Leading Green, Acting Green: Green HRM as a Bridge from Leadership to Employees' Sustainable Practices in Sasirangan SMEs

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ABSTRACT

This study investigates influence of Green Transformational Leadership (GTL) on Employee Green Behavior (EGB) with Green Human Resource Management (Green HRM) as a mediating variable in small and medium-sized enterprises (SMEs) that produces Sasirangan fabric in Banjarmasin, Indonesia. Using a quantitative approach, data were collected through a census survey of 156 employees across 41 SMEs. The data were analyzed with Structural Equation Modeling using Partial Least Squares (SEM-PLS). The outcome appears that GTL affect significantly to both EGB and Green HRM, while Green HRM positively influences EGB. Green HRM mediates the relationship between GTL and EGB with the indirect effect stronger than the direct effect. In traditional creative industries, these findings feature the role of leadership and human resource practices in strengthening pro-environmental behavior among employees. Extending sustainability research beyond large corporations is provided in this research by contributing empirical evidence from SMEs rooted in local cultural heritage.

Keywords: Green Transformational Leadership, Employee Green Behavior, Green Human Resource Management, Sustainability, SMEs, Sasirangan Industry

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INTRODUCTION

In recent decades, sustainability has shifted from a peripheral concern to a strategic imperative for organizations that seeks long-term resilience, legitimacy, and competitiveness. The triple bottom line framework contends that firms must generate value not only through economic performance but also by advancing social well-being and environmental stewardship (Elkington, 1997). In order to achieve this balance, leaders must be able to articulate a clear environmental vision and implement a human resource system that translates that vision into the capabilities, incentives, and daily practices of employees (Jackson et al., 2011; Li et al., 2025; Omolo, 2025).

Achieving sustainability among small and medium-sized enterprises (SMEs) presents unique challenges in traditional creative industries particularly. Unlike large firms that benefited from advanced technologies, many of these firms operate with limited financial and technological capacity, they also rely heavily on tacit craftsmanship rooted in local cultural traditions. The Sasirangan textile industry in Banjarmasin represent this situation because the production processes depend on dyeing and water-intensive techniques that create environmental pressures not easily resolved through technological innovation alone. In this contexts, leadership commitment and supportive human resource practices play a crucial role in fostering employees' environmental responsibility and also promoting organizational sustainability (Rhamadani et al., 2024; Siburian & Sugiarto, 2022). This study examines how green transformational leadership and green HRM on promoting green behavior among employees in culturally rooted SMEs to fill the research gap in sustainability studies. By exploring how green human resource management (GHRM) and green transformational leadership (GTL) contribute to fostering environmentally responsible behavior among employees within the sociocultural context of traditional small and medium-sized enterprises (SMEs), this study responds to an underexplored area in sustainability research and enriches the existing body of literature.

Although studies on Green Transformational Leadership (GTL), Green Human Resource Management (GHRM), and Employee Green Behavior (EGB) continues to expand, most empirical evidence to date has been derived from large firms in developed economies(Chen & Wu, 2022; Weber & Kassab, 2024). Limited attention has been given to understand how these mechanisms functioned within resource-constrained and culturally grounded small and medium-sized enterprises (SMEs), where reliance on family labor and strong community values shapes everyday work practices.

Such limited scholarly focus narrowed the theoretical scope and applicability of prevailing sustainability frameworks. In order to fill this gap, the study examines mechanism of Green Transformational Leadership (GTL) through Employee Green Behavior (EGB) along with Green Human Resource Management (GHRM) serving as a mediating factor in the relationship examined within Sasirangan SMEs. The research advances theoretical understanding by extending the GTL–GHRM–EGB framework to small-enterprise environments and offers practical insights by highlighting behavioral,

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cost-efficient pathways toward sustainability that align with the realities of traditional industries.

Based on the theory of planned behavior (Ajzen, 1991), EGB is known as functions of individuals' attitudes, perceived behavioral control, and subjective norms. GTL shaped these psychological determinants by nurturing environmental awareness and motivation while GHRM provided structural reinforcement that enables consistent green behavior.

