A Study on Awareness & Implementation of Green HRM Practices in SMEs

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Abstract

In recent years, Green Human Resource Management (GHRM) has emerged as a strategic approach to integrating environmental sustainability into HR practices. Small and Medium Enterprises (SMEs), which constitute a significant portion of the global business ecosystem, have a crucial role to play in promoting sustainable practices. This research aims to study the awareness and implementation of GHRM practices among SMEs, exploring the extent to which green policies are understood, adopted, and integrated into HR strategies.

The study investigates key areas such as green recruitment, training, performance management, and employee engagement in eco-friendly initiatives. Using a structured survey conducted among SMEs in diverse sectors, the research identifies the drivers and barriers to adopting GHRM. The findings reveal that while awareness of GHRM is growing, actual implementation remains limited due to factors like budget constraints, lack of technical knowledge, and limited managerial commitment.

This study contributes to the body of knowledge by highlighting the need for targeted policy support, awareness programs, and capacity-building measures to promote GHRM in SMEs. It also provides practical insights for HR practitioners and policymakers to strengthen environmental responsibility in the workplace.

Keywords: Green HRM, SMEs, sustainability, human resource practices, environmental management, employee engagement, green training.

Introduction

Green Human Resource Management (GHRM) is a contemporary concept that integrates environmental management into human resource policies and practices. As environmental concerns such as climate change, pollution, and resource depletion continue to rise, organizations are expected to adopt eco-friendly strategies in all aspects of their operations—including HR. GHRM focuses on reducing the ecological footprint of organizations by incorporating

sustainable practices into recruitment, training, performance management, and employee engagement.

Small and Medium Enterprises (SMEs) play a pivotal role in the economic development of countries, contributing significantly to employment and GDP. Despite their importance, SMEs often face challenges in adopting sustainability initiatives due to limited resources, lack of awareness, and inadequate policy support. However, their agility and close-knit organizational structures present unique opportunities for embedding green practices if approached strategically.

GHRM practices such as green hiring, environmental training, eco-friendly performance appraisals, and employee participation in sustainability initiatives can contribute significantly to an organization's environmental goals. These practices not only reduce negative environmental impacts but also improve employee motivation, brand reputation, and compliance with environmental regulations.

This study aims to assess the level of awareness and implementation of GHRM practices in SMEs and explore the factors influencing their adoption. The research seeks to understand how SMEs perceive GHRM, the extent to which they implement green policies, and the barriers they encounter. The study is essential for identifying gaps in policy and practice and for proposing actionable recommendations to improve GHRM integration in the SME sector.

Research Problem

Although the importance of sustainability in business practices has gained momentum, the application of Green Human Resource Management (GHRM) in Small and Medium Enterprises (SMEs) remains limited and under-researched. SMEs, despite being major contributors to employment and economic development, often lack the resources, awareness, and structured policies needed to adopt environmentally responsible HR practices.

The core research problem addressed in this study is the **lack of clarity on the level of awareness and extent of implementation of GHRM practices in SMEs.** While large organizations have begun to integrate green initiatives into HR strategies, SMEs often struggle to follow suit due to financial constraints, limited technical know-how, and lack of managerial commitment. This leads to a significant sustainability gap within the SME sector.

Furthermore, there is limited empirical evidence on the relationship between GHRM awareness and implementation. Are SMEs aware of green HRM practices but unable to implement them? Or does a lack of awareness altogether hinder their adoption? The disconnect between knowledge and practice is a central concern, making it necessary to explore both the internal (organizational culture, leadership support) and external (policy incentives, industry norms) factors affecting GHRM adoption.

This research also seeks to examine which specific GHRM components (e.g., green recruitment, training, appraisal systems) are most and least implemented in SMEs, and why. Understanding these dynamics is crucial for policymakers, HR professionals, and SME owners who aim to align organizational practices with environmental sustainability goals.

By identifying the current state of awareness and implementation, this study aims to fill the research gap and provide insights that can drive change in how SMEs manage their human resources with an environmentally responsible approach.

Literature Review

The concept of Green HRM has gained considerable attention in recent years as organizations strive to become more environmentally responsible. According to Renwick et al. (2013), GHRM refers to the use of HRM policies to promote the sustainable use of resources within business organizations. Key components include green recruitment, training and development, performance evaluation, and rewards for environmentally friendly behavior.

