The Impact of Organizational Environmental Support on Organizational Sustainable Performance: The Mediating Role of Employee Green Behaviour in selected Commercial banks in Batticaloa Region of Sri Lanka

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Abstract

Sustainability is a major global concern and there has been increased pressure on organizations from the stakeholders to broaden the focus of business performance beyond financial performance. Companies should have a balance among financial, social and environmental performance in order to be competitive and survive in the long term. Committed employees are the key asset of every organization and organizations can engage employees in improving their sustainable performance. This paper aims to provide empirical evidence of the associations between organizational environmental support and organizational sustainable performance with the mediating role of employee green behaviour within the selected commercial banks in the Batticaloa Region of Sri Lanka. Data collection was made from 173 employees who are working in commercial banks in the Batticaloa Region of Sri Lanka. Univariate, bivariate, and multi-step mediation analyses have been used to analyze the data. The results indicate that there is a significant positive association between organizational environmental support, employee green behaviour and organizational sustainable performance. It is also concluded that employee green behaviour significantly mediates the relationship between organizational environmental support and organizational sustainable performance. The research concerns the understanding of various environmental support initiatives and sustainable performance from the viewpoint of employees in the banking sector at imparting employee green behaviour as one of the important
factors to meet challenges relevant to environmental sustainability in the
dynamic banking sector. This study contributes to the field by bringing together
the concepts of employee green behaviour with organizational environmental
support and organizational sustainable performance in the context of the Sri
Lankan banking sector and suggests the banks provide resources and a
supportive environment for the employees to implement eco-initiatives.

Keywords: Employee Green Behaviour, Organizational Environmental
Support, Organizational Sustainable Performance

Introduction

Environmental concern is an emerging concept today, and it is necessary for
each and every organization to adapt its practices to conform to this trend.
Currently, with the increasing consumers’ environmental awareness and
appropriate government regulatory constraints, great pressure is being faced by
the firms regarding their environmental policies and procedures
(Mathiyazhagan, Govindan & Haq, 2014; Mumtaz, Ali & Petrillo, 2018). Companies
have begun to address these pressures by adopting sustainability
pillars and publishing reports on social and environmental issues. In addition, it
requires all the functional departments in the establishment to nurture an eco-
friendly organizational culture by setting sustainability goals for transforming
enterprise operations. A growing number of companies have begun to transform
themselves into more sustainable ones (Tideman, Arts, & Zandee, 2013). Equal
consideration for economic, social, and environmental aspects is now needed for
a standard of sustainable development.

A company’s sustainable performance is generally measured in terms of three
aspects of sustainability: economic, social, and environmental performance
(Khan & Quaddus, 2015). Through legislative and regulatory frameworks there
is increasing pressure on policymakers to urge the banking industry to design its
products and services with customers in mind while also acting proactively to
address potential economic, environmental, and social issues (Azevedo, Godina
& Matias, 2017). Although the finance sector is regarded as an environment-
friendly sector, it should take into account social and environmental results
besides economic effects and engage in the process of sustainable development.
The banking industry is equally accountable for its actions that have an adverse
impact on the economy, society, and the environment, and it owes it to itself to
take this accountability seriously in everything it does. Hence, the idea of Green
Banking has lately been initiated and has begun to spread across Sri Lankan private and state banks.

The creation of new financial products that open up new business prospects and boost its competitiveness is a component of the link between the banking industry and the environment. However, this connection also relates to how it maintains, adjusts, and communicates its environmental plans in relation to its environmental footprints, such as the management and consumption of energy, materials, and water (Evangelinos, Skouloudis & Nikolaou, 2009). Despite not being regarded as a polluting industry, the banking industry's increased turnover and, by extension, all banking activities, have a negative impact on the environment. The adoption of corresponding technology, procedures, and goods that can improve sustainability and the environment has also resulted in green banking as a result of banks’ environmental and social responsibilities (Bhardwaj, & Malhotra, 2013).

One of the main observations is that despite the presence of many general standards, the banking service lacks common methodologies and standards to tackle sustainability (Korzeb & Samaniego-Medina, 2019). Due to these reasons, in this study, the banking sector has been selected to study sustainable performance while taking into account of the role employees, since past research has revealed that employees’ eco-initiatives can have a significant impact on business performance and determine the success of organizations’ efforts to implement environmental management objectives (Kolluru, 1994). An organization’s performance directly depends on the individuals it employs.

Employee perceptions of environmental sustainability policies, procedures, and practices of an organization have the potential to capture the contextual influences on green behaviour and are a significant research area (Jackson, et al., 2011). Human behaviours are regarded as the cause of tacking the deteriorating environment (Boeve-de Pauw & Van Petegem, 2017). However, one area of weakness in the literature is the absence of studies that links individuals to corporate sustainability (Orlitzky, Siegel & Waldman, 2011) and the studies interconnecting employee behaviour and sustainability performance, which is relatively new (Ruepert et al., 2016). This indicates there is an empirical knowledge gap concerning these issues.

Moreover, past research studies have examined the factors affecting green behaviour, and it is suggested that future studies can examine the outcomes of
green behaviour (Safari, Salehzadeh, Panahi & Abolghasemian, 2018) because in order to promote employee green behaviour (EGB) in the workplace such evidence is critical for practitioners and those working within organizations. Ones and Dilchert (2012) note that, although researchers have been interested for some time in why individuals act in environmentally friendly ways in private, interest from organizational researchers is relatively recent. Especially, there is a need to focus on the mechanisms through which various personal and contextual antecedents influence employee green behaviour. Therefore, it is quite there is an empirical gap exists in the research topic.

