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Navigating Leadership Dynamics: Exploring the Impact of Multi-Dimensional Positive Leadership, Collaborative Work Environment and Negative Socioemotional Behaviour on Adaptive Performance

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Abstract: Leaders and companies face significant obstacles in the dynamic and ever-evolving commercial world. Modern institutions, especially financial institutions, are actively pursuing the development of adaptable workforces as a means of competitive advantage and enhancing their resilience. This study aims to examine how multi-dimensional positive leadership (MDL) affects adaptive performance (AP) in collaborative work environment (CWE) in the banking sector in Pakistan and how negative socio-emotional behaviour moderates this mediated association. Direct linkages and mediations were analyzed using AMOS. Moderated mediations were assessed using Process Model 7. The study used 350 stratified managers from Pakistani Islamic and Conventional banks at three levels. MDL affects AP through the effects of the CWE. Positive leadership promotes collaboration, which boosts AP. Negative socio-emotional behaviour (NSEB) moderates these interactions, making them more complex. The findings reveal MDL shapes CWE and AP. So, to foster collaboration and enhance AP, organizations should promote MDL. This study uses mediation and moderated mediation analysis to explore how leadership influences performance. It emphasizes leadership's role in creating positive work environments and their effects on employee performance. This study examined how NESB of employee moderate the mediation path.

Keywords: Adaptive Performance, Multi-dimensional Positive Leadership, Collaborative Work Environment, Negative Socioemotional Behaviour.

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INTRODUCTION

In the current dynamic business landscape, organizations, especially the banking industry, encounter numerous issues that profoundly affect employee well-being, operational efficiency, and organizational performance (ur Rehman, 2024). The post-pandemic era has exacerbated these difficulties. The banking sector accounts for a significant 55% of the national GDP in Pakistan (Shamshad et al., 2018). Banking organizations face escalating operational costs, a surge in financial fraud, and a significant shortage of innovative human capital necessary for enhancing organizational adaptability and performance (Marcu, 2021). In this setting, there is a growing focus on cultivating flexible workforces and AP that can address these constraints and uncertainties (Kaur, 2024).

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Although leadership is recognized as crucial for improving AP there are considerable gaps in comprehending its mechanisms, especially in high-pressure sectors such as banking (Zhang et al., 2024). Research has predominantly examined the effects of leadership styles on extra-role behaviours and overall performance outcomes; nevertheless, the precise mechanisms via which good positive leadership behaviours affect AP remain inadequately investigated (Wu et al., 2024). This study is the need of the time to help banking companies deal with the growing problems of new technologies, high employee turnover, and unhappy workers, it is important to look into how leadership can help employees to be more adaptive and resilient (Dua, 2025).

Moreover, the role of CWE has not been studied in the relationship between leadership styles and AP, particularly in the banking industry (Abdelaliem & Zeid 2023; Hensellek et al., 2023). Research on AP exhibits inconsistencies, indicating a need for additional investigation to elucidate its determinants and impacts in organizational contexts (Zhang et al., 2024). While Bass and Avolio's (1995) Full-Range Leadership (FRL) model has significantly impacted leadership studies and practice (Bass, 1995; Antonakis et al., 2003), critiques indicate that its scope is restricted, especially regarding complex, adaptive leadership style (Kjeldsen et al., 2024). It requires more sophisticated frameworks that consider the spectrum of constructive leadership behaviours and their impact on employee performance (Andaya, 2024). The multidimensional leadership models presented integrate these critiques, seeking to offer a more refined understanding of positive leadership behaviours within the framework of AP (Sun et al., 2024).

In complex and high-stress sectors, discrepancies in behaviour between leaders and employees can impede performance and well-being, underscoring the necessity to comprehend employee responses to challenging work environments and leadership behaviours. Emerging research emphasizes the need to analyze leadership from ethical and toxic perspectives, advocating for the exploration of moral leadership and approaches to reduce toxic work environments (Khan et al., 2024). Few studies examine the potential of positive leadership to mitigate toxic work environments, especially within culturally diverse settings such as Pakistan's banking sector (Shrivastava & Sharma, 2024).

Moreover, the effect of NSEB in the relationship between multidimensional leadership and AP is inadequately comprehended (Icekson et al., 2024). Most of the current research on leadership in the banking sector has been performed in Western contexts, overlooking collectivist nations where cultural variables, like power distance and social norms, may substantially influence the effects of leadership behaviours (Islam et al., 2024). The particular cultural variables of Pakistan's banking sector establish a distinctive setting for leadership impact, rendering it a significant yet under-researched domain of inquiry (Ajaz et al., 2024). Comprehending the influence of multidimensional leadership styles on AP in this environment would yield important insights for both theory and practice.

A collaborative or toxic work environment may illustrate reciprocal dynamics within the SET and LMX frameworks, highlighting the interdependent nature of leader-follower interactions. This study seeks to expand SET and LMX theory by integrating CWE as mediating factor and examining the impact of leadership on AP, with moderation from NSEB. So this study analyses followers' personal, psychological, and emotional resources and how leadership behaviours affect AP through workplace procedures to improve comprehension.

So, this research looks at how MDL affects our understanding of different positive leadership styles, which mainly stress good behaviours like support, teamwork, and making moral decisions. It aims to show how these styles can help create a collaborative workplace that boosts flexible performance. To determine how individual employees' emotional and mental resources affect how they react to leadership in positive work environments, the study will look at the role of NSEB as a moderator in the association between leadership styles and AP.

Both theoretical and practical issues are addressed in this work. Bank leaders in Pakistan will learn a lot from the results, which show how positive leadership can improve the psychological and mental health and productivity of the employees. It will help us understand how leadership works in different types of banks better by looking at both

Islamic and conventional banks side by side. It will also show how cultural and environmental factors affect effective leadership practices.

The researchers want to improve leadership development programs, human resource strategies, and organizational policies in the banking sector by looking at the connection between leadership styles, CWEs, and how well employees can change. To help Pakistan's banks be more successful in the long run, the framework aims to create an atmosphere that encourages new ideas, resilience, and performance.

LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

Relationship between MDL and AP: MDL stresses that leadership includes inspiring motivation, supporting moral standards, promoting personal growth, and making workplaces enjoyable. It is a set of different leadership styles that try to encourage and sustain good behaviours and results. “Manifestation of prescriptively proper behaviour through personal acts and socialization” is what Giraud et al. (2022) call positive leadership. This definition shows how leaders affect their people by showing them how to behave in a good way. Putting the focus on the moral side of leadership, Ko et al. (2018) say that positive leadership includes both the moral person and the positive boss. Positive leadership, according to Cunha et al. (2020), is a broad term that covers many different types of leadership, such as humble, ethical, authentic, and servant leadership. All of these types of leadership encourage good behaviour and acceptance of others.