LITERATURE REVIEW

1. Green Transformational Leadership (GTL)

Green Transformational Leadership (GTL) expands the transformational leadership paradigm into the environmental domain. GTL leaders craft and communicate an environmental vision, exemplify pro-environmental conduct, stimulate innovation for ecological improvement, and provide individualized support to help employees adopt greener work routines (Bass & Riggio, 2006; Chen & Chang, 2013; Farrukh et al., 2022). Transformational leaders are defined as individuals who engage followers to exceed their own self-interest for the greater good, ultimately affect to create a shared vision and motivating employees toward achieving extraordinary results (Eisenbeiß & Boerner, 2013).

Transformational Leadership Indicators and Explanation:
1) Idealized Influence: Leaders create loyalty and enthusiasm while encouraging open expression of ideas. They focus on a future-oriented vision, ensuring that employees understand the long-term environmental goals.
2) Inspirational Motivation: Leaders motivate employees by enhancing their understanding of shared goals and solving problems with a new outlook.
3) Intellectual Stimulation: Leaders encourage employees to think critically, use data and facts to solve problems, and innovate by adopting creative solutions to environmental challenges.
4) Individualized Consideration: Leaders provide personal attention to employees, offering support to meet their needs, setting up learning opportunities, and fostering a challenging yet supportive work environment.

Source: Bass & Riggio (2006)

The influence of Green Transformational Leadership can also be explained from behavioral perspective on employees with the Theory of Planned Behavior (TPB) proposed by Ajzen (1991). According to TPB, an individual's behavior is determined by three psychological factors: attitude toward the behavior, subjective norms, and perceived behavioral control. These three dimensions are affected by GTL by shaping positive attitudes towards environmental initiatives that encourage pro-environmental actions and increasing employees' confidence in their ability to contribute for

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sustainability goals in firms (Zaid & Yaqub, 2024). Through this process, GTL not only motivates employees emotionally but also builds the psychological foundation necessary for them to engage in consistent green behaviors in the workplace.

2. Green Human Resource Management (Green HRM)

Green Human Resource Management (Green HRM) refers to incorporating environmental sustainability into HR practices that includes with recruitment, training, performance appraisal, and rewards (Margaretha, 2018). Green HRM also creates an environmentally conscious workforce that actively engaged in sustainable practices (Jackson et al., 2011). When environmental concerns are set in HR policies, firms can strengthen a culture that values sustainability and also reduces its environmental footprint (Bogonko et al., 2024).

Green HRM is in line with the Triple Bottom Line paradigm to emphasize economic, social, and environmental sustainability that must be pursued together (Jackson et al., 2011). The important key practices in implementing Green HRM include:

1) Environmentally Friendly Use of Paper and Recycling
   Implementing the use of recycled paper, reduce consumption of paper, and advance the use of paperless systems.

2) Environmental Social Responsibility
   Organizational practices are guaranteed by this dimension and also their HR policies are aligned with broader environmental and social sustainability goals.

3) Environmental Education and Training
   The company should provide training on sustainability practices, waste management, and energy conservation for their employees

4) Green Teams
   A team that dedicates their efforts to the implementation of sustainable practices within the organization.

Green HRM is not only associated with environmental awareness but also with organizational efficiency and well-being improvement. According to Opatha (2013), the aim of Green HRM is to make the employees contribute towards sustainability objectives through green policies that benefit individuals, the organization, and society. Green HRM supports an organization in integrating HR practices into sustainability objectives for the purpose of contributing to a green economy.

3. Employee Green Behavior (EGB)

EGB represents as employees' environmental actions inside their place of work which contribute environmental initiatives. Such behavior goes beyond formal job requirements, such as energy conservation, recycling, reducing waste, and advocating for environmental practices (Tian & Robertson, 2019). EGB has been identified as a critical factor in advancing sustainability goals within organizations (Ones & Dilchert, 2012)

since it has been contributing to reducing operational costs and improving environmental performance (Norton et al., 2017).

