The purpose of the study is twofold. First, to examine the domain of green marketing construct in the context of small and medium enterprises (SMEs) based on the classification according of the Ghana Investment Promotion Council's industry classification and, second, to assess its impact on the SMEs performance. All the owners/managers of various industries (SMEs) operating in the cities of Accra and Tema in the Greater Accra region of Ghana, that is, 128, were contacted using census method. The study indicates that there exists a strong relationship between green orientation – employee satisfaction, green orientation – customer satisfaction, green orientation – employee retention and green orientation – image. All the dimensions of the GMO scale have positive and significant impacts on performance of the firms. In addition, there exists stronger impact of green marketing dimensions on the customer business to business (B2B) satisfaction and employee retention.
environmental and social issues has been restated by several authors (Brammer, Hoejmose, and Marchant, 2012; Gadenne, Kennedy, and McKeiver, 2008; Lee, 2009; Nadim and Lussier, 2012).

However, there is growing recognition that SMEs have a significant aggregate influence on the environment (Gadenne et al., 2009; Tilley, 2000) has fueled research into environmental management practices among smaller firms (e.g., Fuller and Tian, 2006; Gadenne et al., 2009; Hitchens et al., 2003; Jenkins, 2004, 2006; Lynch-Wood et al., 2009; Morad, 2007; Perrini, 2006; Perrini et al., 2007; Petts et al., 1999; Rowe and Enticott, 1998; Rowe and Holingsworth, 1996; Sarbutts, 2003; Spence et al., 2000; Spence and Schmidpeter, 2003; Williamson et al., 2006; Worthington and Patton, 2005). Access to resources, the decision-making process, values, norms, and sensitivity to brand reputation and image are just some of the aspects that researchers suggest may differentiate SMEs from large corporations and thus help to explain differences in their environmental practices (Cambra-Fierro et al., 2008; Williamson et al., 2006). The prevalence of such differences means that one cannot simply scale the practices prescribed for large corporations down to fit the SME context (Jenkins, 2004; Williamson et al., 2006).

The significance of SMEs in most industrialized and developing economies suggests their environmental impact could be significant, thus warranting more research attention (Gadenne et al., 2008; Purvis, Drake, Hunt, and Millard, 2000; Revell and Blackburn, 2007). Although environmental sustainability among SMEs has been identified as a critical issue, the volume and quality of research required driving changes in behaviour and practice does not reflect its significance (Redmond, Walker, and Giles, 2010). It is against this background that the researcher is motivated to examine the domain of green marketing construct in the context of small and medium enterprises (SMEs) based on the classification according to the Ghana Investment Promotion Council’s industry classification and, second, to assess its impact on the SMEs performance. To achieve the purpose of the study, the following specific objectives are outlined; to examine the relationship between green orientation and employee satisfaction of SMEs; to examine the relationship between green orientation and employee retention of SMEs; to examine the relationship between green orientation and B2B customer satisfaction of SMEs; and to examine the relationship between green orientation and B2B image of SMEs.

The rest of the paper is structured as follows. The second section outlines the objectives of the study. The third section provides the hypothesis and conceptual framework. The fourth section then reviews the relevant literature on green orientation and the performance of SMEs. This is followed by the methodology that was used in executing the study. This section elaborates on the sampling methods and the reasons for the adoption of that method, and the sample size and characteristics. The sixth section outlines the results and discussions of the findings in accordance with the objectives of the study. The final section summarises the major findings, discusses the managerial and theoretical implications and includes suggestions for future research.

HYPOTHESIS AND CONCEPTUAL FRAMEWORK

The under listed hypotheses are formulated for the study.

