

Examining the Nexus Between Green Organizational Culture and Sustainable Environmental Performance: Mediating Role of Employee Green Creativity

P. Kanitharshan

Graduate, Eastern University, Sri Lanka
kanitharshan.2020@gmail.com

N. Thevanes

Lecturer in Human Resource Management
Department of Business and Management Studies, Trincomalee Campus
Eastern University, Sri Lanka
nadesthev@gmail.com

A. Anton Arulrajah

Professor in Management
Department of Management , Faculty of Commerce and Management,
Eastern University, Sri Lanka
aantonarulrajah@yahoo.com

Abstract

This study aims to examine the mediating effect of employee green creativity on the relationship between green organizational culture and sustainable environmental performance through the lens of natural resource-based view (NRBV) theory and the theory of planned behaviour (TPB). An empirical study was carried out to achieve the study's objectives by adopting a survey of 202 employees from selected banks operating in the Vavuniya district of Sri Lanka. The study's findings revealed positive and significant relationships among the study variables. Moreover, the study's empirical findings indicated that employee green creativity mediates the relationship between green organizational culture and sustainable environmental performance. The findings of this study have important implications for researchers about the mediating role of employee green creativity within the Sri Lankan banking sector. Moreover, the findings enable industry stakeholders to promote employees' green creativity by adapting a green organizational culture to improve sustainable environmental performance in the lens of NRBV and TPB theories.

Key Words: Banks, Creativity, Employee, Environmental Performance, Green Creativity, Green Culture, Sustainability

Introduction

The latest 2025 Sustainable Development Goals Report indicates that environmental sustainability-related goals, including access to clean water and sanitation, affordable and clean energy, responsible consumption and production, and climate action, face significant global challenges. The growing severity of environmental problems, including pollution, deforestation, biodiversity destruction, and climate change, has heightened concerns about environmental sustainability on a global basis (Adebayo et al, 2020; Gazi et al, 2024). In light of chronic ecological degradation and escalating stakeholder demands for sustainable practices, business organizations encounter mounting pressure to operate ethically and integrate environmental sustainability into their operations and long-term goals (Uddin et al, 2023). The effective implementation of environmentally conscious practices depends heavily on organizational competencies and innovations that align with environmental goals (Arulrajah and Opatha, 2016). Further, organizations are required to transform conventional employees into environmentally conscious employees to ensure sustainable environmental performance, as employees' environmentally conscious actions and behaviours are crucial for enhancing efforts to promote ecological sustainability (Opatha and Arulrajah, 2014). At this juncture, several studies (Ali et al, 2023; Gatell and Avella, 2024; Pan et al, 2022; Roscoe et al, 2019; Sun et al, 2024) emphasised the importance of creating, developing and retaining a green organizational culture to ensure sustainable environmental performance.

Jaganjac et al (2025) argues that successful implementation of environmental sustainability programs requires a flexible structure and a green organizational culture grounded in a shared sustainability vision. Several studies pointed out that contemporary organizations are in the immense necessity to create, develop and maintain a concrete green organizational culture to appreciate the values, beliefs, customs and conventions of employees related to the organization's sustainable environmental performance, which is regarded as one of the primary sources of competitive advantage in today's highly competitive business environment (Abbas and Khan, 2023; Muisyo and Qin, 2021; Roscoe et al, 2019). A green organizational culture fosters employees' green behaviours, thereby enhancing the organization's sustainable environmental performance (Al-Swidi et al, 2021; Andoh et al, 2025; Pan et al, 2022). In this context, employee green creativity is acknowledged as essential for organizational green innovation, which helps ensure sustainable environmental performance (AlQershi et al, 2023; Choudhary and Datta, 2024; Shamsan and Farea, 2025). Nonetheless, fostering employees' green creativity is unattainable without the establishment and execution of a solid green organizational culture. Recent scholarly discourse has emphasised the importance of green creativity for achieving environmental sustainability (Obuobi et al, 2024). This has emerged as a focal point of research within management science (Zhou and Li, 2024). However, only a few recent studies have highlighted the link between green organizational culture and employees' green creativity and innovation (García-Machado and Martínez-Ávila, 2019; Veloutsou and Liao, 2023). Despite an increasing number of studies underlining the significance of a green organizational culture in enhancing sustainable environmental performance (e.g., Abbas and Khan, 2023; He et al, 2023; Roscoe et al, 2019), significant gaps remain in understanding the mechanisms through which green organizational culture contributes to sustainable environmental performance. A study conducted by Hue and Dinh-Hai, (2024) proved that numerous empirical studies have been conducted in

developed economies such as the United States and the United Kingdom on green organizational culture. Further, it is possible to conclude that relatively little attention is given to emerging economies, such as Sri Lanka, on green organizational culture (Hue and Dinh-Hai, 2024). There is no empirical evidence concerning the mediating effect of employee green creativity on the relationship between green organizational culture and sustainable environmental performance in the Sri Lankan context and perhaps the international contexts. Further, the contextual gap is particularly significant in light of Sri Lanka's ongoing Clean Sri Lanka project, which aims to pave the way for achieving the Sustainable Development Goals by 2030. In this context, the banking sector in Sri Lanka is embracing green banking practices to make a significant contribution to the country's environmental sustainability (Jayarathne et al, 2020; Shaumya and Arulrajah, 2017). This study aims to fill these empirical and contextual gaps by examining the relationships within the green organizational culture–employee green creativity–sustainable environmental performance triangle, positing that employee green creativity is a significant behavioural effect of green organizational culture and a possible facilitator of sustainable environmental performance of banks.

Literature Review and Hypothesis Development

There are three main concepts in this research paper, and they need to be defined. Refer to Exhibit 1 for working definitions of the three concepts.

Exhibit 1. Working Definitions of the Concepts

Concept	Working Definition
Green Organizational Culture	Green organizational culture can be defined as the values, principles, and beliefs that guide all the organizational practices towards becoming environmentally friendly organization (Ravasi and Schultz, 2006).
Employee Green Creativity	Employee green creativity is defined as the development of new ideas about green products, green services, green processes or green practices that are judged to be original novel and useful (Chen and Chang, 2013).
Sustainable Environmental Performance	Sustainable environmental performance is defined as the degree of commitment to protecting the natural environment (Umrani et al, 2022).

