

# Sustainability-Oriented HRM, Employee Engagement, and Service Quality in Malaysian Hospitality SMEs: The Mediating Role of Green Organizational Commitment

Siti Farhana Ismail<sup>1\*</sup>, Nguyễn Thị Thu Hà<sup>2</sup>

<sup>1</sup>Faculty of Business, Economics and Accountancy, Universiti Malaysia Sabah, Kota Kinabalu, Malaysia

Email: [farhana.ismail@ums.edu.my](mailto:farhana.ismail@ums.edu.my)

<sup>2</sup>Faculty of Business Administration, Hanoi Open University, Hanoi, Vietnam

Email: [hatt@hou.edu.vn](mailto:hatt@hou.edu.vn)

\*Corresponding author: [farhana.ismail@ums.edu.my](mailto:farhana.ismail@ums.edu.my)

## Abstract

Hospitality SMEs in Southeast Asia face rising expectations to adopt sustainability practices while recovering from demand volatility and workforce turnover. Human resource management plays a central role in translating sustainability goals into everyday service behavior, yet evidence on how sustainability-oriented HRM affects service quality in small hospitality firms remains limited. This study examines how sustainability-oriented HRM practices influence service quality in Malaysian hospitality SMEs through employee engagement and green organizational commitment. Drawing on the Ability–Motivation–Opportunity framework and organizational commitment theory, the model conceptualizes sustainability-oriented HRM as recruitment, training, performance management, and involvement practices aligned with environmental and social responsibility. Survey data were collected from 389 employees across small hotels and restaurants in three Malaysian tourism areas. Partial Least Squares Structural Equation Modeling (PLS-SEM) was used to test direct effects and parallel mediation. Results indicate that sustainability-oriented HRM strengthens employee engagement and green commitment, which in turn improve perceived service quality. Green commitment partially mediates the HRM–service quality relationship and complements the engagement pathway. The findings suggest that sustainability in hospitality SMEs becomes operationally meaningful when HR practices build psychological attachment to green values and create opportunities for employees to translate those values into customer-facing behavior. Practical implications emphasize aligning training and incentives with sustainability routines, strengthening employee voice, and designing low-cost green engagement practices suitable for SME constraints.

*Keywords: Sustainability-Oriented HRM, Green Commitment, Employee Engagement, Service Quality, Hospitality SMEs, PLS-SEM.*

## A. INTRODUCTION

Sustainability expectations have expanded beyond large corporations and increasingly shape how small and medium-sized enterprises operate, particularly in service sectors that depend on reputation and customer experience. Hospitality SMEs—small hotels, guesthouses, restaurants, and tour-related services—occupy a distinctive position because their environmental footprint is visible in daily operations, while their social footprint is reflected in employment practices and community relationships. In Southeast Asia, tourism growth has historically created opportunities for SMEs, yet recent volatility has intensified cost pressure and workforce turnover. These conditions raise a strategic question: how hospitality SMEs can pursue sustainability without undermining service quality and competitiveness (Ahmed et al., 2024; Susanto et al., 2024).

Malaysia provides an instructive setting. Tourism-dependent regions combine seasonal demand, intense price competition, and increasing customer expectations for responsible practices such as waste reduction, energy conservation, and ethical sourcing (Lin et al., 2024; Sulistyanto et al., 2024). While sustainability is often discussed as infrastructure—efficient equipment, waste systems, supplier standards—the everyday execution of sustainability depends heavily on employees. Employees decide whether to separate waste, follow energy-saving routines, communicate responsible options to customers, and maintain service standards under pressure. Human resource management therefore becomes a primary lever for embedding sustainability into service delivery (Setyaningrum & Muafi, 2023).

Sustainability-oriented HRM refers to HR practices designed to build employee ability, motivation, and opportunity to enact sustainability values. Recruitment can signal green values by selecting

individuals aligned with responsible practices. Training can provide skills to implement sustainability routines and to understand why they matter. Performance management can reinforce sustainability behavior through evaluation and rewards. Involvement practices can give employees voice in improving green routines, increasing ownership and creativity (Alsheref et al., 2024; Luu, 2022). These practices may matter particularly in SMEs because formal systems are limited and culture is shaped directly by owners and supervisors.

