QAS - GHRM

by Muafi Muafi

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The Effect of Green HRM on Business Sustainability with the Mediation role of Pro-Environmental Behavior

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Abstract

This study test and analyze how Green Human Resources Management (GHRM) plays role in improving business sustainability (operational, environmental, and social performance) mediated by Pro-Environmental Behavior (PEB). This study conducts at Batik MSMEs in Klaten, Central Java, Indonesia. Primary data is used in this study by giving questionnaire to the owner/manager of Batik MSMEs in Klaten who are members of Kebon Indah and Banyuripan batik communities in Bayat District. Both communities have hundreds of Batik MSMEs and use natural color, synthesis color or mixture of them. The target sample in the study is 200 MSMEs. This study uses purposive sampling technique. According to data recapitulation, the questionnaire which is filled completely by respondents is 180. This study has a high rates of data collectibility and response because it is conducted when researchers conduct socialization and training related to one of the HRM practices in those two communities. This study uses Structural Equation Modeling (SEM) with AMOS 23 technique. The study finds that Green HRM improve business sustainability in operational, environmental, and social performance. There is a mediating role of PEB in testing and analyzing the effect of GHRM on business sustainability. Although the GHRM practice is still debated and ambiguous, especially at Batik MSMEs, the number of study that links the influence of GHRM with business sustainability is still limited and this study is expected to enrich the HRM theory. In addition, this study model considers PEB role as mediation, while previous studies tests and analyzes GHRM partially and not comprehensively.

Keywords: *green human resources management; pro-environmental behavior; business operational performance; environmental performance; social performance.*

1. Introduction

In this era, companies are demanded to have an awareness of environmental management. Corporate internal awareness and responsibility can be used to reduce ecological pressure and it will improve environmental friendly systems and work practices (greening) (Arqawi, et al., 2019; Jackson et al., 2011; Bird et al., 2007; Albort-Morant, 2016; Yong et al., 2019), in each organizational function area in sustainable manner (Das and Singh, 2016; Yadiati, et al., 2019; Albort-Morant, 2016; Yong, et al., 2019; Sugandini et al., 2020). Company employees must have a contribution in greening implementation in organization (Pinzone, et al., 2016), including green HRM. If green HRM in the company has been achieved, it would be a manifesto in creating green workforce so that employees will be able to understand and appreciate the green culture in an organization (Rohilla, 2017; Mandip, 2012).

Empowerment of the poor families through the jobs provision is Indonesian government priorities, especially in Klaten, Central Java. In 2020, the main target of Klaten government is overcome poverty in red zone regions, specifically by developing the Batik creative industry in Bayat District, namely in Banyuripan and Jarum sub-districts. The batik industry in Bayat district has a high level of competition so that batik entrepreneurs often encourage behaviors that are less environmental friendly (Muafi & Sugarindra, 2019). Over the time, due to the extremely fierce level of competition, several critical problems emerged and created a dilemma for MSMEs and the government to develop them. Based on field observations, there are few MSMEs that have not conducted Green HRM and do not even have pro-environmental behavior. In the production process, especially in coloring, there are few MSMEs which use synthetic colors, mix synthetic colors, and natural colors and they do not have proper waste disposal and ignore work safety and health. This situation and condition will create obstacles for MSMEs because it should be able to grow, develop and sustainable in the long run. The study on green HRM practices which is related to pro-environmental behavior and business sustainability (operational, environmental, and social performance) is still limited so it makes researchers examine this theme.

The aim of this study is produce a GHRM model that can improve business sustainability in a sustainable greening framework by considering the PEB mediation role. The theoretical contributions of this study are:

1. The implementation of GHRM in business organizations is still being debated (Ullah & Jahan, 2017; Uddin & Islam, 2015), and ambiguous (Ahmad, 2015). In general, many organizations focus on profit, not on social and environmental aspects.
2. Organizations should emphasize the importance of integration between environmental sustainability and HR strategies (Ullah & Jahan, 2017). Some empirical studies strengthen the positive relation ships pattern between GHRM and organizational performance (Jabbour et al.,

2008; 2010; 2013; Arqawi, et al., 2019; Jackson et al., 2011; Bird et al., 2007; Albort-Morant, 2016; Yong et al., 2019), but the studies that examines their impact on business sustainability are still limited (operational, environmental and social performance), because it is usually researched partially (Yusoff et al., 2018; Rawashdeh, 2018).