In addition, the research that regarded sustainability incorporation throughout the organization typically consists of case examples and qualitative analyzes (e.g., Bansal, 2003; Mirvis, 2012; Hockerts, 2014), as it is common and appropriate with unchartered phenomena. This means there is a methodological gap and other methods can be utilized to explore the phenomena.

Hence, this study addresses these research gaps as an issue for investigation. Therefore, the purpose of this study is to highlight the importance of engaging the employees in sustainability initiatives of the organization and investigate the relationship between organizational environmental support on the organizational sustainable performance with the mediating role of employee green behaviour as it presents that the sustainability performance of an organization can be enhanced by involving employees to implement sustainable practices. The specific objectives of this empirical investigation are to assess:

- the relationship between perceived organizational environmental support and organizational sustainable performance
- the relationship between perceived organizational environmental support and employee green behaviour.
- the relationship between employee green behaviour and organizational sustainable performance.
- the mediating effect of employee green behaviour in the relationship between perceived organizational environmental support and organizational sustainable performance.

Further, the present paper proceeds as follows. The first section provides a review of the literature followed by the development of hypotheses and a conceptual model. The next section describes the method, which is followed by the results, discussion, and a conclusion. Finally, presented implications,
recommendations, the main limitations of the study and directions for further research have been provided.

**Literature Review**

*Organizational Environmental Support*

Lamm, Tosti-Kharas and King (2015) defined Perceived Organizational Support (POS) as “the specific beliefs held by employees concerning how much the organization values their contributions toward sustainability” (p. 209). When an employer provides the resources they require, an employee feels supported in the context of corporate greening (Cantor, Morrow & Montabon, 2012). In accordance with the environmental literature, resources provided by the employer may refer to tangible or material aid that enables people to act sustainably and practice environmental practices (Ramus & Steger, 2000); to meet the socioemotional needs of employees by sharing and sustaining their environmental concern by allowing them to use their personal resources while working, such as time and energy (Paille & Raineri, 2015).

POS refers to the degree to which an employee believes that the organization values their contributions and cares about their well-being at work (Einsenberger, Cummings, Aemeli & Lynch, 1997). Organizational support theory states, that commitment is increased by perceived organizational support and it encourages maintaining positive behavioural patterns rewarded and/or recognized by the organization (Einsenberger et al., 1997). Some studies underline the positive relationship between perceived organizational support and organizational citizenship behaviour (OCB) (Boiral, 2009), noting that an increase in perceived support could lead to an increase in organizational citizenship behaviours (Boiral, Talbot & Paillé, 2013).

When considering environmental issues concerning OCB, a similar process can occur. The employer’s commitment and support to environmental protection fulfil the requirements of employees relating to their environmental concerns, encouraging them to engage in extra-role environmental behaviours in exchange for fair treatment (Paille, Boiral & Chen, 2013). Organizations can thus achieve those employees would perform Work Place Environmentally Friendly Behaviour (WEFB) (Boiral, Paille & Raineri, 2015; Roy, Boiral & Paille, 2013) by the way of demonstrating their support for environmental practices and application of eco-policies (Cantor, Morrow & Montabon, 2012).
Organizational Sustainable Performance
Takala and Pallab (2000) suggested that the performance of corporate sustainability usually focuses on the economic, social, and environmental performance of sustainable development. There are alternative terms such as social sustainability, environmental sustainability (Iqbal & Hassan, 2018; Iqbal, Ahmad, & Akhtar, 2017), ecological sustainability, human sustainability, and sustainable development used; regardless of this, corporate citizenship and corporate social responsibility have been used to discuss the sustainability.

Schaltegger and Wagner (2006) define sustainability performance as a firm’s performance in all dimensions and for all corporate sustainability drivers. In summary, sustainability performance includes performance linked to emission rate and saving of natural resources; other environmental operations and initiatives; employment characteristics; occupational health and safety; social and community relations; stakeholder participation; and economic effects of the organization other than those financial assesses applied in the financial accounts (Burawat, 2019). However, there is still a lack of research that simultaneously considers the triple bottom line dimensions (i.e., environmental, economic, and social aspects) in evaluating the effect of sustainable initiatives implemented in the industry on sustainability performance.

Employee Green Behaviour
According to Opatha (2019), Employee Green Behaviour (EGB) means the extent to which a particular employee takes action in respect of greening. It includes green actions and activities of employees. A similar view was expressed by many authors (Vinojini & Arulrajah, 2017; Opatha & Kottawatta, 2020a; Opatha & Kottawatta, 2020b; Thevanes & Arulrajah, 2020; Weerakoon et al., 2021) who conducted research works regarding employee green behaviour in Sri Lankan context. The success of environmental sustainability initiatives of organizations depends upon individual employees’ behaviour (Norton, Zacher, & Ashkanasy, 2014). Essentially, researchers (Norton et al., 2015) emphasize that there is a need to understand the personal and contextual factors that influence EGB from a multilevel perspective.

EGB is described as any observable individual behaviour that aids in achieving environmental sustainability in the workplace (Norton, Zacher & Ashkanasy, 2015). Ones and Dilchert (2012) argued that organizational scholars need to give more consideration to employee behaviours that contribute to environmental sustainability and also to the forces that induce them.
Environmental Behaviours in general are individual behaviours that contribute to environmental sustainability (Ones & Dilchert, 2012).

Given the nature of EGB, researchers working in this field (e.g., Robertson & Barling, 2013; Kim, Vaswani, Kang, Nam & Lee, 2017) have tended to concentrate on the role of organizational factors such as employee commitment to sustainability, leadership (Andersson, Shivarajan, & Blau, 2005), and incentives (Graves, Sarkis & Zhu, 2013).

