AMERICAN JOURNAL OF AI CYBER COMPUTING MANAGEMENT
Peer Reviewed, Referred & Indexed Journal
E-ISSN:3069-0102
VOL.6, NO. 2(2026)

Effect of Green HRM practices on organizational sustainability of Global IME Bank Ltd.

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Abstract
The present study investigated the influence of Green Human Resource Management (GHRM) practices on organizational sustainability in Nepal's commercial banks. It specifically examined the effects of green training and development, green rewards and compensation and green performance management and appraisal on organizational sustainability. Quantitative research design was adopted and data was collected from 42 managerial employes of commercial banks thru a survey questionnaire. The findings showed the positive and significant influence of all three GHRM practices on organizational sustainability, corroborating previous studies that linked green HRM practices with sustainable organizational performance (Efranto et al., 2025; Green HRM and Organizational Responsible Performance, 2026). The findings indicate that successful implementation of GHRM practices can encourage employes to engage in environmental activities, improve the sustainable performance of organizations and enhance the long-term competitiveness and reputation of banks. The study has practical implications to banking managers and policymakers as the study emphasizes the necessity of incorporating green HRM strategies into the organizational practices. It also adds to the emerging body of knowledge of sustainable human resource management by providing empirical evidence from the context of Nepalese commercial banks.

***Keywords*:** green performance management and appraisal, green training and development, green reward and compensation, organizational sustainability

Introduction

In a competitive and environment-conscious business environment, organizations are increasingly adopting eco-friendly practices to balance economic growth, social responsibility and environmental preservation. Organizations pursue Organizational Sustainability (OS) as a key strategic goal to meet the expectations of stakeholders and achieve long-term success (Chowdhury et al., 2025). GHRM practices have been widely accepted as a way to improve sustainability. GHRM integrates sustainability and environmental objectives into HRM practices such as training and development, performance management, rewards and compensation, to promote participation of employees in environmentally-friendly behaviours and organizational sustainability (Green human resource management and sustainable performance, 2025).

Recent empirical studies have shown that GHRM policies positively affect company sustainability by increasing employees' environmental knowledge, green behavior and HR legislation with sustainability goals. Therefore, it has been found that the incentive schemes related to sustainability, the training schemes on environmental responsibility and the performance evaluation schemes that reward the environmentally friendly results contribute to the improvement of the organizational and environmental performance (Green human resource management and organizational responsible performance, 2026). Such practices are increasingly impacting the banking sector. Financial institutions like Global IME Bank Ltd. are expected to make profits while maintaining the trust of their customers and also to practice green in their operations. However, the importance of GHRM is increasing, there is a lack of empirical studies on the impact of specific GHRM practices on organizational sustainability, especially in the banking sector of Nepal. This paper is an attempt to bridge this gap by analyzing the impact of training and development, reward and compensation system and performance evaluation on the organizational sustainability of Global IME Bank Ltd. This article contributes to the theory and practice of sustainable human resource management by gathering survey data from managerial staff and providing insights into the functioning of GHRM in the promotion of sustainable banking operations.

Literature review and hypothesis development

Green training and Development and organization sustainability

Green training and development enhance employes' environmental knowledge, skills and awareness; which enables them to adopt ecologically responsible behaviors and implement successfully environmentally friendly procedures within the organization. Continuous environmental training increases the likelihood that employes will support green initiatives, increase resource efficiency and improve the organization's long-term economic and environmental performance. Therefore, organizations investing in green training and development are expected to achieve higher levels of organizational sustainability.

H1: Green training and development have a positive and significant effect on organizational sustainability.

Green Performance management and organization sustainability

Green performance management motivates employes to align their work habits with the company's sustainability goals by including environmental goals in employe performance reviews. When the environmental performance of employes is evaluated, they feel more responsible for green practices adoption and continuous improvement in environmental results. This alignment favors long-term sustainability and enhances organizational environmental performance.

H2: Green performance management has a positive and significant effect on organizational sustainability.

Green rewards and compensation and organization sustainability

Participation in environmental activities is encouraged thru green rewards and remuneration, which recognize and reward environmentally conscious behavior. Monetary and non-monetary incentives are used to promote employes' active participation in sustainable activities, reduce environmental waste and improve corporate environmental performance. Therefore, companies adopting green reward systems are more likely to enhance their sustainability performance.

