

**Impact of Green Human Resource Management (GHRM) practices on customer satisfaction in local Pakistani fashion industry: The Moderating Role of Customer's Environmental awareness**



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## **Dedication**

I dedicate this thesis to my parents, whose unconditional love, prayers, sacrifices, and continuous support have been the greatest source of strength throughout my academic journey. Their belief in me and encouragement at every stage made it possible for me to reach this milestone.

This work is also dedicated to all those who strive for knowledge and personal growth, and who remain patient and determined in the face of challenges.

Shameelah Khurshid

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Shameelah Khurshid

## **Abstract**

Many businesses are adopting a green approach to their operations, not just in production but also in human resource management, as a result of the growing global focus on environmental sustainability. In the local Pakistani fashion industry, which is expanding and is now impacted by consumers who are very concerned about sustainability, this study investigated the effects of green HRM practices on customer satisfaction. In order to establish a green corporate culture that can benefit both internally and externally, Green Human Resource Management (GHRM) incorporates environmental principles into HR operations, including hiring, training, performance reviews, and employee involvement. This study employed a quantitative research design to confirm the impact of GHRM practices on customer satisfaction and to determine whether the aforementioned relationship is moderated by customers' environmental awareness. Data from 380 customers of local fashion brands in the Rawalpindi-Islamabad region were collected through structured questionnaires administered online and in-store. Descriptive, correlation, and regression analyses through SPSS were conducted to test proposed hypotheses. The findings indicated that the effective application of GHRM practices will improve customer satisfaction by enhancing brand image, trust, and perceived ethical responsibility. Further, the findings established that customers who demonstrate a high level of environmental awareness have a higher likelihood of responding to green HR initiatives, thus further strengthening the positive relation between GHRM and satisfaction. This study contributes to both theory and practice. For academics, it extended literature by linking GHRM, studied traditionally for internal organizational outcomes, to consumer perceptions that are external in nature. Practically, the findings provided actionable insights for fashion managers seeking to integrate sustainability into the HR functions of their

organizations as a means to achieve competitive advantage, customer loyalty, and enhance corporate reputation. The study would also provide recommendations for policymakers and practitioners to align HR strategies with the broader environmental goals for supporting the transition of Pakistan toward sustainable business practices.

*Keywords:* Green HRM, Customer Satisfaction, Sustainable HRM, Green practices, Environmental Awareness, Corporate Sustainability, Brand Image, Ethical Responsibility, Consumer Perception, Pakistan, Fashion.

# Table of Content

CHAPTER 1 .....	1
INTRODUCTION.....	1
1.1. Background .....	1
1.2. Research Gap .....	2
1.3. Problem Statement .....	3
1.4. Research Aim.....	4
1.5. Research Objectives .....	4
1.6. Research Questions .....	5
1.7. Significance of the Study.....	5
1.7.1. Academic Significance.....	5
1.7.2. Practical Significance .....	6
1.7.3 Policy Significance .....	7
1.7.4. Societal and Environmental Significance .....	7
1.8. Scope of the Study .....	7
CHAPTER 2 .....	10
LITERATURE REVIEW .....	10
2.....	10
2.1. Introduction .....	10
2.2. Concept of Green Human Resource Management (GHRM).....	11
2.3. Dimensions of GHRM .....	13
2.3.1. Green Recruitment and Selection.....	13
2.3.2. Green Training and Development .....	14
2.3.3. Green Performance Management.....	14

2.3.4. Green Compensation and Rewards .....	15
2.3.5. Employee Involvement in Environmental Initiatives .....	15
2.4. Customer Satisfaction .....	15
2.5. Relationship Between GHRM and Customer Satisfaction .....	17
2.6. Role of Customer Environmental Awareness .....	18
2.7. Sustainable Business Practices and Corporate Social Responsibility (CSR).....	19
2.8. Theoretical Underpinnings .....	20
2.8.1. Resource-Based View (RBV) .....	20
2.8.2. Stakeholder Theory .....	21
2.8.3. Social Exchange Theory (SET).....	21
2.8.4. Signaling Theory.....	21
2.8.5. Theory of Planned Behavior (TPB) and Green Behavioral Perspectives .....	22
2.9. Empirical Studies in the Context of Emerging Economies .....	22
2.10. Hypothesis Development.....	23
2.11. Hypotheses.....	24
2.12. Conceptual Framework.....	24
2.13. Framework Explanation .....	24
CHAPTER 3 .....	25
RESEARCH METHODOLOGY .....	25
3.1. Introduction .....	25
3.2. Research Philosophy .....	25
3.2.1. Positivist Philosophy .....	25
3.3. Research Approach .....	26
3.3.1. Deductive Research Approach.....	26

3.4.	Research Design .....	27
3.4.1.	Quantitative, Descriptive and Explanatory Research Design .....	27
3.5.	Population and Sampling .....	28
3.5.1.	Population.....	28
3.5.2.	Sample Size .....	29
3.5.3.	Sampling Technique.....	29
3.6.	Data Collection Method .....	30
3.7.	Research Instrument.....	30
3.8.	Pilot Testing .....	30
3.9.	Reliability and Validity .....	31
3.9.1.	Reliability .....	31
3.9.2.	Validity.....	31
3.10.	Data Analysis Techniques .....	31
3.11.	Ethical Consideration .....	32
CHAPTER 4 .....		33
DATA ANALYSIS AND RESULTS .....		33
4.1.	Introduction .....	33
4.2.	Demographic Characteristics of Respondents .....	34
4.3.	Reliability Analysis.....	37
4.4.	Validity Analysis .....	39
4.6.	Correlation Analysis .....	43
4.7.	Regression Analysis.....	45
4.8.	Moderation Analysis.....	47
CHAPTER 5 .....		51

FINDINGS AND DISCUSSION .....	51
5.1. Introduction .....	51
5.2. Discussion of Key Findings.....	52
5.2.1. Impact of GHRM Practices on Customer Satisfaction.....	53
5.2.2. Moderating Role of Customer Environmental Awareness .....	53
5.2.3. Overall Interpretation of Findings.....	54
5.3. Theoretical Implications.....	54
5.3.1. Extension of Green Human Resource Management Theory .....	55
5.3.2. Support for the Resource-Based View (RBV).....	55
5.3.3. Reinforcement of Stakeholder Theory .....	56
5.3.4. Contribution to Green Behavioral Theory .....	56
5.3.5. Contextual Contribution to Emerging Economies .....	56
5.4. Practical Implications.....	56
5.4.1. Integrating Sustainability into HR Systems .....	57
5.4.2. Strengthening Green Training and Employee Engagement.....	57
5.4.3. Enhancing Customer Experience through Employee Behavior .....	58
5.4.4. Leveraging Environmental Awareness for Market Segmentation .....	58
5.4.5. Building Competitive Advantage through GHRM .....	58
5.5. Policy Implications .....	59
5.6. Conclusion.....	60
5.7. Limitations of the Study.....	61
5.8. Recommendations for Future Research .....	63
References.....	64
Appendices.....	67

Appendix A: Research Questionnaire..... 68

Appendix B: Measurement Scale Sources ..... 71

Appendix C: Ethical Consent Statement..... 71

Appendix D: Statistical Tools Used ..... 72

## List of Tables

Table 3.1: Reliability.....	31
Table 4.1: Demographic Characteristics of Respondents .....	35
Table 4.2: Reliability Analysis (SPSS-Style Table). .....	37
Table 4.3: Validity Indicators (SPSS-Style Table).....	40
Table 4.4: Descriptive Statistics of Study Variables .....	42
Table 4.5: Correlation Matrix .....	44
Table 4.6: Simple Linear Regression Results (DV: Customer Satisfaction) .....	46
Table 4.7: PROCESS Moderation Results .....	48
Table 4.8: Hierarchical Regression Results .....	49

## List of Abbreviations

GHRM	Green Human Resource Management
P+I	Pay and Incentives
CSR	Corporate Social Responsibility
SET	Social Exchange Theory
TPB	Theory of Planned Behaviour
CR	Composite Reliability
AVE	Average Variance Extracted
SPSS	Statistical Package for the Social Sciences
RBV	Resource- Based View
SDGs	Sustainable Development Goals

# CHAPTER 1

## INTRODUCTION

### 1.1. Background

Sustainability has been a leading theme in business conducting in recent years as companies receive the mandate to cut down their environmental footprint from governments, consumers, and lobby groups. Among all managerial disciplines, the role of Human Resource Management (HRM) in embedding sustainability into the organizational culture and daily routine of the business is crucially important. The interaction between these two concepts resulted in the development of Green Human Resource Management (GHRM) term which represents a system that aligns HR activities with the environment targets through encouraging the employees to adopt green habits in the workplace (Khan & Jamil, 2023).

The world's business sectors are one by one coming to the realization that the quest for sustainability is not just an ethical obligation but also a business necessity. Environmentally sustainable firms will get several competitive advantages such as a good reputation, operational effectiveness, and customer loyalty. For example, the fashion industry is being criticized for its large-scale environmental impact. Entire supply chain of fashion from fabric production to garment making is heavily polluting the earth (Zubair & Rasheed, 2022). Consequently, there is a growing trend of international and local fashion companies committing to sustainability not only through their production but also via the implementation of GHRM as a management system in the workplace.

The fashion industry in Pakistan has truly blossomed with a unique blend of traditional and modern styles that has captured the attention of the world. Local fashion brands and textile manufacturers are becoming well-known globally but at the same time, they have to face the pressure of sustainability-

conscious consumers (Rahman & Saddique, 2024). Consumers of Pakistani fashion, particularly those living in urban areas and belonging to middle- and upper- middle classes, are becoming more and more conscious of sustainability issues like labor standards, waste reduction, and use of eco-friendly materials. Fashion companies can achieve success by adopting sustainable HR and operational practices as a result of this shift in consumer awareness.

Implementing Green Human Resource Management in this sector could be revolutionary. Techniques such as green recruitment, green training and development, green performance management, and green employee engagement can create an environmentally conscious workforce. The positive impact on customer experience is thus a potential outcome, whereby employees' pro-environmental behaviors and attitudes can help a brand to be perceived as more ethical and credible by the customers (Shahid & Qamar, 2024). Nevertheless, to what extent GHRM interventions influence customer satisfaction is a question which remains unanswered, particularly in developing countries, e.g., Pakistan, where research on sustainability is still at infancy stage.

Therefore, this study investigates the effect of GHRM practices that the fashion industry had adopted on customer satisfaction as well as if customer environmental consciousness functions as a moderator in this regard. The research at hand serves as a theoretical contribution to the body of knowledge by exploring the external effects of GHRM, and at the same time, it offers some practical advice to fashion enterprises willing to walk the talk of sustainable development in the ever-changing market of Pakistan.

## **1.2. Research Gap**

Although the research focus on Green Human Resource Management expanded significantly over the past few years, the majority of studies have concentrated on the effects of GHRM implementation inside

the organization, such as employee engagement, organizational performance, environmental culture, and green behavioral intentions (Ali & Mehmood, 2023; Arif & Muhammad, 2022). While these contributions are very important, they seem to overlook the effects of the GHRM practices on the organization's external stakeholders, specifically customers. The most recent study suggests that the adoption of sustainability practices within an organization could influence the consumer perception and increase brand loyalty; however, there is still a lack of empirical evidence demonstrating a connection between GHRM and customer satisfaction (Shahid & Qamar, 2024).

