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The Effect of Leadership Styles on Sustainable Performance of Listed Banks on the Ghana Stock Exchange: The Mediating Role of Corporate Governance

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Abstract
The main purpose of this study is to examine the impact of leadership styles (LS) on corporate governance (CG) and sustainable performance (SP) on listed banks on the Ghana Stock Exchange. The study used a survey research design and focused on nine banks listed on the Ghana Stock Exchange. The sample selection entailed distributing 45 questionnaires to selected respondents within these banks, with each questionnaire representing a distinct respondent in the management hierarchy. Impressively, 360 questionnaires were successfully retrieved, resulting in a response percentage of 88.88%. In addition, the study employed partial least square structural equation modeling (PLS-SEM), explored several hypotheses, and discovered significant connections. The findings suggested that leadership styles had a considerable impact on both corporate governance and the bank's sustainable performance.Furthermore, the result demonstrated a partial mediation impact of corporate governance in the relationship between leadership styles and long-term performance, providing important insights into the complex dynamics of the study context. The study suggests that organizations should pay careful attention to leadership styles and corporate governance, as they play crucial roles in influencing economic, environmental, and social sustainability. Adopting and promoting effective leadership practices and governance structures can lead to positive and sustainable outcomes for organizations.
Keywords: Leadership Style, Corporate Governance, Sustainable Performance, Partial Least Square Structure Equation Modelling.
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In the dynamic landscape of the modern banking industry, effective leadership and sustainable performance are pivotal to the success of financial institutions. The Ghanaian banking sector has undergone significant transformations as global markets have become increasingly interconnected and interdependent in recent years. Amidst these changes, the role of leadership styles in shaping the sustainable performance of listed banks on the Ghana Stock Exchange has become a topic of paramount importance. Effective leadership appears to be critical (Chen et al., 2018). Nonetheless, the definition of "effective leadership" has evolved (Kjellstrom et al., 2020).

Shifts in the corporate world, including firm stakeholders' changing needs, affect how organisations should be managed. One major transition is the worldwide movement towards sustainability (Smith & Sharicz, 2011). Until the 1970s, conventional development theories generally saw development through the lens of economic growth, with leadership being entirely profit-focused (Klarin, 2018). Leaders today must strike a careful balance between the interconnected components of sustainable development, which include environmental, social, and economic goals (Correia, 2019).

Leadership styles are defined by (Aboramadan & Dahleez, 2020; and Armstrong, 2012) as the distinctive behaviours or patterns a leader displays while directing, guiding, and motivating groups of people. These behaviours, in turn, influence the conduct of followers, answering the question, "How do leaders lead?" This study investigates the elaborate interaction between leadership styles, sustainable performance, and corporate governance practices within the context of Ghana's banking sector. Specifically, it focuses on the mediating role of corporate governance in the relationship between leadership styles and the sustainable performance of listed banks. Understanding this multifaceted relationship is essential for academic discourse and the strategic decision-making processes of banking institutions and regulatory bodies.

Like many others globally, the Ghanaian banking sector faces unprecedented challenges ranging from rapid technological advancements to stringent regulatory reforms. In this complex environment, how leaders of listed banks navigate these challenges significantly impacts their institutions' long-term sustainability and overall performance. Various leadership styles have been studied as independent variables regarding their impact on sustainable development, specifically organisational sustainable performance (SP). The latter denotes an organisation's ability to meet the needs and expectations of customers and other stakeholders over the long term, composed of effective organisational management, staff awareness, learning, and the application of appropriate improvements and innovation (Stanciu et al., 2014). Sustainability, a concept with broad definitions, is associated with processes and outcomes occurring on different levels (e.g., individual and group levels) (Mazutis & Zintel, 2015) and assessed in diverse ways (Bezerra et al., 2021). Similarly, sustainable performance may be considered a green strategy (Dai et al., 2021). However, this paper treats sustainable performance as an operationalised research construct linked to a dependent variable, an organisational outcome resulting from implementing sustainability-oriented activities, representing a company's tangible and observable output measured against its intended outputs (Sapta et al., 2021).

Moreover, the importance of corporate governance cannot be overstated. It acts as the bedrock of transparent, accountable, and ethical business practice, providing a framework that ensures alignment between the interests of shareholders, management, and other stakeholders. Corporate governance mechanisms, including board structure, executive compensation, and disclosure practices, are instrumental in mediating the influence of leadership styles on sustainable performance outcomes. Nonetheless, the majority of current research on sustainable performance focuses on SMEs, exploring the impact of a restricted collection of enablers on sustainability performance or the impact of barriers to sustainability performance. A notable shortcoming is the lack of a comprehensive framework for analysing sustainability performance in order to properly monitor and improve it (Malesios et al. 2020). As a result, this study aims to fill the literature gap by investigating the sustainability performance of banks listed on the Ghana Stock Exchange. In addressing the observed research gap, the investigation mainly analyses leadership styles and explores the mediating impact of corporate governance.

