



THE ROLE OF LEADERSHIP TO EMPLOYEES' BEHAVIORS: A SIGNALING THEORY PERSPECTIVE

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ABSTRACT

The issues of climate change and environmental degradation are substantial human concerns that have resulted in numerous consequences. The responsibility lies with human behaviors. Every company must adhere to environmental laws and regulations and emphasize employees' pro-behaviors towards the environment (EPBTE). The primary aim of this academic investigation is to utilize the signaling theory to find the variables that influence EPBTE. The EPBTE is influenced by two main variables: spiritual leadership (SPL) and organizational support towards the environment (OSTE). The proposed model was evaluated in the banking industry using SEM analysis, employing the snowball sampling technique. The data support the influence of OSTE on EPBTE, and SPL also plays a substantial role in moderating this association. The present study contributes to the existing knowledge in the field of EPBTE research by investigating the significance of OSTE and SPL. Furthermore, the role of OSTE and SPL in the signaling theory perspective also adds knowledge to the existing literature.

Keywords: *Organizational Support Towards Environment; Employees' Pro-Behaviors Towards Environment; Signaling Theory; Banks Industry; South Asian Country; SEM Analysis*

RESEARCH HIGHLIGHTS

1. The current study adds to the body of knowledge in employees' pro-behaviors towards environment literature by examining the role of organizational support towards environment and SPL.
2. Organizational support towards environment employs a means to promote employees' pro-behaviors towards environment in personnel of banking sector.
3. SPL significantly moderates the relationship between employees' pro-behaviors towards environment and organizational support towards environment.

Research Objectives

The objectives of the study are two folded

- To examine the relationship between Organizational support towards environment and Employees' pro-behaviors towards environment in the banking sector.
- SPL exhibits a moderation role in the association between organizational support towards environment and employees' pro-behaviors towards environment in the banking sector.

Significance

The dynamic variations in climate and environmental deterioration pose considerable threats to the survival of numerous organisms, including humans. Climate change and environmental degradation can be mitigated by modifying human behaviors, particularly their attitudes and actions toward the environment. The research academics and practitioners should focus on investigating and addressing employees' pro-environmental behaviors (EPBTE). Employees' pro-environmental behaviors refer to the voluntary actions taken by employees to decrease the negative impact on the environment (Scherbaum et

al., 2008). The organization should provide environmental assistance to its personnel to boost their EPBTE.

Lamm et al. (2015), defined the employees' perception of the organizations' recognition of their environmental efforts as organizational support towards the environment (OSTE). Spiritual leaders (SPL) should enhance the connection between OSTE and EPBTE to promote a long-lasting and environmentally friendly society. According to Omoyajowo et al., (2023), SPL endorses environmental initiatives and EPBTE. The current research study primarily examines the banking sector's SPL, EPBTE, and OSTE, explicitly focusing on the signaling theory.

Methodology

The personnel within the banking sector successfully filled out the structured questionnaires, and data collection was carried out via snowball sampling. The banking sector was chosen because of its vital role in Pakistan's prosperity and its global competitiveness in emerging and developed countries (Talpur, 2023). The path analysis provided strong evidence supporting our proposed paradigm. The study conducted by Gull et al., (2023a) and Hassan et al., (2023) utilized the same quantitative and deductive approaches. The self-administered questionnaires used by the previous researchers were modified according to recommendations provided by experts in the banking industry and academia. The variables being researched were measured using appropriate scales. A preliminary investigation was carried out to ascertain the respondents' comprehension. A physical and digital version of the ultimate survey was developed, with the digital format implemented through Google Forms. Every questionnaire was accompanied by a concise introduction and ethical concerns to guarantee the preservation of anonymity. The study's variables were assessed using a Likert scale that ranged from 1 to 5. A score of 1 represented strongly disagree, while a score of 5 represented strongly agree.

Results and Findings

The path coefficient of hypothesis indicated the positive association between organizational support towards environment (OSTE) and employees' pro-behaviors towards environment (EPBTE). P-value and t-value was compared from the threshold values to analyze the significance of hypothesized relationships as per the prior study of Gull et al., (2023b). The p-value of the OSTE and EPBTE is significant, showing that the t-value is also above 1.96, thus support Hypothesis 1. The Hypothesis 2, moderation role of SPL between OSTE and EPBTE is also supported. The p-value (OSTE -> Moderation of SPL -> EPBTE) is 0.000, whereas the t-value of is also above the threshold value of 1.96 and supporting the moderation effect of SL.

Future Directions

Future studies should establish the associations using the variables of the current study's framework by employing probability sampling techniques across various sectors and

cultures. Future research scholars should conduct a Bibliometric systematic review study on spiritual leadership adhering to the previous research carried out by Gull et al., (2022).

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