**Hypotheses Development**

**Organizational Environmental Support and Organizational Sustainable Performance**

As stated by O’Donovan (2002), companies are interested in improving environmental performance with the ultimate goal to improve profits earned, as they believed their impact on the company’s finance, the businesses become very concerned about environmental aspects. Researchers argue that environmental performance will have positive consequences on financial outcomes (e.g., De Burgos-Jiménez et al., 2013). Cost reduction can be achieved by increasing resources and reducing environmental incidents, while revenue growth can be achieved by enhancing business credibility and image, improving market access, and increasing product quality (De Burgos-Jimenez et al. 2013). Salama (2005) found that a positive relationship existed between environmental performance and firm financial performance. Similarly, other findings hold that environmental management investment results in improved firm performance by managing stakeholders (Artiach, Nelson & Walker, 2010).

Maintaining a swan pond, and watering plants and shrubs is not just a sustainable activity but it can also help the employees to relieve their pressure. Besides these, it is a recreational activity that is important for the health and mind of the employees and also for the employees’ rejuvenation. As mentioned by Whitelaw, Teuton, Swift, and Scobie (2010), green spaces have a beneficial effect on psychological well-being and cognitive function through both physical access and use and access to views ultimately lead to enhanced social performance of firms. Based on the empirical evidence and discussion, this study develops the following hypothesis:

**H1:** There is a positive relationship between Organizational Environmental Support and Organizational Sustainable Performance.
Organizational Environmental Support and Employee Green Behaviour

According to Ramus (2002), in order to focus their creative energy on organizational environmental problem-solving employees need supervisory support (daily behaviours aimed at encouraging environmental actions). Employees’ perceptions of policies, procedures, and practices of an organization toward environmental sustainability have the potential to capture the contextual influences on green behaviour; and are a significant area for research (Jackson et al., 2011). On the other hand, an employee might hold ambivalent or resistant attitudes towards green behaviour but nonetheless engages in these behaviours because their company has a strong green culture, or because the environmental activity is included in the nature of the work required in their role.

The significant positive relationship between perceived organizational support for the environment and involvement in environmental management (i.e., required EGB) as well as promotion of initiatives and innovative environmental behaviours (i.e., voluntary EGB) is reported by Cantor, Morrow, and Montabon (2012). Norton, Zacher and Ashkanasy (2014), found positive relationships between the perceived presence of an organizational sustainability policy and self-report task-related and proactive EGB. They might believe that showing EGB is appropriate or typical in their workplace (Norton, Zacher, & Ashkanasy, 2014). Robertson and Barling (2013) reported that subordinates’ EGB is directly and positively influenced by the environmental behaviour of leaders, as well as positively and indirectly via the environmental passion of subordinates.

When the organization values the environmental efforts and accomplishments of its employees, the employees feel supported in their job. Employees gather information and make observations about the company’s investment in environmental sustainability and green activities. If they perceive that the organization dedicates great importance to environmental contributions and green activities, such employees carry out their tasks effectively and exhibit discretionary behaviours such as OCB. Based on the empirical evidence and discussion, this study develops the following hypothesis:

\[ H_2: \text{There is a positive relationship between Organizational Environmental Support and Employee Green Behaviour.} \]

Employee Green Behaviour and Organizational Sustainable Performance

Given the interconnectedness of economic, environmental, and social issues that form the pillars of sustainability, various stakeholders must be even more
involved in organizations (Van Kleef & Roome, 2007). Environmental sustainability is a serious concern at the organizational as well as national levels. Hence, every organization requires making all its employees green to improve environmental performance (Opatha and Arulrajah, 2014; Opatha, 2015). Scholars (Ones & Dilchert, 2012) propose that the success of organizational environmental initiatives depends on the engagement of the employee. As a result, organizations seek to engage employees in sustainability (SHRM, BSR, & Aurosoorya, 2011). Encouraging employee environmental behaviour is a critical component of implementing successful environmental programs in the workplace (Young et al., 2015).

Employee behaviour makes significant contributions to organizational environmental performance (Boiral, Talbot, & Paillé, 2015), waste reduction and cost-saving, and competitive advantage. Ultimately this can increase the company’s profitability. This can ultimately increase the productivity of the company. In addition, the more skills and values workers have recorded being moved from work to family, the healthier their mental health and higher their job satisfaction (Hanson, Hammer, & Colton, 2006) and the higher their commitment to their roles and employers. This can ultimately increase the social performance of the company.

\[ H_3: \text{There is a positive relationship between Employee Green Behaviour and Organizational Sustainable Performance.} \]

**Mediating Role of Employee Green Behaviour**

Scholars argued that introducing an effective environmental management system in an organization would lead to improved economic performance (Abdel-Maksoud, Kamel & Elbanna, 2016). Thus, the successful integration of green concerns into the business strategy will not occur without clear leadership, resource commitment, and active support from the company’s management (Fugate, Autry, Davis-Sramek & Germain, 2012). Zailani, Jeyaraman, Vengadasan, and Premkumar (2012) found a positive correlation between sustainable procurement practices and social, economic, and operational performance.