Integrating individual and organizational standards is a part of positive leadership. According to Malinga et al. (2019), positive leadership includes both strategic and practical actions. For example, nurturing a supportive work setting and encouraging good relationships are examples of positive leadership. Researchers in the field of positive organizational scholarship (POS) say that traits like optimism and positive feelings are important for understanding positive leadership because they lead to better work performance, new ideas, and employee commitment (Kaushal & Mishra, 2023). MDL includes a variety of styles meant to encourage moral and helpful behaviour in organization. The styles used in this study are Adaptive, Authentic, Charismatic, Democratic, Ethical, LMX, Participative, Servant, Transactional, Transformational and Complexity leadership styles. Adaptive leadership is responsible for getting people to work together to solve problems and do well in changing situations (Heifetz and Laurie, 2001). This leadership is important for helping organizations change and making sure that employees can effectively deal with pressures from outside sources. Authentic leadership is based on sincerity, conviction, and relational transparency (Shamir and Eilam, 2005). It highlights the importance of self-awareness, internalized moral perspectives, and balanced decision-making (Avolio et al., 2009). Authentic leaders establish trust by adhering to their values and promoting transparency in their actions. This leadership style is characterized by its personal and relational aspects, wherein leaders and followers collaboratively establish an authentic environment through continuous interaction (Eagly, 2005). Authentic leadership, grounded in positive psychology, enhances individual follower performance and fosters ethical, supportive relationships within organizations. Charismatic leadership is characterized by a leader who motivates followers through a compelling vision, trust, and personal influence. Charismatic leaders possess the capacity to motivate significant change and dedication by synchronizing their objectives with those of their followers. This approach effectively motivates teams to attain organizational objectives via shared ideals and ambitions (Conger & Kanungo, 1999).

Democratic leadership is defined by collaboration and collective decision-making (Wilson et al., 1994). Democratic leaders promote participation, actively listen to team members, and develop innovative solutions by integrating diverse perspectives, thereby creating an inclusive and productive environment (Kuczmarski & Kuczmarski, 1995).

Ethical leaders encourage honesty, openness, and fairness in order to create places where people can trust each other and achieve long-term success (Brown & Treviño, 2014). For an organization to be sustainable, ethical leadership must encourage ethical behaviour at all levels. Ethics-based leadership is complemented by the idea of LMX, which focusses on the quality of relationships between leaders and followers. Better performance, job

happiness, and commitment to the organization are all linked to good leader-member exchange relationships (Gerstner & Day, 1997).

Servant leadership style emphasizes collaboration, empathy, and empowerment, promoting a culture of service and mutual development by prioritizing the needs of followers over those of the leader (Greenleaf, 1998). Studies indicate that servant leadership improves employee satisfaction, decreases turnover, and fosters organizational engagement (Eva et al., 2019). Transactional leadership, by contrast, centers on the exchanges between leaders and followers aimed at achieving shared objectives, with a strong emphasis on reward-based motivation (Bass, 1995).

Transformational leadership motivates followers to surpass expectations by engaging their values and long-term goals (Bass & Avolio, 1990). Transformational leaders cultivate strong connections with followers, resulting in enhanced motivation and performance. Complexity leadership, grounded in systems theory, asserts that leadership must adapt to shifting internal and external conditions (Marion & Uhl-Bien, 2001). Complexity leadership fosters innovation and creative problem-solving, allowing organizations to adapt and succeed in dynamic environments (Goldstein, 2020).

The literature on positive leadership styles emphasizes the significance of ethical behaviour, adaptability, and empathy in promoting favourable organizational outcomes. Adaptive leadership, servant leadership, and transformational leadership each enhance individual and organizational performance by emphasizing positive emotions, ethical conduct, and inclusive behaviours. The increasing complexity of modern organizations necessitates multifaceted leadership capable of inspiring and guiding followers through challenges and change, while also prioritizing long-term organizational sustainability.

AP is an Individual's ability to adapt well to changing situations or demands. Learning from experiences, changing behaviours, and using new methods in response to changing environments are all parts of this skill. AP is the capacity of a person to change how they act in response to unpredictably changing and dynamic external situations. Workers in fields like banks, where rules, technologies, and customer needs are always changing, must understand this idea very well. Organizations need to have experienced workers who can help them adapt to changes in the climate, structure, and technology (Wang and Beier, 2012). AP includes numerous things, including the ability to change, flexibility, and competencies (Strauss et al., 2015). There are eight dimensions of AP (Pulakos et al. 2002): creative problem-solving, coping with uncertainty, learning new tasks, interpersonal and cultural adaptability, and crisis management. Taking care of these aspects makes an employee more flexible in business settings that are complicated and unstable.

H_1: MDL has positive effect on AP

Relationship between MDL and CWE: A CWE is crucial for promoting innovation, adaptability, and overall organizational success. This concept pertains to a workplace culture characterized by emotionally supportive relationships between employees and employers, which promote psychological well-being and improve job performance (Odunlade, 2012). Yang et al. (2018) identified a collaborative culture as a crucial factor in effective knowledge management practices. Additionally, positive leadership is recognized as a crucial facilitator of CWE (Manca et al., 2018). Research indicates that in CWEs, employees demonstrate enhanced performance and adaptability in addressing dynamic challenges (Marques-Quinteiro et al., 2019).

H_2: MDL has a positive effect on CWE.

Relationship between CWE and AP: The concept of collaborative culture, defined by leadership, reciprocity, and inclusiveness, has emerged as an essential factor for fostering innovation and enhancing employee motivation (Cleveland & Ellis, 2015). A supportive work environment that fosters collaboration and diverse perspectives is essential in service-oriented sectors such as banking, where the ability to adapt swiftly to changing demands is crucial (Manca et al., 2018).

H_3: CWE has a positive effect on AP

The Mediating Role of CWE between MDL and AP: A healthy work environment and leadership practices that mitigate negativity and promote congeniality are crucial for improving AP. Studies show that employees who view their leaders as supportive and equitable are more inclined to adopt innovation and adjust to organizational changes (Alshammari et al., 2015). The CWE positively influences AP, as supportive workplace cultures promote mutual respect and encourage flexibility in response to change (Manca et al., 2018; Hui et al., 2021). This relationship is examined within two distinct banking models: Islamic and conventional banks, acknowledging the unique dynamics inherent to each sector. The differentiation between Islamic and conventional banks presents a different aspect of leadership dynamics. Based on Shariah principles, Islamic banks prioritize ethical leadership, empathy, and cooperation, creating a collaborative environment that enhances AP (Abbasi et al., 2020).