Natural Resource-based View theory

The current study adopts the natural resource-based View (NRBV) theory to explore the interrelationship between green organizational culture, employee green creativity, and sustainable environmental performance. The NRBV proposes that companies can generate a competitive advantage through proactive engagement with the natural environment (Hart, 1995). In 1995, Hart introduced a model comprising three interrelated business characteristics that facilitate sustained growth. Initially, pollution protection measures help reduce emissions and waste. Moreover, robust product stewardship capabilities lead to lower product lifecycle expenses. Lastly, sustainable development promotes a long-term shared vision (Alt et al, 2015; Hart, 1995). The NRBV focuses on

organizational operations and resource use, considering their impact on the natural environment (Hart, 1995). This research focuses on green organizational culture as a resource to ensure the organization's involvement in environmentally friendly activities, such as employee green creativity and sustainable environmental performance. Further, Hart and Dowell (2011) emphasised the importance of understanding the role of key stakeholders in facilitating the implementation of environmental standards, both internally and within the supply chain. From this perspective, Opatha and Arulrajah (2014) contended that it is crucial to develop employees' green knowledge, skills, and attitudes, as they are regarded as primary inputs of the employees who are a kind of the primary stakeholders in achieving sustainable environmental performance. In the light of NRBV theory, through the implementation of green culture, organizations can posit common and shared environmental values, systems, beliefs, and behaviours among the employees. As a result, employees will foster green creativity to uplift the sustainable environmental performance. According to the NRBV theory, Sharma et al (2021) conducted a study examining the relationship between organizational green culture and environmental performance. This study also aims to thoroughly identify the interrelationship between green organizational culture, employee green creativity, and sustainable environmental performance, guided by the NRBV theory.

Theory of Planned Behaviour

Utilizing the theory of planned behaviour, this study established a comprehensive framework to elucidate the impact of green organizational culture practices on sustainable environmental performance, mediated by employee green innovation. The theory of planned behaviour posits that individual behaviour is influenced by three psychological factors: attitudes, subjective norms, and perceived behavioural control, which collectively determine behavioural intentions and actual actions (Ajzen, 1991). A green company culture inspires employees to engage in environmentally sustainable efforts and enhances their competitive drive to participate in eco-friendly activities by improving their green attitudes, values and beliefs (García-Machado and Martínez-Ávila, 2019; Imran and Jingzu, 2022). These qualities are crucial for employees to foster green creativity to address corporate environmental issues. Consequently, employee green creativity is seen as the behavioural result of cognitive and motivational processes shaped by green organizational culture. Therefore, it is feasible to view employee green creativity as the mediator between the relationship between sustainable environmental performance and green organizational culture in the light of the theory of planned behaviour.

Green Organizational Culture and Sustainable Environmental Performance

Multiple studies (Al-Swidi et al, 2021; García-Machado and Martínez-Ávila, 2019; Ones and Dilchert, 2012; Paillé and Raineri, 2015) have stressed the importance of green organizational culture in improving the sustainable environmental performance of organizations. Al-Swidi et al (2021) indicated that a green organizational culture motivates employees to comply with their environmental responsibilities in support of the ultimate objective of ecological sustainability. When organizations regard green codes of practice as an integral component of their strategic framework and integrate them into their employees' ecological ethos, the outcomes will be reflected in the organization's sustainable environmental performance (García-Machado and Martínez-Ávila, 2019).

Organizations with a green culture are more likely to develop new approaches to address performance challenges and include performance improvement strategies in their mission and vision (Imran and Jingzu, 2022). A green organizational culture can institutionalise environmental beliefs and processes in the organization's policies and systems. This can positively affect the organization's environmental performance (Norton et al, 2015). A study conducted by Gürlek and Tuna, (2018) discovered that a green organisational culture can be considered a key driver of green innovation. Further Abbas and Khan (2023) posit that a green organizational culture may improve the effectiveness and implementation of green innovation, as it heightens employees' sustainability awareness, ultimately leading to enhanced sustainable environmental performance. Organizations that cultivate a green culture are better equipped to meet stakeholder expectations regarding environmental responsibility, thus improving their environmental performance. On the other hand, organizations lacking a green culture may face resource constraints in their ecological strategies (Imran and Jingzu, 2022). In line with the above arguments and empirical findings in the literature, the following hypothesis has been developed:

H₁: Green organizational culture has a positive impact on sustainable environmental performance.

Green Organizational Culture and Employee Green Creativity

Green creativity refers to the development of new ideas about green products, services, processes, or practices that are judged to be original, novel, and useful (Chen and Chang, 2013). Contemporary organizations can benefit from employees with green creativity, as they may create and execute strategies that reduce resource consumption and enhance the organisation's positive environmental impact, thereby advancing both organizational green creativity and ecological outcomes (Zahrani, 2022). Thus, organizations are in immense need of developing and retaining employees with green creativity to create green products, processes, and services, thereby gaining a green image and a competitive advantage. In this context, green organizational culture is one of the critical organizational factors that affects employees' green creativity (Shaukat and Ali, 2023). A company's culture is deemed green if its members embrace and share values and beliefs about the significance and moral obligation to protect the environment and act in an eco-friendly manner (Shahriari et al, 2023). Furthermore, studies have shown that organizational green culture supports increased job satisfaction (Shahriari et al, 2023) and organizational commitment (Mirhadian et al, 2024), thereby encouraging employees to develop ideas for green products, processes, practices, and services. Organizations can foster the development of green knowledge and capabilities by cultivating a unique green organizational culture and establishing resource position barriers to sustain a competitive advantage in green creativity (Wernerfelt, 1984). Organizational green culture fosters a conducive environment for employee development, providing opportunities for growth that can enhance individual motivation to innovate (Shuliang et al, 2024). This, in turn, contributes to advancing employees' green creativity to protect the natural environment. Based on the above statement, we argue that green organizational culture would positively affect green creativity and propose the following hypothesis:

H₂: Green organizational culture has a positive impact on employee green creativity.