The organization’s environment should serve as an aid to improve the health of the workers. Some of the ways employees engage in pro-environmental behaviour include the availability of healthy behavioural options (e.g., healthy food choices), enhanced and optimized safety, sustainability and stewardship of the environment, and the opportunity for contact with nature at work (Engbers,
van Poppel, Paw, van Mechelen, 2005). This employee satisfaction can be attained by giving them sufficient authority to function freely and become involved in the environmental tasks of the organizations; in other words, empowerment (Gutowski et al., 2005). This has a positive impact on the social aspect of sustainability. Accordingly, Messmer-Magnus et al. (2012) argued that “organizational sustainability and environmental sustainability can be concurrently achieved when employees and organizations are both committed” (p. 157). From the employees' viewpoint, environmental support received from their organization is perhaps the best expression of the organization’s commitment to helping them preserve the natural environment. Based on the empirical evidence and discussion, this study develops the following hypothesis:

\( H_4 \): Employee Green Behaviour mediates the relationship between Organizational Environmental Support and Organizational Sustainable Performance.

**Conceptual Model**

Based on the review of the literature, this study proposes to test the following model illustrated in Figure 1, to examine the relationship between organizational environmental support and organizational sustainable performance with the mediating role of employee green behaviour.

![Conceptual Model](image)

**Theoretical Support for the Conceptual Model**

**Social Exchange Theory (SET)**

According to Cropanzano and Mitchell (2005), social exchange theory is one of “the most influential conceptual paradigms for understanding workplace behaviour” (p. 874). The conceptual model of this study proposes to examine the extent to which an organization may encourage its employees to develop
pro-environmental behaviour by promoting social exchange principles. Ones, Dilchert, and Biga (2010) have found a significant positive but moderate direct relation between perceived organizational support (POS) and employee green behaviours.

As noted earlier, the adoption of principles of social exchange contributes to generating a scenario where employees are likely to reciprocate by performing behaviours valued by their organization (Lavelle, Rupp, & Brockner, 2007). However, employees must be aware that to some extent their organization is, concerned with environmental sustainability in order to reciprocate appropriately (i.e., by performing pro-environmental behaviours). Therefore, this means that employees will engage in pro-environmental behaviours in the workplace when they view their organization as concerned about environmental sustainability.

Methodology

The objective of the study is to identify the relationships among organizational environmental support, employee green behaviour and organizational sustainable performance and examine whether employee green behaviour mediates the relationship between organizational environmental support and sustainability performance in selected commercial banks. This study employs a deductive methodology, whereby the researcher first develops a theory about the subject of interest, then refines that theory into more precise hypotheses and conducts the study in a non-contrived study setting. The empirical data for the current study were gathered from prominent banks that take the initiative and invest a significant amount of money to secure their organization's sustainable performance and have been recognized for it. Based on the sustainability initiatives of the banking sector, this study has selected employees of five particular banks that operate around the island.

The study involves a survey of 236 employees (total population of the study) at all hierarchical levels ranging from banking trainees to managerial level people of five selected commercial banks in Manmunai North and Eravur Pattru Divisional Secretariat (DS) in Batticaloa District of Sri Lanka. Given that sustainability issues and employee green behaviour are intertwined with all employees in the organization, this study includes all hierarchical levels of employees. Furthermore, the rationale for picking two specific district secretariat areas in Batticaloa district is the fact that the majority of the bank
branches in Batticaloa District are concentrated in these DS regions out of 14 DS divisions. Since the population of this study consisted of a small number of employees from chosen banks, the stratified random sampling technique was employed to validate and achieve the objectives. The details about the study population and sample size are given in Appendix 1. Every single employee is considered as a unit of analysis.

A quantitative research design was adopted in this study. To gather primary data, a self-reporting questionnaire was issued to all employees, and 173 questionnaires were returned. In addition, secondary data were collected based on various sources such as journal articles and published papers, web sites of the relevant institutions. In order to achieve the objective of the study, this has employed univariate, bivariate, and multi-step mediation analysis to analyze the collected data in SPSS version 22.0. In order to achieve the mediational effect of employee green behaviour on the relationship between organizational environmental support and sustainability performance, this study has followed four steps of the mediational processes of Baron and Kenny (1986) in which several regression analyses are conducted and the significance of the coefficients is examined at each step.

Testing for mediation Baron and Kenny (1986) proposed a four-step approach in which several regression analyses are conducted and the significance of the coefficients is examined at each step. Step 1 is conducting a simple regression analysis with X predicting Y to test for path c alone. Step 2 is conducting a simple regression analysis with X predicting M to test for path a. Step 3 is conducting a simple regression analysis with M predicting Y to test the significance of path b alone. And finally, if one or more of these relationships are not significant, researchers usually conclude that mediation is not possible or likely (although this is not always true). In contrast, if there are significant relationships from Steps 1 through 3, one proceeds to Step 4, which is to conduct a multiple regression analysis with X and M predicting Y.

Following Baron and Kenny (1986), if M mediates an X-Y causal relationship then:

(1) X significantly predicts Y (path c is significant)
(2) X significantly predicts M (path a is significant)
(3) M significantly predicts Y in the presence of X (path b is significant)
(4) when M is in the model, the effect of X on Y is reduced (c’ is less than c).
With complete mediation, path $c'$ is zero. If $c'$ is smaller than the regression weight $c$ in the first model, then $M$ is said to ‘partially mediate’ the effects of $X$ on $Y$. If $M$ is not significant then there is no mediation. Further, the mediational effect is measured using the test of statistical significance as proposed by Sobel (1982).

**Measures**

Items used in the survey to measure the variables of interest in this study were adopted from the extant literature. To measure *Organizational Environmental Support*, five-question items were adopted from a prior empirical study by Straub (2009). Similarly, five-question items were employed to quantify the *Employee Green Behaviour* from prior empirical studies by Kaiser, Oerke and Bogner, (2007), Robertson and Barling (2013), and Kim, Kim, Han and Holland (2016). A study by Khan and Quaddus (2015) was used to measure the *Sustainability Performance* of the organizations where fifteen question items have been adopted. The survey items were graded on a five-point Likert scale, with 1 referring to strongly disagree and referring to strongly agree. Table 1 shows the details of the study variables, number of question items, measurement scale and literature sources.