H_4: CWE positively mediates the relationship between MDL and AP, (H4a) in Islamic Banks, and (H4b) in conventional Banks.

The moderated Role of NSEB between MDL and AP through CWE: NSEB refers to actions that hinder interpersonal communication, exhibit frustration, and challenge others' perspectives (Khan et al., 2024). It is frequently associated with workplace conflicts, irritability, and diminished emotional regulation (Bales, 1970). Individuals exhibiting sociopathic tendencies often face challenges in regulating emotional expression, particularly in reaction to organizational stimuli (Lorber, 2004). Lings et al. (2014) contend that individuals with psychopathic tendencies frequently display negative emotions that impact their professional relationships. Barrick et al. (2013) indicate that these behaviours affect individual traits and workplace cultural characteristics. Conventional banks, influenced by market competition, frequently encounter issues such as NSEB, which includes conflict and ineffective communication. These challenges can diminish the beneficial impacts of leadership on collaboration and performance (Hanif et al., 2023). The influence of socioemotional behaviour on the leadership-performance relationship is a significant subject of study. NSEB may diminish the beneficial indirect impacts of leadership and collaboration on employee adaptability, particularly in contexts where trust and communication are already undermined (Paais & Pattiruhu, 2020). Research indicates that addressing NSEB is essential for improving organizational adaptability and achieving success in collaborative leadership models within both Islamic and conventional banks (Rehman et al., 2020).

H_5: Negative socioemotional behaviour moderates the mediated relationship through CWE between MDL and AP in such a way that an increase in its value weakens the strength of the mediated relationship, (H5a) in Islamic Banks, and (H5b) in conventional Banks.

Theoretical Foundations

This research utilizes Social Exchange Theory (SET) and Leader-Member Exchange (LMX) Theory to analyze the interplay between leadership, AP, and CWEs in dynamic business settings. SET asserts that social interactions are motivated by a reciprocal exchange of benefits, with individuals aiming to maximize rewards and minimize costs (Blau, 1964). SET posits that positive leadership practices, including support, recognition, and resource-sharing, foster a sense of obligation among employees to reciprocate with loyalty and enhanced performance (Cropanzano & Mitchell, 2005). Trust is a fundamental component of SET, as it promotes organizational citizenship behaviours and improves job satisfaction (Cropanzano et al., 2017). In high-power distance cultures such as Pakistan, SET suggests that employees may feel obligated to reciprocate supportive leadership by exhibiting increased adaptability to organizational changes (Islam et al., 2024).

LMX theory examines the quality of relationships between leaders and followers, positing that high-quality exchanges are marked by mutual trust, respect, and support, which in turn enhance employee motivation and AP (Zheng et al., 2022). In collectivist cultures, where relational dynamics are crucial, the quality of LMX has a significant impact on AP (Bedi, 2020). The theory highlights the significance of robust leader-follower relationships in promoting a CWE conducive to organizational change and employee adaptability.

Leadership's influence on AP has been extensively examined in multiple sectors, including banking. Positive and multidimensional leadership styles significantly contribute to the development of CWEs, thereby improving organizational outcomes. Positive leadership, which includes both transformational and transactional styles, fosters supportive workplace cultures that enhance employee collaboration, trust, and adaptability (Bass & Avolio, 1990). Research indicates that in CWEs, employees demonstrate enhanced performance and adaptability in addressing dynamic challenges (Marques-Quinteiro et al., 2019).

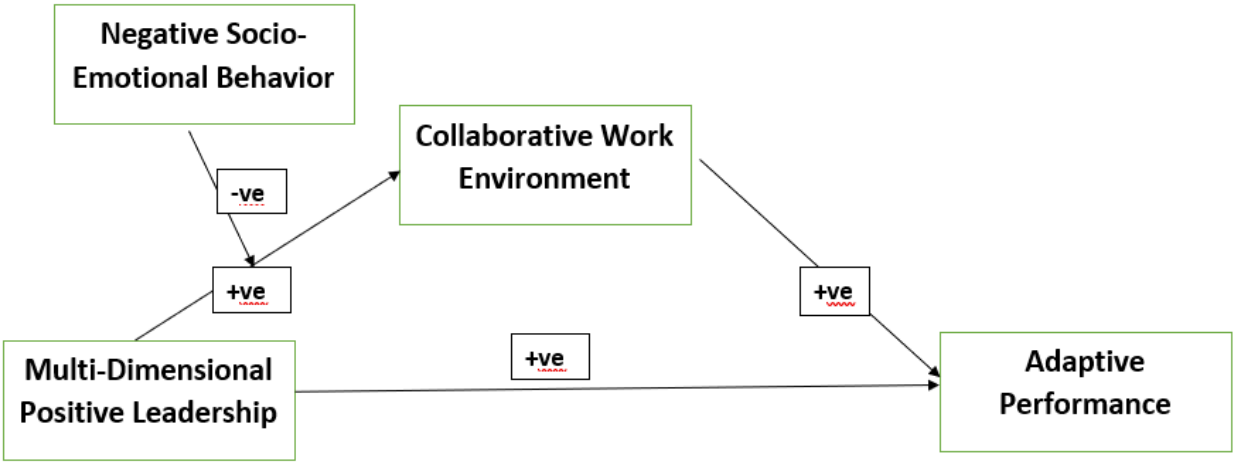

Figure 1: Conceptual Framework

METHODOLOGY

Since the banking sector is so important for Pakistan's economy, this quantitative study examined public and commercial banks in Faisalabad. The competitive criteria and changing work surroundings of this industry define it. Its approach is predictive, and non-experimental based on surveys. Online questionnaires were used for this purpose. This cross-sectional study is carried out in Pakistan, where the collectivist culture significantly affects organizational dynamics and the originality of leadership approaches. In contrast to developed nations characterized by individualistic cultures, its norms and ideals towards structure, family, and self are markedly distinct. Pakistan and a number of other countries in Asia, emphasizes sturdy interpersonal connections, group cohesion, and joint welfare over personal aspirations. Companies generally priorities reciprocal support among workers, loyalty, cohesion among groups. Coordinated joint effort and collaboration are prioritized, with building the consensus- that influences the decisions more significantly than personal autonomy. The adoption of leadership styles is influenced by cultural context. This research aims to elucidate the complexities of these influences within the context of culture that markedly contrasts with the individualistic societies typically examined in developed nations. The researcher collected data by visiting the offices of selected private banks to distribute the URL link of the Google form to staff through WhatsApp and email with the help of HR officials. Participants were identified and contacted, with assurances that their information would be utilized solely for research purposes, thereby ensuring the preservation of their anonymity.

