International Journal of Business and Economic Affairs (IJBEA)
8(4), 44-57 (2023)
DOI: 10.24088/IJBEA-2023-84004
ISSN: 2519-9986

Impact of Sustainable Leadership on Sustainable Performance with Mediating Role of Structural Empowerment: A Study in SMEs [Manufacturing (Textile) Sector] of Pakistan

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Abstract: In an era of awakening consciousness about fast eroding life-supporting planet Earth's capacity and enabling it to remain habitable for future generations, the world expects corporate organizations to strike a balance among profit, people and the planet (3Ps). This study is intended to ascertain the impacts of sustainable Leadership (SL) through the intervening mechanism of Structural Empowerment (SE) on Sustainable Performance (SP), meant to balance the 3 Ps. This study has been based on a positivist research philosophy, employing a deductive approach, using quantitative/cross-sectional data gathered by drawing sample (convenient method) from the targeted population of Small and Medium Enterprises (SMEs) [Manufacturing (textile) sector] in Pakistan, through relational survey method using closed-end questionnaires and carrying out analysis through Structural Equation Modelling, employing Smart PLS4 software for determining the causal direct and mediation relationships between the variables under study. This study empirically shows that SL significantly impacts SP through SE. Its novelty relates to identifying SE as an intermediary mechanism between SL and SP. It leads to the awareness that an SL can contribute effectively towards SP if it focuses on empowering the employees by providing access to decision-making, information, support and skill-building opportunities. The outcomes bring about fruitful suggestions for the industrial sector, particularly the SMEs, as by acting thereupon, it can achieve the much-emphasised Sustainable Performance meant for balancing the 3Ps.

Keywords: Sustainable performance, Sustainable leadership, Structural empowerment

Received: 11 June 2023 / Accepted: 15 August 2023 / Published: 18 October 2023

INTRODUCTION

The industrial era mindset and economic systems, built on flawed assumptions that society, environment, and wildlife had no repercussions, have led to global challenges such as environmental degradation, ecological threats, extreme poverty, and inequality (Meadows, 1973). This worldview has also resulted in the 'Tragedy of commons', the ruthless consumption of natural resources beyond the planet's regenerative capacity (Chandler & Lyon, 2000).

Humans got the first opportunity to glance at Earth from space in the middle of the 20th century. Astonishingly, they observed a tiny, delicate ball that was not dominated by human activities or structures but by a pattern of clouds, oceans, vegetation, and soils, which the planet is composed of. Logically, it required humans to integrate their actions with this pattern; instead, they have been severely disrupting, forcing radical deviations in the planetary systems and causing, maybe unconsciously, life-endangering hazards (WCED, 1987).

Sustainable Development (SD) aims to change the negative link between economic development, the ecosystem, and the community to a positive one (Fay, 2012). According to Tideman et al. (2013), this reversal is possible when Corporate organizations transform into sustainable business organizations by adapting their business models, fully embracing sustainability concerns, and adopting a new style of leadership called Sustainable Leadership, which embraces a holistic approach encompassing all the Stakeholders, the employees, the owners, the society the environment, etc. SP, which integrates Sustainability/Sustainable Development Goals (SDGs) into organizations' strategic policies and operational activities, is considered the pathway to sustainable development (Kovilage, 2021; Varsei et al., 2014), and therefore, business organizations inevitably require Sustainable Performance (Kovilage, 2021).

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SMEs play a substantial role through their significant contribution towards GDP worldwide (Ayyagari et al., 2007; Heinicke, 2018); in the case of Pakistan, it is 40% w (Dar et al., 2017). However, it also causes harmful effects on the environment, as most SMEs do not incorporate environmentally friendly practices in their strategies or processes, which are complicated and expensive (Rita et al., 2018). As an estimate, they contribute to about 2/3rd of global pollution (Hillary, 2000, 2004). As such, achieving SDGs through sustainable performance in various sectors, particularly SMEs (manufacturing), will likely result in better business outcomes and contribute significantly to a better world tomorrow (Lim & Ping, 2019; Rajesh, 2020). Accordingly, SMEs operating in the manufacturing (textile) sector in Pakistan have been chosen as the population for this study.

