

ABSTRACT

Firm performance (FP) is contingent upon employees, as they possess the required knowledge, skills, and competencies needed for the execution of organisational strategy. However, climate change, energy inefficiency and depletion of natural resources have hit hard all sectors of the global economy. In Kenya, at least 25% of Nairobi Securities Exchange (NSE) listed firms issue profit warnings or declare massive losses annually. Conversely, firm's pursuit of green human resource management practices (GHRMP) and green facets of business have been linked to superior results. This study aimed to establish the relationship between GHRMP and the performance of the NSE-listed firms and how their relationship is mediated by employee outcomes (EO) and moderated by individual structural firm characteristics (SFC). The study was guided by the following five objectives, to establish the relationship between GHRMP and the performance of NSE listed firms to determine the relationship between EO and performance, to establish the relationship between individual SFC and the performance, to determine the mediating effect of EO on the relationship between GHRMP and the performance and finally, to establish the moderating effect of individual SFC on the relationship between GHRMP and the performance. The study was anchored on resource-based theory, universalistic theory, contingency theory, the causal model of HRM, human capital theory, and the guest model. It was based on a positivist research philosophy, and employed a cross-sectional survey design, to conduct a census of all the 62 companies listed on the NSE by December 2021. The census was preceded by a pilot study conducted in twelve firms not listed on the NSE, to test the reliability and of the research tool, and its findings informed this study. Reliability was determined using Cronbach's alpha coefficient, which yielded a reliability coefficient of 0.957. Validity was ascertained through the expert judgement of the university supervisors and HR research experts. Data were collected using a self-administered questionnaire. Data were analysed using descriptive statistics, comprising percentages, frequencies, means, and standard deviations, as well as inferential statistics aided by SPSS software. Charts, graphs, and tables presented the study findings, followed by a discussion of the implications in each section. At $\alpha = 0.05$, Pearson correlation and simple and multiple regression analysis were used to ascertain relationships and test the research hypotheses derived from the specific objectives. The findings revealed a statistically significant relationship between GHRMP and FP, employee outcomes and FP, and individual SFC and FP. The study further revealed that EO partially mediated the relationship between GHRMP and FP, and individual SFC significantly moderated the relationship between GHRMP and FP. The study, makes five recommendations to enable firms to remain competitive: first, public and private institutions should entrench green HRM and digital practices in line with NSE guidelines and global requirements. Second, institutions should institute GHRMP to raise and foster an eco-friendly workforce and culture. Third, firms irrespective of their age and size should engage in GHRMP as it directly linked to positive performance. Fourth, to ensure their HR commitment to the environment, organisations irrespective of age and size should adopt the green HRM model. Lastly, the study recommends that tertiary and professional institutions such as Institute of Human Resource Management (IHRM), consider including GHRM in their curricula to prepare a future green HR workforce. Areas for further research are: a comparative study on financial performance between firms implementing GHRMP and those without; an assessment of the mediation effect of other EO on GHRMP-FP relationship, an assessment of the moderation effect of other individual SFC on GHRMP-FP relationship and lastly, a study on development and testing more comprehensive and valid measures of GHRMP and FP. This study contributes to the management operations of NSE listed firms, IHRM and academia, and shape HR policy in both the private sector and governments at the national and county levels. Finally, the study also contributes to the theory and practice of green HRM locally and internationally.