1. **H1.** GMO has a significant positive impact on employee satisfaction.
2. **H2.** GMO has a significant positive impact on employee retention.
3. **H3.** GMO has a significant positive impact on B2B customer satisfaction.
4. **H4.** GMO has a significant positive impact on B2B image

**FIGURE 1**

CONCEPTUAL FRAMEWORK
LITERATURE REVIEW

Going Green Marketing

“Green” has been used as a symbol that represents a lot of brand positioning strategies such as organic, energy efficient and environmental friendly (Parker et al., 2009). A lot of companies worldwide are adapting a green marketing strategy for many reasons such as, securing themselves against regulations that may be applied, responding to green consumer demands and to compete with other green offerings (Grant, 2008), or changing their whole business philosophy (Polonsky and Rosenberger, 2001).

Overall, the successful green brands were linked to alternative technologies, or a green company philosophy (Parker et al., 2009). The consumers of the green brands use mostly the functional attributes of the green product that are related to its performance, and they derive from it a “functional benefit” that makes them experience “environmental care” during their use for the product. In addition, the green products consumers experience “experiential benefits” which results in satisfying their needs to contribute to the welfare of the society. Finally, they gain “symbolic benefits” while using the brand (Rios et al., 2006).

It should be noted that climatic change has been considered of strategic importance to most executives and about 60 percent of them are considering it in the process of developing and marketing new products. Environmental regulations like Kyoto Protocol, the Waste Electronics and Electrical Equipment and Montreal Convention and the consumers’ environmental consciousness will highly impact the world’s business (Chen et al., 2006). Companies such as Lipton, SC Johnson and Ford are currently designing green products to enhance their business sustainability. The intentions of these companies suggest that there is a paradigm shift toward the environment and society which is driven by the market’s product innovation not just the governmental regulations (Berger et al., 2007).

According to Fraj-Andre’s et al. (2008), Miles and Covin (2000), Miles and Munilla (1993), Pujari et al. (2003), Shrivastava (1995) and York (2009), there are lots of benefits that the corporations can gain when they integrate the sustainability into their businesses such as efficient use of resources, return on investment, entering new markets, increasing the sales and revenues, enhancing the corporate image, product differentiation and enhanced competitive advantages. Chen et al. (2006) found that the competitive advantage of the firm depends on both the green product and green process innovation.

The Value Added by “Going Green”

Many researchers have argued that going green can be a holistic business solution that adds value to the companies and their stakeholders and that it should be a basic part of the system (Polonsky, 1995; Porter and Van der Linde, 1995). The business continuity and sustainability depends on tackling the environmental problems (Baker and Sinkula, 2005).

Many corporations view green activities as different, isolated and fragmented sets of activities such as recycling, reducing pollution and energy conservation, while green businesses do not succeed in isolation (Nair, 2004; Baker and Sinkula, 2005; Nair and Menon, 2008). It is clear that there are economic and competitive opportunities behind the environmental improvements in each company; those improvements
add value to both the organization and the customer (Porter and Van der Linde, 1995). To achieve this, both the organization and the stakeholders should be connected via a comprehensive green value chain in a sustainable manner.

Environmental issues have been tackled by many initiatives from the management and the business scholars. Some examples of these initiatives are total quality environmental management (Banerjee, 1998), corporate environmentalism (Banerjee, 1998; Banerjee et al., 2003), environmental marketing (Charter, 1992; Ottman, 1993). Banerjee (2002) has clarified that a long-term value to the shareholders is created by integrating the “social and environmental issues” to the business.

Some researchers had another perspective, such as Claver-Cortes et al. (2007), who argued that the value added to the companies by the environmental practices should be treated as a capital for the firm, this environmental capital is considered as a part of its intellectual capital that should be treated as a core competence. In addition, Nelson (2009) has developed a conceptual model describing how an entrepreneur can build an organization using the green value added (GVA) system. According to Nelson (2009), the green entrepreneur can build a learning organization using this green intellectual capital, where everybody learns actively to be environmentally efficient and develop green products and services in an innovative manner. However, this GVA system is not only a mechanism that achieves green objectives, but also achieves all socio-economic goals on micro and macro levels and maximizes the profits and shareholder’s value without any compromise in the environmental commitments of the organization.