Besides that, the studies focusing on sustainability in the fashion industry of Pakistan mainly concentrate on the aspects of production processes, eco-friendly materials, or marketing-based green branding strategies. The role of HR in driving sustainability practices is hardly ever mentioned in this context. The extent of a customer's environmental awareness, which could significantly impact how consumers perceive the value of sustainability initiatives, has also been largely overlooked as a moderating factor.

Therefore, the question of whether and in what way GHRM practices affect customer satisfaction and whether customer environmental awareness strengthens this relationship in the local Pakistani fashion industry still remains unanswered. The research intends to bridge that gap by presenting empirical data on these relationships.

### **1.3. Problem Statement**

While environmental sustainability is a concern that has engaged the attention of the whole world, there is a lack of deep studies on how the implementation of sustainable HR practices may lead to actual customer results, especially in the Pakistani fashion sector. Most existing Green Human Resource literature focuses on the internal effects of GHRM, such as employee engagement, organizational

commitment, or green behavior, whereas the externally-oriented effects towards customers' perceptions and satisfaction have largely been overlooked.

The fashion industry of Pakistan is mostly the subject of research aimed at sustainability aspects in terms of production or marketing (e.g., green fabrics, CSR initiatives). Nevertheless, there is a significant gap in the literature concerning the role of internal GHRM initiatives in contributing to customer satisfaction and brand loyalty. Moreover, it is questioned whether customers' interpretation of these green initiatives enhances or diminishes their satisfaction levels.

Consequently, the main problem this research is concerned with is the lack of empirical data on how GHRM practices impact customer satisfaction and the moderation effect of customer environmental awareness on this relation in the Pakistani fashion industry contextual setting.

#### **1.4. Research Aim**

This research's primary objective is to investigate how green human resource management practices affect customer satisfaction in the local fashion industry of Pakistan and whether the customers' environmental consciousness has any moderating effect on this relationship

#### **1.5. Research Objectives**

This research had the following objectives:

1. To scrutinize the local fashion brands of Pakistan in terms of the adoption and GHRM implementation practices.
2. To analyze the correlation between the implementation of GHRM practices and the level of customer satisfaction.
3. To assess the awareness of GHRM practices among customers and their impact on brand loyalty and perception.

4. To find out if customers' environmental awareness influences the relationship between GHRM practices and customer satisfaction.
5. To suggest practical steps for implementation of GHRM strategies that lead to customer engagement and brand sustainability.

## **1.6. Research Questions**

1. What are the green HRM practices that are being followed by local Pakistani fashion brands?
2. How do GHRM practices affect the service behavior of employees and customer experiences?
3. What is the perceived impact of GHRM practices on customer satisfaction?
4. Does customer awareness of GHRM initiatives affect their satisfaction and loyalty?
5. Is the customer environmental awareness moderating the relationship between GHRM and customer satisfaction?

## **1.7. Significance of the Study**

This research is aortic to all four segments of society, namely, academia, industry practitioners, policymakers, and the general public it is a good match. Knowledge-wise, it is a study of the eco-friendly human resource management system (GHRM) practices. The authors study the influence of GHRM practices on customer satisfaction in Pakistan's local fashion industry, contributing significant insights to sustainability and managing human resources while responding to a relatively unexplored context.

### **1.7.1. Academic Significance**

It is an academic research first that makes a meaningful contribution to the burgeoning environmental human smart literatures research stream of HRM by arguing for the inclusion of external-organizational outcomes in the study of the GHRM phenomenon. The bulk of the research has been

referred to the most eco-related variables of which green behavior, commitment, and environmental performance of employees are the most studied ones. By demonstrating an empirical linkage between GHRM practices and customer satisfaction, this study elevates the latter to a stakeholder category and thus a theoretically significant outcome. Incorporating customers' environmental awareness as a moderator, the study opens up a new avenue for the institutionalization of sustainability theory by highlighting the primacy of disaggregate-level environmental values in the adoption and effectiveness of enterprise-wide eco-practices (Ahmed., S, 2021). Moreover, the study contributes to the challenge of sustainable development literature by adding real-world data from Pakistan, whose issues, especially in the context of an GHRM and customer outcomes approach, are not well known among scholars from the global South.

### **1.7.2. Practical Significance**

The research provides HR managers, especially executives and personnel managers in the apparel sector, with plenty of useful practical knowledge about how eco-oriented HR interventions lead to accomplished customers and a strong brand reputation (Bombiak, E., 2020). One of the most significant findings is that green recruitment, training, and performance management activities could be useful if the formulation of these programs is accompanied by the creation of a greener workforce. It is that the worker who behaves in green will always be able to affect a customer into making ska green even though it is actually a spam. The instances that come to fait in the reported research fashion ello garments may well serve as the perfect playground where they can experiment with how eco- friendly customer relations and communication approaches may back up brand marketing efforts in the race for market correct customeranding and competitive advantage in China's fiercely competitive market (Malik S. Y., Mughal., 2021).

### **1.7.3 Policy Significance**

Additionally, the research is valuable for politicians, officials, regulators, and judges who are concerned with the promotion of sustainable business practices. This is because it suggests that the favorable effects of environmentally friendly Employee Relations with clients can ultimately lead to the latter's increased satisfaction and thus become the drivers for CSR-related policy measures. In such a case, it would be up to the policy initiatives and regulations that propel and put into effect the inclusion of sustainability considerations into human resource management systems, rather than going to waste (Renwick 2021). One can make good use of these data to guide government organizations and private-sector networks through the development of models, incentives, and campaigns addressing their roles and functions in promoting the uptake of GHRM practices in the fashion environment-sensitive sectors.

### **1.7.4. Societal and Environmental Significance**

On a broader scale, the paper plays a crucial role in encouraging the corporate sector to take the necessary steps toward environmentally and socially conscious initiatives, especially with regard to consumer behavior (Zafar & Ikram, 2022). Clothing companies are contributing to the global effort to reduce environmental degradation and increase public awareness about the best consumption practices by implementing green concepts in the workplace and winning over green consumers.

## **1.8. Scope of the Study**

This study's scope clarifies the particular focus of the investigation and establishes the parameters within which the research was carried out. The majority of the study focuses on how customer satisfaction in the Pakistani fashion market is affected by GHRM (Green Human Resource Management) practices. Examining the customer's environmental consciousness as a factor that modifies this relationship is of

particular interest. By concentrating on these factors, the study aims to clarify how environmentally friendly HR practices affect consumer perceptions in developing nations.

The study is restricted to Pakistan's cities, where the majority of well-organized fashion retail brands are located and where consumers are more likely to be exposed to sustainability initiatives. The respondents included customers of popular local fashion brands such as Khaadi, Sapphire, Gul Ahmed, Generation, and Alkaram. These brands were chosen because of their strong market presence and their active engagement with consumers through physical stores and digital platforms. On the other hand, there is no inclusion of rural areas and international fashion brands operating in Pakistan, as their customer profiles and sustainability practices might be very different.

The focus of industry in this research is the fashion retail sector with the exclusion of other segments of the textile industry such as manufacturing, export-oriented firms, and home textiles. The retail sector was chosen despite the textile value chain's many sustainability issues since it serves as the main point of contact between staff and clients. Therefore, the study of how GHRM- driven employee behaviors affect customer satisfaction is based on this interaction.

The study's methodology is quantitative, and information from 400 respondents was gathered via a survey. Reliability analysis, validity testing, correlation analysis, regression analysis, and moderation analysis were the statistical techniques employed to test the developed hypotheses. The analysis is restricted to perceptions recorded at a single point in time due to the cross-sectional nature of the data.

The study addresses the chosen facets of GHRM practices, customer satisfaction, and environmental consciousness from a conceptual perspective. Other related ideas like perceived environmental performance, customer loyalty, and green brand image are not discussed in the paper.

Notwithstanding these drawbacks, the specified scope enables a thorough and productive examination of the research goals in the designated setting.

# CHAPTER 2

## LITERATURE REVIEW

### 2.1. Introduction

This chapter provides a thorough analysis of previous research on environmental awareness, customer satisfaction, and green human resource management (GHRM). In the context of the fashion industry, it particularly highlights how these variables are interrelated. The study's theoretical foundation is provided by the literature overview, which identifies important ideas and patterns as well as outlines the gaps left by earlier research that this study seeks to close. This chapter supports the research framework and hypotheses put forth in the subsequent chapters by discussing pertinent theories and empirical studies.

One of the major effects of the growing emphasis on environmental sustainability has been the considerable change in the strategies of organizations, not only in the fashion sector but also across other industries. To tackle growing environmental challenges and to respond to pressure from stakeholders, companies have started to infiltrate human resource management practices with eco-friendly principles. This transition is at the core of the Green Human Resource Management concept, which includes implanting environmental goals in HR practices such as hiring, staff education, performance evaluation, and employee participation (Renwick et al., 2020; Chaudhary, 2020). The ultimate goal of GHRM is to have a workforce that is not only one hundred percent supportive of the environmental objectives but also actively contributes to the organization's sustainable performance.

Customer satisfaction is a crucial factor that decides the organizational success particularly in sectors where competitions are stiff such as fashion retail. Customers who are satisfied with the products or services are the ones who will most probably practice repetitive buying, brand loyalty, and positive

word-of-mouth communication. Over the past couple of years, customer satisfaction has increasingly been driven by customers' perception of corporate social responsibility and environmental initiatives (Luu, 2021; Kim et al., 2022). Customers as environmentally aware individuals expect brands not to tell but to show with real actions that sustainability is their concern rather than engaging in a greenwashing.

Being aware of the environmental problems is a significant factor that could influence consumer reactions towards the organization's decision to be environmentally responsible. Consumers who are environmentally aware usually judge brands by the moral and ecological standards which in return affect their satisfaction and buying choices (Stern, 2020). However, few have pointed to the GHRM and sustainability nexus without hardly any exploring the impact of GHRM on customer satisfaction in developing countries such as Pakistan. The authors further state that customer environmental awareness as a moderator in this relationship is the least addressed issue.

The chapter reviews the literature in a structured manner to uncover the theoretical bases of GHRM, customer satisfaction, and environmental awareness. Besides, it identifies the research gaps which the current study takes on, thus serving as a solid ground for the conceptual framework and hypotheses development.

## **2.2. Concept of Green Human Resource Management (GHRM)**

Green Human Resource Management (GHRM) is a deliberate attempt to embed ecological principles in human resource policies and procedures for the purpose of creating green behavior among employees and achieving the organization's environmental goals. Facing environmental challenges, organizations that are pressured by regulators, customers, and other stakeholders have turned to GHRM as the way to not only meet those challenges but also to bring ecological goals in line with the management of human capital (Renwick et al., 2020). GHRM does not treat sustainability as a separate function but

rather integrates ecological responsibility into those HR processes that have the most significant impact on employee attitudes, skills, and behaviors.

The idea of GHRM covers such practices as green recruitment and selection, green training and development, green performance management, green compensation and rewards, and employee environmental participation. Green recruitment is aimed at getting and hiring employees who hold environmental-friendly values and are willing to be a part of sustainability initiatives. Green training ensures that employees are aware of and have the necessary skills for such causes as cutting the organization's environmental footprint, e.g., using resources efficiently, reducing wastes, and eco-friendly customer service (Chaudhary, 2020). A performance management system based on environmental goals guarantees that the employees' achievements will be evaluated and rewarded according to their impact on sustainability objectives.