Collection of data was devoid of identifying information, including employee IDs, their bank branch, and name to ensure individual anonymity. Then responses were aggregated and examined. The online survey did not require IP addresses collection and other tracking data. The measures were conveyed to respondents to enhance engagement beside ensuring confidentiality and anonymity.

The process of collection of data lasted approximately six and a half months. This research analyzed public and private banks in Pakistan that possess more than 450 branches, have a minimum operational history of 15 years, and maintain a total asset base of around Rs. 800 billion, alongside a deposit base of about Rs. 600 billion (refer to Annex-2). In SEM analysis, the sample size should exceed five times the total items in a questionnaire, which in this study amounted to 64 (RVSPK et al., 2020). The initial target sample size was established at 320. Following Wolf et al.,

(2013), to meet the SEM criterion for an adequate sample size, the sample was increased to 350. This scholar employed the Simple Random Sampling method, guaranteeing that each individual had an equal probability of selection, thus accurately representing the population. This procedure decreases bias while being efficient in terms of cost and time. The study's design facilitates replicability, enhancing its standing and applicability for forthcoming research that is comparative. After preliminary screening, 370 out of 630 survey questionnaires were selected for further investigation. Questionnaires containing large missing values and incorrect replies were excluded from the analysis.

Demographic Profile

The sample of 350 employees consisted of 81.7% (286) males and 18.3% (64) females. Among them, 20.57% (72) possess a Bachelor's degree, 61.14% (214) hold a Master's degree, and 18.28% (64) have an MS/MPhil/PhD degree. Additionally, 66.0% (231) are lower-level managers, 23.42% (82) are Middle-Level Managers, and 10.57% (37) are Top Level Managers. 29.14% (102) possess 5-10 years of experience, 32% (112) have 11-15 years, 25.71% (90) have 16-20 years, and 13.14% (46) of respondents have above 20 years of professional experience. 7.72% (27) work 40-50 hours, 48.0% (168) work 51-60 hours and 44.28% (155) work more than 60 hours, refer to Table 1.

Table 1: Respondents Demographic Characteristics

Demographic Profile	Classification	N = 350	Percentage
Gender	Male	286	81.7
	Female	64	18.3
Education	Bachelor	72	20.57
	Masters	214	61.14
	MS/M.Phil./Ph.D.	64	18.28
Rank/Position	Frontline Managers	231	66
	Middle-Level	82	23.42
	Top Level	37	10.57
Professional Experience	5-10	102	29.14
	11-15	112	32.0
	16-20	90	25.71
	More than 20	46	13.14
Weekly Working Hours	40-50 Hours	27	7.72
	51-60 Hours	168	48.0
	More than 60 Hours	155	44.28

Note: *N* = 350

Measurements

The assessment of 64 aspects in the survey using verified and trustworthy instruments, as outlined in Annexure 1. The seven point Likert scale, from "strongly disagree (1)" to "strongly agree (7)," was employed to evaluate the response of the respondents. Although the majority of items were incorporated, some were modified to align with the Pakistani banking system's framework.

MDL was measured by 11 positive leadership styles/dimensions including 3 items scale of Adaptive Leadership (Nöthel et al. 2023), 4 items' of Authentic Leadership (Walumbwa et al., 2008), 4 items' of Charismatic Leadership (Conger et al., 2011), 2 items' of Democratic Leadership (Sharma & Singh, 2013), 3 items' of Ethical Leadership (Brown et al., 2005), 3 items' of LMX Leadership (Graen & Uhl-Bein, 1995), 2 items' of Participative Leadership (Bell and Mjoli, 2014), 4 items' of Servant Leadership (Sendjaya et al., 2019), 2 items' of Transactional Leadership (Bass & Avolio, 1990), 4 items' of Transformational leadership (Bass & Avolio, 1990) and 3 items' of Complexity leadership (Marion & Uhl-Bien, 2001).

Table 2: Summary of all Measures (Items and Scales)

Construct	Author	No of Items	Reliability
MDL		33	0.975
Adaptive (ADP)	Nöthel et al (2023)	3	0.932
Authentic (ATL)	Walumbwa et al. (2010	4	0.766
Charismatic (CMX)	Conger et al. (2011)	4	0.842
Democratic (DML)	Sharma & Singh (2013)	2	0.859
Ethical (ETL)	Brown et al. (2005)	3	0.763
Leader-member exchange (LMX)	Graen & Uhl-Bein (1995)	3	0.834
Participative (PRL)	Bell and Mjoli (2014)	2	0.863
Servant (SER)	Sendjaya et al. (2019)	3	0.780
Transactional (TRS)	Bass & Avolio (1990)	2	0.894
Transformational (TRM)	Bass & Avolio (1990)	4	0.860
Complexity (CMX)	Marion & Uhl-Bien (2001)	3	0.726
Collaborative Work Environment	López, Peón, & Ordás (2004)	8	0.912
Adaptive Performance	Charbonnier-Voirin, & Roussel,(2012)	18	0.902
Negative Socio-Emotional Behaviour	Green and Taber, (1980)	5	0.886

Note: *N* = 350

AP includes 5 dimensions, creativity, and reactivity in the face of emergencies, interpersonal adaptability, training effort and managing stress. Each dimension consists of 3-4 questions/items. CWE comprises of 8 questions/items. NSEB includes 5 items. The study employed various metrics to evaluate distinct constructs, as illustrated in Table 2.

Analysis of Data

A survey was administered online via Google Forms to gather data and acquire real-time responses. Only questionnaires that were meticulously completed and filled were maintained for analysis. The data underwent coding and were entered into an SPSS spreadsheet, after which multivariate assumptions were examined to ensure the validity of the ensuing analyses. This investigation fulfilled all four assumptions of SEM. The evaluation of normality included an analysis of kurtosis and skewness values, which were found to be within the acceptable range, suggesting a normal distribution of the data. To comprehensively address the concern of common method bias, a methodological framework proposed by Podsakoff et al. (2003) was adopted, incorporating several strategies, including the use of multiple data sources where feasible. Statistically, to complement Harman's single-factor test and adhere to Podsakoff et al (2003) recommendations, more sophisticated techniques were applied, such as marker variables and CFA with a method factor.