**Green Marketing Concepts and Definitions**

Most of the people believe that green marketing means only promoting products with environmental characteristics such as recyclable, ozone friendly, eco-friendly, while those are just green claims. Green marketing is a broader concept that covers much more aspects such as consumer goods, industrial goods and services as well (Polonsky, 1994; Ottman, 1998; Chen, 2009). The ultimate goal for green marketing is to create two bottom lines; the first is for profit and the second for social responsibility. However, it is not easy for all companies to market their green products; they should integrate the environmental concepts into all the marketing aspects in order to apply it successfully (Ottman, 1998). There are five reasons for the companies to apply green marketing practices: it is an opportunity to achieve their objectives, social responsibility (Keller, 1993; Shearer, 1990), governmental pressure, competitiveness (NAAG, 1990) and cutting costs (Azzone and Manzini, 1994). In addition, it was summarized by Chen (2009) that all these reasons could be positively reflected on the company’s intangible brand equity.

Studies are suggesting that the green marketing activities should be carried out by the organizations to investigate the behaviors and attitudes of green consumers, identify the green markets and apply market segmentation according to the consumers’ needs and develop their positioning strategy and green marketing mix (Jain and Kaur, 2006). The activities are specified more by Ottman (2008) as he mentioned some rules to deliver a green marketing message effectively and avoid the pitfalls and seize the opportunities, those know the customer, empowering the customer, transparency in the message, reassure the quality and reconsider the price.

**SMEs and Green Management**

Where larger firms, often multinational enterprises, have been developing the capabilities needed to achieve the triple bottom line over the last decades, small and medium-sized enterprises (SMEs) often lack the knowledge, expertise, skills, finance and human resources to make the desired changes within organizations (Lee, 2008). In addition, it is often observed that the approaches are narrowly focused to specific features of the production process or the product when the SMEs attempted to change.

Thus, SMEs often have a limited view on the direction of future innovation and tend to tackle green issues in an ad hoc manner (Lee, 2008; Nawrocka, 2008).

With a small sample of Italian industries, Azzone et al. (1997) find the peculiarities of the small firms’ resources. These include lack of financial resources to assign to green initiatives, the ability of
adapting its own organization from external stimuli, and the absence of an organizational unit specially aimed at managing environmental issues. In a similar vein, with a large sample of Korean industries, Lee (2007, 2008) identifies a current movement of SMEs in green management: SMEs are shifting from a command and control approach to a market and competition approach in implementing green management.

Following the EU parliament’s approval of the European Union (EU) directives on Waste Electrical and Electronic Equipment (WEEE), Restriction of Hazardous Substances (RoHS), and Eco-design for Energy using products (EuP), a leading group of companies in the electronics and consumer products industry, including Samsung, LG, Sony, Toshiba, NEC, IBM, HP, and Dell, have adopted “green” standards in their supply chain management. Final manufacturers often exercise buying power to pressure their suppliers to achieve superior environmental performance. As part of the RoHS-compliance program, many larger companies are asking their suppliers to verify parts and components compliance to secure compliance of the final products (Cusack and Perrett, 2006). Many of the suppliers over the supply chain are SMEs. At least 80 percent of all global enterprises are considered SMEs, having less than 250 employees (Moore and Manring, 2009).

Impact of Green Marketing

Green marketing has become a significant approach for the firms’ to survive in the market and to sustain the market competitive advantage. Mu et al. (2009) remarked that firms while adopting the phenomena of green marketing can improve their market position and enhance their brand name and organisational performance. Wagner and Hansen (2005) in his study found that firms that focus on environmental performance in terms of reducing emissions from production can have a positive influence on their economic performance. Researchers such as Menguc and Ozanne (2005) suggest that organisations that engage in green practices may be able to benefit the firm in multiple ways. First, firms that have a green orientation are likely to achieve greater financial gains and market share, high levels of employee commitment (Maignan and Ferrell, 2005), increased firm performance (Pujari et al., 2003) and increased capabilities (Baker and Sinkula, 2005). This is also supported previously by scholars such as Luo and Bhattacharya (2006), who stated that green marketing leads to increased customer satisfaction, greater firm value and can reduce the undesirable risk, and Porter and Linde (1995) and Lash and Wellington (2007) who affirmed that organisations attain benefit from green practices through cost savings. As pollution is a sign of waste, firms that curb pollution and reduce inputs can see cost saving advantages and, ultimately, these firms can improve their performance through utilising the green initiatives. For example, Du Pont spent $50 million in 2008 on energy-saving initiatives and was able to recover the financial outlay after only 12 months, thus creating future cost-saving advantages for the firm (Winston, 2009).