Researchers emphasize that GHRM is instrumental in creating employee green behavior that comprises voluntary actions which lead to environmental protection and are performed over and above formal job requirements (Jabbour & Renwick, 2020). Organizations may, through constant HR practices and managerial support, develop a green organizational culture that makes environmentally responsible decision-making the norm. These behaviors are of great significance especially for service industries, where employees have face-to-face interaction with customers and, therefore, act as the carriers of organizational values.

There are a number of recent investigations which have brought forward the idea that GHRM not only helps in the achievement of environmental goals but also has competitive advantages. GHRM has been recognized as a significant factor leading to environmental performance enhancement, a good organization image, and the gaining of the trust of the stakeholders (Malik et al., 2021; Ali et al., 2023).

In the fashion industry, where the negative impact on the environment is quite obvious, GHRM allows employees to become effective communicators of sustainability initiatives to customers, thus contributing to the building of brand trust and customer satisfaction.

On the whole, GHRM is a move from traditional HRM to a sustainability concept-driven approach which recognizes the employees as the main drivers of environmental changes. By making HR systems conform to environmental goals, organizations can not only deliver on their sustainability agenda but also respond to the new demand of environmentally conscious consumers.

### **2.3. Dimensions of GHRM**

Green Human Resource Management (GHRM) consists of a number of interrelated factors that, when combined, bring environmental sustainability into the organization's HR practices. These factors provide the framework for organizations to attract, develop, evaluate, and motivate employees in a way that is consistent with environmental objectives. The core dimensions of GHRM revolve around green recruitment and selection, green training and development, green performance management, green compensation and rewards, and employee involvement in environmental initiatives (Renwick et al., 2020; Chaudhary, 2020).

#### **2.3.1. Green Recruitment and Selection**

The main aim of green recruitment and selection is to look for and hire people who have the environmental awareness, eco-friendly values, and are willing to participate in sustainable practices. Companies that are using such a strategy highlight their environmental commitment in job advertisements and check candidates' attitude towards the environment in the interview stage. By recruiting employees with a strong environmental orientation, companies get a workforce that is already aligned with the

sustainability goals, so they have fewer chances to meet the resistance against the green initiatives and also, the green organizational culture is reinforced (Ahmad, 2021).

### **2.3.2. Green Training and Development**

Green training and development is a process of educating employees about environmental issues, providing them with knowledge about sustainable practices, and training employees to use resources efficiently. The program may cover topics such as reducing waste, conserving energy, usage of sustainable materials, and customer service through green practices. This training develops employees' green skills and capabilities and prepares them to be active contributors in the implementation of the organization's sustainability initiatives (Chaudhary & Biswas, 2020). For instance, in the fashion retail industry, trained employees can attract more customers by effectively communicating the environmental benefits of the products.

### **2.3.3. Green Performance Management**

Green performance management provides for the inclusion of environmental goals into the employees' performance appraisal system. Employees are assessed based on their activities that contribute to green objectives, e.g., lessening waste, following eco-friendly practices, or being members of the green initiatives. It is this asset which ensures that there are no absences of accountability and, moreover, it conveys a clear message to all stakeholders about the organization's commitment to sustainability thus bringing about the linkage between social responsibilities and the day-to-day organizational tasks (Jabbour & Renwick, 2020).

### **2.3.4. Green Compensation and Rewards**

Green compensation and rewards are P+I (pay and incentive) mechanisms, whether based on financial or non-financial motivators that aim to generate and sustain environmentally responsible behavior. Some of these initiatives can be bonuses, awards linked to green performance such as the recognition program, or raising one's career development linked to green activities. Performance incentives serve to motivate those who have the good habit of going green and encourage those who, on a minimum level, comply with environmental regulations (Yong et al., 2020).

### **2.3.5. Employee Involvement in Environmental Initiatives**

The term 'employee involvement' here means participation of employees in the decision-making process and sharing the responsibility of environmental sustainability. This can be achieved by setting up green teams, establishing recycling programs, and promoting sustainability campaigns. Attending these activities promotes the feeling of belonging and more engagement, therefore the effectiveness of GHRM practices increases (Malik et al., 2021).

Together, these dimensions constitute a framework that can be used by organizations to implement their sustainability agenda through human resource management.

## **2.4. Customer Satisfaction**

Customer satisfaction is the extent to which customers' expectations of a product or service are met or exceeded by its actual performance. It is a key concept in marketing and service management and is considered by many as the very measure of success and long-time competitiveness of an organization. In the fashion industry, customer satisfaction depends not only on the quality and the price of the product

but also on the quality of the service, the brand image, the ethical practices, and the environmental responsibility (Kim et al., 2022).

Nowadays, customer satisfaction is more and more related to the idea of corporate sustainability and social responsibility. Today's customers are better informed and more conscious of the environment; thus, they evaluate brands based on ethical sourcing, eco-friendly production, and sustainable business practices (Zafar et al., 2022). This change is especially important in the case of the fashion industry, which has been a major source of criticism for environmental pollution. Customers now want fashion brands to prove that they are transparent and responsible in their operations.

The personality of the employee is one of the most important factors to affect the customer's happiness with a company especially in retail where staff talk face to face with consumers. Employees that are knowledgeable, motivated and share the organization's values are the ones who can give great customer service. Customers are happier when employees act green by doing things like making eco-friendly products, manufacturing eco friendly products or telling customers about green efforts. This makes the company seem legitimate and trustworthy (Luu, 2021).

Besides, customer satisfaction is not only the end result but also a source of positive behavioral intentions such as repeat purchases, brand loyalty, and positive word-of-mouth. Research demonstrates that happy customers will more likely choose to support those brands that reflect their personal convictions, environmental sustainability being one of them (Zhang et al., 2022). In the developing markets such as Pakistan, where there is heated brand competition in the fashion sector, customer satisfaction has emerged as the key factor for gaining an edge over rivals.

In sum, customer satisfaction is a conceptual framework with multiple factors that affect it and can be functional or emotional. Since sustainability enforces itself as a fundamental part of the consumers'

expectations, fashion brands aspiring for the long run success should be more concerned than ever with figuring out what makes customers satisfied, especially when it comes to environmentally friendly practices in the organization.

## **2.5. Relationship Between GHRM and Customer Satisfaction**

The link between Green Human Resource Management (GHRM) and customer satisfaction lies in the idea that the way a company internally conducts itself plays a major role in how the company's external stakeholders view it. GHRM activities change employees' moods, conduct, and skills, which eventually leads to better quality of service and customer experience. In industries, which are highly service-oriented like fashion retail, staff members become the main connection point between a company and its customers therefore, HR activities become the most influential ones (Renwick et al., 2020).

Such GHRM interventions as eco-training, performance appraisal, and employee engagement can evolve workers' environmental awareness and drive. Workers with sustainability training will be more willing to perform green-friendly tasks in service, e.g., using rightful packing materials, ensuring energy-efficiency in stores, and educating customers on buying sustainable products. All these service behaviors lead to positive service experiences and thus help in Customer satisfaction (Luu, 2021).

Contemporary scholarly articles have proven that GHRM is positively related to customer-oriented outcomes. For instance, Zafar et al. (2022) revealed that implementation of green HR practices ultimately leads to customer satisfaction as a result of employee green behavior and higher service quality. Also, Ali et al. (2023) informed that organizations having proficient GHRM systems may receive improved customer perception because of the organization's visible commitment to carry out environmentally friendly activities.

The interplay between GHRM and customer satisfaction is also indicated by signaling theory that argues that the practices of an organization act as signals to its external stakeholders about its core values and priorities. Therefore, when customers observe that employees are behaving in an environmentally friendly manner, they take it as an indication that the company is truly committed to sustainability thus leading to increased satisfaction and trust (Kim et al., 2022).

In the Pakistani fashion industry context, where there is still much to be done about sustainability, GHRM could be a strategic initiative that helps both differentiate brands and enhance customer satisfaction. By integrating HR practices with the company's environmental objectives, fashion brands may generate consistent as well as trustworthy sustainability experiences for customers.

## **2.6. Role of Customer Environmental Awareness**

Customer environmental awareness can be defined as consumers' understanding of environmental issues and their sensitivity to how businesses address them. Environmentally conscious consumers tend to evaluate brands not only on the basis of products but also on corporate behaviours and values (Mohr, Webb, & Harris, 2001).

Mohr and Webb's (2005) research has shown that customers' environmental consciousness moderates their perceptions of companies' CSR efforts. Accordingly, customers who are more aware respond to green initiatives with stronger loyalty and satisfaction. Conversely, customers with low environmental concern may not recognize or value green HR practices as meaningful differentiators.

Seo, Nunkoo, and Cho (2024) verified that the environmental awareness of customers strengthens the impact of employee behavior concerning sustainability on customer satisfaction. This

would imply that identical GHRM practices will have different effects based on the level of environmental sensitivity among the consumer group being targeted.

Thus, this research proposes that customer environmental awareness moderates the relationship between GHRM practices and customer satisfaction, where at high levels of awareness, there is a stronger positive association.

## **2.7.Sustainable Business Practices and Corporate Social Responsibility (CSR)**

On the one hand, sustainable business practices entail the progressive minimization of harmful impacts on the environment coupled with measures for long-term financial stability. On the other hand, corporate social responsibility (CSR) is a broad concept that includes social, ethical, and environmental responsibilities of the company toward its stakeholders along with the environmental ones (Elshaer & Saad, 2023).

Fashion industry sustainability measures are basically green materials, fair and eco-friendly sourcing, zero waste and energy-efficient operations. CSR programs might include the community engagement, labor rights, environmental conservation and so on. These measures have skyrocketed in importance due to stakeholders demanding more accountability and transparency from companies (Tariq et al., 2022).

Green HRM is instrumental in making firms fulfill their CSR obligations and business sustainability goals at the employee level. By incorporating green policies and procedures in HRM, companies pave the way for employees to be the front-runners in CSR-related activities. Workers who have been educated through green HRM practices and who are encouraged are the ones who will willingly take part in the organization's CSR programs and present those to clients in the best possible way (Malik et al., 2021).

Research in the field shows that CSR and sustainability actions help improve the customer's view of the company, leading to the latter's higher level of satisfaction. The customers usually are willing to put their trust in and offer their loyalty to firms that are truly devoted to social and environmental concerns (Zafar et al., 2022). In addition, CSR strategies also contribute to a brand's credibility and goodwill in emerging markets.

To sum it up, sustainable business practices, CSR, and GHRM are three interrelated concepts that work symbiotically to bring about improved organizational performance and stakeholder satisfaction. It is crucial for fashion brands to learn how these can be integrated if they are to achieve eco-friendly customer satisfaction objectives.

## **2.8. Theoretical Underpinnings**

This research is supported by an array of theoretical perspectives that collectively explain the influence of Green Human Resource Management (GHRM) practices on customer outcomes and provide the reasons why customer environmental awareness is important. The very first theories underpinning the conceptual model are the Resource-Based View, Stakeholder Theory, Social Exchange Theory, Signaling Theory, and Theory of Planned Behavior / Green Behavioral Perspectives.

