transformational leadership in enhancing employee performance.

**Table 2.** The evaluation of absolute, incremental and parsimony measurement

Categories	Rule of Thumb	Output	Fit/ Marginal
AFM (Absolute Fit Measurements)			
Probability		0.00	
Chi-Squared	Moderate Low	407.45	
GFI	> 0.90	0.91	F
RMSEA	< 0.08	0.04	F
Function (With Degree of Freedom)	< 5	224	
CMIN/DF	< 2	1.81	F
(IFM) Incremental Fit Measures			
CFI	> 0.95	0.95	F
NFI	> 0.90	0.90	F
TLI	> 0.90	0.94	F
AGFI	> 0.90	0.90	F
PFM (Parsimony Fit Measures)			
Hoelter	>200	259	F
PGFI	The higher value is better.	0.74	M
PNFI	The higher value is better.	0.79	M

The analysis reveals that the highest composite reliability (CR) is observed in Hypothesis 4 (H4), which examines the relationship between readiness to change capability and employee performance, with a CR of 6.89. Following this, Hypothesis 3 (H3) shows a CR of 6.86, indicating a strong connection between transformational leadership and readiness to change capability. Similarly, Hypothesis 1 (H1) demonstrates a CR of 6.57, highlighting the relationship between green HRM practices and employee affective commitment. The relationship in Hypothesis 6 (H6), which looks at the influence of transformational leadership on employee performance, ranks fourth with a CR of 5.52. In contrast, Hypothesis 2 (H2) shows a CR of 5.42, reflecting the link between employee affective commitment and readiness to change capability. The lowest CR is found in Hypothesis 6 (H6), where the relationship between transformational leadership and employee performance shows a CR of 2.56 (Table 3). These findings strongly support the social exchange theory (SET), which underscores the reciprocal nature of relationships in organizational contexts (Uraon & Gupta, 2021).

**Table 3.** Regression weights

	Hypotheses	Estimate	SE	CR	P	H
Employee Affective Commitment	<--- Green HRM Practices	.49	.07	6.57	***	H1
Readiness to Change Capability	<--- Employee Affective Commitment	.29	.05	5.42	***	H2
Readiness to Change Capability	<--- Transformational Leadership	.593	.08	6.86	***	H3
Employee Performance	<--- Readiness to Change Capability	.480	.08	5.52	***	H4
Green HRM Practices	<--- Transformational Leadership	.591	.08	6.89	***	H5
Employee Performance	<--- Transformational Leadership	.268	.10	2.56	**	H6

*Note: Green HRM Practices, Employee Affective Commitment, Transformational Leadership, Readiness to Change Capability, Employee Performance*

## Discussion

The findings of this study strongly confirm the proposed hypotheses, emphasizing the crucial role of green HRM practices in fostering employee affective commitment, well-being, and perceptions of organizational justice (Kundi et al., 2021; Swalhi et al., 2017). The research highlights that when organizations implement green HRM practices effectively, employees experience a stronger emotional attachment to their workplace, driven by several interconnected mechanisms. A sustainable and ethically responsible work environment enhances employees' loyalty, while an increased awareness of eco-friendly work practices fosters a deeper alignment with organizational values (Al-Ghazali et al., 2021). Additionally, green HRM practices contribute to greater employee education in sustainability, equipping individuals with knowledge that strengthens their commitment to the firm. A higher level of employee knowledge regarding the environmental value chain has also been shown to correspond with increased affective commitment, reinforcing the notion that sustainability initiatives do more than benefit the environment they also cultivate a workforce that is more engaged, motivated, and aligned with corporate objectives (X.-H. (Frank) Wang et al., 2019). Furthermore, employees who perceive job security and long-term career opportunities within a green HRM framework develop a stronger psychological attachment to their employer. These findings align with the Social Exchange Mechanism (Blau, 1964), which posits that when employees recognize organizational efforts that support their well-being and align with their values, they are more likely to reciprocate with increased affective commitment and discretionary efforts.

Beyond environmental sustainability, affective commitment is influenced by various psychological and organizational factors, including emotional intelligence, responsiveness to instructions, intercultural competence, co-created employer branding, and workplace altruism (Arghode et al., 2023; Barghouti et al., 2023; Näppä, 2023). At the same time, readiness to change capability ensures employees can successfully navigate evolving organizational landscapes. This capability requires cultivating positive attitudes toward change, optimizing resources, making informed decisions, and effectively managing change processes (Vaishnavi et al., 2019). Transparency in training, communication, and proactive resistance management further contribute to employees' willingness to embrace change. The findings suggest that organizations that embed these change-readiness principles within their HRM frameworks are more likely to achieve sustainable growth and performance. Transformational leadership, which encompasses transformative self-efficacy, mindset development, social capital, and career adaptability, is also essential in this process (Casimir et al., 2014; Deshpande & Srivastava, 2023; Justus et al., 2023; Núñez-Cacho Utrilla et al., 2023; Oh et al., 2023). By integrating green training programs, emotional intelligence development, mentoring initiatives, and agile leadership approaches, organizations can build a resilient, future-oriented workforce that is highly adaptable to sustainability-driven changes (Saeed et al., 2019). These leadership strategies enhance employees' readiness for change and establish a continuous improvement and innovation culture that directly influences long-term performance.