Even so, the link between sustainability-oriented HRM and service quality is not automatic. Sustainability initiatives can become symbolic if employees view them as cost-cutting disguised as responsibility, or if they lack resources to enact routines. The psychological mechanisms through which HRM translates into service quality must be clarified. Employee engagement and green organizational commitment offer plausible pathways (Patil, 2024; Razali & Vasudevan, 2024; Sitohang et al., 2024). Engagement reflects energy, dedication, and absorption in work. Green commitment captures psychological attachment to the organization's environmental values and willingness to support them. When employees are engaged and committed to green values, they are more likely to deliver consistent service and to enact sustainability routines without compromising customer experience (Cen, 2023; Lubis & Pratama, 2022; Rizal et al., 2024).

This study proposes a model in which sustainability-oriented HRM influences perceived service quality through employee engagement and green organizational commitment. The model draws on the Ability–Motivation–Opportunity framework, which emphasizes that HR practices influence performance by shaping ability, motivation, and opportunity. Commitment theory adds that value-based attachment strengthens discretionary effort. The study focuses on Malaysian hospitality SMEs because they face constraints that make sustainability challenging—limited budgets, high turnover, and fluctuating demand—while also benefiting from sustainability reputation in tourism markets.

The research addresses three questions: (1) whether sustainability-oriented HRM relates positively to perceived service quality; (2) whether employee engagement and green organizational commitment mediate this relationship; and (3) how the findings inform practical sustainability strategies that are feasible for SMEs. By clarifying mechanisms, the study contributes to sustainability management literature and offers actionable guidance for small hospitality firms pursuing responsible practices without sacrificing service performance.

## **B. LITERATURE REVIEW**

### **Sustainability-Oriented HRM and Employee Engagement**

Sustainability-oriented HRM can strengthen employee engagement by creating a sense of purpose and by investing in capability development. Training that connects daily tasks to environmental impact can make work feel meaningful. Involvement practices that invite employee suggestions for improving sustainability routines can increase ownership, which supports dedication. When performance management recognizes sustainability behaviors, employees receive clear signals about what matters, reducing ambiguity and supporting consistent effort (Kalusivalingam et al., 2022; Uzozie et al., 2023).

Sustainability management in hospitality has traditionally emphasized operational practices such as energy efficiency, waste reduction, and sustainable sourcing. These practices are important, yet their success depends on employee behavior. Service quality, a central determinant of hospitality competitiveness, is also behavioral in nature, shaped by frontline interactions, responsiveness, and consistency. Integrating sustainability with service quality therefore requires HR systems that align employee behavior with environmental and social goals.

The Ability–Motivation–Opportunity (AMO) framework explains how HR practices influence employee performance. Ability-enhancing practices such as training build competence. Motivation-enhancing practices such as rewards and performance management increase willingness to exert effort. Opportunity-enhancing practices such as involvement and empowerment create space for employees to apply their skills. Sustainability-oriented HRM aligns these practices with green and responsible goals, making sustainability part of expected and supported job behavior (Choudhuri, 2024). These mechanisms suggest that HRM aligned with sustainability can increase engagement rather than being perceived as additional burden, especially when designed as supportive practices rather than punitive monitoring.

H1: Sustainability-oriented HRM is positively associated with employee engagement.

### **Sustainability-Oriented HRM and Green Organizational Commitment**

Sustainability-oriented HRM can strengthen green organizational commitment by signaling that sustainability is not superficial. Recruitment that emphasizes green values, training that builds competence, and reward systems that reinforce responsible behavior can shape value alignment. When

employees perceive that the organization consistently supports sustainability, they are more likely to internalize green values and feel attached to them (Ogunyankinnu et al., 2024; Sharma & Joshi, 2024).

Organizational commitment theory suggests that employees who identify with organizational values exhibit stronger discretionary effort and persistence. Green organizational commitment captures attachment to environmental values and willingness to support green initiatives. When commitment is high, employees may engage in pro-environmental behaviors even when supervision is limited. In SMEs, where monitoring capacity is constrained, commitment may be especially valuable (Kalusivalingam et al., 2022; Uozie et al., 2023).

Employee engagement provides a complementary mechanism. Engaged employees exhibit vigor and dedication, which support service quality. Engagement can also increase the likelihood that employees internalize sustainability routines because they approach tasks proactively rather than minimally. Sustainability-oriented HRM can strengthen engagement by signaling that the organization invests in employees and provides meaningful work aligned with broader values. Commitment is expected to be particularly important in SMEs because formal controls are limited and behaviors often rely on internalized norms.