### **2.8.1. Resource-Based View (RBV)**

RBV argues that organizations can maintain a competitive advantage over their rivals if they possess resources that are valuable, rare, difficult to imitate, and cannot be replaced (Barney; see contemporary applications). From the perspective of sustainability, GHRM becomes an intangible resource - human capital with green knowledge, skills, and values - that not only improves service delivery but also makes the brand unique. Several studies confirm that green skills developed through green

recruitment, training, and rewards lead to better organizational outcomes, thus confirming the applicability of RBV to the creation of customer value through GHRM (Ali et al., 2023; Malik et al., 2021).

### **2.8.2. Stakeholder Theory**

Stakeholder Theory argues that organizations should take into consideration the needs of various stakeholder groups such as customers, employees, and society. GHRM makes this possible by bringing employee practices in line with the general stakeholder expectations regarding sustainability. Organizations which have HR systems that result in employees consistently exhibiting green behaviors are in a better position to satisfy customers' demands for ethically conducted operations and thus increase their level of satisfaction and legitimacy (Islam et al., 2021; Elshaer & Saad, 2023).

### **2.8.3. Social Exchange Theory (SET)**

SET proposes that positive organizational investments (e.g., training, support) lead to the emergence of reciprocal behaviors in the employees who receive such investments. With regard to GHRM, if organizations allocate funds for green training and provide green incentives, then employees are likely to respond with voluntary green service behaviors that enhance customer interactions and thus lead to higher perceived service quality (Kim et al., 2022). This reciprocity mechanism is what connects the internal HR practices with the customer experiences that are visible to them.

### **2.8.4. Signaling Theory**

Signaling Theory provides the rationale as to how the organization's actions can be interpreted as signals by those who are outside the organization. Because GHRM activities are part of standard HR procedures (recruitment, appraisal, rewards) that are carried out in a firm, they serve as faithful signals for the firm's environmental commitment. Customers see the employee green behavior as one of the most

credible ways of a company's authentic sustainability effort, and thus, it enhances trust and satisfaction (Zhang et al., 2022; Luu, 2021).

### **2.8.5. Theory of Planned Behavior (TPB) and Green Behavioral Perspectives**

TPB as well as other green behavior models provide the explanation of how individual attitudes, subjective norms, and perceived control can affect one's actions that are relevant to the environment. Environmental customer awareness leads to the formation of attitudes and intentions, which in turn influence the way customers assess the firms' actions; customers who are more aware will be more inclined to see the value of companies that demonstrate green practices through their employees and also be more willing to give them the reward that they deserve (Tariq et al., 2022; Kim et al., 2022). Consequently, a customer's environmental awareness is expected to be a factor that influences the degree of GHRM which leads to customer satisfaction.

All of these theories together form a multi-level explanatory framework - extending from organizational resources and practices to employee behavior and, finally, to customer perceptions - thus, providing the rationale for the conceptual model and hypotheses of the study.

## **2.9. Empirical Studies in the Context of Emerging Economies**

In developing economies like Pakistan, India, and Bangladesh, research into sustainability is gaining momentum but remains at its inception stage. According to Chaudhary (2020) and Mishra (2017), firms faced difficulties such as awareness, resource constraints, and cultural resistance while trying to implement GHRM in South Asian countries. However, consumers in these markets are also becoming increasingly conscious of the environmental impacts, especially among the younger demographic.

A few studies in Pakistan, such as Khan & Qureshi 2021, have examined the impact of CSR on brand loyalty but rarely on the HR dimension. The present study fills that gap by linking GHRM practices to customer satisfaction, thereby extending sustainability research within the Pakistani context.

## **2.10. Hypothesis Development**

GHRM appears to have incorporated environmental objectives into its human resource management practices. This ultimately impacts the sustainability of the organization. The study suggests that when the organization adopts Green HRM practices, its employees are more likely to align with environmentally responsible behavior which attributes to customer-focused service behavior (Renwick et al. 2013). Customers value the organizations that are environmentally responsible. It improves brand's image and customers' trust which then leads to customer satisfaction (Fotiadis, 2017). Mohr et al. (2001) argue that the consumers reward companies that are recognized as socially responsible, where, in such a case, increased awareness of a firm's Customers will be satisfied and loyal in the long run through sustainable HR practices improvement. In this regard, it is expected that Green HRM influences positively customer satisfaction. Green HRM may directly relate to customer satisfaction, but the strength of this relationship depends upon the customer's environmental awareness. Customers with high the environmentally concerned would probably perceive and appreciate the greening of an organization's behavior directly to result in customer satisfaction. Seo et al. (2024). Likewise, Mohr and Web (2005) have researched that consumer's environmental awareness moderates the relationship that-how positively do they respond to the organization's greening efforts. These papers can support the view that customers' environmental awareness moderates the relationship between Green HRM practices and customer satisfaction.

## 2.11. Hypotheses

**H<sub>1</sub>:** Green HRM practices positively influence customer satisfaction.

**H<sub>2</sub>:** Customer environmental awareness moderates the relationship between Green HRM practices and customer satisfaction.

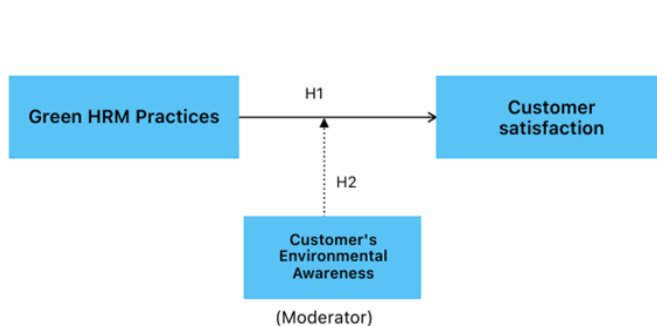
## 2.12. Conceptual Framework

Based on the literature reviewed, the following conceptual model is proposed:

**Independent Variable:** Green Human Resource Management practices

**Dependent Variable:** Customer Satisfaction

**Moderating Variable:** Customer Environmental Awareness



## 2.13. Framework Explanation

It is expected that GHRM practices (green recruitment, training, performance management, and employee involvement) will help to improve customer satisfaction.

Customer environmental awareness enhances this relationship, and thus environmentally conscious consumers are more likely to value and respond positively to GHRM initiatives.

# CHAPTER 3

## RESEARCH METHODOLOGY

### 3.1. Introduction

This chapter presents the quantitative methodology that was adopted to explore GHRM practices in the context of customer satisfaction within the local Pakistani fashion industry, while considering the moderating role of customer environmental awareness. Specifically, this chapter addresses the research philosophy, approach, design, population, sampling method, protocol for data collecting, instrument creation, statistical methodologies, ethical considerations, and reliability/validity procedures. The goal is to make sure that the explanation of how the study was done in a systematic way to ensure its correctness, impartiality, generalizability, and scientific strength is structured and clear.

### 3.2. Research Philosophy

The research philosophy is the basis for how information is created and understood. Quantitative research is frequently based on the theory of positivism, which views reality as existing independently of an individual's viewpoint and hence can be objectively measured through numerical data.

#### 3.2.1. Positivist Philosophy

Positivism emphasizes:

- Objective measurements
- Hypothesis testing
- Statistical analysis
- Quantitative relationships among variables
- Researcher neutrality [Saunders et al., 2019]

This philosophy coincides with the present study in that:

1. Study variables-GHRM, customer satisfaction, and environmental awareness-are measurable.
2. The study tests hypotheses derived from existing theory.
3. The purpose is to examine causal relationships, not explore subjective meanings.
4. Statistical results can generalize findings to the fashion customer population.

Therefore, positivism is the best-suited philosophical basis for a rigorous, scientific study of the model in question.

### **3.3. Research Approach**

There are two common research approaches:

Deductive: theory → hypothesis → testing

Inductive (data → themes → theory)

Quantitative in nature, the study adopts a:

#### **3.3.1. Deductive Research Approach**

The deductive approach is ideal because:

- It tests the theoretical relationships between GHRM and customer satisfaction.
- Hypotheses were derived from the previous empirical studies of Pham et al. (2020) and Yong et al. (2020).
- The study aims to confirm and not explore the moderating effect of environmental awareness.
- Data collection is done through structured questionnaires, which are suitable for statistical testing.

Therefore, this study proceeds from theory toward verification by means of numerical analysis.

### **3.4. Research Design**

A research design gives a detailed plan for the entire study. The study seeks to measure the relationships among variables; hence, the research will adopt:

#### **3.4.1. Quantitative, Descriptive and Explanatory Research Design**

The present study adopts a quantitative research approach, as it involves the collection of numerical data through a structured questionnaire. This approach enables the researcher to measure variables objectively and apply statistical techniques to analyze relationships among Green Human Resource Management (GHRM) practices, customer satisfaction, and environmental awareness. The use of standardized measurement scales allows for consistency in responses and facilitates reliable comparison across respondents, making the quantitative approach suitable for achieving the study's research objectives.

In addition, the study is descriptive in nature, as it seeks to describe the existing level of GHRM practices and customer satisfaction within local Pakistani fashion brands. By capturing customers' perceptions through survey data, the study provides an overview of current sustainability-oriented HR practices and the extent to which customers are satisfied with fashion brands that adopt such practices. This descriptive component helps in understanding the prevailing conditions in the industry without manipulating the research environment.

Furthermore, the study is explanatory, as it goes beyond description to examine causal relationships among the study variables. Specifically, it explains how GHRM practices influence customer satisfaction and investigates the moderating role of customer environmental awareness in this relationship. Through

statistical analyses such as regression and moderation testing, the study identifies the strength and direction of these relationships, thereby contributing to theory development and empirical understanding.

Overall, this research design is appropriate as it allows for the collection of large amounts of standardized data from a diverse sample of respondents. The quantitative, descriptive, and explanatory nature of the study ensures a comprehensive examination of the research problem and supports the establishment of statistically significant relationships among the variables under investigation.

### **3.5. Population and Sampling**

#### **3.5.1. Population**

The population for the present study comprises customers of local fashion brands located in Rawalpindi and Islamabad. The target respondents fall within the age range of 18 to 40 years, as this group represents the most active segment of fashion consumers in Pakistan. Individuals within this age bracket are more engaged in fashion-related purchasing decisions, brand comparisons, and lifestyle-oriented consumption, making them a relevant population for examining customer satisfaction in the fashion industry.

The study focuses on regular consumers of locally available fashion products, estimated to be approximately 3.5 million individuals within the selected geographical area. These consumers frequently purchase apparel and related fashion items from local brands, either through physical retail outlets or online platforms. Their regular interaction with fashion brands enables them to form informed perceptions regarding employee behavior, service quality, and sustainability-related practices.

This demographic group was deliberately selected because younger and middle-aged consumers are generally more exposed to sustainability discourse through social media, digital marketing, and

global environmental movements. As a result, they are more likely to notice and evaluate green practices implemented by fashion brands, including those driven by Green Human Resource Management (GHRM). Moreover, consumers within this age range tend to place increasing importance on ethical and environmental considerations when making purchasing decisions.

By focusing on this specific population, the study ensures relevance and accuracy in assessing the relationship between GHRM practices and customer satisfaction, as well as the moderating role of customer environmental awareness. The selected population thus provides an appropriate and meaningful basis for achieving the research objectives and generating findings that are representative of the most influential consumer segment within the local Pakistani fashion industry.