Moreover, the study underscores the impact of green HRM practices on employee performance, specifically regarding job engagement, respectful workplace interactions, and employer branding (Basit, 2019; Suharnomo & Priyotomo, 2017). Integrating sustainability

goals with HRM strategies, particularly through training and minimal environmental impact policies—has enhanced an organization's reputation, making it more attractive to prospective employees and reinforcing its existing workforce's commitment. Sustainability must be embedded with a value-creation perspective, ensuring that it is not just a compliance measure but a strategic advantage that drives competitive differentiation. This study's findings contribute to the growing body of literature advocating for the holistic integration of sustainability within HRM frameworks to foster organizational resilience, innovation, and long-term employee commitment. However, the study also highlights certain limitations, including its exclusive focus on affective commitment while overlooking other dimensions, such as normative and continuance commitment. Future research should further explore the practical applications of green HRM initiatives across different organizational contexts, providing deeper insights into their real-world implications. Additionally, distinguishing between private and state-owned enterprises in future analyses may yield more tailored insights, helping organizations across industries craft more effective green HRM strategies. As organizations increasingly shift towards sustainability-driven business models, the intersection of green HRM, employee engagement, and long-term corporate success remains crucial for further exploration.

## **CONCLUSION**

This study confirmed all proposed hypotheses, reinforcing the significance of green HRM practices in enhancing employee affective commitment and well-being and aligning with organizational justice. Findings indicated that higher convenience in green HRM practices fosters stronger emotional attachment to the organization through multiple pathways, such as an improved work environment, heightened awareness of sustainability, and increased employee education in effective working methods. Additionally, knowledge of the environmental value chain strengthens employee commitment, while sustained job opportunities enhance psychological attachment to the firm. Moreover, readiness to change capability characterized by positive attitudes, resource optimization, and resistance management is crucial in boosting employee engagement and performance. Emotional intelligence, employer branding, altruism, and industrial workplace learning further influence affective commitment. Effective leadership, particularly transformational leadership that integrates green training, emotional intelligence, and responsible leadership, fosters adaptability and sustainable HRM practices.

Furthermore, employee performance is enhanced through job performance, respectful engagement, and the integration of sustainability with SDGs and employer branding. However, despite these insights, the study has limitations, including its sole focus on affective commitment, lack of distinction between private and state banks, and insufficient exploration of practical applications. Future research should consider broader organizational commitment dimensions, industry-specific impacts, and more practical implementation of theoretical frameworks to strengthen the field's empirical foundation.

## **Practical implications**

The results of this research are anticipated to provide useful insights for organizations looking to implement green HRM practices to boost employees' sense of belonging, affective

commitment, and overall performance. Specifically, the findings showed that adopting green HRM practices helped improve employee affective commitment and readiness to embrace change. It entails fostering a willingness among employees to share information, provide feedback to the organization, and concentrate efforts on attaining anticipated objectives. Secondly, the positive impact of readiness to change capability on employee performance can motivate managers to initiate change. Despite the recognized significance of organizational change for achieving substantial success, the execution and attainment of such changes can prove challenging, with many change initiatives falling short of their intended outcomes. Consequently, some organizations display reluctance toward change. However, the present research underscores that when leaders emphasize the readiness to change, employees enhance their performance and contribute significantly to the success of organizational changes.

### Limitations and future research

Similar to other foundational research, this study has certain limitations. Firstly, it solely focused on employee affective commitment as a form of organizational commitment, while organizations encompass normative and continuance commitment. Later, future research could incorporate organizational citizenship behavior as a new variable for a more comprehensive investigation. Thirdly, there is a need for future studies to explore varying units of analysis. The current study amalgamated respondents from private and state banks, making it advisable for future research to conduct separate analyses for these distinct groups. Lastly, the manuscript's theoretical framework and model lay a strong foundation, yet the practical implementation of the proposed concepts remains unclear, raising doubts about their real-world applicability. The impact on the banking industry lacks elucidation, and the study's theoretical contribution is questionable due to its failure to integrate insights from recent studies. These limitations highlight the need for a more detailed exploration of practical applications, industry implications, and theoretical advancements to enhance the overall robustness of the research.

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