Employee Green Behavior (EGB) are involved with voluntary actions by employees that they take to minimize environmental harm and promote sustainability, such as conserving energy, reducing waste, and encouraging colleagues to act responsibly (Boiral & Paillé, 2012; Norton et al., 2017).

According to Ones et al., (2015), EGB is composed of five interrelated dimensions, often referred to as the "Green Five.".

1) Conservation

This behavior is directed towards the reduction of waste and preserving resources. As exemplified by reutilizing materials, recycling, and decreasing energy consumption.

2) Preventing harm

Activities that prevent environmental damage, through actions such as pollution prevention, monitoring environmental impacts, and the restoration of damaged ecosystems. Illustrated by replanting trees or cleaning oil spills, it represents responsible and self-controlled behavior.

3) Transformation

This is the dimension of adaptive behaviors that encourage sustainable solutions. Examples include process changes and product innovation that reduce the environmental footprint, such as using renewable energy. Adaptability is key in this regard.

4) Influencing others

Leaders should encourage their employee and offers incentives to perform green behaviors.

5) Taking initiative

Involves proactive efforts to promote sustainability, exemplified by the development or implementation of new environmental policies. This dimension embodies an entrepreneurial orientation and individual dedication to sustainable improvement.

These five dimensions collectively shape the ways that employees contribute to organizational sustainability beyond simple compliance and show how individual actions align with broader environmental goals.

The causal connections between the variables in this study are grounded in both Transformational Leadership Theory (Bass & Riggio, 2006) and the Theory of Planned Behavior (Ajzen, 1991). Transformational leadership theory stated that leaders can influence followers by articulating a compelling vision and aligning organizational systems with that vision. In the environmental context, Green Transformational Leadership (GTL) serves as the driving force that shapes Green Human Resource Management (GHRM) by embedding the sustainability values into training, appraisal, and reward systems. This alignment is ensuring that employees receive structural and motivational support to engage in green practices. On the other hand, the Theory of Planned Behavior explains the psychological mechanism that links leadership and HR practices to Employee Green Behavior (EGB). GTL and GHRM influence employees' attitudes, subjective norms, and perceived behavioral control, these lead to pro-environmental behavior. Hence, the causal pathway can be outlined as GTL affects EGB through the mediation of GHRM where GHRM functions as a mediating mechanism that renders leadership vision into consistent green actions among employees. Therefore, the causal pathway can be summarized as GTL affects EGB through the mediation of GHRM, where GHRM functions as a mediating mechanism that translates leadership vision into consistent green actions among employees.

4. Previous Research

Although studies on GTL, Green HRM, and EGB are widely expanding, most evidence came from large firms in developed economies (Chen & Wu, 2022; Weber & Kassab, 2024). Limited attention has been given to SMEs in developing countries, particularly those rooted in cultural heritage industries. The Sasirangan textile industry in Banjarmasin represents a pertinent setting where traditional craftsmanship coexists with emerging environmental challenges (Rhamadani et al., 2024; Siburian & Sugiarto, 2022). Accordingly, this study seeks to bridge the research gap by investigating how Green HRM mediates the relationship between GTL and EGB within SMEs that shaped by local cultural values.