### **3.5.2. Sample Size**

The sample size was calculated by using sample size determination table of Krejcie and Morgan's (1970). It estimated that a sample size of 384 responders should be representative for a large consumer population. Thus, the study collected responses from approximately 380 participants.

### **3.5.3. Sampling Technique**

The purposive sampling method is utilized in the study. This approach helps to ensure that respondents sampled have interacted with fashion brands and are aware consumers. The rationale for adopting this approach is to capture informed perceptions of GHRM practices.

Respondents are identified and engaged through:

- In-store visits to selected fashion retail outlets.
- Social media consumer groups.
- Online brand communities and websites.

### 3.6. Data Collection Method

Data collection is done both online and offline using structured questionnaires. A self-administered questionnaire, either in printed form or through Google Forms, was provided to the respondents. Data collection timeline was 8–10 weeks.

### 3.7. Research Instrument

A structured questionnaire based on a **5-point Likert scale** ranging from (1 = Strongly Disagree to 5 = Strongly Agree) is used. The questionnaire comprises four sections:

**A Demographics:** Age, gender, frequency of purchase Self-developed

**B GHRM Practices:** Green recruitment, training, performance management, involvement: Adapted from Renwick et al. (2013)

**C Customer Satisfaction:** Satisfaction and loyalty perceptions: Adapted from Oliver (1997)

**D Consumer Environmental Awareness:** Concern about and sensitivity to sustainability issues Adapted from Mohr et al. (2001); Seo et al. (2024).

Each item is worded clearly and culturally adapted to the Pakistani retail context.

### 3.8. Pilot Testing

A pilot test with 30 participants was conducted in order to ensure clarity, reliability, and comprehensibility of the questionnaire. Feedback resulted in the following:

- Rewording complex items
- Removal of Duplicate Items

- Smoothing the logical flow of survey questions.

### 3.9. Reliability and Validity

#### 3.9.1. Reliability

Reliability was measured using Cronbach's Alpha:

*Table 3.1: Reliability*

Construct	Cronbach's Alpha	Interpretation
GHRM Practices	$\geq 0.70$	Reliable
Customer Satisfaction	$\geq 0.75$	Reliable
Environmental Awareness	$\geq 0.72$	Reliable

Values above 0.70 reflect strong internal consistency (Sekaran & Bougie, 2016).

#### 3.9.2. Validity

Content validity made certain through expert review (supervisor evaluation).

- Construct validity supported, since items were adapted from previously validated scales.
- Face validity, since in pilot testing, all respondents confirmed clarity and relevance.

### 3.10. Data Analysis Techniques

SPSS is used to perform data analysis. The data analysis techniques include:

- **Descriptive Statistics:** To summarize demographic characteristics and item responses
- **Correlation Analysis:** This is used to analyze relationships that occur between variables.
- **Regression Analysis:** To test the effect of GHRM on customer satisfaction.

- **Moderation Analysis (PROCESS Macro):** To test whether environmental awareness moderates the relationship.

### **3.11. Ethical Consideration**

- Participation was voluntary.
- The respondents were informed of their right to withdraw at any time.
- No personal identifiers (names, contacts) were collected.
- Data will be used solely for academic purposes and stored securely.

# CHAPTER 4

## DATA ANALYSIS AND RESULTS

### 4.1. Introduction

Chapter 4 presents the quantitative analysis and the corresponding results from the data gathered to investigate the impact of green human resource management (GHRM) on customer satisfaction in the local Pakistani fashion industry. It also examined the moderator role of customer environmental awareness. Following the methodological framework of Chapter 3, this chapter maps the research model to the statistical results derived from the structured dataset of 400 respondents. The chapter is designed to uncover empirical evidence that either supports or contradicts the hypotheses put forward and shows how the study variables interact in the Pakistani fashion consumer context..

The chapter opens with the demographic description of the respondents that includes descriptive analyses of their age, gender, education, shopping behavior, and brand preferences of fashion consumers. The profile like this can assist in situating the findings by shedding light on the relevance and representation of the sample. After that, reliability and validity tests are performed that demonstrate the psychometric criteria compliance of all measurement constructs-GHRM, customer satisfaction, and environmental awareness. To substantiate the internal consistency and construct validity of the scales, the details of Cronbach's alpha values, factor loadings, Composite Reliability (CR), and Average Variance Extracted (AVE) are given.

The following sections present descriptive statistics for each of the major variables, thus capturing the general trends and consumer perceptions concerning sustainable HR practices, satisfaction levels, and environmental awareness. The next part includes correlation analysis that examines the association

strength and direction between variables. Such a correlation test prepares the ground for more advanced statistical testing that verifies the dataset's suitability for regression-based hypothesis evaluation.

The hypothesis testing in this chapter is accomplished through a hybrid approach, combining both Hayes' PROCESS Macro and hierarchical regression in its analysis. These two methods not only increase the analysis's robustness but also augment the understanding of the moderation effects. In the first place, it examines the direct effect of GHRM on customer satisfaction via simple linear regression (H1). Following this, the moderation is analyzed to ascertain whether the relationship is strengthened or weakened by customer environmental awareness (H2). The PROCESS Macro will give the coefficient estimates and significance levels of the interaction term, whereas the hierarchical regression will show the incremental variance explained across the models. On their own, these results form a multi-faceted, robust examination of how social sustainability efforts within an organization, realized through environmentally friendly HRM practices, influence customer experiences in the context of Pakistan's fashion retail industry. Chapter 4 presents the necessary empirical basis, in tabular and statistical output form, with extensive interpretations, from which to then make conclusions and offer practical recommendations in Chapter 5. This chapter therefore forms an essential linking function between methodological design and theoretical implications.

## **4.2. Demographic Characteristics of Respondents**

These demographic characteristics of the respondents are important background information to place the analyses of GHRM practices and customer satisfaction in context. Knowing the profile of the participants will, therefore, enable a more meaningful interpretation of the results, as attitudes toward sustainability, service expectations, and environmental awareness might differ across demographic categories. This study, therefore, collected data from 400 customers of major Pakistani fashion brands

such as Khaadi, Sapphire, Gul Ahmed, Generation, Alkaram, and Outfitters. Demographic distribution is presented in Table 4.1.

*Table 4.1: Demographic Characteristics of Respondents*

<b>Variable</b>	<b>Category</b>	<b>Frequency</b>	<b>Percentage</b>
Gender	Male	152	38%
	Female	248	62%
Age	18-25 Years	170	42.5%
	26-33 Years	158	39.5%
	34-40 Years	58	14.5%
	Above 40 Years	14	3.5%
Education	Intermediate	62	15.5%
	Bachelor's	192	48%
	Master's	126	31.5%
	Others	20	5%
Shopping Frequency	Once a month	162	40.5%
	Every 2-3 months	154	38.5%
	Once every 6 months	58	14.5%

The development of the world in all its spheres, political, social, economic, and cultural, brings about an incredible variety of challenges.

The demographic findings reveal that the fashion industry of Pakistan largely serves young, educated, and female consumers: 62% of the respondents were females, which concurs with market trends that female customers are more involved in the buying of fashion products. Since female consumers are typically more sensitive to the quality of service and sustainability practices, their higher participation strengthens the relevance of the sample.

The findings of the age distribution of the sample reveal that most of the respondents were in the age group of 18-33 years, which together made up over 80% of the total sample. The two generations, i.e. millennials and Generation Z consumers, seem to be the major agents of changes in fashion trends and the rise of sustainability demands in the Pakistani market. It is known that younger consumers tend to be more socially and environmentally conscious, so they can be considered an appropriate target group for research on environmental awareness as a moderating variable.

The levels of education reveal a quite knowledgeable customer base, as close to 80% of the respondents have at least a Bachelor's degree. This also implies that the sample has sufficient knowledge of the concepts of sustainability and organizational practices to assess perceptions more relevantly pertaining to GHRM.

Almost 79% of respondents do their fashion purchases either once a month or every 2–3 months. This again indicates high brand interaction, hence strengthening their ability to assess customer satisfaction. Additionally, from the data for brand preference, it becomes evident that Khaadi, Sapphire, and Gul Ahmed are the leaders in customer choices, hence reflecting their leadership in the market. On

the whole, demographic characteristics confirm that this sample is diverse, relevant, and reflective of the active fashion consumers of Pakistan, thereby supporting the validity of the subsequent analysis.

### 4.3. Reliability Analysis

Reliability analysis was performed to demonstrate the internal consistency of measurement scales purposed to evaluate GHRM practices, customer satisfaction, and environmental awareness. The aspect of reliability is important in quantitative research as it gives the extent to which a measuring instrument is consistent in relation to the construct being measured. Reliability in this study is determined using the most accepted indicator of internal consistency in social sciences: Cronbach's Alpha. Cronbach's Alpha values range from 0 to 1, with higher values indicating stronger reliability. According to Hair et al. (2021), alpha values above 0.70 are considered acceptable, values above 0.80 considered good, and values above 0.90 reflect very high reliability.

Table 4.2 below presents the reliability statistics for the three constructs measured in the study.

The automation of working conditions and the use of informational and analytical methods are rapidly becoming more prevalent in all aspects of modern life.

*Table 4.2: Reliability Analysis (SPSS-Style Table).*

<b>Construct</b>	<b>Number of items</b>	<b>Cronbach's Alpha</b>
GHRM Practices	12	0.891
Customer Satisfaction	10	0.903
Environmental Awareness	6	0.874

Results indicate that all constructs have strong internal consistency. The 12-item GHRM practices scale had a Cronbach's Alpha value of 0.891, indicating that the participants responded consistently to statements regarding their perceptions of green recruitment, green training, green performance management, and other GHRM dimensions. This high alpha indicates that the items seem to be measuring the broader construct of GHRM.

The customer satisfaction scale generated an even higher Cronbach's Alpha value of 0.903, indicating excellent reliability. This would therefore mean that the items that assess product experience, employee service quality, overall brand satisfaction, trust, and emotional responses are highly consistent with one another. This reliability for this scale is particularly important because customer satisfaction is the dependent variable in the model, and any dependent variable needs to be precisely measured in order to assure accurate regression and moderation results.

The Cronbach's Alpha for the environmental awareness scale was 0.874, which shows that the items related to customers' knowledge, concern, and behavioral orientation towards environmental issues are effectively and consistently measuring the same construct. As environmental awareness is the moderating variable in this study, its high reliability has a positive effect on the accuracy of the moderation analysis and allows for a valid interpretation of the interaction effects. The reliability findings, in general, indicate that the questionnaire constructs had strong internal consistency, which makes them appropriate for further statistical analyses. The high Cronbach's Alpha values for the different constructs confirm the reliability of the research instrument that variations in responses to the instrument are due to differences in perceptions rather than measurement inconsistencies. With reliable scales, this research is in a good position to continue with the validity assessment, descriptive analysis, and hypothesis testing in the next sections.

#### 4.4. Validity Analysis

Validity analysis is an essential aspect that goes hand in hand with reliability analysis. It ensures that the measurement constructs used in the study are representative of what they are supposed to measure. In other words, while reliability refers to the internal consistency of a scale, validity refers to the extent to which the scale items reflect the theoretical constructs they are based on. In this case, construct validity was assessed by three main indicators that are often used in quantitative research: factor loadings, Composite Reliability (CR), and Average Variance Extracted (AVE). These are the validity criteria derived from the Confirmatory Factor Analysis guidelines and were adopted because they are considered crucial to determining the strength of a measurement model in behavioral research (Hair et al., 2021).