H2: Sustainability-oriented HRM is positively associated with green organizational commitment.

### **Engagement, Green Commitment, and Service Quality**

Employee engagement should improve service quality because engaged employees invest energy in customer interaction, respond proactively to problems, and maintain consistency under pressure. Engagement reduces the likelihood of service failures that stem from disengagement and minimal effort (Belhadi et al., 2024; Kumar et al., 2024).

Green organizational commitment can also improve service quality by supporting consistent execution of sustainability routines that customers increasingly value, such as waste reduction, clean practices, and responsible communication (Adenuga et al., 2020; Al-Amin et al., 2024). Commitment can reduce cynicism and prevent sustainability from being treated as an extra task that competes with service delivery. Instead, commitment encourages integration of green routines into service behavior.

H3: Employee engagement is positively associated with service quality.

H4: Green organizational commitment is positively associated with service quality.

### **Direct and Mediated Effects**

Sustainability-oriented HRM may influence service quality directly by clarifying expectations and reducing operational inconsistency. At the same time, the AMO framework suggests that HR practices influence outcomes through psychological mechanisms. Engagement and green commitment therefore function as mediators that translate HR systems into customer-facing performance (Chilakapati et al., 2024; Vadigicherla, 2024).

Service quality in hospitality SMEs can be conceptualized as perceived reliability, responsiveness, empathy, and overall customer experience consistency. While service quality is often evaluated from the customer perspective, employee perceptions can provide an internal lens on service process stability and delivery capability. The present study uses employee-reported service quality as a proxy for internal service delivery effectiveness, which is a relevant outcome in SMEs. The study tests parallel mediation through engagement and green commitment, recognizing that employees can be energized by HR practices while also becoming value-attached to green goals (Adetula & Akanbi, 2023; Shorif & Islam, 2024).

H5: Sustainability-oriented HRM is positively associated with service quality.

H6: Employee engagement mediates the relationship between sustainability-oriented HRM and service quality.

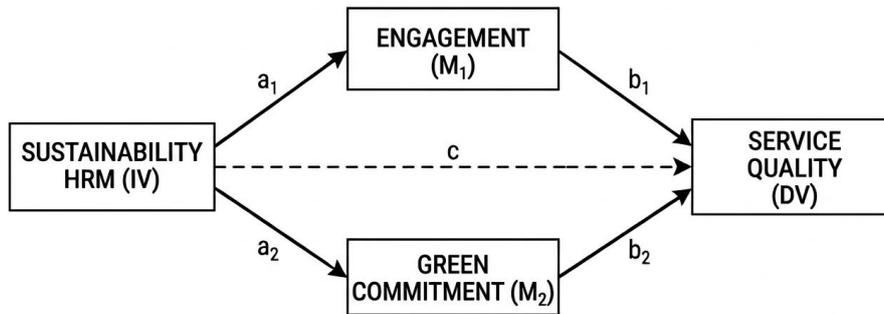
H7: Green organizational commitment mediates the relationship between sustainability-oriented HRM and service quality.

## **C. METHOD**

A quantitative explanatory design was employed to test direct and mediated relationships among sustainability-oriented HRM, employee engagement, green organizational commitment, and service quality. A cross-sectional survey approach was chosen because the focal constructs represent employee perceptions and psychological states that can be captured effectively through validated scales. Data were collected from 389 employees working in Malaysian hospitality SMEs, including small hotels and restaurants in three tourism areas. Firms were selected to represent a range of service types and ownership structures. Respondents included frontline service staff and supervisors who could assess HR

practices and service delivery routines. Eligibility required at least six months of tenure to ensure exposure to the organization’s HR systems.

Sustainability-oriented HRM was measured through items capturing green recruitment signals, sustainability training, performance appraisal and rewards aligned with green behavior, and employee involvement in sustainability initiatives. Employee engagement was measured through vigor and dedication indicators. Green organizational commitment captured attachment to the organization’s environmental values. Service quality captured perceived reliability, responsiveness, and consistency of service delivery. All items used five-point Likert scales. PLS-SEM was employed to assess measurement properties and test hypotheses, with bootstrapping used for mediation inference. Participation was voluntary and anonymous.