5. Conceptual Framework and Hypothesis Development

a. Conceptual framework

This study examines the relationships between Green Transformational Leadership (GTL), Employee Green Behavior (EGB), and Green Human Resource Management (Green HRM) in Sasirangan SMEs. The conceptual framework proposed for this study is based on the idea that GTL influences EGB directly and indirectly, with Green HRM acting as a mediator between the two constructs. This framework emphasizes how leadership behaviors and organizational systems interact to foster pro-environmental behaviors within the workplace.
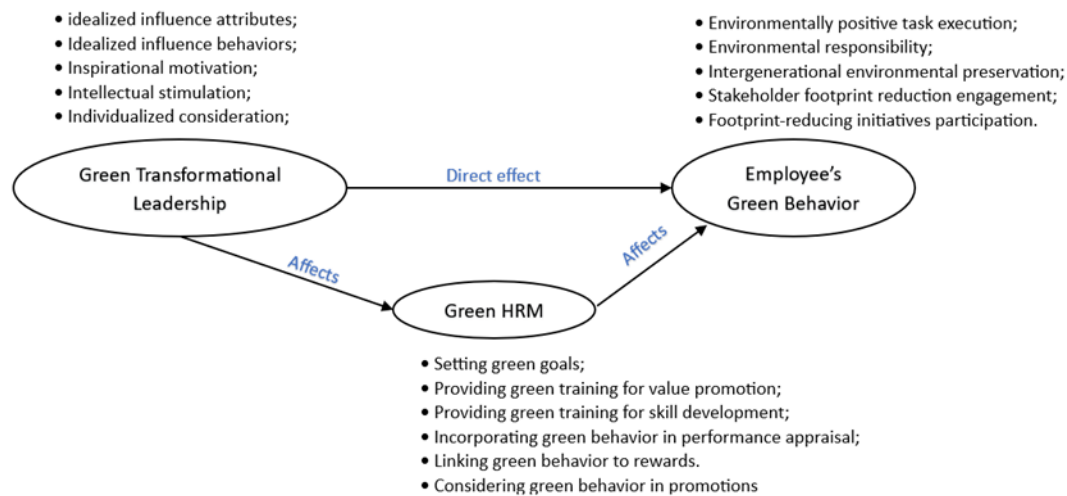
Figure 1 Conceptual Framework of Variable Relationships

The conceptual model suggests that:

1.) GTL directly influences EGB, as leaders who inspire, motivate, and intellectually stimulate employees are more likely to foster environmental behavior.

2.) GTL influences Green HRM, suggesting that leaders play a critical role in shaping HR practices that emphasize sustainability.

3.) Green HRM influences EGB, indicating that HR practices that align with green values encourage employees to take action for environmental causes.

4.) Green HRM mediates the relationship between GTL and EGB, suggesting that HR practices translate leadership initiatives into actionable behaviors.

b. Hypotheses Development

Based on the research objectives and the conceptual framework developed in this study, the following hypotheses are proposed:

H1: Green Transformational Leadership (GTL) has a significant positive effect on Employee Green Behavior (EGB).

H2: Green Transformational Leadership (GTL) has a significant positive effect on Green Human Resource Management (Green HRM).

H3: Green Human Resource Management (Green HRM) has a significant positive effect on Employee Green Behavior (EGB).

H4: Green Transformational Leadership (GTL) influences Employee Green Behavior (EGB) through the mediation of Green Human Resource Management (Green HRM).

METHODS

This study uses a quantitative research approach to explore the relationships between Green Transformational Leadership (GTL), Green Human Resource Management (Green HRM), and Employee Green Behavior (EGB) within Sasirangan SMEs in Banjarmasin. A quantitative approach was selected as it enables statistical analysis of numerical data, providing a clear understanding of how these factors interact. The study utilizes both primary and secondary data sources. Primary data were collected directly from employees involved in Sasirangan production and marketing, while secondary data were gathered from relevant literature, including academic journals, books, and conference papers.

The study population consists of workers from 41 active Sasirangan SMEs located in Kelurahan Sungai Jingah and Kelurahan Seberang Mesjid, Banjarmasin. The sample size for this study is 156 employees from 31 participating stores, selected based on a census sampling method, ensuring all employees from the participating stores were included. This approach was chosen to provide a detailed and accurate reflection of the population.

Operational Definition of Variables

1. Employee Green Behavior (EGB)

Employee Green Behavior (EGB) refers to the environmentally supportive behaviors exhibited by employees, such as energy saving, waste reduction, and participation in sustainability initiatives. The operationalization of EGB is based on the work of (Norton et al., 2017) and (Ones & Dilchert, 2012), focusing on behaviors directly linked to organizational sustainability efforts.