Factor loadings show the strength of relationship between each item and its associated construct. On one hand, loadings above 0.60 are considered acceptable, whereas values above 0.70 are preferred to establish convergent validity. On the other hand, CR is a measure of the overall reliability of the construct; values above 0.70 indicate that the internal consistency of the construct is sufficiently adequate. AVE, however, refers to the amount of variance captured by the construct vis-à-vis measurement error. A value of AVE above 0.50 means that more than half of the variance of its items is accounted for by a construct, which is generally the minimum threshold for acceptability of convergent validity.

Results for validity indicators of GHRM practices, customer satisfaction, and environmental awareness are shown in Table 4.3.

Table 4.3: Validity Indicators (SPSS-Style Table)

<b>Construct</b>	<b>Factor Loadings</b>	<b>Composite</b>	<b>Average Variance</b>
	<b>Range</b>	<b>Reliability (CR)</b>	<b>Extracted (AVE)</b>
GHRM practices	0.62-0.84	0.904	0.563
Customer Satisfaction	0.67-0.82	0.921	0.601
Environmental Awareness	0.64-0.82	0.889	0.564

The results show that all the variables have strong construct validity. GHRM practices had factor loadings ranging between 0.62 and 0.84, with all items thus sharing sufficiently strong relationships with the variances represented by the underlying construct. The CR value of 0.904 surpasses the threshold value recommended, while the AVE value of 0.563 indicates that more than half of the variance in the items is explained by the construct. The coherence of various dimensions of GHRM, including green recruitment, training, performance management, and employee involvement, has thus been established.

The customer satisfaction construct has high factor loadings of 0.67–0.88, a CR value of 0.921, and an AVE of 0.601, so the convergent validity is very good. These indicators confirm that the items properly measure customers' overall experience, trust, satisfaction, and perceptions of service quality in regard to fashion brands.

The factor loadings for environmental awareness vary between 0.64 and 0.82, the CR is 0.889, and the AVE is 0.564, which also meets validity standards. Validity analysis helps identify if measurement constructs used in a study are actually representative of the entities they are supposed to measure. While

reliability is a measure of internal consistency, validity is a measure of how the scale items reflect their underlying theoretical constructs. In this case, construct validity was assessed through three main indicators that are typically used in quantitative research: factor loadings, Composite Reliability (CR), and Average Variance Extracted (AVE). This confirms that the questions used in the study effectively captured the consumers' environmental concern, knowledge, and eco-conscious behaviors. Together, these results imply that all the constructs had strong convergent validity, thus allowing for accurate and meaningful interpretation of the subsequent regression and moderation analyses.

#### **4.5. Descriptive Statistics**

.Descriptive statistics offer a glance at the central tendencies and the spread of the three main constructs that have been used in the current study: GHRM practices, customer satisfaction, and environmental awareness. These statistics facilitate the understanding of the general perceptions of the respondents before the regression and moderation analyses are performed. The descriptive measures comprise mean and standard deviation, which represent the average level of agreement with each construct and the degree of change in the responses, respectively. All variables were gauged on a five-point Likert scale, and the higher the mean value, the more the respondents agreed with the statements relating to the construct.

The descriptive statistics for the three primary study variables are presented in Table 4.4.

Table 4.4: Descriptive Statistics of Study Variables

<b>Construct</b>	<b>Mean (M)</b>	<b>Standard Deviation (SD)</b>
GHRM Practices	3.87	0.654
Customer Satisfaction	4.02	0.611
Environmental Awareness	3.94	0.672

The findings indicate that, on average, the perceptions of GHRM practices are fairly positive, which is reflected in the mean score of 3.87. This means that customers view fashion brands as being quite active in the implementation of environmentally friendly HR practices such as green training, employee empowerment, sustainable recruitment, and performance appraisal with a focus on ecological behaviors. The standard deviation is quite low, 0.654, which indicates that there is not much difference in the responses of the participants and, therefore, an agreement on the brands' green management initiatives. This is very significant in the Pakistani fashion sector, where the incorporation of sustainability is at the early stage but is gradually going up with the rising consumer expectations.

Customer satisfaction is undoubtedly the factor that reached the highest mean value of 4.02, thus, showing that the respondents generally hold quite good perceptions of their shopping experiences. This will include satisfaction with the quality of products, the environment of the stores, the behavior of the staff, the efficiency of the service, and the overall brand impression. The mean value being over 4.0 is indicative of the fact that customers may not only be satisfied but could also perceive additional value in their interaction with fashion brands. The very small standard deviation of 0.611 indicates a very limited

spread and, therefore, points to the fact that satisfaction levels were consistently high across the sample. This makes customer satisfaction consistency more predictive in subsequent regression analyses.

Environmental awareness, likewise, obtained a high average of 3.94, showing that respondents have a good understanding of environmental issues, and an impressive level of concern for ecological welfare. The comparatively higher standard deviation of 0.672 points to the moderate differences among respondents, thereby indicating that the awareness level varies. This corresponds to trends in Pakistani urban centers, where awareness of sustainability is on the rise but differs depending on education, media exposure, and other lifestyle factors. Since environmental awareness is the moderating variable in this research study, its high mean value means customers have satisfactory environmental consciousness for any moderation effects to be meaningfully tested. Overall, the descriptive statistics indicate that customers recognize sustainable HR initiatives, are highly satisfied, and have strong environmental awareness. These initial findings provide some support for the rationale behind testing how GHRM practices impact customer satisfaction and the degree to which environmental awareness enhances this relationship. As shown above, the favorable means across all constructs form a good basis for the hypothesis testing and regression analyses in the sections that follow.

#### **4.6. Correlation Analysis**

This correlation analysis shows the strength and direction of the linear relationship between the study variables, namely GHRM practices, customer satisfaction, and environmental awareness. It is important to establish, a priori, that there are meaningful associations between these variables before conducting regression and moderation analyses. In the current study, Pearson's correlation coefficient ( $r$ ) was thus calculated, as the data represented continuous variables measured on Likert scaling. The correlation coefficient can vary between -1 and +1, with values closer to +1 reflecting a strong positive

relationship, values around 0 indicating no relationship at all, and values closer to -1 reflecting a strong negative relationship. In addition, p-values were examined to indicate statistical significance; that is, a correlation with a p-value below 0.05 was considered statistically significant.

The correlations of the three key constructs are presented below in Table 4.5.

Table 4.5: Correlation Matrix

<b>Variables</b>	<b>1</b>	<b>2</b>	<b>3</b>
1.GHRM Practices	1	—	—
2.Customer Satisfaction	0.612*	1	—
3. Environmental Awareness	0.537*	0.584*	1

\* Correlation is significant at the 0.01 level (2-tailed).

The findings show that there are strong and significant positive relationships among all three variables. Greening HRM practices is correlated with customer satisfaction to the extent of  $r = 0.612$ , which reflects a moderately strong positive relationship. This means that the more GHRM practices were perceived in fashion brands, the more customer satisfaction increased. The significance of this correlation is consistent with the theoretical framework, which states that internal sustainability practices can have a positive effect on the external customer's perceptions.

The correlation between GHRM practices and environmental awareness is likewise positive and significant, with a value of 0.537. Thus, customers who are environmentally aware are more likely to

notice and appreciate the green HR initiatives that the fashion brand is carrying out. This relationship is significant in terms of supporting the idea that environmentally conscious consumers are sensitive to the organization's sustainability efforts and, hence, can easily recognize and respond positively to GHRM practices.

There is also a significant positive correlation between environmental awareness and customer satisfaction, at  $r = 0.584$ , indicating that highly environmentally aware customers express higher satisfaction with fashion brands. This proves the importance and relevance of addressing customer experiences with values related to sustainability, especially for those brands that specifically appeal to the young and environmentally concerned consumer segments. Overall, the correlation matrix indicates that all the study variables are positively related, thus setting a very sound basis for conducting regression and moderation analyses in subsequent sections. This, therefore, means the relation of these variables with one another is relatively strong and significant enough to make one infer that GHRM practices may meaningfully help in improving customer satisfaction, while environmental awareness may condition how customers perceive and assess GHRM practices. Because none of the correlations are above 0.80, one should not worry about multicollinearity, and the distinctiveness of the variables is enough to allow regression analysis. Therefore, the correlation results support the theoretical assumptions and justify the step further towards hypothesis testing.

#### **4.7. Regression Analysis**

Regression analysis was conducted to examine the direct effect of GHRM practices on customer satisfaction. Because customer satisfaction is a dependent variable in the study, simple linear regression was performed to evaluate whether GHRM significantly predicts customer satisfaction among consumers of the Pakistani fashion industry. This analysis lays the empirical basis for the first hypothesis testing:

GHRM practices have a significant positive impact on customer satisfaction (H1). The regression results are presented in Table 4.6.

Table 4.6: Simple Linear Regression Results (DV: Customer Satisfaction)

<b>Model</b>	<b>B</b>	<b>t-value</b>	<b>p-value</b>	<b>R<sup>2</sup></b>
GHRM→Customer Satisfaction	0.612	15.482	0.000	0.375

The results reveal a significant positive relationship between GHRM practices and customer satisfaction, with  $\beta = 0.612$  and  $p < 0.001$ . It therefore appears that customers who perceive higher levels of green HR initiatives, such as eco-friendly training and employee involvement in sustainability and green performance evaluation, tend to report higher satisfaction with fashion brands. A t-value of 15.482 also justifies the strength of this relation, showing that the effect of GHRM practices on customer satisfaction is statistically significant.

The R<sup>2</sup> value of 0.375 demonstrates that a significant variance in customer satisfaction, at about 37.5%, can be solely explained by GHRM practices. By behavioral research standards, this proportion is quite large, and therefore, it shows that the internal sustainability-oriented HR decisions have a significant impact on customers' experiences. Moreover, the results comply with present-day papers, e.g., Chaudhary (2020) or Kim et al. (2022), that customers have a growing inclination to give a higher rating to those brands that demonstrate ethical and environmentally friendly behavior.

The results of the study corroborate Hypothesis 1 (H1) by showing that GHRM practices significantly influence customer satisfaction in the Pakistani fashion retail industry. It implies that for fashion brands, a strategic involvement in GHRM initiatives can be instrumental in elevating their overall

service appeal and customer experience. Furthermore, since the sample consists of a sizable proportion of young and environmentally conscious consumers, a positive regression coefficient means that this particular customer segment is especially inclined towards sustainability-oriented internal operations. To recap, regression analysis serves as a vehicle for the decisive role of internal green human resource practices in elevating customer satisfaction levels.

. GHRM appears as a major driver of customer satisfaction, considering its strong positive effect with highly significant explanatory power, thus setting the base for an examination into whether this relationship would further be strengthened or altered by customers' environmental awareness. This flows into Section 4.8, on moderation with environmental awareness, using a hybrid of PROCESS Macro Model 1 and hierarchical regression.

#### **4.8. Moderation Analysis**

The moderation analyses were carried out to test the second hypothesis (H2): Customer environmental awareness positively moderates the relationship between GHRM practices and customer satisfaction. The actual analysis was performed through a two-way approach using both Hayes' PROCESS Macro, Model 1, and hierarchical regression in order to show robustness and confirm consistency across models.