**Figure 1.** Parallel Mediation Model of Sustainability HRM on Service Quality

This parallel mediation figure demonstrates that Sustainability HRM affects Service Quality through two mediating pathways: Engagement, representing an enhanced dedication of personal energy to the service role, and Green Commitment, representing the organizational-level value alignment with green objectives. Together, these parallel pathways show that HRM systems focused on sustainability can simultaneously enhance individual commitment and align shared values, driving superior service outcomes.

**D. RESULT AND DISCUSSION**

**Result**

Measurement model evaluation indicated acceptable reliability and validity across constructs. Respondents distinguished sustainability-oriented HRM from engagement and commitment, supporting the separation between managerial practices and psychological states. Engagement and green commitment were empirically distinct, indicating that energy and dedication differ from value-based attachment. Structural evaluation supported positive relationships between sustainability-oriented HRM and both employee engagement and green organizational commitment. Engagement and green commitment each related positively to perceived service quality. The direct relationship between sustainability-oriented HRM and service quality was also supported, indicating that HR practices contribute both directly and through psychological mechanisms.

Parallel mediation analysis indicated that engagement and green commitment transmit meaningful portions of the HRM–service quality relationship. The mechanism pattern suggests that HR systems improve service quality by energizing employees and by strengthening value alignment, enabling sustainability routines to be integrated into customer service rather than treated as competing demands. Tables 1–3 summarize model adequacy, hypothesis support, and mechanism interpretations.

Before presenting the structural results, Table 1 summarises the quality of the measurement model to demonstrate that the latent constructs are captured reliably and with adequate validity. This step is essential because any inference about relationships among Sustainability-Oriented HRM, Employee Engagement, Green Organizational Commitment, and Service Quality depends on whether the indicators consistently represent their intended concepts, converge on the same underlying construct, and remain empirically distinguishable from one another. In other words, the table functions as a diagnostic checkpoint: it indicates whether subsequent path estimates can be interpreted as substantive effects rather than artefacts of measurement noise or construct overlap.

**Table 1.** Measurement Model Summary

Construct	Internal Consistency	Convergent Validity	Discriminant Validity
Sustainability-Oriented HRM	Established	Established	Confirmed
Employee Engagement	Strong	Established	Confirmed

Green Organizational Commitment	Established	Established	Confirmed
Service Quality	Established	Established	Confirmed

Source: data proceed

Table 1 indicates that internal consistency is satisfactory across all constructs, with Employee Engagement rated as strong and the remaining constructs described as established. Substantively, this suggests that the item sets for each latent variable behave as coherent scales rather than as loosely related checklists, which is particularly important in socio-behavioural models where constructs are conceptually close and respondents may provide globally positive or negative evaluations. Strong internal consistency for Employee Engagement is meaningful because engagement typically operates as a central mediator in HRM models; higher reliability at this node reduces attenuation bias and increases confidence that observed mediation effects are not underestimated due to measurement error.

The table also reports established convergent validity for all constructs, implying that the indicators for each construct share sufficient common variance to justify treating them as reflective measures of a single latent concept. This point matters for two reasons. First, Sustainability-Oriented HRM is often operationalised through multiple practice domains (for example, training, involvement, rewards, and performance management), and established convergence suggests that these domains cohere empirically as a unified sustainability-oriented system rather than fragmenting into unrelated practice clusters. Second, service quality is frequently sensitive to context and role expectations in hospitality SMEs; evidence of convergence supports the claim that the measurement captures a stable service quality signal rather than merely episodic impressions.

Discriminant validity is confirmed for all constructs, which addresses a critical risk in models linking HRM to engagement and commitment: conceptual proximity can easily produce empirical redundancy. Confirmation of discriminant validity indicates that Sustainability-Oriented HRM is not being conflated with Employee Engagement, that engagement is not simply re-labelled commitment, and that Green Organizational Commitment remains empirically distinct from Service Quality. This is analytically consequential because the theoretical mechanism being tested depends on separation among these constructs: HRM practices are treated as organisational inputs, engagement and green commitment as internal psychological states, and service quality as an externalised behavioural outcome. If discriminant validity were weak, the model could overstate relationships due to common-method overlap or halo effects; the confirmed results reduce that concern and support interpretation of the structural paths as relationships among distinct constructs.