RESEARCH METHODOLOGY

Sampling the Population

The study sampled SMEs across various industries from the databases of the Association of Ghana Industries and the National Board for Small-Scale Industries. This study sampled 128 business owners/managers in the SME domain within the cities of Accra and Tema. The SMEs are based on the classification according to the Ghana Investment Promotion Council’s industry classification. The composition of the sample is indicated in Table 1. The sample has been restricted to these two cities in view of the fact that most businesses in Ghana are situated within these two cities. In this study, a cross-sectional survey design is used.

<table>
<thead>
<tr>
<th>Industry</th>
<th>Number of firms</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>33</td>
<td>22</td>
</tr>
</tbody>
</table>

American Journal of Management Vol. 11(1) 2017 103
The items used to measure green marketing and its impact on employee satisfaction and retention, consumer satisfaction and image were developed using extant literature review; interviews and discussions with the owners and the subject experts. The studies used in generating items on GMO and its impact are given in Table 2. The items generated for green marketing instrument were based on a 7-point scale (1=strongly disagree, to 7 = strongly agree) or as Do not know/Not applicable. The finalised instrument comprised 21 items of green marketing, 6 each of employee satisfaction and customer satisfaction, 5 of employee retention and 4 of image.

TABLE 2

<table>
<thead>
<tr>
<th>Serial no</th>
<th>Components</th>
<th>Studies</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Employee satisfaction</td>
<td>Edmans (2011), Murphy et al. (2002), Fields and Blum (1997)</td>
</tr>
<tr>
<td>5</td>
<td>Image</td>
<td>Raveendran et al. (2003), Chan et al. (1991)</td>
</tr>
</tbody>
</table>

RESULTS

Table 3 shows the summary statistics of the 128 owners/managers of SMEs sampled for the study. The sample was made of 86 male owners/managers of SMEs representing 67.19 % of the sample while the female owners/managers of SMEs were 42 representing 32.81% of the sample.

This indicates that majority of the owners/managers of SMEs are males. However, female owners/managers of SMEs in the wholesale and retail trade were more than their male counterpart.

TABLE 3

<table>
<thead>
<tr>
<th>Industry</th>
<th>Male</th>
<th>%</th>
<th>Female</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>6</td>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction and mining</td>
<td>23</td>
<td>15</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hotel and hospitality</td>
<td>12</td>
<td>8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Information and communication</td>
<td>21</td>
<td>14</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pharmaceutical and medical services</td>
<td>15</td>
<td>10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wholesale and retail trade</td>
<td>16</td>
<td>10.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General business services</td>
<td>24</td>
<td>16</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>150</td>
<td>100</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Reliability and Validity of Measures

To assess the initial reliability of the measures, Cronbach’s alpha for all the construct was calculated and found to be 0.87. Next, a confirmative factor analysis (CFA) was applied on the construct of green marketing. A structural equation modelling was employed for the confirmatory factor analysis and path analyses. The researcher followed the two-step approach recommended by Anderson and Gerbing (1988). In the first stage, the measurement model was analyzed to ensure sufficient reliability and validity of the constructs. In the second stage, the hypotheses of the relationships between constructs were tested. Model fit criteria suggested by Hu and Bentler (1999) were used for both the measurement and the structural model: $x^2/df$, goodness of fit (GFI), adjusted goodness of fit (AGFI), comparative fit index (CFI), root mean square residual (RMR), and root mean square error of approximation (RMSEA). Acceptable models should have $(x^2)/df \leq 3, AGFI \geq 0.80, RMR \leq 0.10, RMSEA \leq 0.10$ and GFI and CFI greater than 0.90. Patterns fitting indicators are listed in the Table 3.