3. Awareness of GHRM study in Asia especially in Indonesia is important, but the studies which is focus on the GHRM implementation with MSMEs objects are still very limited (Astuti & Wahyuni, 2018; Singh, et al., 2020), especially when associated with MSMEs performance.

2. Literature Review

2.1. Ecocentrism Theory: New Awareness to build the Environment

The fundamental theory used in this study is ecocentrism theory introduced by a Norwegian philosopher in 1973, Arne Naess, who stated that the concern for the natural environment can be divided into two kinds; "shallow ecology" and "deep ecology". In addition to the understanding of environment, an understanding regarding ecocentric ethics is also required. According to Sudriyanto (1992), ecocentric ethics means that the environment as a whole is at a high level of ecology, namely deep ecology, which is the survival of all living and non-living as a component of a healthy ecosystem. This can apply to all living things including humans who have community ties that are part of the composition of their citizens. It is in the form of mutual respect, care, and protect. Everything is interconnected as a part of each other that synergizes with each other. Ecocentric ethics is holistic, more mechanical or metaphysical. Simply put, ecological understanding relies on the existence of a natural balance, so that all living things are aware of and have solidarity to act and behave in a way that loves the environment as well as corrects behavior that damage and exploit nature. The relationship between humans and their natural environment must be implemented in the context of empirical awareness. The demands of modern lifestyles and the use of technology must be able to help overcome social and physical problems that can provide positive benefits instead of damage the environment and living things (Kilbourne & Carlson, 2008; Lidskog & Waterton, 2016). Green HRM implementation is believed to be able to be used to enhance positive attitudes and behaviors for organizations to be able to love and respect their environment (Yong et al., 2019; Mandip, 2012; Rani and Mishra, 2014).

2.2. Green HRM Practices (GHRM) and Pro-environmental Behavior (PEB)

The environmental sustainability topic raises concern among business executives, governments, consumers, and academics (Yong et al., 2019; Jackson et al., 2011). Green management initiative is an important factor in forward-thinking businesses throughout the world. Employees must be inspired, empowered, and aware of the importance of green management initiative. Green management company requires employees that have high-level technical and management skills. Companies must develop environmental initiatives and programs that focus on innovations that are expected to improve sustainable business, environmental, and social performance (Sudin, 2011). All of these activities need human resource assets so it requires environmental integration into human resource management (Mehta & Chugan, 2015; Renwick et al., 2013; Yong et al., 2019).

Mehta and Chugan (2015) define Green HRM as a human resource management practice that includes the development, implementation, and improvement of a system so that employees in the organization have a green environment-friendly. If all employees have a green environment-friendly attitude in conducting all HR activities, it is expected to achieve environmental-oriented organizational goals and achieve long-term sustainable goals (Mandip, 2012; Arulrajah, et al., 2015). In addition, (Renwick et al., 2013; Yong et al., 2019) state that when a company integrates corporate environmental management into human resource management practices, it means that the company has conducted green HRM.

Green HRM has a very important role related to environmental issues, and it is always associated with the adoption of management philosophy, company HRM practices, training and development, and legal protection about the environment (Shaikh, 2014; Ahmad, 2015). Green HRM has contributed to the concept of environmentally friendly and organizational sustainability (Gotschol et al., 2014; Wehrmeyer, W.1996). This means that each employee has an obligation to promote green HRM to stakeholders and has a commitment to be pro-environment so that the company can be more effective and efficient in operating (Mandip, 2012). Rani and Mishra (2014) added that when a company can implement Green HRM successfully, the company can gain many benefits including creating, maintaining, and enhance morale that is friendly to the environment. Besides, the company can maintain employee retention, company image, and increase company productivity (Cherian & Jacob, 2012; Suharti, & Sugiarto, 2020).