H3: Green rewards and compensation have a positive and significant effect on organizational sustainability.

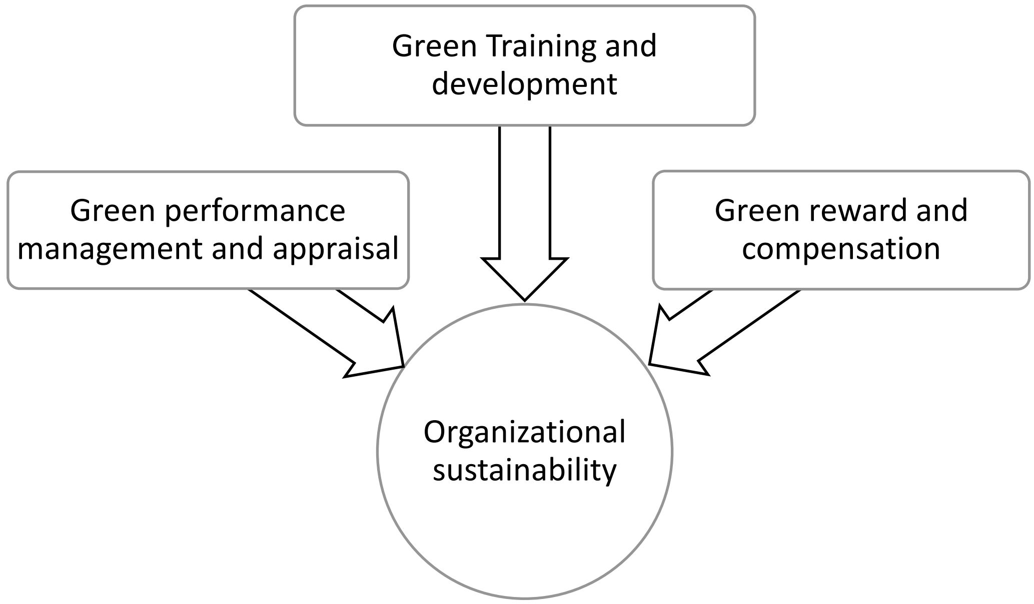

Figure 1 ***Conceptual Framework.*** *Adapted from Hakuduwal and KC (2025)*

The conceptual framework illustrates the relationship between Green Human Resource Management (GHRM) practices and Organizational Sustainability. In this study, GHRM practices are the independent variables, while Organizational Sustainability is the dependent variable**.**

Methodology

Measurement instrument

Research methodology is a scientific approach to solving the research problem. It might be thot of as a science of the conduct of scientific research. Research methodology is the precise steps or ways that are taken to find, choose, process and evaluate data on a subject.

Research Design

The study is based on descriptive and causal-comparative research design as it gives the overview of the relationship between Green HRM and organizational sustainability of Global IME Bank Ltd. The study employs both primary and secondary data.

Population and Sampling

The population of the study is the total employes of Global IME Bank Ltd. and the sample size is 42 employes. Sampling is Convenience sampling.

Data Collection Tools

The seminar report uses descriptive and causal-comparative research designs. A structured questionnaire was designed and the participants' responses were collected. The data is analyzed with the help of several data analysis tools. Descriptive statistics were used to calculate the mean value and SD. A correlation test is used to test the relationship between the dependent and independent variables. SPSS utility is used for correlation analysis and calculations.

Table 1: Background Information

Items		Frequency	Percent
Age	20-30	18	42.9
	31-40	19	45.2
	41-50	4	9.5
	51 or above	1	2.4
	Total	42	100
Qualification	Bachelor	16	38.1
	Master or above	17	40.5
	Secondary	9	21.4
Gender	Male	22	52.4
	Female	20	47.6

Source(s): *Authors' own work*

The demographic characteristics of the 42 participants in the study are provided in Table 1. In terms of age, the largest percentage of respondents (45.2%, n = 19) was in the 31–40-year age group, followed by the 20–30-year age group (42.9%, n = 18). Only 2.4% (n=1) of the participants were aged 51 years and above compared to 9.5% (n=4) between the ages of 41 and 50 years. Results indicate that the majority of the sample was young and middle-aged, accounting for almost 88 percent of all respondents.