Table 3: Cronbach's Alpha Values of the Variables

Sr. No.	Constructs	Cronbach's Alpha
1	MDL	.975
2	AP	.939
3	CWE	.902
4	NSEB	.886

Note: *N* = 350, Multidimensional Positive Leadership = MDL, Adaptive Performance= AP, Collaborative Work Environment = CWE, Negative Socioemotional Behaviour = NSEB

The studies corroborate our preliminary results from Harman's test, which revealed that merely 28.72% of the total variation could be ascribed to a singular factor, indicating that common method bias is not a substantial issue. The evaluation of multicollinearity was conducted through the Variance Inflation Factor (VIF), revealing all values to

be below 3, specifically ranging from 1.361 to 2.748, which suggests that multicollinearity does not pose a concern. The SEM methodology was utilized for data analysis through the use of AMOS software. First-order confirmatory factor analysis (CFA) and second-order CFA were performed following the methodologies established by (Anderson and Gerbing,1988). A specification search for CFA included forty-two first-order latent variables, sixty-four observable variables, and seventy-eight unobserved variables. The evaluation of the model was conducted using maximum likelihood estimation (MLE). A first-order factor analysis was performed to assess model fit, yielding factor loadings, average variance extracted (AVE), squared multiple correlations (SMC) range, and Cronbach's alpha (α) values. The findings from the measurement model revealed that the α values were between 0.905 and 0.982, suggesting a high level of reliability (see Table 3). Additionally, the composite reliability (CR) values surpassed the normal threshold, ranging from 0.890 to 0.963 (refer to Table 5). The AVE values were between 0.508 to 0.705 for each variable, i.e. exceeding the minimum threshold of 0.50 (refer to Table 5), thus supporting convergent validity. The significant factor loadings of the measurement items provide further support for convergent validity.

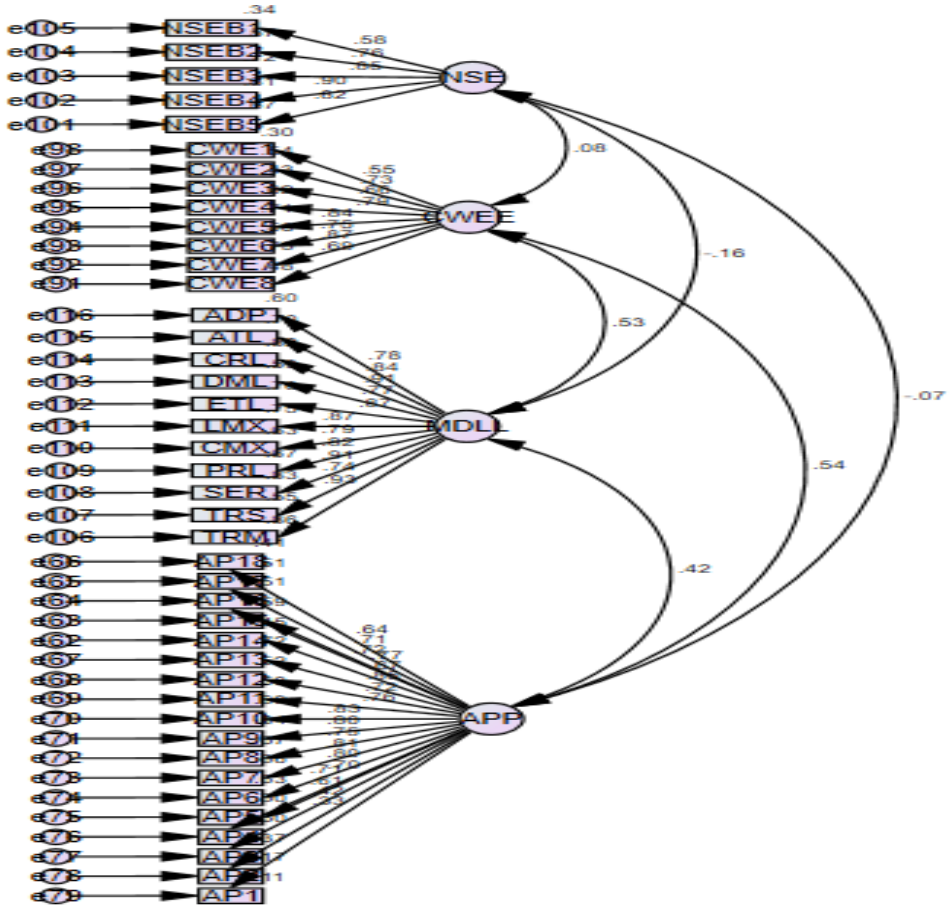

Figure 2: Measurement Model

Table 4: Measurement Model Fit

Results of Goodness-of-Fit Model					
	χ2/df	GFI	AGFI	CFI	RMSEA
Threshold Level	Below 3	Above 0.90	Above 0.8	Above 0.95	Below 0.05
Measurement Model: Initial	3.694	0.718	0.670	0.936	0.075
Measurement Model: Re-specified	2.306	0.912	0.828	0.967	0.042

Table 5: Composite Reliability, Convergent and Discriminant Validity

	CR	AVE	MSV	NSEB	AP	CWE	MDL
NSEB	0.890	0.623	0.026	0.789			
AP	0.947	0.508	0.288	-0.069	0.712		
CWE	0.905	0.548	0.288	0.082	0.537	0.740	
MDL	0.963	0.705	0.284	-0.162	0.424	0.533	0.840

Note: *N* = 350, Multidimensional Positive Leadership = MDL, Adaptive Performance= AP, Collaborative Work Environment = CWE, Negative Socioemotional Behaviour = NSEB

Structural Model and Hypotheses Testing

The subsequent phase involved assessing the structural model fit to analyze the proposed relationships between all exogenous and endogenous variables. The model is based on Hayes' theoretical framework, comprising three variables and thirty-seven indicators.