**Table 1: Variables and Measures of the Study**

<table>
<thead>
<tr>
<th>Variables</th>
<th>Indicators</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Environmental</td>
<td>Programmes and policies</td>
<td>Straub (2009), Saifulina and Carballo-Penela (2016), Raineri and Paillé (2016)</td>
</tr>
<tr>
<td>Support</td>
<td>Help employees</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Money and effort</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Easy to find</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Information</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Suggestions and ideas</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Taking part</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Knowledge sharing</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Questioning</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Voluntary act</td>
<td></td>
</tr>
<tr>
<td>Employee Green Behaviour</td>
<td>Employment</td>
<td>Kaiser, Oerke and Bogner, (2007), Robertson and Barling (2013), and Kim, Kim, Han and Holland (2016)</td>
</tr>
<tr>
<td></td>
<td>Sales growth</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Income stability</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Return on investment</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Profitability</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Family needs</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Social recognition</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Empowerment</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Freedom and control</td>
<td></td>
</tr>
<tr>
<td>Organizational Sustainable</td>
<td>Child labour</td>
<td>Khan and Quaddus (2015)</td>
</tr>
<tr>
<td>Performance</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Moreover, Table 2 shows that the Cronbach Alpha for the factors was acceptable at a level of 0.7 or above. Therefore, all items which are considered in this study are to be reliable, which suggests that the internal reliability of the instrument for satisfactory (Hair, Black, Babin & Anderson, 2010). This study has used already tested and validated questionnaires to achieve its objectives.

Table 2: Reliability and Validity Analysis for Overall Variables

<table>
<thead>
<tr>
<th>Variables</th>
<th>Number of Question Items</th>
<th>Cronbach’s Alpha Value</th>
<th>Composite Reliability (CR)</th>
<th>Average Variance Extracted (AVG)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Environmental Support</td>
<td>05</td>
<td>0.870</td>
<td>0.906</td>
<td>0.658</td>
</tr>
<tr>
<td>Employee Green Behaviour</td>
<td>05</td>
<td>0.783</td>
<td>0.854</td>
<td>0.542</td>
</tr>
<tr>
<td>Economic Sustainability</td>
<td>05</td>
<td>0.854</td>
<td>0.896</td>
<td>0.633</td>
</tr>
<tr>
<td>Social Sustainability</td>
<td>05</td>
<td>0.799</td>
<td>0.863</td>
<td>0.559</td>
</tr>
<tr>
<td>Environmental Sustainability</td>
<td>05</td>
<td>0.762</td>
<td>0.844</td>
<td>0.522</td>
</tr>
</tbody>
</table>

(Source: Survey Data, 2019)

Table 2 shows the Reliability and Validity of the Study. Reliability was measured using Cronbach’s Alpha (Alpha values > 0.7) and composite reliability (values > 0.7). Average Variance Extracted (AVE) (values ≥ 0.5) was used to measure the convergent validity. All the instruments had Cronbach’s Alpha values above 0.70. Hence, the instruments had good reliability. As shown in Table 2, AVE for all variables is over the agreed-upon lower limit. Hence, the study variables have convergent validity. Therefore, the reliability and validity of the measurement are assured.
Further, Table 3 shows KMO and Bartlett’s Test to check the adequacy of the sample. As the KMO value is between 0.8 and 1 indicates that the sample is adequate.

Table 3: KMO and Bartlett's Test

<table>
<thead>
<tr>
<th>KMO and Bartlett's Test</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Kaiser-Meyer-Olkin Measure of Sampling Adequacy.</td>
<td>0.904</td>
</tr>
<tr>
<td>Bartlett's Test of Sphericity</td>
<td>Approx. Chi-Square 2309.257</td>
</tr>
<tr>
<td></td>
<td>df 300</td>
</tr>
<tr>
<td></td>
<td>Sig. 0.000</td>
</tr>
</tbody>
</table>

(Source: Survey Data, 2019 Dec.)

Results

Demographic Profile of the Respondents

The demographic profile of the respondents is detailed in Table 4. According to the table, 14.5% of the 173 employees work for Bank 1, 13.3% for Bank 2, 12.7% for Bank 3, 27.7% for Bank 4, and 31.8% for Bank 5. Further, the table shows that the majority of the respondents fall under the age group of 29-38 (48.6%), and only 2.3% of the respondents fall under the category of over 49 years which is the lowest category. And also, among the total 173 employees, 48.6% of the respondents are male and the remaining 51.4% of the respondents are female. This signifies that female employees outnumber male employees.