Table 1 provides a defensible foundation for the subsequent structural model assessment. The combination of adequate internal consistency, convergent validity, and confirmed discriminant validity suggests that the measurement model is fit for purpose, allowing the analysis to move from questions of “Are we measuring the right things?” to questions of “How do these constructs relate in practice?” In applied terms, the measurement results support a credible test of whether sustainability-oriented HRM is associated with higher engagement and green commitment and, through these mechanisms, with improved service quality in hospitality SMEs, while minimising the risk that findings are driven by measurement artefacts rather than by substantive organisational dynamics.

Before interpreting effect sizes and practical implications, Table 2 summarises the hypothesis tests to clarify which theoretical links are empirically sustained and how the proposed mechanism operates. Presenting this synthesis upfront is particularly useful in models that include both direct and mediated pathways, because it allows the reader to see whether Sustainability-Oriented HRM primarily influences Service Quality through internal psychological states, through a direct route, or through a combination of both.

**Table 2.** Hypotheses Testing Summary

Hypothesis	Relationship	Supported
H1	Sustainability HRM → Engagement	Yes
H2	Sustainability HRM → Green Commitment	Yes
H3	Engagement → Service Quality	Yes
H4	Green Commitment → Service Quality	Yes
H5	Sustainability HRM → Service Quality	Yes
H6	Engagement mediates HRM → Service Quality	Partial
H7	Green Commitment mediates HRM → Service Quality	Partial

Source: data proceed

The pattern of support is structurally coherent with a “dual-pathway” account of how sustainability-oriented people management translates into customer-facing performance. The acceptance

of H1 and H2 indicates that Sustainability-Oriented HRM is positively associated with both Employee Engagement and Green Organizational Commitment, implying that sustainability-oriented practices are interpreted by employees not merely as operational requirements but as meaningful organisational signals that energise work involvement and strengthen identification with the organisation's environmental stance. This matters because it confirms the first step in the causal chain: HRM practices appear to shape the motivational and normative states that are theoretically expected to precede service behaviour.

Support for H3 and H4 further suggests that both psychological routes are consequential for Service Quality, but through potentially different behavioural logics. Engagement's positive association with service quality aligns with the view that engaged employees invest more attention, persistence, and discretionary effort in service delivery, especially under pressure, which improves reliability and responsiveness. Green organizational commitment's positive association with service quality implies an additional mechanism: a commitment-based orientation can stabilise routine adherence and encourage consistency in sustainability-related service behaviours (such as cleanliness standards, resource conservation routines, and waste-handling discipline) that customers often interpret as professionalism and quality. Importantly, the joint support for H3 and H4 indicates that service quality is not explained by a single motivational channel; rather, it emerges from the combined influence of energised work involvement and value-based commitment.

H5, which confirms a direct link from Sustainability-Oriented HRM to Service Quality, indicates that HRM does not operate only through employee states, but also has an immediate behavioural or process effect. In practical terms, sustainability-oriented HRM can standardise service routines, clarify expectations, and improve coordination through training, role design, and performance management, generating service quality improvements even before considering individual psychological responses. The existence of this direct path is theoretically meaningful because it points to HRM as both a "system of meaning" that shapes attitudes and a "system of control and capability" that shapes routines and task execution.

The mediation results reported in H6 and H7 as partial mediation integrate these findings into a more precise explanation. Partial mediation implies that Engagement and Green Commitment each transmit part of the HRM effect on Service Quality, while a residual direct effect remains. This configuration suggests a layered mechanism: sustainability-oriented HRM improves service quality partly by changing how employees feel and identify (engagement and commitment), and partly by reshaping the conditions under which service is delivered (structures, routines, and capability). Substantively, this is a stronger theoretical outcome than full mediation in many applied settings, because it avoids an overly psychological explanation and recognises that HRM interventions often work simultaneously through mindset change and process change.

Table 2 supports a model in which sustainability-oriented HRM functions as a high-leverage organisational input with both motivational and operational pathways to service outcomes. For hospitality SMEs, this implies that service quality gains are most likely when sustainability-oriented HRM is designed not only to inspire employees through credible values and involvement, but also to embed those values into workable routines and role expectations that reduce variability in day-to-day service delivery. The dual partial mediation pattern also indicates that focusing on only one internal channel may understate the broader mechanism; engagement-building practices and commitment-building practices appear complementary, and their joint development helps explain why sustainability-oriented HRM can translate into observable service quality improvements.