Environmental management is a priority in the GHRM and it is associated with every HR practice starting from recruitment, selection, training and development, performance evaluation, and rewards (Arqawi et al., 2019; Wagner, 2013; Langoni et al., 2016). The implementation of environmental practices as the main objective's organization becomes an important aspect in supporting human resource management practices. The current strategic issue is the existence of debate and uncertainty related to how green management principles can be effectively implemented in all employees of the organization (Cherian & Jacob, 2012). Furthermore, environmental practices can also be used by companies to initiate promoting environmental management to surrounding community and government. All of these activities are also useful for supporting environmental management within the organization which will also have an impact on the company's environmental, social, and business performance. It requires commitment and support from top management and staff to run it so it will success and have environmental sustainability in the future (Yong et al., 2019; Mandip, 2012; Pham et al., 2019; Masri, & Jaaron, 2017).

Green HRM should involve employee initiatives in environmental friendly practices so the costs (Jackson et al., 2011; Rohilla, 2017) and employees' carbon footprints will reduce (Masri, & Jaaron, 2017). Green HRM practices also have a relationship with employee green behavior aspects (Pinzone et al., 2019; Saeed et al., 2019) includes intra role and extra role behavior (Dumont et al., 2017). Recognizing the existing economic, social, and environmental impacts, sustainable organizations must seek advices from a wide range of stakeholders, both internal and external in designing and implementing their business strategies and operations [Das & Singh, 2016) so they can have green behavior in the future and the company environment can be cleaner and safer (Yusoff, 2016).

H1. GHRM has a positive influence on PEB

2.3. Pro-environmental Behavior and Business Sustainability

Pro-environmental behavior is defined as employee's activity in organization, directly and indirectly, to help or improve the natural environment (Kee, 2013) so that it can be considered as *"the driving force of strategic behaviour"* (Schuler, & Jackson, 1987). It also has become a strategic issue that needs to be considered in a company's strategic decision making (Kollmuss & Agyeman, 2002; Steg & Vlek, 2009; Ozaralli, & Rivenburgh, 2016). Pro-environmental behavior arises when someone consciously wants to minimizes the negative consequences caused by interactions with nature and the surroundings. In

general, pro-environmental behavior can be caused by: external factors and individual internal factors (Kollmuss & Agyeman, 2002), attitudes, subjective norms (Kee, 2013), social norms (Ture & Ganesh, 2014), behavioral control perceptions, consequences perceptions, situational factors, intentions behavior (Rachmawati & Handayani, 2014), behavioral control (Kee, 2013), and efficiency education (Solopova, 2008). When individuals have a love for the environment, it means that they have succeeded in saving the earth. It also means that individuals want to provide a useful inheritance for generations to come. According to the *New Ecological Paradigm* (Dunlap, et al., 2000), it has given a new view that nature does not exist merely to serve human needs and desire. PEB is believed to be able to be used as a guide that regulates (conduct) human relations with nature.

This study is more focused on HRM aspects such as prompts, commitments, feedback, social norms, incentives, and convenience which is an effective promotion for pro-environmental behavior (Schultz, 2014). Saeed et al. (2018) find that there is a relationship between pro-GHRM behavior and environmental behavior. The results of a meta-analysis study prove that if a person's attitude is positive towards the environment, it will have a voluntary nature in behavior (Venkatesh, 2003), especially in pro-environmental behavior (Hines, et al., 1987; Sugandini et al., 2018). Individuals who have responsibility for the environment will show a positive attitude towards the environment and recognize the importance of nature and the environment (Sugandini et al., 2018). Cherin and Jacob (2012; Sugandini et al., 2018) prove that someone who has a responsibility for the environment will have an impact on their intention to reduce behavior that is not environmentally friendly.

In the behavior context, conservation is identical with pro-environmental behavior (Hungerford & Volk., 1990; Sugandini et al., 2019). There are five important points in conservation behavior namely someone who has an active participation in environmental preservation or environmental activists, participates in signing a petition in preserving the environment, reduces energy use and has environmental friendly behavior in daily life, has Ecosystem behaviors, conduct green behavior in the workplace (reducing waste, energy efficiency, and etc). The typology of pro-environmental behavior is divided into three, namely: green purchase behavior, good citizenship behavior, and environmental activist behavior (Lee et al., 2014). Lee et al. (2014) find that PCE (perceived consumer efficiency/effectiveness) and environmental concern have a positive relationship with citizenship behavior. The urgency factor is companies need to increase green training when increasing their pro-environmental behavior so they will have satisfaction at work (Pinzone et al., 2018). Kelley (1998) underlines that proactive behavior is a key that distinguishes employees who have star performers and not.