Table 4: Demographic Profile of the Respondents

<table>
<thead>
<tr>
<th>Demographic Factor</th>
<th>Bank Name</th>
<th>Number of Respondents</th>
<th>Percent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee’s Bank</td>
<td>Bank 1</td>
<td>25</td>
<td>14.5</td>
</tr>
<tr>
<td></td>
<td>Bank 2</td>
<td>23</td>
<td>13.3</td>
</tr>
<tr>
<td></td>
<td>Bank 3</td>
<td>22</td>
<td>12.7</td>
</tr>
<tr>
<td></td>
<td>Bank 4</td>
<td>48</td>
<td>27.7</td>
</tr>
<tr>
<td></td>
<td>Bank 5</td>
<td>55</td>
<td>31.8</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>173</td>
<td>100.0</td>
</tr>
<tr>
<td>Age group</td>
<td>18-28</td>
<td>64</td>
<td>37.0</td>
</tr>
<tr>
<td></td>
<td>29-38</td>
<td>81</td>
<td>46.8</td>
</tr>
<tr>
<td></td>
<td>39-48</td>
<td>24</td>
<td>13.9</td>
</tr>
<tr>
<td></td>
<td>Over 49</td>
<td>4</td>
<td>2.3</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>173</td>
<td>100.0</td>
</tr>
<tr>
<td>Gender</td>
<td>Male</td>
<td>84</td>
<td>48.6</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>89</td>
<td>51.4</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>173</td>
<td>100.0</td>
</tr>
</tbody>
</table>
The educational qualifications of employees are divided into six categories. Among the total 173 employees 28.3%, 16.2%, 26.0%, 6.4% and 23.1% respondents have GCE Advance Level, Diplomas, Bachelor’s Degree, Master’s Degree and other professional qualifications such as IABF/DABF, CIMA, ICASL and ACCA as respectively. Based on the analysis, the majority of the respondents possess Advance Level qualifications and the least number of respondents possess a Master’s Degree. It is also found that out of the six categories 12.7% are banking trainees, 41.6% are banking assistants, 9.2% are executives, 13.9% are officers, 17.9% are assistant managers or managers and 4.6% are other personnel. This suggests that the number of banking assistants is higher in the selected institutions. Finally, 15.6% of employees have less than two years, 16.2% of employees have 2 to 5 years, 20.8% have 6 to 8 years, and 47.4 % have above 8 years 121 of experience respectively.

**Correlation Analysis**

In order to analyze the first three hypotheses to test the associations between various study variables that are postulated in Section 2 of the paper, Pearson’s correlation analysis was used. According to Gogtay & Thatte (2017), the correlation coefficient value (r) ranges from 0.10 to 0.29 is considered weak, from 0.30 to 0.49 is considered medium and from 0.50 to 1.0 is considered strong.
Table 5: Correlation Matrix

<table>
<thead>
<tr>
<th>Relationship</th>
<th>Pearson Correlation coefficient</th>
<th>Significant Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Environmental Support and Organizational Sustainable Performance</td>
<td>0.665**</td>
<td>0.000</td>
</tr>
<tr>
<td>Organizational Environmental Support and Employee Green Behaviour</td>
<td>0.604**</td>
<td>0.000</td>
</tr>
<tr>
<td>Employee Green Behaviour and Organizational Sustainable Performance</td>
<td>0.686**</td>
<td>0.000</td>
</tr>
</tbody>
</table>

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

Results of the analysis present that the correlation coefficient (r) value is 0.665 between organizational environmental support and sustainability performance and significant at a 1% level of significance indicating that there is a strong positive and significant relationship between organizational environmental support and sustainability performance. Further, results indicate that the correlation coefficient (r) value is 0.604 between organizational environmental support and employee green behaviour and is significant at a 1% level of significance. It means there is a strong positive and significant relationship between organizational environmental support and employee green behaviour. Finally, the correlation coefficient (r) value is 0.686 between green behaviour and sustainability performance and significant at a 1% level of significance and there is a strong positive and significant relationship between employee green behaviour and sustainability performance as the values of the correlation coefficient falls under the coefficient range of +0.5 to +1.00.

Mediation Analysis

In Table 6, step 1 shows that 44.2% of the variation in organizational sustainable performance is explained by organizational environmental support. The remaining 55.8% of the variation is explained by other factors which are not taken into consideration and if organizational environmental support is increased by one unit organizational sustainable performance will improve by 0.500 units. Thus, step one concludes organizational environmental support significantly and positively predicts organizational sustainable performance and the first condition necessary for the mediation is satisfied.
Table 6: Simple Mediation Analysis

<table>
<thead>
<tr>
<th>Step</th>
<th>Path</th>
<th>Independent Variable</th>
<th>Dependent Variable</th>
<th>R²</th>
<th>B</th>
<th>Sig.</th>
<th>F-statistic</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>c</td>
<td>Organizational</td>
<td>Sustainable</td>
<td>0.442</td>
<td>0.500</td>
<td>0.000</td>
<td>135.218</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Environmental Support</td>
<td>Performance</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>a</td>
<td>Organizational</td>
<td>Employee</td>
<td>0.365</td>
<td>0.556</td>
<td>0.000</td>
<td>98.305</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Environmental Support</td>
<td>Green Behaviour</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>b</td>
<td>Employee Green</td>
<td>Sustainable</td>
<td>0.471</td>
<td>0.561</td>
<td>0.000</td>
<td>152.019</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Behaviour</td>
<td>Performance</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>c'</td>
<td>Organizational</td>
<td>Sustainable</td>
<td>0.569</td>
<td></td>
<td>0.000</td>
<td>112.251</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Environmental Support</td>
<td>Performance</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Employee Green</td>
<td></td>
<td></td>
<td>0.296</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Behaviour</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Source: Survey Data, 2019 Dec.)

Step 2 shows that 36.5% of the variation in employee green behaviour is explained by organizational environmental support. The remaining 63.5% of the variation is explained by other factors which are not taken into consideration. Further, if organizational environmental support is increased by one unit, employee green behaviour will increase by 0.556 units. Thus, step two concludes organizational environmental support significantly and positively predicts employee green behaviour and the second condition necessary for the mediation is satisfied.