The link between sustainable leadership and sustainable performance has been established in several studies; however, some of them have also pointed to a gap between the two constructs (Suriyankietkaew, 2016). Further, to enhance the understanding of the said relationship and what motivates employees to perform sustainably, both Burawat, (2019) and Iqbal et al. (2020) have suggested exploring the potential mediators; the latter has gone further and expressly recommended investigating the aspect of structural empowerment to supplement the existing literature in this domain.

This study aims to evaluate the mediating effect of SE on the relationship between SL and SP in the SME (manufacturing) sector, which occupies a crucial place owing to its share in prosperity and pollution affecting communities (Wu et al., 2019). Therefore, equipping entrepreneurs and managers with the most effective leadership practices is essential.

Leaders implement their strategies and policies through organizational mechanisms, necessitating exploring and testing intermediary mechanisms. Some such mechanisms have already been explored and validated, for example, psychological empowerment, referring to the perception and feeling of empowerment developed/ held in the employees' minds, leading to improved individual, team level and organizational performance. In this connection, what a leader has to do? Through the organizational process, he can provide the employees access to information, resources, and development opportunities and involve them in the decision-making process, referred structural empowerment, leading to psychological empowerment and further organizational Performance (Iqbal et al., 2020). This discussion amply led us to be convinced about the significance of exploring and testing a new construct, 'structural empowerment,' which has not been studied yet, acting as a mediator in the relationships hypothesized in this study.

This study uses the Stakeholders' and Kanter's theories to link SL with SP through SE. Stakeholders can significantly affect or be affected by an organization's activities, including customers, shareholders, employees, suppliers, the community, and the natural environment (Freeman et al., 2010; Starik & Rands, 1995). A leadership paradigm, therefore, must include these stakeholders to formulate a strategy for sustainable performance and ensure the influential role of employees in decision-making (Sanford, 2011).

Sustainable leadership and stakeholder theory share many similarities, as they emphasise the importance of generating value for all parties involved and the interdependencies between an organization and its social and ecological environment (Freeman et al., 2010; Starik & Rands, 1995). Besides, SL requires businesses to contribute significantly to the economy's and society's sustainable growth beyond maximising only the shareholders' value/ profits (Schaltegger & Burritt, 2005).

Kanter's theory of organizational empowerment (R. M. Kanter, 1977) posits that employees feel empowered when provided with relevant information, support, resources, and opportunities for learning & development and participation in decision-making, leading to job satisfaction and improved organizational performance. SL empower the employees to complete the assigned tasks efficiently and effectively, ultimately achieving the goal of Sustainable Performance (Ferdig, 2007).

LITERATURE REVIEW

Sustainable Performance

Sustainability is a concept that aims to make and sustain economic, ecological, and social systems mutually beneficial for human development (Mensah & Enu-Kwesi, 2019; Thomas, 2015). It involves the efficient and equitable distribution of resources within a finite ecosystem, creating a dynamic equilibrium between the population and its environment (Ben-Eli, 2015). SD is the ultimate goal of the development process, ensuring that present

generations meet their needs without compromising future generations' capacity to meet their own needs (WCED, 1987).

Sustainable performance is a framework for evaluating organizational performance based on environmental, economic, and social considerations (Hourneaux et al., 2018). In the context of SMEs in the manufacturing sector, sustainable performance may be defined as "an increase in productivity and reduction of consuming resources without compromising product or service quality, competitiveness, or profitability while helping to save the environment". This approach is grounded in the Triple Bottom Line (TBL), which considers economic growth, environmental protection, and social equity (Elkington, 1998).

Sustainable performance is essential for businesses to succeed today and in the future, as it balances social equity for people, environmental protection, and profit and economic growth for shareholders (Khan et al., 2021; Kiewiet & Vos, 2007).

Sustainable Leadership

The practices, theories, and systems have gradually been unable to protect our natural resources and prevent social inequality, one major cause being the mindset that concentrates only on earning economic profit and creating value for the shareholders, ignoring the well-being of diverse stakeholders such as employees, the society and the ecological environment (Metcalf & Benn, 2013). Taking cognisance of the situation, organizations have started to adapt to the emerging trend of SP, incorporating the interests of all the stakeholders in the business strategies, which inevitably necessitates a new type of Leadership—Sustainable Leadership (Tideman et al., 2014). A sustainable leader's role may be "a person who symbolises deliberate acts and behaviour of an organization to incorporate concerns of community, environment, and consumers into the strategies and operations of the organization in consultation with all the stakeholders" (Knight & Paterson, 2018). Contrary to the Leadership styles aligned to the Shareholders' first approach, Sustainable Leadership is ingrained in the notion that organizations do not exist in isolation; instead, they are deeply linked to the community and operate on resources of the natural world (Shrivastava, 1995).