In addition, Schuler & Jackson (1987) state that someone's strategy-oriented behavior means that someone has an innovative and creative behavioral orientation. Green HRM needs to involve environmental friendly HR initiatives to play a role in reducing costs and helping in better job involvement and retention (Mandip 2012). Alt and Spitzeck (2016) prove that the capability of organizational citizenship behavior in organizational units can improve corporate environmental performance. Kola Lawal (2015) states that organizations who adopt pro-environmental behavior influence environmental performance. Business sustainability is related to a company's ability to create profits, protect the environment, and improve social life (Triple Bottom Line) (Velasquez et al., 2011; Aras & Crowther, 2008; Salimath& Jones III, 2011; Das& Singh, 2016). Some empirical studies prove that Green HRM practice (green recruitment and selection, green training and development, green performance appraisal, and green compensation) ,directly and indirectly, improve business sustainability (Mandip, 2012; Arulrajah et al., 2015; Cherian& Jacob, 2012; Yusoff et al., 2018).

H2. PEB has a positive influence on operational performance
H3. PEB has a positive influence on environmental performance
H4. PEB has a positive influence on social performance
H5. PEB mediates the influence of GHRM on operational performance
H6. PEB mediates the influence of GHRM on environmental performance
H7. PEB mediates the influence of GHRM on social performance

3. Research Model

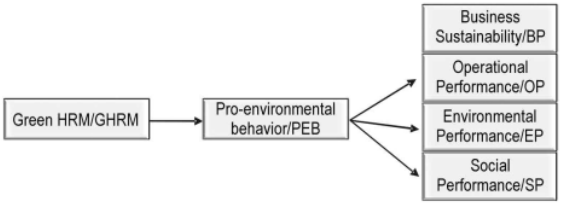

Figure 1. The GHRM and business sustainability: The mediating role of PEB

This study has a model that Green HRM influence operational, environmental and social performance which is mediated by pro-environmental behavior. Business sustainability uses three measurement variables, namely operational, environmental, and social performance (Velasquez et al., 2011; Aras & Crowther, 2008; Salimath & Jones III, 2011).

4. Research Method

This study uses survey method. Researchers want to explain empirical phenomena that occur in the field (Simonson et al., 2001; Sugandini et al., 2020). This study uses primary data by giving questionnaires to MSMEs owners/managers which uses natural coloring, synthesis coloring or mixture of them. Likert scale technique is used with a scale of 1 (strongly disagree) to 5 (strongly agree) for GHRM and PEB variables. Whereas, business sustainability variables use a scale of 1 (very low) to 5 (very high) when compared to competitors' business sustainability. A more detailed explanation can be seen in Table 1.

This study uses Batik MSMEs in Klaten especially in Bayat District as population. The sample target is MSMEs which is participating in the Batik Association of Kebon Indah and Banyuripan. Both associations have hundreds of MSMEs that are oriented on natural, synthetic, or mixed colors. The target sample in the study is 200 batik MSMEs represented by their owners/managers. The sampling technique is conducted by purposive sampling with the following criterias, such as: MSMEs

No.	Variable/ Literature Source	Operational definitions	Indicators/Items	Source
1.	GHRM	GHRM practice oriented on the development, implementation, and improvement of a system so that employees in the organization have a green environment-friendly	1. Green job description 2. Green recruitment and selection 3. Green induction 4. Green training 5. Green performance assessment 6. Green rewards 7. Discipline management	Al Romeedy (2019; Astuti & Wahyuni, 2018; Ahmad, 2015; Arqawi et al., 2019)