Results of step 3 indicate that 47.1% of the variation in organizational sustainable performance is explained by employee green behaviour. The remaining 52.9% of variation is explained by other factors which are not taken into consideration. And also, when employee green behaviour is increased by one unit, organizational sustainable performance will increase by 0.561 units. Thus, step three concludes employee green behaviour significantly and positively predicts organizational sustainable performance and the third condition necessary for the mediation is satisfied.

Step 4 indicates that 56.9% of the variation in organizational sustainable performance is explained by organizational environmental support and employee green behaviour. The remaining 46.4% of the variation is explained by other factors which are not taken into consideration. Further, when
organizational environmental support is increased by one-unit, organizational sustainable performance will increase by 0.296 units. It also indicates that the B coefficient for employee green behaviour is 0.367, which means when employee green behaviour is increased by one unit, organizational sustainable performance will increase by 0.367 units.

Finally, the results of this study show that since organizational environmental support was still significant when employee green behaviour is controlled but the strength of the relationship has reduced from 0.500 to 0.296, that employee green behaviour partially mediates the relationship between organizational environmental support and organizational sustainable performance. As there is a partial mediation, mediation effect or indirect effect is calculated as the product of coefficients of the path $a$ and $b$ as suggested by Sobel (1982).

Indirect Effect = $a \times b = 0.556 \times 0.367 = 0.204$

Total Effect ($c$) = Direct Effect ($c'$) + Indirect Effect ($ab$)

$0.500 = 0.296 + 0.204$

The indirect effect is 0.204, which indicates on average 0.204 units of the overall difference since organizational environmental support on organizational sustainable performance can be attributed to the difference in employee green behaviour.

The statistical significance of the mediation has been tested with a test of statistical significance proposed by Sobel (1982). Values of regression coefficients have been applied to the Sobel calculator and the results are as follows:

\[
Z = \frac{ab}{\sqrt{b^2S_a^2 + a^2S_b^2}}
\]

\[
Z = \frac{0.204}{\sqrt{0.367^2 \times 0.056^2 + 0.556^2 \times 0.052^2}} = 5.752
\]

According to Mallinckrodt, Abraham, Wei, & Russell (2006), since the $z$-score (5.752) is greater than 1.96, the mediation is said to be statistically significant at a 5% level of significance. That means employees' green behaviour significantly carries the influence of organizational environmental support on organizational sustainable performance. As per the Sobel test, since mediation is
statistically significant, the proportion of the effect that is mediated is calculated with the use following formula,

\[
\text{Proportion of mediation effect} = \frac{ab}{c} \times 100
\]

\[
= \frac{0.204}{0.500} \times 100
\]

\[
= 40.80\%
\]

The proportion of the partial mediation is 40.80% which indicates that 40.80% of total variation caused by organizational environmental support in organizational sustainable performance is explained by employee green behaviour. It can be concluded from the findings; that employee green behaviour partially mediates the relationship between organizational environmental support and organizational sustainable performance.

![Figure 2: Results of Mediator Model](image)

**Discussion and Implications**

The results of the H1 analysis indicate that the correlation coefficient (r) value is 0.665 between organizational environmental support and organizational sustainable performance and is significant at a 1% level of significance. The finding empirically supports the finding of Barnett (2007), who found that engaging in environmental management practices outweighs the costs involved in the long run and investing in environmental management practices can lead to better relationships with stakeholders like local communities, lenders, and governments. Further, as mentioned by Whitelaw, Teuton, Swift, and Scobie (2010), green spaces have a beneficial effect on psychological well-being and cognitive function through both physical access and use and access to views,
ultimately leading to enhanced social performance of firms. Therefore, it can be concluded that there is a strong positive and significant relationship between organizational environmental support and organizational sustainable performance. This indicates that businesses looking to boost their sustainability performance should concentrate on improving their environmental initiatives and supporting the initiatives made by their employees. Further, in order to save time and also inculcate a sense of green management in staff, HR administrators need to turn to online training courses and more digitization, rather than a conventional pen-paper curriculum.

The results of the $H_2$ analysis suggest that the correlation coefficient ($r$) value is 0.604 between organizational environmental support and employee green behaviour and is significant at a 1% level of significance. In literature, authors have found a significant positive relationship between perceived organizational support for the environment and involvement in environmental management (i.e., required EGB) as well as promotion of initiatives and innovative environmental behaviours (i.e., voluntary EGB) (Cantor, Morrow & Montabon, 2012). Therefore, it can be concluded that there is a strong positive and significant relationship between organizational environmental support and employee green behaviour. According to the findings of this study, managers should assist their workers' environmental endeavours by developing their green skills and motivation and providing them with opportunities to establish a sense of organizational environmental support. Furthermore, HR administrators may consider offering praise and recognition by granting non-monetary awards to encourage employees' active participation in eco-friendly activities.

And also, Norton, Zacher and Ashkanasy (2014), found positive relationships between the perceived presence of an organizational sustainability policy and self-report task-related and proactive EGB. Ramus and Steger (2000) argue that the workers view the implementation and coordination of corporate environmental strategy as interpreted employees as a form of organizational support, encouragement, and support of environmental values and, thus, increases their engagement in eco-initiatives (a proactive form of EGB).

Finding related to $H_3$ shows that the correlation coefficient ($r$) value is 0.686 between green behaviour and organizational sustainable performance and is significant at a 1% level of significance. Daily et al. (2009) indicated that environmental actions employees, such as waste reduction, should help firms to meet environmental goals and improve overall environmental performance.
Green behaviour involvement can act as a stress buster. This will contribute to the firm’s social performance. (George & Jayakumar, 2017). Therefore, it can be concluded that there is a strong positive and significant relationship between employee green behaviour and organizational sustainable performance. As a result, it has practical ramifications for enterprises, as managers should discuss their company's green culture with potential employees because working for an ecologically friendly company is crucial for certain job seekers who want their employers' values to match their own.