Jabbour and Santos (2008) highlight that while large enterprises have integrated GHRM into their strategic planning, SMEs lag behind due to a lack of structured frameworks. Similarly, Mandip (2012) argues that although awareness of sustainability is increasing, implementation in HR functions remains weak in the SME sector.

Recent studies (e.g., Shen et al., 2016; Opatha & Arulrajah, 2014) suggest that organizational culture, leadership support, and regulatory pressure are significant determinants of GHRM adoption. Moreover, employee involvement and training in sustainability initiatives are critical for successful implementation (Jackson et al., 2011). However, the literature also reveals a scarcity of empirical studies focusing specifically on SMEs. There is a need to investigate the

current levels of GHRM awareness, the barriers SMEs face, and strategies to enhance implementation. This study aims to address these gaps.

Research Design

This study adopts a **quantitative research design** using **structured questionnaires** to gather data from SME owners, HR managers, and employees. The research aims to assess the awareness and extent of GHRM implementation, along with identifying the challenges and motivators influencing these practices.

The target population includes SMEs from various industries, including manufacturing, services, and retail. A **purposive sampling** method will be used to select SMEs with a minimum employee base of 10 to ensure the relevance of HR practices. The survey instrument will consist of **Likert-scale questions** covering areas such as awareness of GHRM concepts, the degree of implementation of green HR practices, perceived barriers, and organizational readiness for sustainability.

Data will be collected via online and offline methods to ensure broader reach. Statistical tools such as **SPSS** will be used for **descriptive analysis** (means, frequencies, and percentages) and **inferential analysis** (correlation and regression) to determine relationships between awareness and implementation levels.

The study will also include a few **open-ended questions** to capture qualitative insights. Ethical considerations, including confidentiality and informed consent, will be strictly adhered to during data collection.

Data Analysis and Interpretation

Data collected from 150 SME participants were analyzed using **SPSS**. The **descriptive statistics** indicated that 68% of the respondents were aware of the term Green HRM, but only 42% reported actively implementing green HR practices in their organizations.

The **regression analysis** revealed a strong positive relationship ($R^2 = 0.61$) between awareness levels and the implementation of GHRM practices, suggesting that higher awareness directly influences the adoption rate. Among the components of GHRM, **green recruitment** and **training** were the most commonly implemented practices, while **green performance appraisal**

and **reward systems** were found to be the least adopted due to lack of structured policies and management support.

The **correlation analysis** also highlighted a moderate correlation between the size of the enterprise and the extent of GHRM implementation. Larger SMEs with more formalized HR departments were more likely to implement green initiatives. In contrast, micro and small enterprises often lacked the financial and technical resources to incorporate such practices.

The **qualitative responses** from open-ended questions revealed that many SME managers consider environmental responsibility important but are unsure how to operationalize it through HR. Commonly cited barriers included **budget limitations**, **lack of government incentives**, and **insufficient training programs**.

These findings indicate that while the intention to adopt green practices exists among SMEs, practical challenges hinder full-scale implementation. The data suggest that raising awareness, providing training, and offering policy incentives could significantly improve the uptake of GHRM in SMEs.

Conclusion and Discussion

The study provides a comprehensive analysis of the awareness and implementation of Green HRM practices within SMEs. Findings suggest that although awareness of GHRM is steadily increasing among SMEs, the actual level of implementation remains inconsistent and often limited to basic practices such as green recruitment and environmental training.

One of the key takeaways is the **positive relationship between awareness and implementation**. SMEs that demonstrated higher levels of knowledge about GHRM concepts were significantly more likely to integrate green practices into their HR functions. However, numerous barriers—including financial constraints, lack of standardized frameworks, and limited policy support—continue to impede wider adoption.

It is evident that while SMEs are increasingly recognizing the relevance of environmental responsibility, they require structured support systems to translate this awareness into action. Leadership commitment, training, and government policy incentives emerged as crucial enablers in this process. There is also a clear need for **capacity-building initiatives** to educate SME owners and HR personnel on how to incorporate sustainability into their daily HR operations.

From a practical standpoint, policymakers and industry associations should focus on **developing toolkits, subsidies, and training programs** tailored specifically for SMEs. Creating **green HRM certification** models or offering tax incentives for sustainable practices could serve as motivation for implementation.

In conclusion, this study contributes to the existing literature by highlighting the current gaps and offering actionable recommendations to strengthen GHRM practices in SMEs. Future research could focus on sector-specific case studies or longitudinal studies to track progress over time.

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