No.	Variable/ Literature Source	Operational definitions	Indicators/Items	Source
2.	PEB	Every activity of owner or manager's MSME in the organization, directly or indirectly, help or fix the natural environment.	1. Using public transportation or walking when going to work 2. Drying batik clothes naturally 3. Use double-sided paper 4. Reduce synthetic waste 5. Turn off the lights which are not used and use energy saving lamps. 6. Saving water 7. Do not use disposable products 8. Planting trees and green plants	Kolla Lawal (2015; Lange & Dewitte. 2019; Hungerford & Volk, 1990; Sugandini et al., 2019).
3.	Operational performance	The batik MSME's operational performance compared with competitors in the past 5 years	1. Efficient in buying, cutting fabric, and boiling cloth or *mordan* 2. Efficient in designing paper or *nyorek* and fabric patterns or *ngeblak* 3. Efficient in giving wax layer on a drawn motif on the fabric or *nyanting* 4. Efficient in coloring and during the 'locking' color process 5. Efficient in drying and releasing wax on fabric or *ngelorot* 6. Service processes quality	Muafi & Sugarindra (2019; Abdul; wahab et al., 2016; Yadav et al., 2019).
4.	Environmental performance	The batik MSME's environmental performance compared with its competitors in the past 5 years	1. Recycling 2. Reducing toxic waste 3. Reducing or replacing hazardous chemicals in production 4. Environment and nature conservation 5. Prevention of waste and reduction of synthetic waste 6. Comply with hazardous waste disposal regulations 7. Sustainable energy efficiency	Lucato et al. (2017; Shahedul Quader et al., 2016).
5.	Social Performance	The batik MSME's social performance compared with its competitors in the past 5 years	1. Empowerment of the poor 2. Expanding field and job opportunities 3. Develop social networks 4. Increased social welfare 5. Improving the life quality of the community 6. Social services that satisfy the community 7. Donations for social and environmental funds	Kusyk & Lozano, 2007; Eggers et al., 2013; Kraus, et al., 2017).

Table 1. Variables, Operational definitions, Indicators and Measurement Scale

who have been operating for a minimum 3 years and MSMEs who have batik motifs and coloring use a minimum 5 colors. Based on data collectibility, the data that fulfilled the requirements and feasible to be processed is 180 respondents (80% response rate). The high response occurs because the researchers distribute the questionnaires while conducting socialization and training to the two associations so that respondents were very enthusiastic to answer and respond the questionnaire properly. This good collaboration can be done because so far the two associations have become fostered partners in research and community service activities that have become the main task of the Faculty of Business and Economics, Islamic University of Indonesia. This study uses structural equation modeling (SEM) model which is processed with AMOS 23. The validity, reliability, and model test use the goodness of fit criteria (Hair et al., 1998).

5. Research Results

5.1. Characteristics of Respondents

Most of the respondents in this study were: women (95%), owner and manager (83%), the coloring process using natural color (82%), aged over 40 years (81%), batik motifs more than 10 variations (79%), coloring using 10-15 colors (81%) and not yet having waste disposal (90%).

5.2. SEM Model Analysis

The analysis used to prove the hypothesis is structural equation modeling (SEM) calculation with AMOS 23 software.

Normality test result shows that the value of multivariate CR in this study is 1.214. CR values are in the range of ±2.58 so that the data has been normally distributed. Test result also shows that there aren't outlier data.

5.3. Confirmatory Factor Analysis (CFA) Analysis

The analysis finds that there were 2 indicators which have loading factor values below 0.5 namely PE8 and PE7 so it had to be removed from the analysis. After removing two invalid indicators, all indicators in this study are valid. Furthermore, the goodness of fit (GOF) test results are fit as can be seen in Table 2.

Fit Index	Goodness of Fit	Criteria	Cut-off value	Description
Absolute Fit	RMSEA	≤ 0.08	0.045	Fit
	CMINDF	≤ 2.00	1.364	Fit
Incremental Fit	TLI	≥ 0.90	0.951	Fit
	CFI	≥ 0.90	0.947	Fit
Parsimony Fit	PGFI	≥ 0.60	0.712	Fit
	PNFI	≥ 0.60	0.766	Fit

Table 2. Goodness of Fit Confirmatory Factor Analysis

5.4. Reliability Test

The reliability coefficient ranges from 0-1. The higher the coefficient (close to number 1), the more reliable the measuring instrument. Construct reliability is good if the construct reliability value is ≥ 0.7 and the extracted variance value is ≥ 0.5 (Hair et al., 1998).