Structural Empowerment

In organizational studies, the requisite organizational support for sustainability strategy has been taken for granted, assuming that the internal stakeholders, i.e. employees, will contribute their share based on their inclination and personal motivational level that may be enhanced through various monetary and non-monitory incentives, ignoring that the leadership also need to create favourable workplace conditions to enable them to undertake their assignments efficiently and effectively (Kanter, 1993; Morsing & Oswald, 2009). One way of ensuring this support is empowering the employees by providing a designated work environment through Structural Empowerment, which facilitates them to have access to organizational overall policies and values and actively participate in the organization's decision-making processes, which makes them feel part of the organizational strategy (Kanter, 1977). It is a leadership strategy that creates work conditions characterized by access to opportunity, support, resources and information necessary for employees' effective and efficient performance of duties and successful work accomplishment (Jocelyne & Kariuki, 2020).

Hypothesis Development

Relationship between SL and SP : Sustainable Leadership and Sustainable Performance are integral to the TBL perspective, focusing on profit, people, and the planet (Amui et al., 2017; Elkington, 1998). Sustainable Leaders inspire employees, maintain workplace culture, and align organizational objectives with employees, leading to improved performance (Keeble et al., 2003). Sustainable leadership supports sustainability at all levels of consideration (Peterlin et al., 2015), ensuring economic profits through sustainable value creation, community care, and environmental practices (Burawat, 2019). It emphasises capacity building and long-term gains, significantly improving organizational performance. This study aims to reaffirm the direct relationship between SL and SP in the context of SMEs in Pakistan by formulating the hypothesis as given below:

$\mathbf{H}_1$:Sustainable Leadership has a significant impact on Sustainable Performance.

The mediating role of SE between SL and SP : Organizational performance is often attributed to employees' motivation and inclination, which can be enhanced through incentives. However, leadership must also create

favorable workplace conditions for effective task completion, as the work conditions can either restrain or encourage employees to perform their tasks effectively (Kanter, 1993; Morsing & Oswald, 2009). According to Kanter's theory Kanter (1977), by creating empowering working conditions such as access to support, resources, and information, collectively called structural empowerment, leaders may empower employees to perform their duties effectively and achieve success (Jocelyne & Kariuki, 2020).

Empowerment, which is expected to boost the level of commitment, consists of two components: structural and psychological empowerment. The former fosters or is an antecedent to the latter and causes employees to have the organizational commitment, leading to organizational Performance (Jocelyne & Kariuki, 2020). Thus, through structural empowerment, leaders can foster psychological empowerment, which causes everyone to feel committed to the organization's success (Seibert et al., 2011). This results in job satisfaction, extra-role behaviour, and enhanced employee performance, ultimately improving organizational Performance (Mathieu & Zajac, 1990).

The above discussion leads to the proposition that SE is likely to provide an intervening mechanism between SL and SP and to test the relationship empirically by formulating the following hypotheses:

$\mathbf{H}_2$:Sustainable Leadership has a significant impact on Structural Empowerment.

$\mathbf{H}_3$:Structural Empowerment has a significant impact on Sustainable Performance.

$\mathbf{H}_4$:Structural empowerment mediates the relationship between Sustainable Leadership and Sustainable Performance.

RESEARCH METHODOLOGY

This study uses a positivist research philosophy Abdullahi (2019) to investigate the causal relationships between SL and SP and the mediating mechanism of SE, employing a deductive approach and cross-sectional data collected through a closed-end questionnaire based on the relational survey.

In Pakistan's economy, SMEs contribute 90% of businesses, 40% of GDP, 30% of exports, and 80% of employment to the urban/non-rural workforce (Dar et al. (2017). However, on the other hand, they are the worst contributors to pollution, accounting for 64% of air pollution (Zafar & Mustafa, 2017).