2. Green Human Resource Management (Green HRM)

Green HRM is defined as the integration of eco-friendly policies into human resource management practices, including recruitment, training, performance appraisal, and reward systems. These practices encourage employees to adopt green behaviors in their daily activities (Jackson et al., 2011b)

3. Green Transformational Leadership (GTL)

Green Transformational Leadership (GTL) refers to leadership that motivates and inspires employees to engage in pro-environmental behaviors through vision articulation, intellectual stimulation, and role modeling (Bass & Riggio, 2006; Chen & Chang, 2013)

Data Collection Methods

Data collection for this study was conducted using structured questionnaires designed to gather quantitative data from employees in Sasirangan SMEs. The questionnaires were administered both on-site and through online surveys to employees

in the participating stores. The data collection period spanned three months, from July to September 2025. The questionnaires were designed to measure the three key variables: Green Transformational Leadership (GTL), Green Human Resource Management (Green HRM), and Employee Green Behavior (EGB).

Sampling and Sample Size

The sampling method employed in this study is census sampling, where all employees working in the 31 participating Sasirangan SMEs were surveyed. According to Sugiyono (2022:218), census sampling is appropriate when the population is accessible and the researcher aims to obtain a comprehensive understanding of the population. As mentioned, 155 employees from 31 SMEs participated in the survey, which is a representative sample for the research context.

Validity and Reliability Testing

To ensure the validity and reliability of the research instruments, the following tests were conducted:

1.) Convergent Validity

   According to Ghozali (2021:28), convergent validity for a reflective measurement model is evaluated by the correlation between each item's score (or component score) and the construct score calculated using PLS. An individual reflective indicator is considered strong if its correlation with the target construct is greater than 0.7.

2.) Discriminant Validity

   Measured using Average Variance Extracted (AVE), where values above 0.5 indicate good validity. According to Ghozali (2021:29), discriminant validity is based on the principle that indicators (manifest variables) of different constructs should not be highly correlated, so each construct remains distinct.

3.) Reliability

   Reliability was assessed using Cronbach's alpha and composite reliability. Values above 0.7 on both metrics indicate that the instruments are reliable. As a common rule of thumb, composite reliability should be greater than 0.7 and Cronbach's alpha should also exceed 0.7 (Ghozali, 2021, p. 29).

Data Analysis Methods

Data were analyzed using Structural Equation Modeling (SEM) with the Partial Least Squares (PLS) approach, assisted by SmartPLS 4.0. According to Ghozali (2021:3), Partial Least Squares (PLS) is a powerful analysis technique often classified as 'soft modeling' because it does not require the classical assumptions of ordinary least squares (OLS) regression to be met.

RESULTS

Green Transformational Leadership (GTL)

The descriptive statistics for the key variables, Green Transformational Leadership (GTL), Green Human Resource Management (Green HRM), and Employee Green Behavior (EGB) are summarized in the following tables.

Table 1. Descriptive Analysis

No.	Variable	Mean	Explanation
1	Green Transformational Leadership (GTL)	04.10	High
2	Green Human Resource Management (Green HRM)	04.21	High
3	Employee Green Behavior (EGB)	04.16	High

Source: SMART PLS 4.0 (2025)

Based on Table 1, all variables exhibit high mean scores. Green Transformational Leadership (GTL) = 4.10, Green Human Resource Management (Green HRM) = 4.21, and Employee Green Behavior (EGB) = 4.16 indicates favorable perceptions and robust pro-environmental practices on the study's Likert scale. The highest mean for Green HRM suggests that green policies and practices are perceived as well-embedded in organizational routines. Consistently high GTL indicates that leaders effectively articulate and model a green vision, providing guidance and motivation for sustainability initiatives. The high EGB mean implies that employees frequently enact pro-environmental behaviors in their day-to-day work. Taken together, these results point to a supportive organizational context in which leadership and HRM systems may jointly foster green behaviors; nevertheless, inferential analyses are required to test the proposed relationships and assess potential ceiling effects.