Employee Green Creativity and Sustainable Environmental Performance

An organization must encourage employees to devise creative and environmentally friendly ways to utilise materials and resources to achieve its environmental goals (Good et al, 2023). Green creativity enables employees to come up with eco-friendly initiatives, processes and products that contribute to the overall environmental sustainability goals of the organization (Hou et al, 2023). According to Taha and Abbas (2023) employees green creativity is related to various green processes, including energy storage and conservation, prevention of pollution, waste recycling and environmental management of the organization. Employee green creativity contributes to enhancing the provision of energy resources and meeting societal needs in sustainable, environmentally controlled ways that do not harm or deplete natural resources (Chen and Chang, 2013). Furthermore, employee green creativity provides a great opportunity for organizations to meet customer demands without harming the environment and to improve the organization's environmental performance (Taha and Abbas, 2023). The empirical findings of the study conducted by Wang et al (2024) revealed that employee green creativity has a positive impact on environmental performance. Furthermore, green creativity is positively correlated with sustainable environmental performance (Taha and Abbas, 2023). Therefore, based on these arguments in the literature, the following hypothesis has been developed:

H₃: Employee green creativity has a positive impact on sustainable environmental performance.

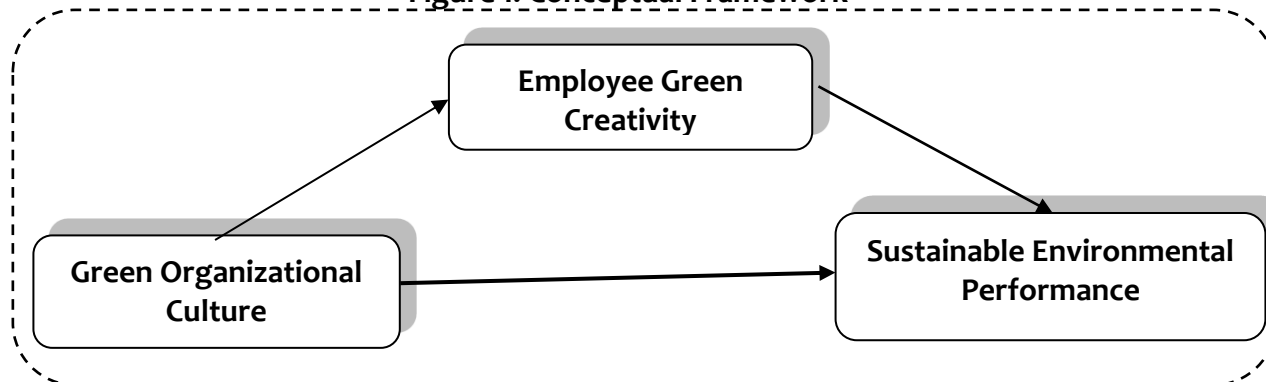
Linkage between Green Organizational Culture and Sustainable Environmental performance through Employee Green creativity

Based on the above-cited literature evidence, it is possible to establish a positive direct relationship between Green organizational culture and sustainable environmental performance. Researchers believe that a green organizational culture leads to superior sustainable environmental performance through employees' green creativity. Employees demonstrating green creativity are more inclined to suggest new environmentally friendly products, redesign processes for enhanced environmental results, and participate in eco-innovation efforts, all of which directly support the organization's sustainable environmental performance (Du and Wang, 2022; Kajzer Mitchell and Walinga, 2017). It has been posited that employees engaged in a culture that prioritises eco-friendly sustainability are likely to fully embrace and actively engage in the green initiatives of the organization (Umrani et al, 2022). Moreover, the aforementioned evidence allows for the conclusion that a green organizational culture enhances employees' environmental knowledge, skills, attitudes, and values, along with their job satisfaction and commitment, thereby motivating them to cultivate green creativity to advance sustainable environmental performance. In the lens of NRBV and TPB theory, by adopting a green culture, organizations can establish common environmental values, systems, beliefs, and behaviours among employees. Consequently, employees will cultivate green creativity to enhance sustainable environmental performance. So, it can be hypothesized as:

H₄: Employee green creativity mediates the relationship between green organizational culture and sustainable environmental performance.

Hence, based on the literature review, this study proposes a conceptual framework that shows the relationship between green organizational culture, employee green creativity and sustainable environmental performance (see Figure 1).

Figure 1. Conceptual Framework



Source: Developed for this study purpose

Method

Sampling and Data Collection

The empirical data for the current study were collected from selected commercial banks operating in the Vavuniya District of Sri Lanka. The study population consisted of nearly 300 employees from the selected commercial banks in Vavuniya District. Out of these, 202 employees were selected as the sample for this study using a disproportionate stratified sampling method. This study depends on primary data. Therefore, the data for this study were collected from respondents using a structured questionnaire. The questionnaire contained questions relating to green organizational culture, employee green creativity and sustainable environmental performance.

Measures

This study has used an instrument adapted from past research works of Onputtha et al (2023). This instrument can be used to measure the green organizational culture that consists of 06 question items. This instrument had a Cronbach's alpha of 0.789, which is higher than 0.70. Hence, this instrument had good reliability. To measure employee green creativity, an instrument was used from past research works of Jiang et al (2020). The instrument measures the concept of employee green creativity based on four dimensions, namely (1) green creative motivation (4 question items), (2) green creative thinking (4 question items), (3) green creative behaviour (4 question items), and (4) green creative outcomes (4 question outcomes). The instrument had a reasonable degree of reliability with a Cronbach's alpha of 0.757. The study used an instrument adapted from Roscoe et al (2019) that contains eight questions to measure sustainable environmental performance. The instrument demonstrated high internal consistency, with a Cronbach's alpha of 0.823. This study has used a Likert scale ranging from 1 to 5 where 1 indicates "strongly disagree" and 5 indicates "strongly agree", with the mean scores indicating the status of the study variables.

Validity of the Instruments

Content validity refers to the extent to which the measurement device, in our case, the questionnaire questions, provides adequate coverage of the investigated domain (Saunders, Lewis and Thornhill, 2009). More than two question statements were developed for each of the elements identified from the literature and therefore each of the three instruments contained an adequate degree of content validity. Factor analysis was used to measure the construct validity of the instruments, and it is a multivariate technique that confirms the dimensions of the concept that have been operationally defined, as well as indicating which of the items are the most appropriate for each dimension (establishing construct validity) (Sekaran and Bougie, 2016). Under the KMO and Bartlett's Test of Sphericity, the three instruments are as follows: green organizational culture (0.875), employee green creativity (0.872), and sustainable environmental performance (0.859). Kaiser (1974) recommends that the accepted index of KMO and Bartlett's Test of Sphericity should be over 0.5. Hence, KMO and Bartlett's Test of Sphericity test ensured that the sample size was adequate to perform the factor analysis. All the items used to measure the dimensions of the three variables contributed to measuring the relevant concepts by above 50% (cumulative %). Thus, these results demonstrate that the instruments' construct validity has been established. Furthermore, the construct validity of the instruments used in this study was ensured by the correlation analysis, which supported the hypotheses linking the independent, dependent, and mediating variables.