As quoted by Arshad & Arshad (2019), there are 27250 SME textile units in Pakistan, but no exhaustive list is available. Accordingly, the study uses convenience sampling and assumes each SME employs the maximum allowed workforce (250). In this way, the total population comes out to be 6,812,500. Using the Raosoft sample size calculator, the study found the minimum sample size to be 226.

The majority of Small and Medium Enterprises in the manufacturing sector are located in Sindh and Punjab provinces, particularly the textile units are concentrated in major cities like Karachi (Sindh), Lahore, Faisalabad, Gujranwala, and Multan (Punjab) (Bhatti et al., 2020). With the assistance of local research associates, the author approached 500 SMEs in these cities and collected 384 valid questionnaires. The descriptive analysis using SPSS revealed that most respondents were males (93.8%), with only 6.2% females. The majority of respondents were aged 25-35 years, had a Bachelor's Degree, and had service lengths between 1 to 5 years, as depicted in Table 01, below:

Table 1: Respondents' profile (demographic)

Description	Frequency	Percentage
Gender		
Male	346	93.8
Female	23	6.2
Age		
Less than 25 years	89	24.1
25-35 years	197	53.4
36-45 years	59	16
Above 45 years	24	6.5
Qualification		
Diploma (DAE)	44	11.9
Bachelor	184	49.9
Master/Engineering	102	27.6
M.Phil.	39	10.6
Position Held		
Skilled workers	223	60.4
Supervisor	96	26
Section head	36	9.8
Department head	14	3.8
Length of Service in the Present Organization		
Less than one year	22	6
Between 1-5 years	283	76.7
Between 6-10 years	57	15.4
Above ten years	7	1.9

Note: N = 369 (after deleting outliers)

As revealed in Table 02 (below), the mean values of the latent constructs vary from 3.515 to 3.590, along with standard deviation ranging from 0.624 to 0.652. Sustainable performance generated the highest mean value of 3.590 with a standard deviation of 0.652. The mean values show moderate respondents' perceptions of the study's variables.

Table 2: Descriptive statistics of the latent constructs

Latent Constructs	Number of Items	Mean	Standard Deviation
Sustainable Leadership	15	3.515	0.624
Structural Empowerment	12	3.586	0.625
Sustainable Performance	13	3.59	0.652

Note: N = 369

The study used the following instruments with appropriate statistical attributes, such as Cronbach's Alpha above the minimum acceptability level of 0.70 (Bernstein, n.d.) , to measure independent, intervening, and dependent variables on a 5-point Likert Scale ranging from Strongly disagree = 1, strongly agree = 5.

- Sustainable leadership: an instrument developed by McCann & Holt (2010), comprising 15 items.
- Sustainable performance was measured using an instrument adapted from (Maletič et al., 2014), Comprising 13 items.
- Structural empowerment has been measured through the instrument adapted from 'The Conditions for Work Effectiveness Questionnaire (CWEQ-II)' developed by (Laschinger et al., 2001), comprising 12 items.

RESULTS AND DISCUSSION

The instruments were designed and tested in the West and, therefore, to reaffirm their reliability in the Asian/ Pakistani context, a pilot study with 30 respondents confirmed their reliability with a Cronbach's Alpha of more

than 0.7, as depicted in Table 03, below:

Table 3: The reliability analysis of the questionnaire

S. No.	Variable	Number of Items	Values of Cronbach's alpha obtained.
1	Sustainable Performance	13	0.916
2	Sustainable Leadership	15	0.929
3	Structural Empowerment	12	0.911

Source: *PLS* output

First, data screening was carried out to trace any missing values and outliers in the data. As revealed from Table 04 below, the total data points for the entire study were 17280 with only 64 missing values (0.37%), which are not found to affect the data analysis adversely and, therefore, have been replaced with series mean value (Hair et al., 2017; Hair et al., 2014; Tabachnick et al., 2013).