Outer model

1. Convergent Validity Test

Table 2. Convergent validity test

	GTL	EGB	GHRM
X.1	0.786		
X.2	0.768		
X.3	0.849		
X.4	0.753		
X.5	0.621		
Y.1		0.808	

	GTL	EGB	GHRM
Y.2		0.782	
Y.3		0.797	
Y.4		0.655	
Y.5		0.774	
Z.1			0.685
Z.2			0.632
Z.3			0.751
Z.4			0.614
Z.5			0.801
Z.6			0.723

Source: SMART PLS 4.0

The convergent validity was tested using the outer loading values of each indicator for their respective constructs. The results showed that all indicators for the Green Transformational Leadership (GTL) construct had outer loading values above 0.6, ranging from 0.621 to 0.849. For Employee Green Behavior (EGB), the outer loading values were also adequate, ranging from 0.655 to 0.808. The Green Human Resource Management (GHRM) construct had outer loading values between 0.614 and 0.801.

2. Discriminant Validity Test

Table 3 Discriminant Validity Test

	EGB	GHRM	GTL
EGB	**0.765**		
GHRM	0.739	**0.704**	
GTL	0.682	0.783	**0.759**

Source: SMART PLS 4.0 (2025)

The discriminant validity was assessed using the Fornell-Larcker criterion. The square root of the AVE (Average Variance Extracted) for EGB was 0.765, for GHRM it was 0.704, and for GTL it was 0.759. The AVE square root for EGB was higher than the correlation with GHRM (0.739) and GTL (0.682). Similarly, the AVE square root for GTL was higher than its correlation with EGB (0.682), but lower than its correlation with GHRM (0.783). The AVE square root for GHRM was lower than its correlation with GTL (0.783).

According to Ghozali (2021:187), discriminant validity is satisfied if the AVE square root is greater than the correlation between constructs. The results show that EGB and GTL meet the criterion, while GHRM does not fully meet discriminant validity. However, the GHRM construct is retained as it has an AVE value above 0.5.

3. Reliability test

Table 4 Reliability test		
	Cronbach's alpha	*Composite reliability*
EGB	0.821	0.875
GHRM	0.795	0.854
GTL	0.812	0.871

Source: SMART PLS 4.0 (2025)

The reliability of the constructs was assessed using Cronbach's alpha and composite reliability. The Cronbach's alpha values for EGB, GHRM, and GTL were 0.821, 0.795, and 0.812, respectively. The composite reliability values for EGB, GHRM, and GTL were 0.875, 0.854, and 0.871, respectively. According to Ghozali (2021:187), reliability is considered satisfactory if Cronbach's alpha and composite reliability are both above 0.7. All constructs in this study met this criterion, indicating that the instruments used are consistent and reliable for further analysis.

Inner model

1. R Square

Table 5 R square		
	R-square	*R-square adjusted*
EGB	0.573	0.568
GHRM	0.614	0.611

Source: SMART PLS 4.0 (2025)

The R-square value for EGB is 0.573, indicating that the independent variables explain 57.3% of the variation in EGB. For Green HRM (GHRM), the R-square value is 0.614, indicating that the model explains 61.4% of the variation in GHRM. According to Ghozali (2021:123) R-square value above 0.7 is considered strong, 0.5 moderate, and 0.25 weak. The R-square values for both EGB and GHRM fall into the moderate category, suggesting that the model has a good explanatory power. The adjusted R-square values are consistent with the main R-square results, confirming the stability of the model.

2. Q^2 predictive relevance

The Q^2 value is 0.835, indicating strong predictive relevance. This value is well above the 0.35 threshold, confirming that the model has strong predictive power Ghozali (2021:163).

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3. F Square

Table 6 F-square			
	EGB	**GHRM**	**GTL**
EGB			
GHRM	0.253		
GTL	0.064	0.159	

Source: SMART PLS 4.0 (2025)

The f-square value for the effect of Green Transformational Leadership (GTL) on Green Human Resource Management (GHRM) is 0.253, which falls into the moderate category. This supports the hypothesis that GTL has a significant effect on GHRM. The f-square for the effect of GHRM on Employee Green Behavior (EGB) is 0.159, also in the moderate category, confirming that GHRM significantly influences EGB.