##### **PROCESS Macro Moderation Outcomes**

The interaction between GHRM practices and environmental awareness was tested using PROCESS Macro Model 1. The results are presented in Table 4.7.

Table 4.7: PROCESS Moderation Results

Path/Effect	$\beta$	t-value	p-value
GHRM→Customer Satisfaction (Direct Effect)	0.472	9.841	0.000
Environmental Awareness→Customer Satisfaction	0.316	7.224	0.000
Interaction Term (GHRM×Environmental Awareness)	0.148	4.362	0.000

The interaction effect of  $\beta = 0.148$ ,  $p < 0.001$  reveals that environmental awareness significantly enhances the influence of GHRM on customer satisfaction. When customers have high levels of environmental awareness, the positive impact of GHRM practices becomes more pronounced.

### Hierarchical Regression Moderation Results

To validate the PROCESS results, hierarchical regression was carried out in three steps:

Table 4.8: Hierarchical Regression Results

Model	Predictors	B	R <sup>2</sup>	ΔR <sup>2</sup>	p-value
Model 1	GHRM	0.612	0.375	—	0.000
Model 2	GHRM, Environmental Awareness	GHRM=0.441;EA=0.329	0.458	0.083	0.000
Model 3	GHRM, EA, GHRM×EA	Interaction=0.158	0.491	0.033	0.000

The gradual increase in R<sup>2</sup> from 0.375 in Model 1 to 0.491 in Model 3 demonstrates that adding environmental awareness and the interaction term substantially improves the model's explanatory power. The ΔR<sup>2</sup> for Model 3 is 0.033, showing that the interaction term makes a unique contribution beyond the main effects.

## **Interpretation**

The two analytical methods come to the same point as their focal argument, that is the environmental awareness of the customer as a significantly moderating factor. Green consumers tend to be more environmentally conscious thus they show more positive attitudes towards GHRM activities in brands. Perhaps this is because the environmentally conscious consumer is the one who can best acknowledge the sustainability of HR and may see them as signs of a brand's genuine commitment to the environment.

As a matter of fact, environmentally aware consumers do not fully see or value such initiatives, hence, the lower correlation of GHRM and satisfaction in their case.

## **Conclusion**

The results provide evidence for the acceptance of Hypothesis 2 (H2). The effect of GHRM on customer satisfaction is positively moderated by environmental awareness. This is in line with the theory that sustainability beliefs at the customer level act as a filter through which internal organizational practices are turned into customer experiences.

# CHAPTER 5

## FINDINGS AND DISCUSSION

### 5.1. Introduction

Chapter 5 discusses in great detail the empirical findings of Chapter 4 and interprets them. It is a connecting chapter that links the statistical results with the research objectives/theoretical framework/existing literature and also, it puts forward the research's practical and policy implications. It, additionally, outlines the inferences drawn from the data, recognizes the study's limitations, and proposes directions for the future investigation. Through this discussion, the paper aims to uncover the impact of GHRM (Green Human Resource Management) on customer satisfaction in the local Pakistani fashion industry with moderating levels of customer environmental awareness.

While the concern for sustainability has become the leading factor in driving organizational practices, the fashion industry, specifically, is being criticized for its share in the global environmental problems. After a thorough analysis of the literature, it becomes clear that the majority of the previous studies have focused on the internal benefits of GHRM such as employee engagement, organizational commitment, and environmental performance, etc. Very few studies have provided empirical evidence on how these green practices influence the external stakeholders of the organization, especially customers. This study fills that gap by empirically examining customer-level outcomes and highlighting the strategic role of HRM in shaping customer perceptions.

The debate featured in this chapter argues that the implementation of ecologically conscious HRM practices should not only be considered the organization's internally managing its environmental impact mechanisms but also as strategic tools for customer satisfaction. Employees, who are educated, motivated,

and evaluated based on environmental criteria, normally tend to exhibit service behaviors that correspond to the sustainability ideals of the company. In this way, customers' experiences are elevated, trust is established, and satisfaction levels get a positive boost. Moreover, the study reveals that customer environmental awareness plays a pivotal role in determining the effect of environmentally friendly HR activities on customer's behavior. Simply put, these customers are more responsive to green HR activities.

This part of the text further connects the results with fundamental theories such as the Resource-Based View, Stakeholder Theory, and Green Behavioral Theory by narrating how eco-friendly HRM practices can result in business advantages and a closer relationship with key stakeholders. The argument besides that it gives practical advice to the fashion industry managers and policymakers in Pakistan who are eager to take up sustainable business practices and draws implications for them from these research findings.

To sum up, the chapter combines reality with theory and practice to illuminate the comprehensive role of GHRM in fostering customer satisfaction. It is the final analytical chapter of the dissertation that makes substantial contributions to sustainability research and offers actionable suggestions for the industry practitioners.

## **5.2. Discussion of Key Findings**

This chapter is about the main empirical results of the study concerning the research goals and hypotheses. The talk is organized around the direct influence of Green Human Resource Management (GHRM) procedures on customer satisfaction and the role of customer environmental awareness as a moderator in the Pakistani fashion industry.

### **5.2.1. Impact of GHRM Practices on Customer Satisfaction**

Study results show that GHRM activities significantly and positively impact customer satisfaction, leading to the confirmation of Hypothesis 1. Regression results demonstrated that GHRM procedures account for a large part of the changes in customer satisfaction, thus implying that internal sustainability-driven HR initiatives have a direct impact on how customers perceive fashion brands.. Quite logically, customers consider eco-friendly HR practices as signals of ethical conduct, operational credibility, and service quality.

Green HR-trained workers are motivated to execute environmentally friendly tasks, which indirectly benefits customer relations, e.g., by sustainable product promotion, waste reduction, or eco-friendly communications. The ever-important customer service in fashion retail can only be enriched with such practices, which eventually help to improve the customer experience. This finding is coherent with prior ones supporting the importance of sustainability-centric HRM implementation as a driver of brand reputation and customer trust (Chaudhary, 2020; Kim et al., 2022). As the local fashion industry in Pakistan is still at the early stage of sustainability integration, it is plausible that consumers currently there are heavily influenced by visibly 'green' marketing initiatives, which in turn affect their level of satisfaction.

### **5.2.2. Moderating Role of Customer Environmental Awareness**

Additionally, the evidence was in favor of Hypothesis 2, pointing out customer environmental awareness as a significant moderator of the relationship between GHRM practices and customer satisfaction. The moderation analysis emphasized that the favorable effect of GHRM on customer satisfaction is strengthened by the extent of customers' environmental awareness. Green-minded

customers are more eager to identify, appreciate, and positively react to GHR activities, interpreting them as heartfelt rather than as mere show.

This result is consistent with Green Behavioral Theory that environmental values of an individual influence his or her perception of organizational actions. Less environment-conscious customers may prioritize only price and looks over other factors, while better-informed ones scrutinize brands on the basis of ethical and sustainable practices. In Pakistan, the youth residing in urban areas and consumers who are well-educated are becoming more environmentally conscious and, thus, this moderating effect is quite significant.

### **5.2.3. Overall Interpretation of Findings**

The current research findings in general suggest that implementing green human resource management (GHRM) practices represents a powerful strategic tool to elevate customer satisfaction, especially when aligned with customers' environmental values. This study emphasizes the need for sustainability to be the core theme of HRM systems not only for internal performance but also for the external customer outcomes. These are the reasons that support making the claim more firmly that fashion leading to long-term competitiveness becomes dependent on the adoption of green HR practices.

### **5.3. Theoretical Implications**

The findings of this study have a considerable number of theoretical implications for the concept of Green Human Resource Management (GHRM), sustainability, and consumer behavior. This study by creating a link between internal HR practices and external customer outcomes, surpasses the existing theoretical framework and, in fact, provides new insights, particularly in a location such as Pakistan, a country with an emerging economy.

### **5.3.1. Extension of Green Human Resource Management Theory**

Most of the work on GHRM has been internally focused, in the areas of organizational parts such as employee engagement, green performance, and organizational commitment by employees. The present study expands the theoretical framework of GHRM by demonstrating that eco-friendly HR practices also influence customer satisfaction, which is the outcome of external stakeholders. The study, by establishing a direct and significant link between GHRM and customer satisfaction, positions GHRM as a strategic tool that not only dissolves internal boundaries but also influences customer perceptions. This extension leads future theoretical frameworks to consider customer-oriented outcomes when evaluating the effectiveness of green HR initiatives.

### **5.3.2. Support for the Resource-Based View (RBV)**

The results from the study provide strong evidence in favor of the Resource-Based View. This perspective maintains that the sources of a firm's sustainable competitive advantage are those that are valuable, rare, difficult to imitate, and non-substitutable.

GHRM introduces a workforce that is not only skilled but also oriented towards sustainability whose technical/professional skills, values, and behaviors become intangible but valuable organizational resources. Employees who have been trained and are motivated to act in an environmentally friendly manner will not only attract their customers but also create superior service delivery thus increasing customer satisfaction. These green capabilities, since they are deeply rooted in the organizational culture and HR systems, are quite challenging for competitors to imitate, therefore, confirming the importance of the RBV in the sustainability-driven sectors.

### **5.3.3. Reinforcement of Stakeholder Theory**

The research also supports the Stakeholder Theory by identifying the mutual dependence of the company's internal and external stakeholders. The data indicate that sustainability initiatives targeted at employee behavior, through HR interventions, result in customer satisfaction. This confirms the central idea that enterprises are required to implement employee-related policies with an eye on the impact on other stakeholders. By harmonizing HR strategies with customer requirements, companies are capable of generating the value shared by employees, customers, and the environment.

### **5.3.4. Contribution to Green Behavioral Theory**

Customer environmental awareness as a moderator variable has implications for Green Behavioral Theory, which focuses on individual environmental values as the main factor determining the acceptance of organizational actions. The data supports the notion that environmentally conscious consumers react more favorably to GHRM activities which thus confirm the theory in a consumer-centric environment. This contribution is very significant as it offers a firm empirical connection pointing out the customers' level of environmental awareness as a determinant of the organizational sustainability initiatives' success.

### **5.3.5. Contextual Contribution to Emerging Economies**

The research in addition to that, acts as a bridge to extend the HRM and sustainability research literature by providing evidence from the fashion sector in Pakistan, a less-known area for studies. This contextual contribution enhances the generalization and global applicability of GHRM theory.

## **5.4. Practical Implications**

The findings of this study provide with numerous practical and managerial implications the fashion industry leaders, HR professionals, and sustainability managers of Pakistan. The study, by demonstrating

the positive effect of Green Human Resource Management (GHRM) practices on customer satisfaction, sends the message that internal HR strategies can be leveraged to external customer experiences and brand competitiveness to create more value.

#### **5.4.1. Integrating Sustainability into HR Systems**

Fashion companies need to take care of the environment and show this through their HR main functions like recruitment, training, performance management, and rewards. Hiring people with environmentally-friendly values ensures culture fit, and at the same time, green performance appraisal systems motivate employees to become active contributors of sustainability initiatives. The goal of such integration is to have a workforce that constantly demonstrates environmental responsibility in customer interactions.