Based on Table 3, it can be explained that the construct reliability of all variables ≥ 0.7 and the extracted variance of each variable ≥ 0.5. So the questionnaire used for this study is reliable.

Furthermore, the path analysis model can be seen in Figure 2.

Variable	Indicator	Standard Loading	Standard Loading	Measurement Error	CR	VE
Green Human Resource Management (GHRM)	GHRM7	0.836	0.699	0.301	0.9	0.6
	GHRM6	0.63	0.397	0.603		
	GHRM5	0.796	0.634	0.366		
	GHRM4	0.805	0.648	0.352		
	GHRM3	0.808	0.653	0.347		
	GHRM2	0.769	0.591	0.409		
	GHRM1	0.78	0.608	0.392		
Pro-Environmental Behavior (EP)	PE6	.715	0.511	0.489	0.9	0.6
	PE5	.732	0.537	0.463		
	PE4	.832	0.692	0.308		
	PE3	.756	0.573	0.427		
	PE2	.738	0.546	0.454		
	PE1	.750	0.561	0.439		
Operational Performance (BP)	BP1	0.768	0.590	0.410	0.8	0.5
	BP2	0.793	0.629	0.371		
	BP3	0.555	0.308	0.692		
	BP4	0.544	0.296	0.704		
	BP5	0.545	0.297	0.703		
	BP6	0.592	0.350	0.650		
Environmental Performance (EP)	EP1	0.773	0.598	0.402	0.9	0.5
	EP2	0.769	0.591	0.409		
	EP3	0.731	0.534	0.466		
	EP4	0.753	0.567	0.433		
	EP5	0.754	0.569	0.431		
	EP6	0.755	0.570	0.430		
	EP7	0.538	0.289	0.711		
Social Performance (SP)	SP7	0.741	0.549	0.451	0.8	0.5
	SP6	0.676	0.457	0.543		
	SP5	0.65	0.423	0.578		
	SP4	0.743	0.552	0.448		
	SP3	0.506	0.256	0.744		
	SP2	0.589	0.347	0.653		
	SP1	0.506	0.256	0.744		

Table 3. Reliability Tests

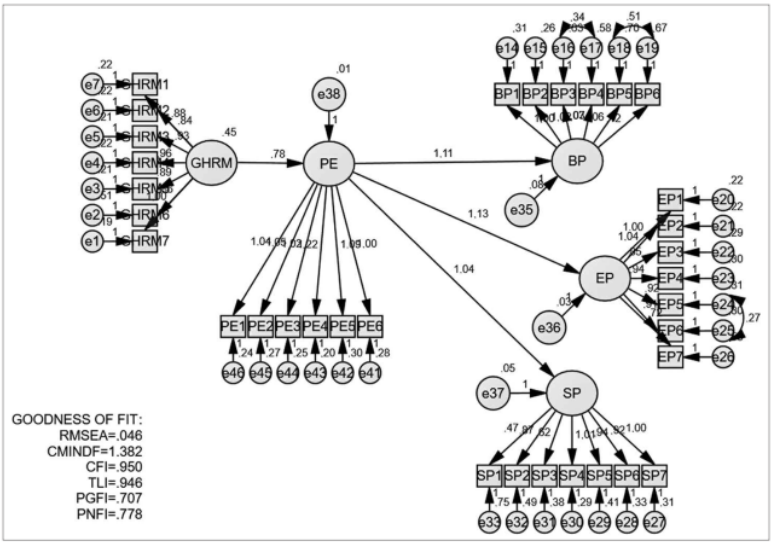

Figure 2. The results of the GHRM and business sustainability: The mediating role of PEB

The results of the full model goodness of fit (GOF) test shows that all criteria have been met (fit) as seen in Table 4.

Index Fit	Goodness of Fit	Criteria	Cut-off value	Descriptions
Absolute Fit	RMSEA	≤ 0.08	0.046	Fit
	CMINDF	≤ 2.00	1.382	Fit
Incremental Fit	TLI	≥ 0.90	0.950	Fit
	CFI	≥ 0.90	0.946	Fit
Parsimony Fit	PGFI	≥ 0.60	0.707	Fit
	PNFI	≥ 0.60	0.778	Fit

Table 4. Full model of GOF Test or full model

The relationship between proposed variables in hypothesis can be seen in Table 5. It can be concluded that hypothesis 1,2,3 and 4 are accepted (CR> 1.96; (P) <0.05).