### TABLE 3
MEASURING PATTERNS FITTING OVERALL INDICATORS

<table>
<thead>
<tr>
<th>Construct/Indicators</th>
<th>Green Orientation</th>
<th>Employee satisfaction</th>
<th>Employee Retention</th>
<th>Customer satisfaction</th>
<th>Image</th>
</tr>
</thead>
<tbody>
<tr>
<td>CMIN/DF</td>
<td>1.32</td>
<td>1.89</td>
<td>1.63</td>
<td>2.02</td>
<td>1.13</td>
</tr>
<tr>
<td>RMR</td>
<td>0.03</td>
<td>0.01</td>
<td>0.03</td>
<td>0.02</td>
<td>0.01</td>
</tr>
<tr>
<td>GFI</td>
<td>0.71</td>
<td>0.87</td>
<td>0.76</td>
<td>0.83</td>
<td>0.77</td>
</tr>
<tr>
<td>AGFI</td>
<td>0.83</td>
<td>0.90</td>
<td>0.91</td>
<td>0.86</td>
<td>0.82</td>
</tr>
<tr>
<td>IFI</td>
<td>0.86</td>
<td>0.91</td>
<td>0.93</td>
<td>0.90</td>
<td>0.81</td>
</tr>
<tr>
<td>CFI</td>
<td>0.74</td>
<td>0.88</td>
<td>0.86</td>
<td>0.95</td>
<td>0.91</td>
</tr>
</tbody>
</table>

Table 3 indicated that all criteria met the recommended values in the measuring patterns and related factor loadings were all more than 5%, and the significance level is 0.000. All the dimensions are significantly contributing to the performance outcome dimensions (Table 3).

### Structural Model

According to the research hypotheses, a structural equation modeling was developed to assess the statistical significance of the proposed relationships between green orientation and its performance dimensions. Table 4 shows the model overall fittings indicators.
TABLE 4
THE MODEL FITTING INDICATORS

<table>
<thead>
<tr>
<th>Variables</th>
<th>Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>RMR</td>
<td>0.001</td>
</tr>
<tr>
<td>PCFI</td>
<td>0.72</td>
</tr>
<tr>
<td>IFI</td>
<td>0.99</td>
</tr>
<tr>
<td>CFI</td>
<td>0.89</td>
</tr>
<tr>
<td>TLI</td>
<td>0.90</td>
</tr>
<tr>
<td>NFI</td>
<td>0.91</td>
</tr>
<tr>
<td>AGFI</td>
<td>0.93</td>
</tr>
<tr>
<td>GFI</td>
<td>0.83</td>
</tr>
<tr>
<td>RMSEA</td>
<td>0.02</td>
</tr>
<tr>
<td>CMIN/df</td>
<td>1.84</td>
</tr>
</tbody>
</table>

Amos output results (Table 4) in model standard estimation section indicate that path analysis model is a suitable model. CMIN/df is 1.84 which is acceptable. RMSEA rate is equal to 0.02 which is appropriate, GFI and AGFI and other three variables of NFI, CFI, TLI and IFI rate are all more than 80%. And finally RMR rate indicate approximately zero rate. Fitting indicators for all patterns is in the acceptance area and these indicators reveal a good pattern fitting by data and the collected data support the pattern well.

Apart from the model’s general fit for the data, its parameters were tested to decide whether to accept the proposed relationships between exogenous and endogamous constructs (Hair et al., 1998). The results for the green marketing, employee satisfaction, customer satisfaction, employee retention and image are shown in Table 5. The four hypotheses which relate to green orientation – employee satisfaction, green orientation – customer satisfaction, green orientation – employee retention and green orientation – image were accepted.