Data Analysis Techniques

Correlation analysis was conducted to examine the relationship between the variables. According to Sekaran (2000), the correlation coefficient value (r) ranging 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. However, according to Field (2005), correlation coefficient should not go beyond 0.8 to avoid multicollinearity. The correlation matrix shows that multicollinearity does not threaten the validity of the data.

To test the relationship between green organizational culture and sustainable environmental performance (H_1), green organizational culture and employee green creativity (H_2) and employee green creativity and sustainable environmental performance (H_3) correlation analysis was used. Mediation analysis was used to examine the mediating effect of employee green creativity on the relationship between green organizational culture and sustainable environmental performance. This method was proposed by Baron and Kenny (1986) and Frazier, Tix and Barron (2004) to examine the mediating effect. According to their procedure, there are four steps (using three regression equations) to establish a mediating effect of a variable on the relationship between a predictor and an outcome variable. The four steps are: to show that the predictor is significantly related to the outcome (step 1); to show that the predictor is significantly related to mediator (step 2); to show that the mediator is significantly related to the outcome variable (step 3); and to show that the strength of the relationship between the predictor and the outcome is significantly reduced when the mediator is added to the model (step 4). Studies conducted by Iddagoda and Opatha (2020) also applied the same method in testing the mediating role.

Results

Refer to Table 1 for the information about respondents.

Table 1. Respondents' Information

Attributes	Classification	Percentage
Gender	Male	54.0
	Female	46.0
Age	18-20 Years	9.9
	21-30 Years	46.0
	31-40 Years	41.1
	Above 41 Years	3.0
Educational Level	G.C.E Advanced Level	17.8
	Banking Qualification	17.3
	Diploma Holders	7.4
	Bachelor's Degree	50.5
	Master's Degree	6.9
Job Title	Manager	5.0
	Assistant Manager	5.0
	Operations Manager	4.5
	Relationship Manager	2.5
	Loan Officer (Senior Level)	5.4
	Head Teller	.5
	Teller	25.7
	Customer Service Representative	19.3
	Loan Officer (Junior Level)	10.4
	Others	21.8
Years of Experience	Less than 2 Years	21.8
	2-5 Years	29.7
	6-10 Years	36.6
	More than 10 Years	11.9

Source: Survey Data

Correlation Analysis

Table 2 presents the correlations and descriptive statistics for all variables examined in the study. The study's descriptive statistics indicate that the selected banks are adopting a high level of green organizational culture. The study's findings indicate a high level of green creativity among bank employees. The results indicate a high level of banks' sustainable environmental performance, with mean scores ranging from 3.89 to 4.11 out of 5.

Correlation analysis illustrates that green organizational culture has a medium positive correlation with sustainable environmental performance (H1). Correlation analysis also shows a medium positive correlation between green organizational culture and employee green creativity (H2). Further, correlation analysis indicated that employee green creativity has a medium positive correlation with sustainable environmental performance (H3).

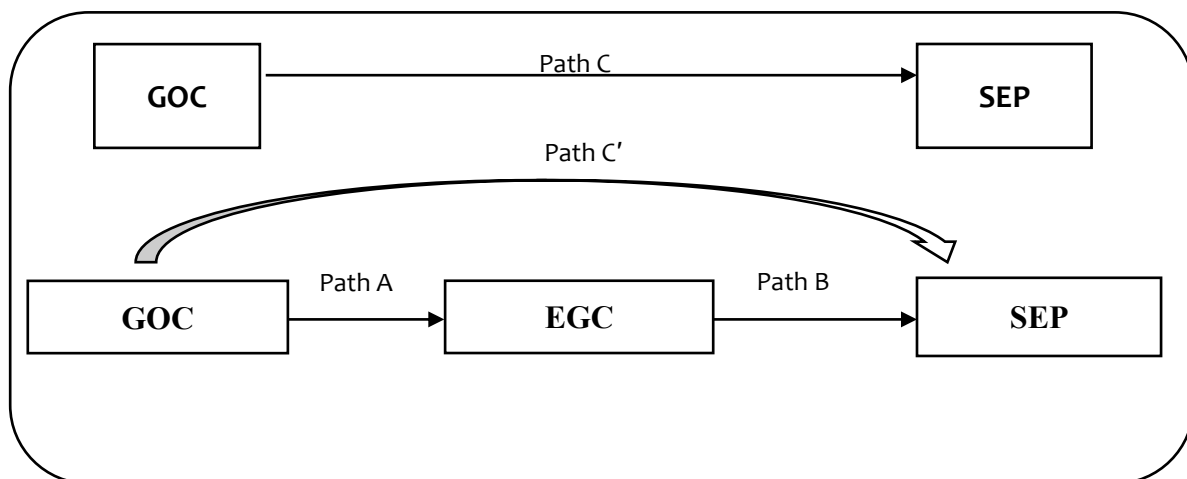
Table 2. Descriptive Statistics and Correlation Matrix

Variables	Mean	SD	1	2
1 Green Organizational Culture	4.11	0.37		
2 Employee green Creativity	3.89	0.36	0.417**	
3 Sustainable environmental performance	4.06	0.33	0.490**	0.451**

Notes: N=202, **Correlation is significant at the 0.001 level (2-tailed),
(Source: Survey Data)

Mediation Analysis

Mediation analysis is shown in terms of a diagram given in Figure 2.

Figure 2. Diagram of the Direct Effect of Green Organizational Culture and the Mediating Effect of Employee Green Creativity

Source. Adapted from Frazier et al (2004).

Note. GOC=Green organizational culture

EGC: Employee green creativity

SEP: Sustainable environmental performance

Table 3 shows the results of mediation analysis. Step-1, which tests the effect of the predictor (green organizational culture) on the outcome (sustainable environmental performance) ($B=0.437$, $p=0.000$). The result indicates that green organizational culture is positively and significantly related to sustainable environmental performance.