The direct effect of GTL on EGB has an f-square of 0.064, categorized as small. This indicates that the effect of GTL on EGB is stronger when mediated by GHRM, supporting the mediation hypothesis. The findings suggest a relevant mediation mechanism, thus supporting the hypothesis GTL $\rightarrow$ GHRM $\rightarrow$ EGB.

Hypothesis Testing

The p-values from the hypothesis testing indicate significant relationships:

Table 7 Hypothesis testing	
	P values
GTL -> EGB	0.037
GTL -> GHRM	0.000
GHRM -> EGB	0.000
GTL -> GHRM -> EGB	0.000

Source: SMART PLS 4.0 (2025)

a) GTL→EGB

The p-value is 0.037 <0.05, indicating that GTL significantly affects EGB.

b) GTL→ GHRM

The p-value is 0.000 <0.05 confirming that GTL significantly influences GHRM.

c) GHRM → EGB

The p-value is 0.000 <0.05, showing a significant effect of GHRM on EGB.

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d) GTL → GHRM → EGB

The p-value is 0.000 <0.05, indicating that GHRM mediates the relationship between GTL and EGB. The mediation effect is stronger than the direct effect, supporting the mediation hypothesis.

DISCUSSION

The primary objective of this study was to examine the impact of Green Transformational Leadership (GTL) on Employee Green Behavior (EGB), with Green Human Resource Management (GHRM) as a mediating variable.

The results of this study indicate that Green Transformational Leadership (GTL) has a significant influence on Employees' Green Behavior (EGB) in IKM Sasirangan, with a p-value of 0.037, showing a positive relationship between the two variables. These findings align with previous research by Farrukh et al., (2022) and Rizal et al., (2024), which also revealed that GTL significantly affects EGB. Leadership that inspires employees to care about the environment can encourage their pro-environmental behavior. The consistency of these findings can be explained by the fact that GTL acts as a strong motivator, both in the context of large companies and IKM Sasirangan. Although IKM Sasirangan has a different social and cultural context, transformational leaders are still able to inspire employees to exhibit environmentally friendly behaviors, support the sustainability of the sasirangan industry, and advance the economy based on local culture.

This study shows that Green Transformational Leadership (GTL) has a significant impact on Green Human Resource Management (Green HRM), with a p-value of 0.000, indicating that the stronger the implementation of GTL in Sasirangan SMEs, the more optimal the implementation of Green HRM practices within the organization. This finding is supported by the research of Jia et al., (2018) and Siswadhi et al., (2024), which revealed that visionary and proactive leaders can encourage organizations to integrate sustainability principles into HRM policies and practices, enhancing the effectiveness of Green HRM implementation. The consistency of these findings can be explained by the important role of GTL in creating an environmentally friendly organizational culture. In the context of Sasirangan SMEs, this result suggests that leaders should be more proactive in applying GTL, for example, by providing concrete examples, developing efficient work procedures, and offering training and incentives for employees. Thus, a synergy between leadership and Green HRM practices can be created, which in turn supports the sustainability and competitiveness of Sasirangan SMEs in both local and global markets.

This study shows that Green Human Resource Management (GHRM) has a significant effect on Employee Green Behavior (EGB) with a p-value of 0.000, indicating that the better the implementation of GHRM practices, the higher the environmental behavior demonstrated by employees in the Sasirangan MSME. This finding is consistent with the research by Ababneh, (2021), which shows that the application of good GHRM practices can enhance employees' environmentally friendly behavior, as well as the study

by Li et al., (2025), which reveals a direct relationship between GHRM and EGB. Similar research by Azijah et al., (2025) and Anwar et al., (2024) reinforces this finding, stating that GHRM has a significant effect on employees' environmental behavior. The consistency of these findings can be explained by the role of GHRM in shaping HR policies and practices that support sustainability, such as waste management training and energy efficiency. In the context of Sasirangan MSME, this result emphasizes that better implementation of GHRM, such as improving training and incentive systems for employees, will encourage environmentally friendly behavior and support the sustainability of the company's operations, which in turn will strengthen the competitiveness and reputation of the Sasirangan industry.