Table 4: No of missing values and its overall percentage share

Variables	Missing Value	Total Data Points
Sustainable Leadership	27	5760
Structural Empowerment	13	4608
Sustainable Performance	15	4992
Respondent's Demographics	9	1920
Total	64	17280
In percentage	0.37	100

The study examined the possibility of univariate outliers in a dataset using standardised values (cut-off values of ś3.29 ($p < 0.001$) with no trace (Tabachnick & Fidell, 2007), and the Mahala Nobis distance (D2) calculated by linear regression through SPSS. The Mahala Nobis distance was above the Chi-square threshold value of 22.46 ($p = 0.001$) calculated using the Chi-square formula in SPSS, indicating the occurrence of multivariate outliers. All values exceeding the Chi-square threshold value were deleted to avoid adverse effects on the accuracy of multivariate analysis, resulting in the deletion of fifteen multivariate outliers. The final dataset consisted of only 369 cases. Besides, PLS-SEM works well with non-normal data (Hair et al., 2013), so an assessment of data normality was not required.

The study used variance-based SEM techniques in Smart PLS 4 software to analyse the interlinked relationships among latent variables. The two-stage SEM approach was employed in estimating the measurement model (Anderson & Gerbing, 1982), which included individual item reliability, internal consistency, convergent validity, and discriminant validity. The structural model was then assessed to test hypotheses and other analyses (Henseler et al., 2009; Kim et al., 2020). This study used bootstrapping (5000 subsamples) to obtain path coefficient, t-values, and standard error (Hair et al., 2012; Henseler et al., 2012) of direct and indirect relationships between IV and DV through MV.

The outer loadings of each item of the constructs were evaluated to determine indicator reliability (Hair et al., 2017; Hulland, 1999). Keeping items with loadings equal to or greater than 0.70 is recommended. However, indicators with outer loading between 0.4 and 0.7 may be retained (Hair et al., 2017; Henseler et al., 2009) and considered for elimination only if the average variance extracted (AVE) exceeds its threshold value of 0.50 (Chin, 1998; Hair et al., 2017).

The PLS-SEM path model comprised three latent constructs and 40 indicators. The minimum indicator outer loading generated by the PLS algorithm was 0.606, greater than the cut-off value of 0.40. However, the AVE value was less than 0.50, indicating insufficient loadings. The deletion process was repeated until the AVE reached its threshold value, causing, in the process, the deletion of 02 items (SL-12 and SL-15) to improve the AVE value at or above the threshold level, and resulting, only 38 items were kept for further analysis.

After the deletion process, the PLS algorithm produced outer loadings, indicating that every item loading exceeded the threshold value of 0.40, the composite reliability value of each latent construct was satisfactory, and

the AVE values exceeded the threshold value of 0.5, indicating adequate convergent validity, as exhibited in Table 05, below:

Table 5: : Loadings, composite reliability and average variance extracted

Constructs	Items	Loadings	Alpha	CR	AVE	VIF
Sustainable Leadership	SL-1	0.736	0.919	0.92	0.509	1.943
	SL-2	0.742				2.012
	SL-3	0.729				1.871
	SL-4	0.71				1.799
	SL-5	0.734				1.868
	SL-6	0.742				1.994
	SL-7	0.725				1.852
	SL-8	0.698				1.705
	SL-9	0.707				1.778
	SL-10	0.713				1.757
	SL-11	0.606				1.453
	SL-13	0.72				1.783
	SL-14	0.703				1.731
Structural Empowerment	SE-1	0.858	0.813	0.813	0.728	1.88
	SE -2	0.836				1.65
	SE -3	0.865				1.897
	SE-4	0.852				1.808
	SE-5	0.856				1.81
	SE-6	0.868				1.924
	SE-7	0.841				1.744
	SE-8	0.849				1.711
	SE-9	0.863				1.856
	SE-10	0.863				1.897
	SE-11	0.873				1.931
	SE-12	0.853				1.875
Sustainable Performance	SP-1	0.838	0.845	0.846	0.682	1.951
	SP-2	0.798				1.691
	SP-3	0.817				1.878
	SP-4	0.85				2.045
	SP-5	0.879				2.461
	SP-6	0.881				2.57
	SP-7	0.851				2.25
	SP-8	0.861				2.319
	SP-9	0.857				2.417
	SP-10	0.843				2.267
	SP-11	0.829				2.125
	SP-12	0.802				1.994
	SP-13	0.829				2.181

The study uses the cross-loadings criterion to assess discriminant validity, which refers to the extent to which a construct is distinct from other constructs by empirical standards (Hair et al., 2017). The indicators' loadings of each construct are compared with the cross-loadings of other constructs. Chin, (1998) suggests that indicator loadings should be greater than cross-loadings for adequate discriminant validity. Table 06 shows that the loading of each construct's indicators is greater than cross-loadings.