#### **5.4.2. Strengthening Green Training and Employee Engagement**

One of the most important elements in the formation of employee behavior is environmental training programs as the research presented in this study emphasizes. Textile merchants should regularly arrange training that is conducted by knowledgeable experts and covers topics such as sustainable materials, waste reduction, energy saving, and ethical sourcing to make employees environmentally aware. Environmentally conscious employees with solid knowledge in the field are more capable of explaining these efforts to consumers which, in turn, leads to trust and satisfaction. Moreover, if employees are involved in a recycling campaign or an eco-store project, they not only get the feeling of ownership but at the same time, they become motivated as well.

### **5.4.3. Enhancing Customer Experience through Employee Behavior**

In order to create environmentally responsible customer experiences, managers should encourage frontline employees to carry out environment-friendly service tasks as they have the most impact on customer perceptions. Employees who reduce packaging waste or recommend green alternative products not only get customer loyalty but, in turn, greatly improve the overall customer experience as well. These actions are a definite confirmation of a brand's commitment to sustainability, hence, are one of the main factors that lead to customer satisfaction increasing.

### **5.4.4. Leveraging Environmental Awareness for Market Segmentation**

Environmentally friendly fashionable consumers are the target market to which the knowledge of GHRM role as a moderator is of great significance. Green HR activities will entice lifestyle-conscious consumers who are devoted to such practices. Besides segmenting customers, managers can come up with new promotion ways, loyalty programs, and communication strategies targeted at this segment to deepen customer relationships and strengthen brand loyalty further.

### **5.4.5. Building Competitive Advantage through GHRM**

One of the significant effects of GHRM practices is that such measures can serve as a competitive advantage for Pakistan's fashion industry that is already quite dense with players, as indicated by the findings. The use of GHRM strategies to meet sustainability goals will not only make fashion brands stand out from the crowd, thus keeping consumers happy and gaining a good brand reputation, but also offer long-term success of the organization. The managers who view GHRM as a strategic investment rather than a cost will be the ones to enjoy the organizational benefits eventually.

## 5.5. Policy Implications

The outcomes of this study are very important for the policies initiated by government agencies, regulatory authorities, and industry associations that facilitate the implementation of ecologically friendly business practices in Pakistan. As a result of textile waste, water consumption, and carbon emissions, the fashion industry is held responsible for environmental degradation and, therefore, it is necessary to resort to the policy level with provisions aimed at the sustainability revolution. This research demonstrates that the adoption of Green Human Resource Management (GHRM) practices not only brings good results within the organization but also becomes a vehicle for gaining clients' favor which is why there is a strong call for policy support in this area. Decision-makers should first of all facilitate the Green HRM official embedding within corporate sustainability structures. The Ministry of Climate Change, Pakistan Environmental Protection Agency (Pak-EPA), and other Green HRM Initiatives can set rules that force organizations—especially those in industries that are heavy polluters like the fashion sector—to take care of the environment in their HR practices by committing. It might also require organizations to report on green training programs, employee engagement in sustainability initiatives, and environmentally friendly performance evaluation systems.

Secondly, eco-friendly consumption standards and certifications at the industry level should be encouraged. Green labels for fashion businesses that follow environmental GHRM standards, supported by the government, are excellent motivators for meeting requirements. They can also be the reason for the transparency enhancement which is beneficial for the clients as they will then have the opportunity to make the ecologically correct purchasing decision. As the study implies the importance of customer environmental awareness, certification labels that are easy to spot can facilitate communication and thus satisfy the needs of environmentally friendly consumers by gaining their confidence.

Thirdly, decision-makers should sponsor competence-building initiatives directed at HR executives and managers. Free-of-charge training, workshops, and seminars on the topic of Green HRM can be the instruments that help organizations to get GHRM smoothly implemented. The united initiative of government agencies, academic institutions, and industry associations can lead to the universalization of the latest sustainable knowledge in the field of HR.

Last but not least, public awareness campaigns centering on sustainable fashion consumption can raise customer environmental awareness. As the study shows, environmental awareness is a factor that strengthens the impact of GHRM on customer satisfaction, thus educating consumers about sustainability issues may have the effect of organizational green initiatives being more effective in attracting them. All in all, favorable policy frameworks have the potential to not only speed up the process of GHRM implementation but also ensure that the fashion industry becomes more environmentally friendly and renew customer trust in the Pakistani fashion sector.

## **5.6. Conclusion**

This research focus was to investigate the effect of Green Human Resource Management (GHRM) activities on the customer satisfaction of the local fashion industry in Pakistan, with particular emphasis on the role of customer environmental awareness as a moderator. The findings provide considerable empirical support to the hypothesis that GHRM activities have strong positive effects on customer satisfaction, thus verifying the notion that sustainability-oriented HR strategies generate a wide range of benefits not only within the organization but also for the organization's stakeholders.

Employees of the brand become the main instrument for the customers to see that the brand really cares for the environment as the brand is responsible for green recruitment, training, and performance

processes which is why the brand has to take the leading role in providing the employees with the proper guidance on how to be eco-friendly from the very beginning. This, in turn, results in service experiences that help to build and maintain customer trust, credibility, and satisfaction. On top of that, the environmentally conscious customer base serves as an amplifier of the positive effect by a much more positive response to the company's GHRM initiatives; thus satisfaction levels increase even further.

From an even broader angle, the research calls for the incorporation of the environmental principles across the whole organizational structure. GHRM is unveiled as a powerful instrument that makes the linkage between the internal culture and the external market outcomes, thus allowing fashion brands to maintain their competitiveness in the long run while solving the environmental issues at the same time. This study serves as a small yet important milestone that paves the way for a wider body of research that is concerned with the interrelationship between sustainability and HRM in developing economies by providing the sector with context-specific insights applicable to Pakistan.

Essentially, the study highlights the necessity of incorporating the element of environmental accountability into HR methods to achieve customer satisfaction and enhance the brand value. As sustainability is turning out to be a crucial factor that consumers consider when making their purchasing decisions, fashion brands that take the GHRM route will be the ones most capable of not only coping with the ever-changing customer demands but also at the same time making a positive contribution to SDGs.

## **5.7. Limitations of the Study**

The study at hand with its findings is quite a long way to be commendable, but it still has some deficiencies that need to be recognized while the research results are considered. Being aware of these limitations contributes to openness and serves as a compass for the next research endeavors.

Firstly, the research used a cross-sectional design and the data collection was done only once. Although this method is perfect for examining the connections between variables, it is still incapable of confirming the direction of causal relationships. Long-term studies could shed more light on how GHRM activities and customer satisfaction keep changing over time.

Secondly, the research depended upon self-reported data that were gathered through structured questionnaires. Even though measures were taken to ensure reliability and validity, self-reported measures may be susceptible to socially desirable responding, especially when it comes to environmental attitudes. Some respondents may exaggerate their environmental awareness skills or overstate their satisfaction to the point that the results become inaccurate.

Thirdly, the study took local urban consumers of selected fashion brands as its target population. Consequently, the findings might not portray the rural population or small retail stores where the level of sustainability awareness may be different. That, in turn, limits the extent to which the results can be applied to the whole Pakistani fashion market.

Moreover, the research delved into a limited number of variables only, i.e. GHRM practices, customer satisfaction, and environmental awareness. There were other factors that could be considered such as green brand image, customer trust, perceived product quality, and price sensitivity. If all these factors were incorporated in the model, it would provide a detailed insight into how customers react to sustainability initiatives. These limitations should be considered when the results are interpreted, and they also point out some nice spots for the next work of research.

## 5.8. Recommendations for Future Research

Based on the current study's deficits and outcomes, the proposals for future research in the field of GHRM and sustainability-driven customer behavior are put forward here. These pointers are intended to deepen the knowledge of GHRM and sustainability-driven customer behavior.

- It is highly advisable that the next studies should use longitudinal research designs in which they will examine the long-term effects of the continuous performance of GHRM practices on customer satisfaction and loyalty over time. Consequently, it would be feasible to determine causal relationships and observe behavioral changes that occur in the long term.
- Besides that, the scholars might expand their conceptual framework by incorporating more variables such as green brand image, customer trust, perceived environmental performance, and brand loyalty. These latent variables may explain the underlying processes in which GHRM impacts customer outcomes.
- The extent to which the findings can be generalized can be further raised by the industry or country comparative research. For instance, by comparing the fashion industries in Pakistan and other emerging economies or developed markets, one might find that there are differences in the perception and implementation of sustainability that depend on the context.
- Another perspective for the next research work is to use a mixed-methods approach that includes quantitative surveys together with qualitative interviews or focus groups. In this case, the researchers would be able to gather deeper insights into the views of customers and the opinions of management..

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# Appendices

## Appendix A: Research Questionnaire

### Section A: Demographic Information

#### Gender

Male

Female

#### Age

18–25

26–33

34–40

Above 40

#### Education

Intermediate

Bachelor's

Master's

Other

### **Shopping Frequency**

- Once a month
- Every 2–3 months
- Every 6 months
- Rarely

### **Preferred Fashion Brand**

- Khaadi
- Sapphire
- Gul Ahmed
- Generation
- Alkaram
- Others

### **Section B: Green Human Resource Management Practices**

(1 = Strongly Disagree, 5 = Strongly Agree)

1. Employees are educated on procedures that protect the environment.
2. The company encourages employees to follow eco-friendly routines.
3. Corporate environmental responsibility is recognized as part of employee performance assessments.

4. Employees should encourage customers to select eco-friendly products.
5. Green initiatives are supported by the Management at the workplace.

### **Section C: Customer Satisfaction**

1. I am happy with the overall quality of the service provided by this company.
2. Environmentally responsible behavior is demonstrated by employees.
3. I believe this brand is sustainable because of their practices.
4. Shopping experiences with this company are always good.
5. I will definitely tell my friends about this brand.

### **Section D: Environmental Awareness**

1. I clearly understand that the fashion industry causes serious environmental issues.
2. I only support those brands that make an effort to protect the environment.
3. Through my purchases, I strive to lessen the damaging effects on the environment.
4. Environmental responsibility plays an important role in my purchasing decisions.

### **Section E: Green Human Resource Management (Service Delivery Perspective)**

Employees of this fashion brand consistently follow environmentally friendly practices while serving customers.

- a. Agree
- b. Disagree

## **Section F: Customer Environmental Awareness**

I feel personally responsible for reducing environmental harm through my clothing purchase decisions.

- a. Agree
- b. Disagree

## **Section G: Customer Satisfaction (Behavioral Intention)**

I am more likely to revisit this fashion brand because of its commitment to environmental sustainability.

- a. Agree
- b. Disagree

## **Appendix B: Measurement Scale Sources**

- GHRM Scale adapted from: Renwick et al. (2020); Chaudhary (2020)
- Customer Satisfaction Scale adapted from: Luu (2021)
- Environmental Awareness Scale adapted from: Stern (2020); Kim et al. (2022)

## **Appendix C: Ethical Consent Statement**

Participation in this research was optional. The people who took the survey were made aware that their answers would be kept anonymous and confidential, and that the data would be used only for academic research purposes. Also, they were given the option to leave the study at any point without facing any consequences if they so wished.

## **Appendix D: Statistical Tools Used**

- SPSS Version 26
- Hayes PROCESS Macro Model 1
- Cronbach's Alpha
- Pearson Correlation
- Regression and Moderation Analysis

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