In terms of education, the majority of the participants had a master's degree or higher 40.5% (n = 17), followed by a bachelor's degree 38.1% (n = 16). 21.4% (n = 9) of the respondents were secondary educated. The distribution indicates that most of the participants were more educated. Therefore, it is probable that the respondents had sufficient knowledge to provide correct responses to the survey. There was a slight gender bias with more male than female respondents. In particular, 47.6% (n=20) of the participants were female and 52.4% (n=22) were male. The gender distribution is quite balanced, which makes the sample more representative by including adequate perspectives of both women and men in the study.

Correlation Analysis

Table 2: Correlations Test between GTD, GPMA, GRC and OS

Construct		GTD	GPMA	GRC	OS
GTD	Pearson Correlation	1			
GPMA	Pearson Correlation	.379**	1		
GRC	Pearson Correlation	.473**	.613**	1	
OS	Pearson Correlation	.379**	.467**	.662**	1

***. Correlation is significant at the 0.01 level (2-tailed). Where, GTD= Green Training and development, GPMA= Green performance management and appraisal, GRC= Green reward and compensation, OS= Organization sustainability.*

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The Pearson correlation between the study variables is presented in Table 2. The findings show that all the independent variables have a positive and significant relationship with company sustainability at the 0.01 level. Organizational Sustainability (OS) is positively associated with Green Training and Development (GTD) with moderate effect size ($r = 0.379$, $p < 0.01$) which means that the training methods have effects on sustainability outcomes. Similarly, there is a moderate positive correlation between OS and Green Performance Management and Appraisal (GPMA) ($r = 0.467$, $p < 0.01$) which indicates that workers' evaluation according to environmental standards has a contribution to sustainability.

Green Rewards and Compensation (GRC) was positively correlated with maximum variable ($r = 0.662$, $p < 0.01$) Organizational Sustainability. This result points out the necessity of reward systems for better sustainability performance. In addition, GRC is moderately correlated with GTD ($r = 0.473$, $p < 0.01$) and significantly correlated with GPMA ($r = 0.613$, $p < 0.01$), which shows the consistency of GHRM practices. Overall, the results indicate that all GHRM practices have a positive relationship with firm sustainability, and green compensation and rewards have the strongest effect.

Regression Analysis

Table 3: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the estimate
1	.670[a]	. 449	0.405	0.54245

a. Predictors: (Constant): GRC, GTD, GPMA

The regression model for the relationship between Green HRM practices and organizational sustainability is summarized in Table 3. The value of R = 0.670 shows that there is a strong positive relationship between the independent variables (GTD, GPMA and GRC) and the dependent variable (organizational sustainability). The value of R Square is 0.449 which means that the three GHRM practices in the model have explained 44.9 percent variance in organizational sustainability.
The model accounts for 40.5% of the variance in organizational sustainability (adjusted R Square = 0.405) while controlling for the number of factors. The standard error of the estimate is.54245 which indicates relatively low prediction error. In general, the model shows a high explanatory power, implying that Green HRM practices are important for organizational sustainability.

Table 4: ANOVA Table

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	9.098	3	3.033	10.306	.000[b]
	Residual	11.182	38	0.294		
	Total	20.28	41			

a. Dependent Variable: OS

b. Predictors: (Constant): GRC, GTD, GPMA

ANOVA results show the regression model is statistically significant ($F=10.306$, $p<0.001$) and therefore Green HRM practices viz Green Training and Development (GTD), Green Performance Management and Appraisal (GPMA) and Green Reward and Compensation (GRC) collectively have significant impact on Organizational Sustainability (OS) in Global IME Bank. The model indicates that these green HRM practices have a significant impact on organizational sustainability as they explain 45% of the variation in

OS. 55% of the variance was explained by other factors not covered in the study which suggests possible areas for further investigation.
Implication: The global IME Bank should give more attention to the development and strengthening of green HRM practices, particularly on training, performance management and reward systems for its sustainability.