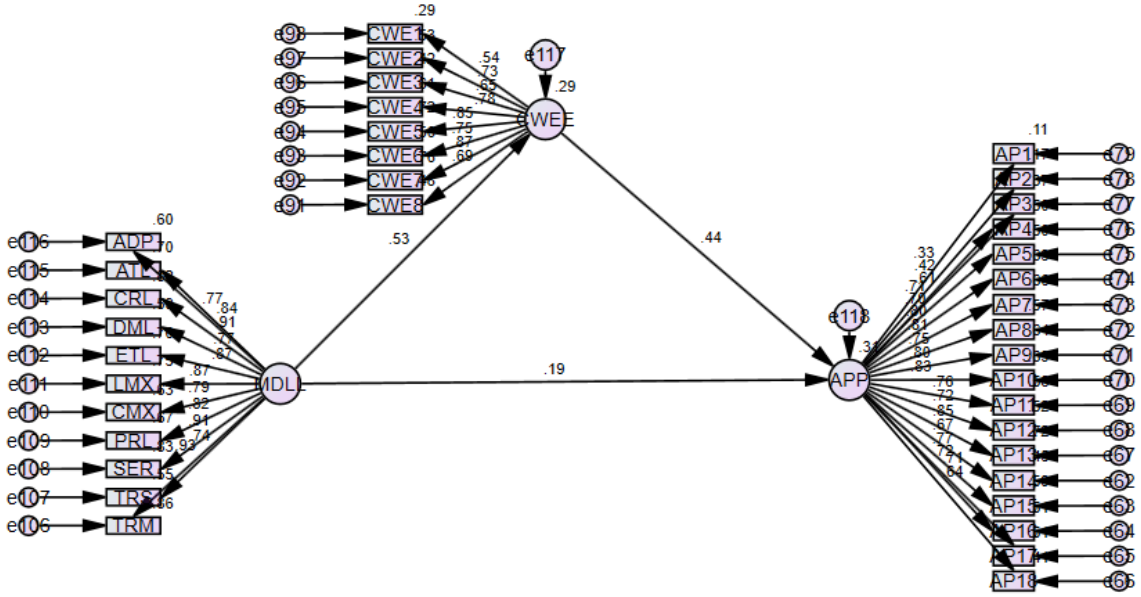

Figure 3: Structural Model

In the research model, one variable NSEB acted as a moderator, one variable CWB functioned as a mediator, one variable AP was classified as an exogenous variable, and one variable MDL was identified as an endogenous variable. Indices of model fit presented in Table 4 surpassed the minimum values for lower-limit established in the year by Hu & Bentler, demonstrating a strong fit of the structural model to the data. No pathways require exclusion from the model. The model exhibited an acceptable level of fit based on the established threshold criteria.

Direct Effect Analysis

Table 6 indicates a significant correlation between MDL and AP (0.19, $p<0.05$), thereby accepting H1. The scores demonstrated that MDL explained 19% of the variance in AP. The correlation between MDL and CWE was significant (0.53, $p<0.05$), thereby supporting H2, as the findings demonstrated that MDL explained 53% of the variance in CWE. The correlation between CWE and AP was significant (0.44, $p<0.05$), thereby accepting H3, as the values demonstrated that CWE explained 44% of the variance in AP.

Table 6: Direct Effects

	Structural paths	St. Regression Coefficient	P-value	Result
H1	MDL →AP	0.19	***	Significant(Accepted)
H2	MDL →CWE	0.53	***	Significant(Accepted)
H3	CWE →AP	0.44	***	Significant(Accepted)

Mediation Analysis

Mediation analyses were conducted using AMOS-24 and a bootstrapping method. AMOS is intended to concurrently evaluate direct, indirect, and mediation effects (Figure 4). The substantial value obtained through two-tailed bootstrapping simultaneously indicated the significance levels of the indirect, direct, and total effects. Analysis was conducted solely on the standardized effect using AMOS. The γ value of the direct effect was compared to the γ value of the overall effect to assess the discrepancies in the total effect.

The findings of the direct effect indicated that 22% of the variation in AP was ascribed to MDL; however, upon incorporating CWE into the pathway between MDL and AP, the impact on AP decreased to 20%. CWE notably, however partially, mediated the relationship between MDL and AP, as demonstrated by the diminished correlation. The association remained significant, with a bootstrapping two-tailed significance value below 0.05, indicating a considerable indirect effect in the research model and the presence of partial mediation.

Therefore, H4 is accepted (Table 9). For the stratified mediations, for Islamic Banks, the direct effects indicated that 52% variation in AP occurred due to MDL; once CWE was inserted in the path between MDL and AP, the effect on AP was 23% whereas, for Conventional Banks the direct effects indicated that 33% variation in AP occurred due to MDL. However, after CWE was inserted, the effect on AP was reduced to 18%. In both relationships, P-V remained significant (.000, .001 respectively), so, CWE fully mediated the relationships. Hence, H4a and H4b are accepted (Table 7).

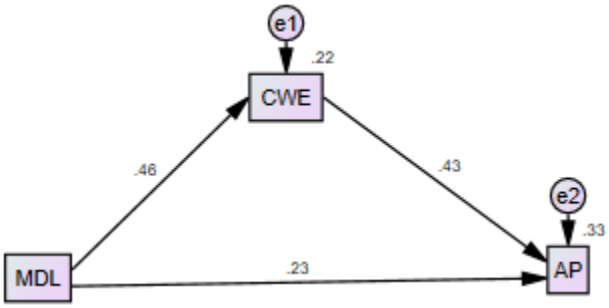

Figure 4: Mediation Analysis

Table 7: Mediation Analysis

	Hypotheses	Total Effect		Direct Effect		Indirect Effect		Remarks
		Estimate	P-V	Estimate	P-V	Estimate	P-V	
All Banks								
H4	MDL →CWE→ AP	.428	.001	.226	022	0.202	.000	Partial Mediation
Islamic Banks								
H4a	MDL →CWE→ AP	.522	.002	.292	.107	0.230	.000	Full Mediation
Conventional Banks								
H4b	MDL →CWE→ AP	.331	.001	.150	.233	0.180	.001	Full Mediation

Moderated Mediation Analysis – (All Banks) H5, H5a, H5b

A moderated mediation analysis was performed employing the PROCESS Macro (Hayes, 2015), as illustrated in Table 9. Following Preacher et al., (2007) the index moderated mediation was premeditated using a bootstrapping method with 5000 samples to obtain bias-corrected confidence intervals at a 95% confidence level. The findings showed that NSEB significantly reduced the direct association between MDL and AP, as shown by the Z-Score and p-value of the interactions falling below 0.05. The moderated mediation index supported this effect, with the lower-level confidence interval (LLCI) and upper-level confidence interval (ULCI) values noted as [0.0271, 0.0834] for AP, CWE, and MDL, respectively, and bootstrapping two-tailed significance values also remaining below 0.05.

The NSEB score for the moderated mediation effect is significant (Path: .672, p=0.027). The indirect effect of MDL on AP through CWE (path = 0.153, p = 0.032) is lower at a higher level of NSEB than at a low level (path: .183, p = 0.043). The hypothesis (H5) is supported. Therefore, it can be concluded that NSEB reduces the positive impact of MDL on AP through the mediating variable of CWE.