			Estimate	S.E.	C.R.	P	Label	Hypothesis
PE	<---	GHRM	.783	.073	10.688	***		H1: Supported
BP	<---	PE	1.110	.123	9.009	***		H2: Supported
EP	<---	PE	1.131	.112	10.069	***		H3: Supported
SP	<---	PE	1.038	.116	8.965	***		H4: Supported

Table 5. Regression weight test results

5.5. Mediation Test

Mediation test can be seen from the significance of the indirect effect between variables as shows in Table 6.

	GHRM	PE	SP	EP	BP	Hypothesis
GHRM → PE → BP	.021	...	...	...	...	H5: Supported
GHRM → PE → EP	.014	...	...	...	...	H6: Supported
GHRM → PE → SP	.010	...	...	...	...	H7: Supported

Table 6. Mediation Test Results

Based on Table 6, it can be concluded that H5, H6, and H7 are accepted. The overall relationship between variables produces a significance value <0.005. Pro-environmental behavior is able to mediate the relationship between green human resource management and operational performance (sign. 0.021 <0.005). Pro-environmental behavior is able to mediate the relationship between green human resource management and environmental performance (sign. 0.014 <0.005). Pro-environment behavior is able to mediate the relationship of green human resource management and Social Performance Management (sign 0.010 <0.005).

6. Discussion

This study finds that the GHRM model with MSME settings is acceptable. This proves that MSMEs are increasingly aware of the importance of conducting GHRM practices by considering PEB as a mediator. In the future, MSMEs will also increasingly realize the importance of improving business sustainability. The study results also prove that GHRM influence PEB (H1 accepted). In the case of MSMEs in Klaten, the MSMEs apparently started the GHRM practice by conducting these activities, namely: discipline management, green induction, green training, green performance assessment, green recruitment and selection, green job descriptions and green rewards. This condition occurs because there is a number of MSMEs using synthetic colors or a mixture of natural and synthetic raw materials from the beginning. Although there are many MSMEs that implement green practices but the GHRM practice has not been run ideally. Nevertheless, they have begun to realize that if they conducting GHRM practices in a planned and serious manner, they would be able to improve business sustainability through PEB. This also supports the findings of Pinzone et al. (2019; Dumont et al., 2017; Saeed et al., 2019) that Green HRM practices also have a relationship with employees' green behavior aspects, including; intra role and extra role behavior (Dumont et al., 2017).

Some behaviors that can be conducted by MSMEs namely; using public transportation or walking when going to work, drying batik clothes naturally, using double-sided paper, reducing synthetic waste, turning off unused lights, using energy-saving lamps, and water-saving. The difficult thing to do is asks Batik MSMEs who use synthetic coloring to reduce synthetic waste. It is also difficult to make synthetic waste disposal due to limited capital, knowledge, and the land. Local government should continue to disseminate and provide guidance and capital assistance to them so that they are increasingly aware of the dangers when they do not have waste disposal and do not love the environment. For MSMEs that use natural colors, the disposed waste is not dangerous because they use raw materials which are obtained from nature such as plants, roots and leaves. The raw materials are widely obtained in the surrounding environment and traditional markets. It also supports Sugandini et al. (2020) that if MSMEs conduct a green supply chain, it would be able to improve the orientation of the owner / management strategy to be able to survive implementing green behavior in each of its activities, therefore the environment can be cleaner and safer (Yusoff, 2016).