Table 5: Coefficients Analysis

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	0.937	0.637		1.47	0.15		
	GTD	0.079	0.147	0.075	0.541	0.591	0.764	1.309
	GPMA	0.096	0.167	0.088	0.571	0.571	0.614	1.629
	GRC	0.618	0.174	0.573	3.549	0.001	0.557	1.796

a. Dependent Variable: OS

The regression study shows that among Green HRM practices, Green Reward and Compensation (GRC) has a significant positive impact on Organizational Sustainability ($B = 0.618$, $\beta = 0.573$, $p = 0.001$). The Green Training and Development (GTD) and Green Performance Management and Appraisal (GPMA) were also found to have positive relationships with OS, but their effects were not statistically significant ($p > 0.05$). Multicollinearity diagnostics indicate there are no problems with the predictors ($VIF < 2$). The findings of this study suggest that Global IME Bank should focus more on developing effective green incentive systems and also on developing the training and performance appraisal system for the sake of organizational sustainability.

Conclusion

The findings of the study showed that the Green HRM practices have significant impact on the Organizational Sustainability (OS) of Global IME Bank. The overall regression analysis revealed that Green Training and Development (GTD), Green Performance Management and Appraisal (GPMA) and Green Reward and Compensation (GRC) were significant predictors of OS and accounted for about 45% of its variance. This means that green HRM strategies need to be implemented to achieve sustainable organizational performance.

The most important strategy of the three for OS was Green Reward and Compensation (GRC). This implies that the most important factor is the motivation of employes to take part in green projects thru payment for sustainable behavior. The positive effects of GTD and GPMA on OS were also statistically insignificant. Therefore, these approaches need to be improved or better aligned with the corporate sustainability goals to obtain quantifiable results.

Finally, the findings suggest that Global IME Bank can improve its sustainability results by putting emphasis on GRC along with increasing the use of GTD and GPMA. A well-integrated green HRM strategy can help in employe motivation, building sustainable corporate culture and achieving long-term organizational sustainability objectives.

Implications

The findings contribute to theory, managerial practice, and policy.

Theoretical Implications

This study contributes to the increasing literature of Green Human Resource Management (GHRM) by empirically testing the effect of green HRM practices on organizational sustainability. Prior studies have highlighted the significance of environmental HR practices (Renwick et al., 2013; Jabbour, 2013). However, little is known about the specific impact of green performance management, green rewards and compensation, and green training and development on organizational sustainability, especially in developing countries. This research adds to the theoretical understanding of the causal relationship between specific GHRM practices and sustainable outcomes by considering the characteristics independently. The results further provide support for the Natural Resource-Based View (NRBV) that organizational capabilities in environmental management could become valuable strategic assets for generating long term competitive advantage (Hart, 1995). This study also supports the Social Exchange Theory, which suggests that when organizations invest in green HR practices, employes tend to behave in a responsible manner toward the environment.

Practical Implications

The findings provide significant guidance for managers and HR professionals who want to improve organizational sustainability thru effective human resource management. “Sustainability goals need to be embedded into all the core HR activities by organizations and not seen as an operational or environmental responsibility. The use of green training and development on a frequent basis can improve workers’ environmental knowledge and skills, which allows them to use sustainable work practices. Similarly, firms should incorporate environmental indicators in their performance evaluation systems so that workers can be evaluated on traditional performance indicators as well as their contributions to environmental sustainability. The green rewards and compensation schemes should be introduced to recognize and reward staff members involved in environmental initiatives to advance a culture of sustainability. By implementing these practices in HR policy, organizations can increase employe engagement, improve their environmental performance, reduce operational waste and attain long-term economic, social and environmental sustainability.

Policy Implications

This study will also be of interest to policy makers and regulatory bodies responsible for the promotion of sustainable organizational practices. Governments and industry associations should encourage companies to adopt Green HRM practices by developing sustainability criteria, environmental certification programs and incentive programs recognizing companies that adopt environmentally responsible HR policies. Green HRM concepts should be incorporated in management education and professional development programs by educational institutions and professional HR organizations to prepare future managers to have the skills to manage sustainability effectively. Policymakers can also assist firms thru tax incentives, grants, or recognition programs that promote investment in sustainability-based reward systems, environmental performance management, and green employe training. These programs may contribute to the achievement of national sustainable development goals and expedite the adoption of Green HRM practices across different sectors.

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