Table 8: The Conditional Indirect Effect of Moderated Mediation of H_5 (MDL → CWE → AP)

PROCESS Macro: Model 7 Index Values of the Moderated Mediation Analysis				
All Banks	Index	Boot SE	Boot LLCI	Boot ULCI
NSEB H5	.0208	.0279	.0271	.0834
Islamic Banks				
NSEB H5a	.0069	.0271	.0554	.0581
Conventional Banks				
NSEB H5b	.0154	.0462	.0614	.1256

As for stratified relationships (Conventional and Islamic Banks), CWE moderates the association between MDL and AP by 0.0154 with BootSE 0.0462 for Conventional Banks and by 0.0069 with BootSE 0.0271 for Islamic Banks. The confidence interval for this index is 0.0554 to 0.0581, not zero for conventional banks and 0.0614 to 0.1256, not zero for Islamic banks. So, for both types of banks, the substantial index of moderated mediation shows that NSEB moderates CWE's mediation effect on MDL and AP. The intensity of MDL's indirect influence on AP through CWE depends on NSEB. NSEB weakens CWE's positive mediation effect, emphasizing its role in reducing MDL and AP's indirect interaction. This shows that NSEB settings or factors are critical for reducing MDL's favourable impact on AP in the corporate workplace.

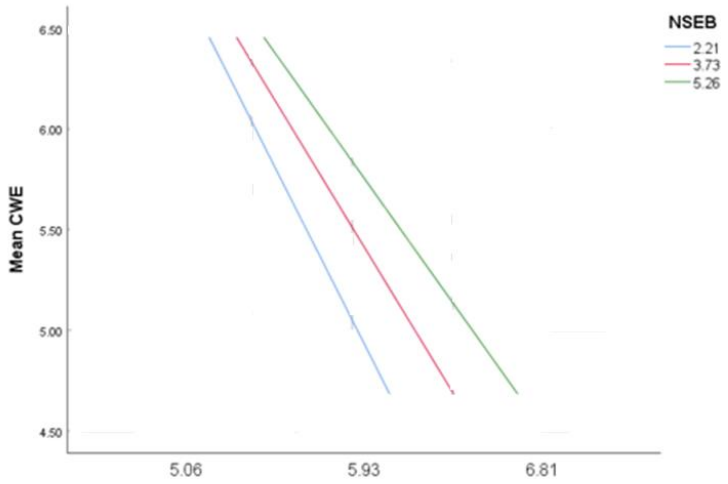

Figure 5: *Moderated Mediation Analysis*

DISCUSSION

The findings of the study confirm the substantial positive impacts of MDL on AP and CWE, later on CWE in turn also has a positive effect on AP (H1, H2 and H3). So, the findings reveal that MDL fosters an environment that enhances AP, which is essential for organizational growth and competitiveness. Leaders demonstrating positive behaviours enhance employee inspiration, resulting in heightened satisfaction, commitment, and performance, as evidenced by the relationship between MDL and AP. The study highlights the function of CWE as a mediator, demonstrating that a CWE enhances AP (H3). A supportive and cooperative work culture enhances employees' capacity for innovation and adaptation to organizational changes, particularly in service-oriented sectors such as banking. H4, that CWE mediates MDL-AP, is supported. The findings correspond with earlier studies that demonstrate the importance of positive organizational climates, supported by leadership, in promoting innovation and employee engagement. The mediating role of CWE is supported by SET, emphasizing the significance of reciprocity and positive work relationships in influencing employee behaviour and performance. The moderating mediation effect of NSEB on the relationship between MDL and AP through CWE was examined, revealing that NSEB diminishes the positive impact of MDL on AP through CWE. NSEB including hostility and dissatisfaction, can impede the advantages of positive leadership in collaborative environments. NSEB acts as a barrier that constrains the full potential of leadership efforts, thereby diminishing the effectiveness of MDL in promoting AP. Furthermore, stratified analyses of Islamic and conventional banks indicated significant disparities in the impact of leadership on AP. Islamic banks demonstrated a more robust correlation between MDL and AP, likely attributable to the impact of organizational values centered on fairness, justice, and community welfare. In contrast, conventional banks exhibited weaker yet still significant effects, indicating that leadership may play a crucial role across various organizational structures.

Contribution of the Study

This study elucidates the intricate interplay among leadership, workplace environment, and employee behaviours, highlighting their overall impact on organizational performance. It underscores the pivotal influence of NSEB, MDL, and CWE on employee outcomes and adaptability within the banking sector. The results are especially pertinent to both Islamic and conventional banks, providing a basis for enhanced leadership practices and organizational initiatives.

Theoretical Contribution

The study provides a substantial theoretical addition by confirming the partial mediation impact of CWEs in the association between MDL and AP. MDL directly influences AP and indirectly increases it by cultivating a supportive and collaborative atmosphere. This dual influence pathway enhances our comprehension of leadership dynamics within organizational settings.

The research underscores the moderating influence of NSEB within this connection. Elevated levels of NSEB—such as dissatisfaction, criticism, or absence of empathy—diminish the beneficial impacts of MDL on AP, particularly when influenced by a CWE. The moderating effect is especially evident in Islamic banks, indicating that their organizational culture, influenced by values of equity and communal benefit, may render them more responsive to the detrimental effects of NSEB.

This study enhances the literature on leadership and organizational behaviour by experimentally examining the mediated and regulated links among MDL, CWE, NSEB, and AP. It provides a detailed comprehension of how socioemotional elements and collaborative interactions influence employee performance and adaptability.

Managerial Contribution

This research offers useful insights for banking executives and policymakers. It emphasizes the significance of cultivating positive leadership to enhance employee engagement, trust, and collaboration. This strategy not only improves performance but also augments the organization's capacity to adapt to changes and difficulties in the financial sector. The findings underscore the necessity of addressing NSEBs, which can undermine the beneficial

effects of leadership on AP by disturbing CWE. This is especially crucial for Islamic banks, where the cultural focus on equity and communal well-being may exacerbate the adverse impacts of NSEBs. Interventions, like conflict resolution tactics and emotional intelligence training, are crucial to alleviate these behaviours. Although the effect of NSEB is less significant in conventional banks, the results underscore the need for leadership development programs. Incorporating socioemotional awareness and regulation into management methods helps foster work cultures that promote collaboration, trust, and enduring performance. This study offers financial organizations a framework for improving organizational effectiveness via focused leadership techniques, enhanced socioemotional management, and an emphasis on fostering collaborative work cultures. These lessons are essential for cultivating a culture of adaptability and resilience in the constantly changing financial sector.