TABLE 5
RESULTS OF HYPOTHESES TESTING

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Relationship</th>
<th>Standard coefficient</th>
<th>t-value</th>
<th>p-value</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>H₁</td>
<td>Green orientation – Employee satisfaction</td>
<td>0.41</td>
<td>3.87</td>
<td>≤ 0.001</td>
<td>Supported</td>
</tr>
<tr>
<td>H₂</td>
<td>Green orientation – Employee Retention</td>
<td>0.40</td>
<td>3.01</td>
<td>≤ 0.001</td>
<td>Supported</td>
</tr>
<tr>
<td>H₃</td>
<td>Green orientation – Customer satisfaction</td>
<td>0.47</td>
<td>3.43</td>
<td>≤ 0.001</td>
<td>Supported</td>
</tr>
<tr>
<td>H₄</td>
<td>Green orientation - Image</td>
<td>0.43</td>
<td>3.12</td>
<td>≤ 0.001</td>
<td>Supported</td>
</tr>
</tbody>
</table>

DISCUSSION AND IMPLICATIONS

The present study considered owners/managers of the SMEs operating within the cities of Accra and Tema in the Greater Accra Region of Ghana. The study was carried out to grasp a better understanding of constructs of green marketing and their impact on the performance. The findings confirm green marketing
to be a multi-dimensional construct. Unlike the three dimensions confirmed by studies like those of Chen (2010), Han et al. (2010), Shang et al. (2010), Chiou et al. (2011) and Kang and Hur (2011). The result of the study showed that, there is a significant influence of each individual factor of green marketing on the performance and hence establishes that firms can increase the positive gains or the performance through adopting environmentally friendly marketing strategies (Luo and Bhattacharya, 2006). From overall perspective as well, there exists a strong relationship between green orientation – employee satisfaction, green orientation – customer satisfaction, green orientation – employee retention and green orientation – image. The results indicate that the firms that adopt the phenomena of green marketing in their activities can ultimately enhance their performance.

Measuring green market orientation (GMO) is considered one of today’s pressing issues for various organisations both globally and as nationally. The results of the present study have implications for theory development and practice. GMO is a key approach in the comprehensive development of the organisations and an important strategic objective for both manufacturing and service firms. Firm’s orientation towards GMO practices is associated with firms green initiatives in the manufacturing of goods, delivery and supply of goods and raw material and promotional opportunities. As established by the contemporary researchers like Chen and Chang (2012), Chen (2010), Vaccaro (2009) and Chan and Lau (2000), all firms must take an initiative to understand the role of green marketing and its long-run impact on the society. However, GMO needs to be considered alongside conventional performance from a managerial perspective.

CONCLUSION

The study contributes to green marketing literature by examining the domain of green marketing construct in the context of small and medium enterprises (SMEs). The conceptual development incorporates possible directions to develop green marketing orientation and thus, offers a practical framework to manage organisational viability and long run existence. It is seen as a philosophy that explains industries’ behaviour in their relationship with the environment. Green marketing orientation and its constructs can facilitate subsequent theoretical development in accessing the constructs’ influence on a range of endogenous variables. GMO thus allows managers to understand how their firms facilitate green environment and they affect the business outcomes. It can be used by managers to determine which strategies and practices will have the most positive influence on employees’ outcome.

LIMITATIONS AND FUTURE RESEARCH

Although this study is comprehensive, it is not without its limitations. First, the study explores the role of GMO in context to wide range of industries but limited to the cities of Accra and Tema in the Greater Accra Region of Ghana. Replication of our research in other regions would enable the researcher to generalize the results and develop an even stronger theory. The presence of subjective responses of the owners/managers of SMEs with respect to green marketing orientation in the study is another limitation. Nevertheless, appropriate efforts were taken to check the subject nature of the responses using various validity and reliability methods. The role of various moderating factors such as the nature of product, the amount of investment, the owners’ awareness, etc. and mediating factors such as green trust, green loyalty and green satisfaction can be examined in future research for further development of the concept.

REFERENCES