Step-2 shows that green organizational culture is positively and significantly related to employee green creativity ($B=0.397$, $p=0.000$). The results reveal that the predictor is significantly related to the mediator.

Table 3. Simple Mediation Analysis

Step	Independent Variable	Dependent Variable	B	Sig.	Collinearity Statistics	
					Tolerance	VIF
1	Green organizational culture Path C	Sustainable environmental performance	0.437	0.000	1.000	1.000
2	Green organizational culture Path A	Employee green creativity	0.397	0.000	1.000	1.000
3	Employee green creativity Path B	Sustainable environmental performance	0.422	0.000	1.000	1.000
4	Green organizational culture	Sustainable environmental performance	0.326	0.000	0.826	1.210
	Employee green creativity Path B and C'		0.279	0.000	0.826	1.210

(Source: Survey Data)

The result of step-3 indicates that employee green creativity has a positive relationship with sustainable environmental performance ($B=422$, $p = 0.000$). The results reveal that the mediator is significantly related to the outcome. Finally, based on the mediation analysis, from step 1 to step 3, the relationships between the variables are significant as the sig value is less than 0.01. In step 4, employee green creativity (0.000) is significant and digital leadership (0.000) is significant. Frazier et al (2004) pointed out that when Path C' is zero, there is complete mediation; otherwise, a partial mediation exists. In this case, Path C' was 0.326, and this is still significant ($p < .01$). As it was smaller than Path C (which was 0.437), there is a partial mediation. The results of mediation analysis suggest that employee green creativity partially mediates the relationship between digital leadership and employee creativity. Additionally, the Variance Inflation Factors (VIFs) and tolerance levels are well within the acceptable thresholds (Below 5), as outlined by (Hair et al, 2018). This evidence strongly suggests that multicollinearity is not a significant concern in this model. The analysis supports the acceptance of what was hypothesized in Hypothesis 4 (H4).

Discussion and Conclusion

According to empirical evidence, green organizational culture and sustainable environmental performance are significantly and positively correlated. This result supports the study's first hypothesis. Green organizational culture can be seen as the primary driver for the successful implementation of green banking initiatives and practices, which improves banks' sustainable environmental performance, as banks are concentrating more on green banking to ensure sustainability. Effective implementation of green policies is supported by a green organizational culture; consequently, if employees do not strive toward common green objectives, all green development initiatives would be in vain. A company's green cultural structure reflects its environmental practices. Managers can change organizational culture toward environmentally friendly solutions by promoting green values and beliefs, as culture compels people to act in ways consistent with

predetermined values. This finding was consistent with previous studies (eg., Chen, 2011; Hue and Dinh-Hai, 2024; Marshall et al, 2015) which suggested that green organizational culture is essential to implement the green strategies to ensure sustainable environmental performance.

The study's findings indicate a significant and positive relationship between green organizational culture and employee green creativity. More precisely, green organizational culture enables employees to develop new green products, services, processes, and practices aimed at reducing the organization's carbon footprint, which is referred to as employee green creativity. A green organizational culture fosters an environment where employees may cultivate and share their eco-friendly ideas to address the organization's environmental issues. Moreover, a green organizational culture cultivates positive environmental attitudes and values, strengthens sustainability-oriented norms, and equips employees with the resources and autonomy required for eco-friendly initiatives. These factors, therefore, encourage employees to engage in green creativity, potentially yielding innovative, eco-friendly outcomes that advance overarching sustainability objectives. Our findings are also aligned with more recent studies Alfadel and Nalband (2025); AlQershi et al (2023); Du and Wang (2022) which emphasise the role of employees' green creativity in improving the sustainable environmental performance.

The results show a significant, positive relationship between employee green creativity and sustainable environmental performance. Employees' green creativity can be considered a substantial employee outcome, highly needed to ensure sustainable environmental performance in organizations. Green creativity is a crucial strategy for banks to address ecological challenges and pressures, ensuring the successful implementation of green banking. Given the close rivalry within the Sri Lankan banking sector, it is imperative for banks to promote employee engagement in green creativity to devise creative solutions for environmental issues, resource scarcity, waste reduction, and energy efficiency, as green creativity serves as the foundation for green innovation. Employees' green creativity is a fundamental accelerator of sustainable environmental performance, as they represent a source of sustainable competitive advantage. Our study's findings were consonant with previous research findings on the role of employee green creativity in achieving sustainable environmental performance. Alfadel and Nalband, (2025) demonstrated that employee green creativity supports sustainable environmental performance from the sample of private organizations in Saudi Arabia. Lyu et al (2022) confirmed that fostering green creativity in Chinese manufacturing organizations accelerates sustainable environmental performance. However, to the researchers' knowledge, no studies have been conducted in the banking industry on the relationship between employee green creativity and sustainable environmental performance.

Finally, the study's findings suggested that employee green creativity partially mediates the relationship between green organizational culture and sustainable environmental performance. In other words, green organizational culture is both directly and indirectly (through the mediating role of employee green creativity) associated with sustainable environmental performance. According to NRBV theory, organizational culture is a crucial resource that promotes green creativity among employees by instilling green values, norms, and beliefs, together with a collective long-term organizational green vision,

resulting in enhanced sustainable environmental performance. Further, theoretically, the study extends the application of the theory of planned behaviour by positioning employee green creativity as a key behavioural mechanism to link green organizational culture and sustainable environmental performance. Thus, banks can directly foster employees' green creativity by adopting a green organizational culture, thereby improving their sustainable environmental performance.

The current research is a cross-sectional study. As a result, future researchers should confirm the current findings using longitudinal designs rather than cross-sectional designs for establishing causal assumptions based on previous theory and empirical evidence. Furthermore, only a quantitative research design is used in this study. As a result, future researchers may consider gathering deeper data from respondents. The use of qualitative and quantitative methods would provide more depth and richer explanations regarding the relationship among green organizational culture, employee green creativity and sustainable environmental performance. Furthermore, future researchers may examine the factors that influence the deployment of green organizational culture in the banking industry. Furthermore, the generalizability of the findings is limited by the study's sample, which is restricted to banks in a selected district in Sri Lanka. Hence, future studies can be extended nationwide.