Table 6: Cross loadings

Construct	SP	SE	SL
SP-1	0.838	0.577	0.588
SP-2	0.798	0.587	0.597
SP-3	0.817	0.549	0.569
SP-4	0.85	0.605	0.572
SP-5	0.879	0.659	0.724
SP-6	0.881	0.621	0.66
SP-7	0.851	0.564	0.603
SP-8	0.861	0.612	0.65
SP-9	0.857	0.589	0.694
SP-10	0.843	0.579	0.654
SP-11	0.829	0.613	0.645
SP-12	0.802	0.563	0.621
SP13	0.829	0.59	0.633
SE-1	0.587	0.852	0.626
SE-2	0.617	0.856	0.616
SE-3	0.605	0.868	0.658
SE-4	0.57	0.858	0.604
SE-5	0.593	0.836	0.681
SE-6	0.628	0.865	0.659
SE-7	0.633	0.863	0.646
SE-8	0.652	0.873	0.697
SE-9	0.589	0.853	0.62
SE-10	0.571	0.841	0.6
SE-11	0.604	0.849	0.637
SE-12	0.606	0.863	0.615
SL-1	0.506	0.531	0.736
SL-10	0.551	0.565	0.713
SL-11	0.442	0.435	0.706
SL-13	0.518	0.587	0.72
SL-14	0.491	0.519	0.703
SL-2	0.507	0.52	0.742
SL-3	0.461	0.524	0.729
SL-4	0.502	0.513	0.71
SL-5	0.513	0.578	0.734
SL-6	0.538	0.522	0.742
SL-7	0.494	0.522	0.725
SL-8	0.49	0.488	0.698
SL-9	0.509	0.524	0.707

Note: Sustainable Leadership = *SL*, Sustainable Performance = *SP*, Structural Empowerment = *SE*.

This study evaluated the measurement model and assessed the significance of the structural path model, which is theory-based and remains the focal point of the research questions and hypotheses (Henseler et al., 2016). This study obtained path coefficients, standard error, and t-values using a standard bootstrapping procedure with 5000 subsamples (Hair et al., 2007; Henseler et al., 2012). The p-value was calculated at a 95% confidence level (Bickel, 2007; Tacq, 1997). The paths in structural equation modelling consider the direct and indirect relationships as follows:

- Relationships between SL and SP

- Relationships between SL and SE
- Relationships between SE and SP and
- Relationships between SL and SP through SE

Four relationships were discovered, including direct and mediating variables. The coefficients of the three hypotheses and their respective *t*-values are statistically significant, as depicted in Table 07:

Table 7: Assessment of structural model direct relationships

H	Relationships	β-values	Std. Dev	*t*-values	*p*-values	CI Low/High	Decision
H1	SL -> SP	0.206	0.042	4.959	0	[0.129; 0.291]	Accepted
H2	SL -> SE	0.494	0.034	14.703	0	[0.426; 0.559]	Accepted
H3	SE -> SP	0.52	0.053	9.874	0	[0.412; 0.619]	Accepted

Notes: **p* is significant at 0.05 (two-tailed); *SL* = sustainable leadership, *SP* = sustainable performance, *SE* = structural empowerment

As shown in Table 08, SE with (β= 0.257, t = 7.852, $p < 0.05$) mediates the relationship between SL and SP. Therefore, hypothesis 4 is supported.

The present research is a novel attempt to investigate and empirically test the relationship between SL and SP through the mechanism of SE in the context of [SMEs (manufacturing) sector] in Pakistan.