Before moving to the policy and managerial implications, Table 3 consolidates the supported pathways into an interpretable mechanism map, translating statistical relationships into behavioural and operational logic that is meaningful for hospitality SMEs. This table is positioned as a bridge between the hypothesis tests and the applied discussion: rather than repeating coefficients, it clarifies what each pathway *does* in practice, why it matters, and how it should be read in environments characterised by limited resources, high service variability, and frequent staffing constraints.

**Table 3. Mechanism Summary for Interpreting the Results**

<b>Mechanism</b>	<b>Interpretive Logic</b>	<b>Practical Meaning for Hospitality SMEs</b>
HRM → Engagement → Service Quality	Supportive training and involvement increase energy and dedication in service delivery.	Employees respond proactively and maintain consistency under pressure.

HRM → Green Commitment → Service Quality	Value alignment reduces cynicism and integrates green routines into service behavior.	Sustainability practices become part of hospitality experience, not an added burden.
Direct HRM → Service Quality	Clear expectations and appraisal systems reduce operational inconsistency.	Service routines stabilize, reducing service failures.

Source: data proceed

The first mechanism, HRM → Engagement → Service Quality, captures a motivational pathway in which sustainability-oriented HRM practices function as supportive signals that increase employees' energy, dedication, and willingness to invest discretionary effort in service delivery. In hospitality settings, service quality is often produced in real time under conditions of time pressure, unpredictable guest demands, and emotional labour; engaged employees are better positioned to regulate stress, remain attentive to details, and recover quickly from minor disruptions. The practical meaning is not simply "employees work harder," but that they behave more proactively: they anticipate guest needs, respond faster to service breakdowns, and preserve consistency during peak periods when quality typically deteriorates. This mechanism is especially relevant for SMEs because small teams lack slack capacity; the loss of attentional focus by even one staff member can cascade into queueing, errors, and dissatisfaction, making engagement an operational stabiliser rather than a purely psychological outcome.

The second mechanism, HRM → Green Commitment → Service Quality, highlights a value-alignment route that is distinct from engagement even though both move service quality upward. Here, sustainability-oriented HRM strengthens commitment by signalling that responsible practices are not temporary campaigns but part of organisational identity, which reduces cynicism and increases normative adherence to green routines. In hospitality SMEs, "green" practices can easily be framed by employees as extra work that competes with speed or convenience, especially when staffing is tight; commitment changes this interpretation by making sustainability practices part of what it means to deliver quality hospitality. The practical implication is that routines such as waste segregation, linen and water management, energy-saving behaviours, and cleanliness discipline become integrated into service behaviour rather than treated as optional add-ons. When commitment is high, employees are more likely to maintain these routines consistently, even when supervisors are absent or when the immediate payoff is not visible, which improves service reliability and strengthens the guest's perception that sustainability is embedded in the experience rather than performed superficially.

The third mechanism, the direct HRM → Service Quality pathway, points to an operational or systems route that does not depend entirely on employee attitudes. Sustainability-oriented HRM often involves clearer role expectations, more structured training, and appraisal systems that define performance standards, and these elements can reduce inconsistency by shaping routines, reducing ambiguity, and improving coordination. For hospitality SMEs, this direct pathway is important because it indicates that service quality can improve through better-designed processes even when engagement and commitment are still developing. In practice, clearer expectations and consistent appraisal reduce service failures by making "how to do the job" less dependent on individual interpretation, which is critical in SMEs where informal practices and ad hoc supervision can produce wide variability in customer experience. This mechanism also helps explain why the mediation effects are partial: HRM works both by shaping internal motivation and by stabilising the operating system that governs daily service delivery.

Table 3 suggests that sustainability-oriented HRM should be understood as a dual-purpose capability for hospitality SMEs: it can cultivate motivated and value-aligned employees while simultaneously strengthening service routines and coordination structures. The implication for interpretation is that improvements in service quality are not reducible to a single pathway; they emerge from the combined effect of heightened engagement, strengthened green commitment, and reduced operational ambiguity, which jointly stabilise performance in a sector where small shocks can quickly degrade the customer experience.