References

- Abbas, J., & Khan, S. M. (2023). Green knowledge management and organizational green culture: An interaction for organizational green innovation and green performance. *Journal of Knowledge Management*, 27(7), 1852–1870. <https://doi.org/10.1108/JKM-03-2022-0156>
- Adebayo, O. P., Worlu, R. E., Moses, C. L., & Ogunnaike, O. O. (2020). An Integrated Organisational Culture for Sustainable Environmental Performance in the Nigerian Context. *Sustainability*, 12(20), 8323. <https://doi.org/10.3390/su12208323>
- Alfadel, A., & Nalband, N. (2025). Green creativity as a mediator between green human resource management practices and sustainable development: Insight from Saudi Arabia. *Discover Sustainability*, 6(1), 416. <https://doi.org/10.1007/s43621-025-01297-4>
- Ali, M., Malik, M., Yaqub, M. Z., Chiappetta Jabbour, C. J., Lopes De Sousa Jabbour, A. B., & Latan, H. (2023). Green means long life - green competencies for corporate sustainability performance: A moderated mediation model of green organizational culture and top management support. *Journal of Cleaner Production*, 427, 139174. <https://doi.org/10.1016/j.jclepro.2023.139174>
- AlQershi, N. A., Saufi, R. B. A., Muhammad, N. M. N., Bin Yusoff, M. N. H., & Thurasamy, R. (2023). Green creativity, TQM and business sustainability of large manufacturing firms in Malaysia. *The TQM Journal*, 35(4), 924–945.
- Al-Swidi, A. K., Gelaidan, H. M., & Saleh, R. M. (2021). The joint impact of green human resource management, leadership and organizational culture on employees' green behaviour and organisational environmental performance. *Journal of Cleaner Production*, 316, 128112. <https://doi.org/10.1016/j.jclepro.2021.128112>
- Alt, E., Díez-de-Castro, E. P., & Lloréns-Montes, F. J. (2015). Linking Employee Stakeholders to Environmental Performance: The Role of Proactive Environmental

- Strategies and Shared Vision. *Journal of Business Ethics*, 128(1), 167–181.
<https://doi.org/10.1007/s10551-014-2095-x>
- Andoh, R. P. K., Owusu, N. K., Hayford, C., Ansong, L. O., & Ansong, A. (2025). Implications of green knowledge sharing, organizational green culture and green training and development for organizational environmental citizenship behavior in the hotel sector. *Journal of Hospitality and Tourism Insights*, 8(2), 637–653.
<https://doi.org/10.1108/JHTI-04-2024-0342>
- Arulrajah, A. A., & Opatha, H. H. D. N. P. (2016). Analytical and Theoretical Perspectives on Green Human Resource Management: A Simplified Underpinning. *International Business Research*, 9(12), 153. <https://doi.org/10.5539/ibr.v9n12p153>
- Chen, Y. (2011). Green organizational identity: Sources and consequence. *Management Decision*, 49(3), 384–404. <https://doi.org/10.1108/0025174111120761>
- Chen, Y.-S., & Chang, C.-H. (2013). The Determinants of Green Product Development Performance: Green Dynamic Capabilities, Green Transformational Leadership, and Green Creativity. *Journal of Business Ethics*, 116(1), 107–119.
<https://doi.org/10.1007/s10551-012-1452-x>
- Choudhary, P., & Datta, A. (2024). Bibliometric analysis and systematic review of green human resource management and hospitality employees' green creativity. *The TQM Journal*, 36(2), 546–571.
- Du, Y., & Wang, H. (2022a). Green Innovation Sustainability: How Green Market Orientation and Absorptive Capacity Matter? *Sustainability*, 14(13), 8192.
<https://doi.org/10.3390/su14138192>
- Du, Y., & Wang, H. (2022b). Green Innovation Sustainability: How Green Market Orientation and Absorptive Capacity Matter? *Sustainability*, 14(13), 8192.
<https://doi.org/10.3390/su14138192>
- Frazier, P. A., Tix, A. P., & Barron, K. E. (2004). Testing Moderator and Mediator Effects in Counseling Psychology Research. *Journal of Counseling Psychology*, 51(1), 115–134.
<https://doi.org/10.1037/0022-0167.51.1.115>
- García-Machado, J. J., & Martínez-Ávila, M. (2019). Environmental Performance and Green Culture: The Mediating Effect of Green Innovation. An Application to the Automotive Industry. *Sustainability*, 11(18), 4874.
<https://doi.org/10.3390/su11184874>
- Gatell, I. S., & Avella, L. (2024). A maturity model for assessing Digital Green Lean leadership and culture implementation in manufacturing companies. *Total Quality Management & Business Excellence*, 35(7–8), 860–897.
<https://doi.org/10.1080/14783363.2024.2347373>
- Gazi, Md. A. I., Hossain, Md. M., Islam, S., Masud, A. A., Amin, M. B., Senathirajah, A. R. B. S., & Abdullah, M. (2024). CSR and Sustainable Environmental Performance: An Exploration of Mediating and Moderating Factors. *Sustainability*, 16(19), 8499.
<https://doi.org/10.3390/su16198499>
- Good, J. R. L., Singh, P., & Ezzedeen, S. (2023). Environmental Sustainability Strategy, Creativity, Innovation and Organizational Performance: The Role of Green Human Resource Management. *American Business Review*, 26(2), 475–502.
<https://doi.org/10.37625/abr.26.2.475-502>
- Gürlek, M., & Tuna, M. (2018). Reinforcing competitive advantage through green organizational culture and green innovation. *The Service Industries Journal*, 38(7–8), 467–491. <https://doi.org/10.1080/02642069.2017.1402889>

- Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2018). *Multivariate Data Analysis* (8th edition). Prentice Hall.
- Hart, S. L. (1995). A Natural-Resource-Based View of the Firm. *The Academy of Management Review*, 20(4), 986. <https://doi.org/10.2307/258963>
- He, W., Mushtaq, N., & Jan, L. (2023). Unlocking the dual black box of GHRMP & EGO for sustainable environmental performance in developing economies: Can green workplace behavior and green passion transmit the real change? *Environment, Development and Sustainability*, 26(6), 16025–16055. <https://doi.org/10.1007/s10668-023-03286-x>
- Hou, H., Gai, R., & An, L. (2023). The impact of environmentally-specific servant leadership on organizational green performance: The mediating role of green creativity. *Frontiers in Psychology*, 13, 1091025. <https://doi.org/10.3389/fpsyg.2022.1091025>
- Hue, T. T., & Dinh-Hai, L. (2024). Scientific mapping of green organizational culture: Main schools of thought and topical trends. *Business Strategy & Development*, 7(4), e70031. <https://doi.org/10.1002/bsd2.70031>
- Iddagoda, Y. A., & Opatha, H. H. D. N. P. (2020). Relationships and Mediating Effects of Employee Engagement: An Empirical Study of Managerial Employees of Sri Lankan Listed Companies. *Sage Open*, 10(2), 2158244020915905. <https://doi.org/10.1177/2158244020915905>
- Imran, M., & Jingzu, G. (2022). Green Organizational Culture, Organizational Performance, Green Innovation, Environmental Performance: A Mediation-Moderation Model. *Journal of Asia-Pacific Business*, 23(2), 161–182. <https://doi.org/10.1080/10599231.2022.2072493>
- Jaganjac, B., Hansen, K. W., Lunde, H., & Hunnes, J. A. (2025). The role of organizational culture and structure in implementing sustainability initiatives. *Business Ethics, the Environment & Responsibility*, 34(4), 1239–1254. <https://doi.org/10.1111/beer.12710>
- Jayarathne, P. G. P. J., Thevanes, N., & Arulrajah, A. A. (2020). The Impact of Employee Green Behavior on Green Banking Performance of Select Private Sector Banks in Sri Lanka. *IUP Journal of Bank Management*, 19(2), 47–65.
- Jiang, H., Wang, K., Lu, Z., Liu, Y., Wang, Y., & Li, G. (2020). Measuring Green Creativity for Employees in Green Enterprises: Scale Development and Validation. *Sustainability*, 13(1), 275. <https://doi.org/10.3390/su13010275>
- Kaiser, H. F. (1974). An Index of Factorial Simplicity. *Psychometrika*, 39(1), 31–36. <https://doi.org/10.1007/BF02291575>
- Kajzer Mitchell, I., & Walinga, J. (2017). The creative imperative: The role of creativity, creative problem solving and insight as key drivers for sustainability. *Journal of Cleaner Production*, 140, 1872–1884. <https://doi.org/10.1016/j.jclepro.2016.09.162>
- Lyu, C., Peng, C., Li, R., Yang, X., & Cao, D. (2022). Ambidextrous leadership and sustainability performance: Serial mediation effects of employees' green creativity and green product innovation. *Leadership & Organization Development Journal*, 43(8), 1376–1394. <https://doi.org/10.1108/LODJ-01-2021-0037>
- Marshall, D., McCarthy, L., McGrath, P., & Claudy, M. (2015). Going above and beyond: How sustainability culture and entrepreneurial orientation drive social sustainability supply chain practice adoption. *Supply Chain Management: An International Journal*, 20(4), 434–454. <https://doi.org/10.1108/SCM-08-2014-0267>
- Mirhadian, N., Azizan, O., & Shahriari, M. (2024). The impact of green culture on employee organizational commitment: The mediating role of green identity.

- Journal of Human Behavior in the Social Environment*, 34(6), 906–925.
<https://doi.org/10.1080/10911359.2023.2222292>
- Muisyo, P. K., & Qin, S. (2021). Enhancing the FIRM'S green performance through green HRM: The moderating role of green innovation culture. *Journal of Cleaner Production*, 289, 125720. <https://doi.org/10.1016/j.jclepro.2020.125720>
- Norton, T. A., Zacher, H., & Ashkanasy, N. M. (2015). Pro-Environmental Organizational Culture and Climate. In J. L. Robertson & J. Barling (Eds), *The Psychology of Green Organizations* (pp. 322–348). Oxford University Press.
<https://doi.org/10.1093/acprof:oso/9780199997480.003.0014>
- Obuobi, B., Awuah, F., Nketiah, E., Adu-Gyamfi, G., Shi, V., & Hu, G. (2024). The dynamics of green innovation, environmental policy and energy structure for environmental sustainability; Evidence from AfCFTA countries. *Renewable and Sustainable Energy Reviews*, 197, 114409. <https://doi.org/10.1016/j.rser.2024.114409>
- Ones, D. S., & Dilchert, S. (2012). Environmental Sustainability at Work: A Call to Action. *Industrial and Organizational Psychology*, 5(4), 444–466.
<https://doi.org/10.1111/j.1754-9434.2012.01478.x>
- Onputtha, S., Phopphan, K., Iamsomboon, N., Bhumkittipich, P., & Sathiankomsorakrai, T. (2023). Sustainable performance of Thai automobile industry: The impact from green organizational culture and green transportation. *E3S Web of Conferences*, 389, 05014. <https://doi.org/10.1051/e3sconf/202338905014>
- Opatha, H. H. D. N. P., & Arulrajah, A. A. (2014). Green Human Resource Management: Simplified General Reflections. *International Business Research*, 7(8), p101-112.
<https://doi.org/10.5539/ibr.v7n8p101>
- Paillé, P., & Raineri, N. (2015). Linking perceived corporate environmental policies and employees eco-initiatives: The influence of perceived organizational support and psychological contract breach. *Journal of Business Research*, 68(11), 2404–2411.
<https://doi.org/10.1016/j.jbusres.2015.02.021>
- Pan, C., Abbas, J., Álvarez-Otero, S., Khan, H., & Cai, C. (2022). Interplay between corporate social responsibility and organizational green culture and their role in employees' responsible behavior towards the environment and society. *Journal of Cleaner Production*, 366, 132878. <https://doi.org/10.1016/j.jclepro.2022.132878>
- Ravasi, D., & Schultz, M. (2006). Responding to Organizational Identity Threats: Exploring the Role of Organizational Culture. *Academy of Management Journal*, 49(3), 433–458. <https://doi.org/10.5465/amj.2006.21794663>
- Roscoe, S., Subramanian, N., Jabbour, C. J. C., & Chong, T. (2019). Green human resource management and the enablers of green organisational culture: Enhancing a firm's environmental performance for sustainable development. *Business Strategy and the Environment*, 28(5), 737–749. <https://doi.org/10.1002/bse.2277>
- Sekaran, U., & Bougie, R. (2016). *Research Methods for Business* (7th edn). Wiley.
- Shahriari, M., Tajmir Riahi, M., Azizan, O., & Rasti-Barzoki, M. (2023). The effect of green organizational culture on organizational commitment: The mediating role of job satisfaction. *Journal of Human Behavior in the Social Environment*, 33(2), 180–197.
<https://doi.org/10.1080/10911359.2022.2029789>
- Shamsan, R., & Farea, M. M. (2025). Green discipline and involvement's impact on green employee creativity and Innovation: Mediating role of green empowerment in Yemeni public universities. *Management & Sustainability: An Arab Review*.
<https://www.emerald.com/insight/content/doi/10.1108/msar-10-2024-0164/full/html>