This study shows that Green Transformational Leadership (GTL) has a significant effect on Employee Green Behavior (EGB) through the mediation of Green Human Resources Management (GHRM), with a p-value of 0.000, indicating that GHRM strengthens the relationship between GTL and EGB, with a stronger mediation effect compared to the direct effect of GTL on EGB. This finding is supported by the research of Cahyadi et al., (2022), which shows that GHRM can mediate the relationship between GTL and EGB, as well as the study by Eltobgy, (2024), which confirms that GTL influences EGB through the mediation of GHRM. The consistency of these findings can be explained by the important role of GHRM in integrating sustainability policies that enhance the influence of GTL on employees' environmentally friendly behavior. In the context of Sasirangan MSMEs, this finding has significant strategic implications, as leaders who implement GTL and are supported by effective GHRM policies can increase employee engagement in environmentally friendly programs, thus supporting the operational sustainability and competitiveness of Sasirangan MSMEs. Therefore, it is important for Sasirangan MSMEs to ensure the implementation of GTL that inspires employees to care for the environment and strengthens GHRM policies with training, incentives, and human resource management that supports sustainability.

Managerial Implications

The findings of this study provide several actionable implications for managers in small and medium-sized enterprises, particularly within the Sasirangan industry. Strengthening Green Transformational Leadership is essential. Leaders should regularly communicate environmental goals, provide simple sustainability training, and demonstrate eco-friendly work practices to motivate employees. In addition, Green Human Resource Management practices need to be integrated into HR policies, including the use of green performance indicators in employee evaluations, recognition for eco-initiatives, and the prioritization of environmentally conscious candidates during recruitment. Because Green Human Resource Management mediates the relationship between leadership and employee green behavior, managers should ensure that leadership initiatives and HR systems are well aligned to reinforce consistent pro-environmental behavior. Through this alignment, small and medium-sized enterprises can cultivate a cost-effective and sustainable organizational culture.

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Limitations and Future Research Directions

This study has several limitations that should be acknowledged. First, the data were collected solely from Sasirangan SMEs in Banjarmasin, which may limit the generalizability of the results to other types of small enterprises or creative industries. Second, the study relied on a single data collection method using self-reported questionnaires, which may introduce common-method bias and limit causal inference. Third, the sample size, while adequate for analysis, was relatively modest compared with studies conducted in larger organizational settings. Future research should therefore consider using longitudinal or mixed-method designs to verify causal relationships and reduce potential bias. Comparative studies across different regions and industry sectors could also provide a broader understanding of how contextual factors shape the relationships among Green Transformational Leadership, Green Human Resource Management, and Employee Green Behavior. In addition, future studies could examine other potential mediators or moderators, such as environmental awareness, organizational climate, or employee engagement to enrich the theoretical model and provide deeper insights into sustainable management practices.

CONCLUSION

This study examined how Green Transformational Leadership (GTL) influences Employee Green Behavior (EGB) both directly and indirectly through Green Human Resource Management (GHRM) within Sasirangan SMEs. The results confirmed that GTL positively affects EGB and that GHRM serves as a significant mediating mechanism that translates leadership vision into employees' pro-environmental actions. These findings extend the understanding of sustainability practices in small and medium-sized enterprises by contextualizing the GTL–GHRM–EGB framework within a traditional cultural industry.

Theoretically, the research contributes by integrating Transformational Leadership Theory and the Theory of Planned Behavior to explain the causal process through which leadership and HR systems shape employee environmental behavior. Practically, the study highlights that aligning leadership initiatives with structured HR policies can strengthen a green organizational culture, offering a cost-effective pathway toward sustainability for resource-constrained SMEs. Overall, this research underscores the pivotal role of leadership and HRM integration in promoting sustainable behavior and provides a foundation for further empirical exploration across diverse organizational contexts.

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