### Discussion

The findings suggest that sustainability becomes operationally meaningful in hospitality SMEs when HR practices translate green values into employee behavior. Sustainability-oriented HRM relates positively to perceived service quality, and the mediation pattern indicates that the relationship operates through both engagement and green organizational commitment. This mechanism structure clarifies why sustainability initiatives sometimes fail in small firms: when sustainability is framed as a cost-cutting checklist without employee meaning and involvement, it can reduce morale and compete with service

delivery. When framed as supported practices that build competence and purpose, it can strengthen service performance.

Employee engagement functions as an energy pathway. Hospitality service quality depends heavily on emotional labor, attentiveness, and consistency. Training that equips staff to implement sustainability routines reduces uncertainty and prevents sustainability from being perceived as confusing extra work. Involvement practices increase ownership, supporting dedication and proactive service. These mechanisms align with the AMO framework by showing how HR systems enhance motivation and opportunity, producing higher service quality.

Green organizational commitment functions as a value-alignment pathway. Commitment reduces the risk that sustainability routines are executed superficially. When employees feel attached to green values, they are more likely to persist in routines such as waste separation, energy conservation, and responsible customer communication even when supervision is limited. Commitment also helps employees reconcile potential trade-offs between speed and sustainability by internalizing why responsible practices matter, reducing cynicism and resistance.

A tourism-sector perspective highlights reputational implications. Customers increasingly evaluate hospitality providers based on cleanliness, ethical sourcing, and responsible practices. SMEs that align HR practices with sustainability can convert these expectations into service differentiation. The results suggest that sustainability can support competitiveness when implemented through employee-centered routines rather than through expensive infrastructure alone.

An ASEAN comparative lens suggests that the HRM–engagement–commitment logic is likely to generalize across service SMEs, though resource constraints and labor market dynamics differ. In Thailand, hospitality SMEs often face intense service competition, making engagement and service quality central; sustainability can be a differentiator when employees internalize green routines. In Vietnam, rapid tourism development and workforce mobility can increase turnover risk, making commitment-based interventions valuable. In the Philippines, community-based tourism and local sourcing can amplify the social dimension of sustainability, making HR practices that emphasize fairness and community connection particularly salient. Across the region, the common lesson is that sustainability performance depends on human systems that make responsible behavior feasible and meaningful.

A complementary interpretation is that sustainability-oriented HRM operates not only as a bundle of internal practices, but as an internal branding system that shapes how employees interpret “who we are” as an organisation and what kinds of behaviour are socially expected and rewarded. When employees perceive responsible practices as credible and consistently prioritised, they are more likely to experience moral pride, identity alignment, and perceived meaning in their work, which strengthens engagement through a values-based route rather than a purely transactional exchange. Engagement, in turn, is not merely an attitudinal outcome; it is a behavioural resource that increases attentional investment, emotional regulation in service encounters, and willingness to follow routines that are invisible to customers but highly diagnostic of quality, such as hygiene consistency, waste sorting, energy-saving procedures, and the careful handling of guest complaints. In hospitality SMEs, where service quality often depends on micro-interactions rather than formal process control, this internal branding mechanism can translate into a recognisable “tone” of service, because employees who feel proud of the firm’s practices tend to show higher conscientiousness and more stable customer-facing performance.

This interpretive lens also clarifies why green commitment may reduce turnover intentions even when wages are relatively low and work is seasonal, as commonly observed in hospitality SMEs. Commitment-based systems create psychological attachment by increasing perceived organisational support and signalling that the employer invests in a longer-term employment relationship, which can partially offset the instability of the sector. Even if turnover is not modelled explicitly, it is analytically important because retention is a capability multiplier: experienced staff develop tacit knowledge about service recovery, peak-hour coordination, and task prioritisation, and these competences are difficult to codify in short training modules. Lower churn also reduces coordination failures that often erode quality in SMEs, such as inconsistent handovers, unclear role boundaries, and repeated onboarding of inexperienced staff, which collectively increase errors and customer dissatisfaction. From a systems perspective, green commitment can be understood as a stabiliser that improves service quality indirectly through workforce continuity, shared norms, and the accumulation of operational routines, all of which strengthen reliability in environments that otherwise suffer from high labour volatility.