- Shaukat, H. S., & Ali, A. J. (2023). Impact of Environmental Organizational Culture on Green Creativity with mediating role of Green Behavioural Intention: An evidence from Textile industry of Pakistan. In F. Zahra, S. Muhidin, N. Che-Ha, H. Husnah, M. Napitupulu, & W. Wahyuningsih (Eds), *Proceedings of the 2nd International Interdisciplinary Conference on Environmental Sciences and Sustainable Developments Education and Green Economy (IICESSD-EGE 2022)* (Vol. 794, pp. 83–88). Atlantis Press SARL. https://doi.org/10.2991/978-2-38476-172-2_13
- Shaumya, K., & Arulrajah, A. (2017). The impact of green banking practices on bank's environmental performance: Evidence from Sri Lanka. *Journal of Finance and Bank Management*, 5(1), 77–90.
- Shuliang, Z., Rui, Z., & Qingjun, L. (2024). How does organizational culture affect eco-innovation? Empirical evidence from the individual and organizational perspective. *Corporate Social Responsibility and Environmental Management*, 31(6), 5466–5481. <https://doi.org/10.1002/csr.2868>
- Sun, H., Mulindwa Bahizire, G., Bernard Pea-Assounga, J. B., & Chen, T. (2024). Enhancing Employee Green Performance through Green Training: The Mediating Influence of Organizational Green Culture and Work Ethic in the Mining Sector. *Journal of Cleaner Production*, 449, 141105. <https://doi.org/10.1016/j.jclepro.2024.141105>
- Taha, I. M., & Abbas, A. A. (2023). The Role of Environmental Monitoring in Promoting Green Creativity. *Economics and Business*, 37(1), 15–36. <https://doi.org/10.2478/eb-2023-0002>
- Uddin, M. H., Razzak, M. R., & Rahman, A. A. (2023). Sustainable supply chain management practices, dynamic capabilities and competitive advantage: Evidence from Bangladesh READY-MADE garments industry. *Business Strategy & Development*, 6(2), 176–188. <https://doi.org/10.1002/bsd2.232>
- Umrani, W. A., Channa, N. A., Ahmed, U., Syed, J., Pahi, M. H., & Ramayah, T. (2022). The laws of attraction: Role of green human resources, culture and environmental performance in the hospitality sector. *International Journal of Hospitality Management*, 103, 103222. <https://doi.org/10.1016/j.ijhm.2022.103222>
- Veloutsou, C., & Liao, J. (2023). Mapping brand community research from 2001 to 2021: Assessing the field's stage of development and a research agenda. *Psychology & Marketing*, 40(3), 431–454. <https://doi.org/10.1002/mar.21782>
- Wang, J., Shi, Y., Wang, M., Il, B., Park, N. A., Peng, M. Y. P., & Deng, N. (2024). How does an employee's green creativity influence environmental performance Evidence from China. *International Journal of Technology Management*, 94(1), 56–78. <https://doi.org/10.1504/IJTM.2024.135233>
- Wernerfelt, B. (1984). A resource-based view of the firm. *Strategic Management Journal*, 5(2), 171–180. <https://doi.org/10.1002/smj.4250050207>
- Zahrani, A. A. (2022). Team Creativity and Green Human Resource Management Practices' Mediating Roles in Organizational Sustainability. *Sustainability*, 14(19), 12827. <https://doi.org/10.3390/su141912827>
- Zhou, J., & Li, H. (2024). Review and Prospects of Green Innovation Ecosystems from the Perspective of Value Emergence. *Systems*, 12(6), 206. <https://doi.org/10.3390/systems12060206>

Appendix: Questionnaire

No.	Statements	1	2	3	4	5
Green Organizational Culture						
1	Our bank emphasizes on visions related to environmentally friendly business operation.					
2	Our bank creates an environmentally friendly culture and values for its members.					
3	Our bank establishes environmentally friendly work standards and principles for its members.					
4	Our bank has clear environmentally friendly work guidelines for its members.					
5	Our bank mission reflects environmentally friendly business practices.					
6	Our bank clearly conveys it's environmentally mission to its members and others.					
Employee Green Creativity						
Green Creative Motivation						
7	It makes me feel accomplished to engage in green-related creative works.					
8	It makes me feel satisfied to engage in green-related creative works.					
9	It is a great honor for me to engage in green-related creative works.					
10	I consider engaging in green-related creative works to be an important activity.					
Green Creative Thinking						
11	I can fluently think about green related creative problems.					
12	I can flexibly think about green related creative problems.					
13	I can elaborately think about green-related creative problems.					
14	I can lastingly think about green-related creative problems.					
Green Creative Behaviour						
15	I can effectively cooperate with others for green-related creative works.					
16	I can share green-related creative knowledge and skills with others.					
17	I can stimulate others' green-related creative enthusiasm.					
18	I can rapidly gain information on green-related creative works.					
Green Creative Outcomes						
19	I can swiftly realize novel and useful green-related ideas.					
20	I can realize high-quantity novel and useful green-related ideas.					
21	I can realize high-quality novel and useful green-related ideas.					
22	I can realize green-related novel and useful ideas with great value.					
Sustainable Environmental Performance						
23	Our bank reduces a number of negative environmental impacts.					
24	Our bank consistently achieves or exceed its environmental targets.					
25	In our bank, there is a significant improvement in the recycling of materials or wastage (e.g. paper etc.).					
26	Our bank uses feedback from the surrounding community and interest groups to enhance its environmental performance.					

27	Our bank uses independent assessments and reports to evaluate its environmental performance.					
28	Our bank reduced a significant percentage of wastages through its environmentally friendly operations.					
29	Our bank significantly reduced resource consumption as part of its environmental initiatives.					
30	In our bank, there is a significant reduction of operational costs due to environmental projects and activities.					