The findings related to H4 verify the impact of organizational environmental support on organizational sustainable performance through employee green behaviour and the results of this study show that since organizational environmental support is still significant when employee green behaviour is controlled but the strength of the relationship has reduced from 0.500 to 0.296. Scholars (Ones & Dilchert, 2012) propose that the success of organizational environmental initiatives depends on the engagement of the employee. And also, it is argued that introducing an effective environmental management system in an organization would lead to improved economic performance (Abdel-Maksoud, Kamel & Elbanna, 2016). Zailani, Jeyaraman, Vengadasan, and Premkumar (2012) found a positive correlation between sustainable procurement practices and social, economic and operational performance. Therefore, it can be concluded that employee green behaviour partially mediates the relationship between organizational environmental support and organizational sustainable performance. Managers should encourage their employees to utilise organisational environmental support and consider it as a way to harness human potential to create innovative solutions to environmental challenges. Employees are more inclined to adopt creative techniques to achieve their environmental goals when they perceive management backing. It is proposed that in order for banks' environmental initiatives to thrive, extra elements such as resources, incentives, and goals to enable employees to engage in sustainability are required. Such organizational resources reflect a supportive environment and provide incentives to promote specific behaviours as workers see them as reflecting the ideals of the bank.

The findings of the study suggest that environmental initiatives of an organization are an important predictor of the sustainability performance of an organization and the relationship is mediated by employee green behaviour.
This study contributes to filling out the *knowledge gap* to some extent by highlighting the role of psychological mechanisms previously overlooked that underlie the relationship between organizational policies and behaviour which was identified as a gap that needs to be further explored by Ramus and Steger, (2000) and Whitmarsh (2009). Further, this study has interconnected employee behaviour and sustainability performance, which has been identified as a relatively new area of study by Ruepert et al. (2016). Further, most of the past research studies have examined the personal factors affecting green behaviour, this study has focused on the mechanisms through which various contextual antecedents influence employee green behaviour where it was found that employee green behaviour is having a strong relationship with organizational environmental support. In this way, this study contributes to filling the *empirical gap* to some extent. And also, most previous studies in sustainability performance are qualitative and this study is quantitative in nature, which contributes to filling the *methodological gap* to some extent.

**Directions for the Future Research**

It is acknowledged by the researcher that, as with all research, the study is subject to certain limitations. While the findings of this study provide a good estimate of the model proposed, additional variables may be added to improve the predictability of the proposed model. Further, assessing sustainability performance with the Triple Bottom Line (TBL) alone is not comprehensive (Bond & Morrison-Saunders, 2011) because the TBL focuses alone on the environment, society and economy. Wu et al. (2018) argued that it is not enough for companies to consider TBL practices in their sustainable development and that the sustainability requirements of the TBL overlap areas must also be taken into account. Wu et al. (2018) suggested the theory of overlap bottom line (OBL) that includes the socio-environmental, eco-efficiency and socio-economic sustainability dimensions. Thus, future studies can be undertaken by considering overlapping areas of sustainability.

Thus, this study used a broad measure of EGB. Recently, there has been a trend towards more detailed conceptualizations of the construct. Findings (Bissing-Olson et al., 2013; Norton, Zacher & Ashkanasy, 2014) demonstrate that task-related and proactive forms of EGB, respond differently to different antecedents although highly interrelated and that can be taken into account by future studies. This research could not be generalized at the national level, since the study was conducted only in two divisional secretariat areas in Batticaloa District.
Therefore, future research could study the whole Batticaloa district and studies can be extended at the national level.

Furthermore, each employee at the chosen commercial bank was used as the unit of analysis in this study. Because the research problem is about organization, 'organization' should have been utilized as a unit of analysis. As a result, future studies might take this fact into consideration and conduct research using companies as a unit of analysis. The final limitation is that the study has used only the quantitative approach, using a qualitative research approach such as interviews, and observation will be effective to get more explanation regarding the study variables.

**Declaration of Conflicting Interests**

The authors declared no potential conflicts of interest with respect to the research, authorship, and publication of this article.

**References**


THE IMPACT OF ORGANIZATIONAL ENVIRONMENTAL SUPPORT ON ORGANIZATIONAL SUSTAINABLE PERFORMANCE: THE MEDIATING ROLE OF EMPLOYEE GREEN BEHAVIOUR IN SELECTED COMMERCIAL BANKS IN BATTICALOA REGION OF SRI LANKA


**Appendix-1: Study Population and Sample Size**

<table>
<thead>
<tr>
<th></th>
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<td>01</td>
<td>09</td>
<td>06</td>
<td>08</td>
<td>08</td>
<td>07</td>
<td>08</td>
<td>05</td>
<td>03</td>
<td>03</td>
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<td>Banking Assistant</td>
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<td>14</td>
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<td>08</td>
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<td>17</td>
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<td>03</td>
<td>02</td>
<td>02</td>
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<td>09</td>
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<td>-</td>
<td>06</td>
<td>-</td>
<td>-</td>
<td>01</td>
<td>-</td>
<td>07</td>
<td>05</td>
<td>11</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>35</td>
<td>25</td>
<td>33</td>
<td>23</td>
<td>28</td>
<td>64</td>
<td>48</td>
<td>76</td>
<td>55</td>
<td>236</td>
<td>173</td>
<td></td>
</tr>
</tbody>
</table>

*(Source: Collected by the researchers from the banks which are operating in the selected two DS areas of Batticaloa)*