Resource constraints in SMEs make the mechanism especially dependent on micro-practices rather than large-scale programs. Short daily reminders, peer role modelling, and visible recognition function as low-cost “behavioural infrastructure” that keeps sustainability salient under time pressure, when employees typically revert to the fastest available action rather than the most responsible one. The managerial challenge is not simply to declare sustainability values, but to embed them in predictable cues

and feedback loops that shape habit formation, such as quick briefings at shift start, simple checklists at decision points, and recognition that reinforces the desired norm without creating a perception of coercion. A supportive climate is crucial here because punishment-based compliance often produces surface-level adherence and concealment of mistakes, whereas supportive climates encourage voice behaviour and learning, allowing staff to flag operational trade-offs, for example when a sustainable practice slows service during peak periods, and to jointly redesign routines so sustainability becomes feasible rather than aspirational. In this sense, sustainability-oriented HRM can be seen as “routine engineering” under constraint, where the practical goal is to reduce the friction costs of responsible action and make it the default behaviour that employees can execute consistently.

A deeper risk, which the model should take seriously, is that the benefits of sustainability-oriented HRM are contingent on perceived green authenticity. When employees suspect greenwashing, HRM practices aimed at sustainability may fail to build commitment and can even reduce engagement by generating cynicism, moral disengagement, or feelings of manipulation, particularly if employees believe sustainability rhetoric is used to extract extra effort without substantive organisational investment. Authenticity, therefore, functions as a moderator that changes how the same practice is interpreted: involvement practices can be read as empowerment when authenticity is high, yet as performative window-dressing when authenticity is low; rewards can be read as recognition of shared values, yet as symbolic tokens when operational decisions contradict stated commitments. Practical authenticity signals tend to be behavioural and material rather than rhetorical, including consistent leadership behaviour, transparent reporting on sustainability trade-offs, and investment in basic infrastructure such as waste segregation systems, energy-efficient equipment, or supplier standards. These tangible signals reduce attribution ambiguity and help employees perceive HRM practices as credible commitments rather than marketing gestures, which is critical if internal branding is to generate pride rather than scepticism.

A cross-country ASEAN lens can extend the analysis by treating engagement pathways as culturally and institutionally embedded rather than universal. Cultural norms may shape whether involvement practices, peer influence, and collective pride amplify commitment, particularly in contexts where collectivist orientations strengthen the salience of group identity and social approval. At the same time, labour market structures, informal employment prevalence, and economic insecurity can shift which HRM levers matter most: in settings where income volatility is high, reward systems and scheduling stability may be more salient for retention and engagement than symbolic recognition, even when sustainability values are broadly endorsed. These differences imply that policy toolkits for SME sustainability should avoid one-size-fits-all prescriptions and instead consider how institutional constraints and cultural expectations shape the credibility and motivational power of HRM practices. A more refined research agenda would test moderated pathways, for example whether authenticity strengthens the effect of sustainability-oriented HRM on engagement, whether engagement translates into service quality more strongly under stable employment relations, and whether the retention benefits of green commitment are larger in labour markets with high churn. This would move the literature from describing “what practices matter” toward specifying “when, for whom, and under what institutional conditions” sustainability-oriented HRM reliably functions as internal branding that produces both employee wellbeing and consistent service quality.

Managerial implications emphasize low-cost HR interventions suitable for SMEs. Clear sustainability onboarding, short practical trainings, recognition systems, and employee suggestion mechanisms can build engagement and commitment without large budgets. Leaders should avoid framing sustainability only as cost saving, and instead connect it to service quality and guest experience. Policy implications include support for SME training programs and toolkits that translate sustainability standards into actionable HR practices. Limitations suggest future research opportunities. Cross-sectional design limits temporal inference; longitudinal studies could examine whether commitment stabilizes retention and service quality across seasons. Customer-reported service quality could complement employee assessments. Future work could also explore the role of owner leadership and perceived green authenticity as moderators of HRM effects.

## **E. CONCLUSION**

This study demonstrates that sustainability-oriented HRM practices positively influence perceived service quality in Malaysian hospitality SMEs, with employee engagement and green organizational commitment operating as complementary mediators. HR practices aligned with sustainability build energy and dedication while also strengthening value attachment, enabling employees to integrate responsible routines into customer service. For SME managers, the findings imply that sustainability strategies should prioritize people systems as much as infrastructure. Training, involvement, and

recognition can turn sustainability into a service advantage rather than a burden. For policymakers, the results suggest that hospitality sustainability programs should include HRM toolkits and employee-focused interventions that are feasible for small firms. As ASEAN tourism continues to evolve, aligning sustainability with service quality through human systems can support competitiveness and responsible development.

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