DISCUSSION

SL and SP are based on the TBL perspective, emphasising people, profit and the planet (Amui et al., 2017). Sustainable leadership ensures economic gains by creating sustainable value, caring for the community, and considering the environment in organizational practices (Burawat, 2019). Empirically,

- A positive and significant relationship revealed in this study is consistent with the findings of (Burawat, 2019; Kantabutra & Avery, 2013; Suriyankietkaew & Avery, 2016), which have all found that SL has a significant impact on SP.
- A significant and positive relationship between SL and SE is in agreement with the findings of previous studies, which found that sustainable leaders inspire employees, develop and maintain the workplace environment and harmonise the organizational objectives with their subordinates (Avery & Bergsteiner, 2011; Lambert, 2020; Slankis, 2006). A significant and positive relationship between SE and SP is consistent with Wafa'a et al. (2020), according to which committed and satisfied employees work effectively.
- A significant and positive relationship between SL and SP through SE is consistent with Kanter's theory, as empowered employees strive to perform their tasks efficiently and effectively, leading to job satisfaction and improved organizational performance. Ferdig (2007) and Zhang & Bartol (2010) have shown that Sustainable Leaders consider their followers the most prominent among all and make the proper arrangements to provide access to various resources to empower them to get the resources required to accomplish their assignments.

Based on theoretical consideration and empirical evidence, this study has endorsed and validated the theoretical and empirical connection between SL and SP mediated through SE in Pakistan's SMEs, particularly in the manufacturing (textile) sector.

CONCLUSION

Like other fields of study, leadership and organizational theories have been continuously passing through their natural phases of evolution. The earliest leadership theory initially concentrated on the idea that some people are born leaders and has since expanded to cover abilities, knowledge, and personal values. On the other hand, organizational goals have changed from being concerned with stockholder profits to goals that are concerned with a variety of stakeholders (shareholders, employees, suppliers, customers and the planet Earth, which is the first provider of resources and the last recipient of outputs of the organizations). The two evolutions' convergence has given rise to the theory of sustainable leadership.

Therefore, to achieve sustainable performance pathway to sustainable development; this study has conclusively indicated and empirically established the appropriate leadership style Sustainable Leadership.

This study has explained the intervening mechanism of the relationship between leadership and outcomes by highlighting the importance of establishing organizational structures (which empower the employees by giving them access to resources, information, and development opportunities and involving them in the decision-making process) to achieve Sustainable Performance.

This study provides guidelines for hitherto neglected entrepreneurs and managers of SMEs (manufacturing), which have an eminent share in the national economies and also an enormous contribution to environmental pollution and consequent health hazards to the communities; what styles of leadership and how organizational structures for employee's empowerment will lead the SMEs to contribute even more to the economy while playing their role as responsible organizations in safeguarding communities and ecological sphere.

Theoretical and Practical Implications

This study proposes a conceptual model to address a research gap in the literature, particularly in the SME sector. The model directly impacts the existing literature on the constructs and contributes to understanding the intervening mechanism of Structural Empowerment. It addresses all research questions in line with the study's objectives and has made a significant theoretical contribution to the literature on Sustainable Leadership and Sustainable Performance.

The study explores the effectiveness of the Sustainable Leadership style in assisting corporate organizations, particularly SMEs, in achieving Sustainable Performance. It emphasizes the importance of providing employees access to resources, information, training, and decision-making opportunities (structural empowerment). The findings can benefit various stakeholders, including corporate organizations, SMEs, HR practitioners, regulatory bodies, and the government. The study also suggests that joint discussions and seminars can help build consensus among stakeholders, leading to collective efforts toward sustainability.

Limitations and Future Recommendations

This study has significant contributions to academics and practitioners but has its limitations. The study's generalizability is limited due to the lack of an exhaustive list of SMEs and data on their addresses, locations, and number of employees. The sample was drawn using a convenient sampling method, which may limit the generalizability of results. The study was confined to SMEs due to time and budget constraints. Additionally, the cross-sectional data for the analysis was used due to time constraints, which do not depict the dynamic relationship among constructs due to variations in independent and intervening variables.

The research should be conducted on larger samples and SMEs to improve its generalizability. It should also be conducted as a longitudinal study to understand long-term relationships among constructs due to variations in independent and intervening variables. The study should be conducted in different cultural contexts to account for cultural variations in leadership effectiveness. Future research should explore more intervening variables, such as employee engagement, empowerment, organizational culture, and regulatory environment, to better understand the relationships and underlying mechanisms. Multilevel research is also recommended, including employee, team, internal, and external stakeholders.

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