The study results prove that PEB has a significant positive influence on operational performance (H2 accepted), environmental performance (H3 accepted), and social performance (H4 accepted). Green strategic behavior has been considered important for MSMEs because it can be used in making strategic business decisions, especially in efficiency matter of each production activity by considering the natural environment long term sustainability. This also strengthened (Kee's, 2013; Kollmuss, & Agyeman, 2002; Steg, & Vlek, 2009; Ozaralli, & Rivenburgh, 2016; Venkatesh, 2003). MSMEs should have a responsibility for the environment because life must have benefits for environment (Hines, et al., 1987; Sugandini et al., 2018). It is recommended that from the beginning of MSMEs, socialization and training to all staff and managers about GHRM is must be conducted. MSMEs must have an innovative and creative green behavior orientation in their activities and must be oriented to long-term interests. It also supports (Mandip, 2012; Jackson et al., 2011; Rohilla, 2017). The capability of MSMEs citizenship behaviors improve MSMEs environmental performance (Alt and Spitzeck (2016); Kola Lawal (2015), and able to generate profits and improve social life (Velasquez et al., 2011; Aras & Crowther, 2008; Salimath & Jones III, 2011; Das & Singh, 2016). Green HRM practices (green recruitment and selection, green training and development, green performance appraisal, and green compensation) are believed to be able to improve business sustainability (Mandip, 2012; Arulrajah et al., 2015; Cherian, & Jacob, 2012; Yusoff et al., 2018).

7. Managerial Contribution

Managerial contributions of this study are:

1. Owners/managers of MSMEs must understand that MSMEs have different characteristics in their business practices, especially in HR practices, operations, marketing, finance and services. Although it has been proven that GHRM is able to improve business sustainability (operations, environment and social), but it is necessary to consider aspects of HR, resources, technology and capital owned by MSMEs when implement in the field.
2. The GHRM implementation can be introduced and continuously promoted to all staff and management starting from the process of green recruitment and selection to green rewards and green leadership. The goal is that MSMEs increasingly aware the importance of having a green business in the future.
3. PEB can be directed so that MSMEs actors have green strategic behavior and conduct that behavior in a sustainable manner. This can be started by introducing simple behaviors such as using double-sided paper, using public transportation or walking when going to work, drying batik clothes naturally, turning off unused lamps, using energy-saving lamps, reducing synthetic waste, and water-saving. Managers can also introduce other behavioral innovations in order to create and improve sustainable business in the long run.
4. Operational performance improvement can be conducted in several ways such as: operation with cost efficiently in every operational activity and service process. While Environmental performance improvement can be conducted through; recycle, reduce toxic waste, reduce/replace hazardous chemicals in production, preserve the environment and nature, prevent waste and reduce synthetic waste, comply with hazardous waste disposal regulations and sustainable energy efficiency.
5. Social performance improvement of MSMEs can be conducted through; empowering the poor, expanding employment and employment opportunities, developing social networks, improving social welfare, improving the life quality of the community, providing social services that satisfy the community and contributing social funds.

8. Limitation and suggestions for future research

The limitations of this study are:

1. Although this study proves that GHRM has a significant positive influence on business sustainability (operational, environmental, and social performance) and has supported previous studies, similar studies are still needed, especially at MSMEs. It is because there are many MSMEs that are not aware of the importance of green business, especially GHRM practices. The results study from Firdaus and Udin (2014) explain that the GHRM implementation in general would only add costs to the organization. It is also reviewed by Schoemaker (2019) that GHRM had no positive influence on the company's financial performance.
2. The population in this study is only two MSMEs associations, each of which has MSMEs members oriented on natural, synthetic or mixed colors. It is possible for them to answer the questionnaire not carefully and not understand the purpose and objectives of the GHRM, especially in MSMEs that are purely oriented on synthetic colors. Likewise, the sample size obtained also does not reflect the condition of batik MSMEs in the entire Klaten Regency which is very large. Future research should use a sampling technique that is more able to generalize batik MSMEs respondents in Klaten Regency as a whole.
3. The focus of this study only analyzes GHRM and its impact on business sustainability (operational, environmental, and social performance) which are mediated by PEB. This study has not analyzed the antecedents of GHRM such as green transformational leadership (Singh et al., 2020). The mediation role can also consider other aspects such as green lifestyle (Ragas et al., 2017), green innovation (Singh et al., 2020), and psychological green climate (Dumont et al., 2017).

Author Contribution

Muafi designed the research model, conducted FGD, processed the data from FGD, carried out tabulation and statistic test, dissemination on international conference, became the corresponding author of journal submission, interpreted and analyzed the results, and conducted book revision. At last, Muafi took care of copyrights.

Uyun designed the research model, conducted FGD, interpreted and analyzed the results, dissemination on international and national conference.

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