Limitations and Future Research

Future research may investigate the mechanisms through which negative socioemotional behaviour interacts with other leadership styles and organizational culture to influence employee outcomes. This study is crossectional in nature, future research should prioritize longitudinal studies to investigate the long-term effects of positive leadership on AP, facilitating a more comprehensive understanding of its sustainability. This research is conducted in Pakistan, having collectivistic culture, future cross-cultural studies are essential for examining the influence of leadership styles on adaptability across various cultures, as leadership dynamics may differ globally. Exploring gender-based comparisons is essential to comprehend the influence of male and female leaders on AP, providing valuable insights for the development of inclusive leadership. Incorporating theoretical frameworks such as the Resource-Based View and Complexity Theory can enhance understanding the impact of resources and change management on adaptive behaviours. Future studies should further investigate psychological factors, including emotional resilience and frustration tolerance, to enhance the understanding of the internal drivers of leadership effectiveness. Sectoral comparisons are essential to evaluate the applicability of findings from the banking sector to other industries, thereby offering a more comprehensive understanding of leadership's role in AP. These approaches will enhance both theoretical comprehension and practical methods for advancing leadership and employee performance in various contexts.

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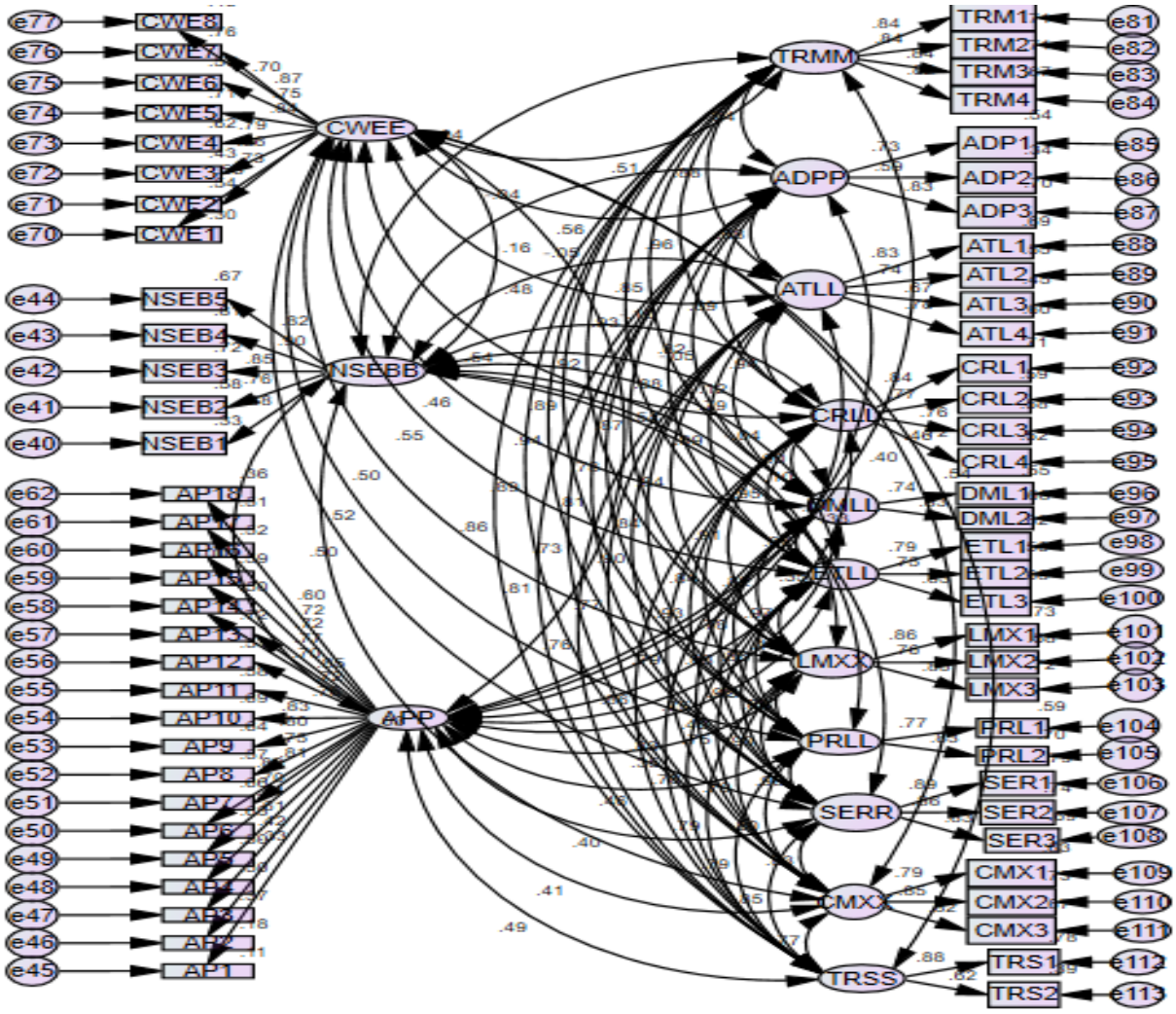
EXAMINATION OF FACTOR LOADINGS



	CR	AVE	MSV	CRLL	ADPP	ATLL	DMLL	ETLL	LMXX	PRLL	SERR	CMXX	TRSS	TRMM	NSEBB	APP	CWEE
CRLL	0.857	0.601	0.516	**0.775**													
ADPP	0.766	0.526	0.497	0.893	**0.726**												
ATLL	0.843	0.574	0.484	0.940	0.881	**0.758**											
DMLL	0.760	0.613	0.605	0.897	0.821	0.790	**0.783**										
ETLL	0.830	0.620	0.547	0.954	0.882	0.893	0.872	**0.788**									
LMXX	0.862	0.677	0.647	0.914	0.868	0.841	0.824	0.973	**0.823**								
PRLL	0.783	0.644	0.455	0.836	0.782	0.839	0.780	0.865	0.893	**0.803**							
SERR	0.895	0.740	0.655	0.931	0.815	0.900	0.830	0.916	0.902	0.977	**0.860**						

CMXX	0.861	0.674	0.592	0.785	0.733	0.768	0.754	0.749	0.789	0.803	0.834	**0.821**					
TRSS	0.731	0.583	0.445	0.863	0.808	0.758	0.829	0.776	0.791	0.794	0.855	0.768	**0.764**				
TRMM	0.903	0.700	0.616	0.957	0.840	0.878	0.850	0.933	0.918	0.895	0.941	0.890	0.859	**0.837**			
NSEBB	0.890	0.623	0.025	-0.100	-0.039	-0.048	-0.052	-0.118	-0.036	0.099	-0.009	0.027		0.036	**0.789**		
APP	0.947	0.507	0.293	0.405	0.333	0.352	0.434	0.399	0.354	0.459	0.396	0.410	0.488	0.397	0.000	**0.712**	
CWEE	0.907	0.553	0.311	0.539	0.558	0.483	0.457	0.550	0.497	0.520	0.501	0.460	0.541	0.510	0.158	0.541	**0.743**