This study adds significantly to the corpus of literature on sustainable performance by concentrating on leadership styles and the mediating role of corporate governance. The findings are expected to provide fresh insights to the banking industry and its stakeholders. This unique information could assist banks in identifying critical directorial qualities required to improve sustainability performance.

2. Literature Review

2.1 Theoretical Review

2.1.1 Resource-Based View Theory

The resource-based view (RBV) provides a framework for determining an organisation's competitive advantage. This viewpoint is useful in understanding the sources of persistent competitive advantages that affect sustainability performance. According to the RBV theory, organisations with beneficial core skills are more likely to function well, particularly during difficult times (Barney, 2001; Foss & Ishikawa, 2007). According to this idea, competitive advantage is obtained when an organisation's tangible and intangible assets and capabilities have four key characteristics: value, rarity, imperfect distinctiveness, and non-convertibility (Barney, 2001).

The RBV concept is consistent with a study conducted by Kamaluddin et al. (2016), which showed that small and medium-sized firms (SMEs) should use all available assets to gain a competitive edge and improve performance. This argues that SMEs must recognise and capitalise on their particular resources and competencies in order to obtain a competitive advantage and achieve long-term success. The Situational Leadership Theory (SLT) states that there is no one-size-fits-all leadership style (Bharti, 2018). SLT emphasises the necessity for leaders to tailor their styles to the individual scenario, environment, and developmental level of their team members. The article discusses the evolution and transformation of leadership styles over the past century. This change suggests that knowing distinct leadership styles has become increasingly crucial, allowing organisations, particularly those in the banking industry, to deliberately select leadership strategies that are appropriate for their current requirements. Understanding distinct leadership styles allows for more strategic decision-making in the banking industry. Organisations can modify their leadership techniques to meet the changing needs and challenges of their industry.

2.2 Empirical Review

2.2.1 Sustainable Performance

Corporate organisations are undergoing a transformative shift in how they evaluate their performance. Traditionally, assessments were grounded in metrics such as assets, market position, and liabilities (Iqbal et al. 2020). However, a notable trend is emerging, with firms increasingly aligning their financial success with their broader impact on society and the environment. This evolution has given rise to sustainable performance (Chin et al., 2015). In this sense, sustainability is a strategic business approach closely related to corporate social responsibility recognize the complex connection between organisations, the environment, and society, and there is increasing demand to find solutions that benefit all stakeholders. Integrating ecological, environmental, and social performance into business operations is widely recognised as a critical motivator for organisations seeking a significant competitive advantage (Chin et al., 2015; Paulraj, 2011).

Organisations seeking long-term success must now minimise the negative impact of their activities on society and the environment (Markard et al., 2012). Adopting sustainable practices as a basic component of corporate strategy becomes essential in assuring long-term success (Chabowski et al., 2011). In today's business context, stakeholders are putting pressure on and rewarding corporate entities for meeting their core aims and willingly embracing environmental and social goals as intrinsic components of their overall purpose (Iqbal et al. 2020). This move reflects a broader realisation that sustainability is no longer a choice but a crucial requirement for organisational longevity and relevance in today's dynamic business climate.

2.2.2 Leadership Style

However, Peng and Yang (2014) and Kim et al. (2018) found that some governance features can harm the association between CSR and financial performance. In light of the findings above, the text emphasises the article's focus on establishing corporate governance's moderating effect on the relationship between leadership style and organisational success. This paves the way for a more in-depth examination of how corporate governance policies may influence the link between leadership styles and overall organisational effectiveness. Leaders play an essential role in SMEs by effectively developing, implementing, and promoting different initiatives. This includes developing policies and programmes critical to achieving sustainable development objectives (Iqbal et al. 2020). This highlights leaders' multifarious responsibilities, which go beyond day-to-day operations and include long-term strategic planning and alignment with sustainability goals. The text cites studies by earlier academics highlighting the crucial role of strong leadership in generating organisational performance (Nor-Aishah et al., 2020). This consensus among scholars emphasises the importance of leadership as a significant predictor of organisational performance and success.

SLT, created by Hersey and Blanchard, is emphasised as a framework for comprehending leadership styles. Thompson and Glasø's (2018) mention of its revision highlight the theory's enduring significance in contemporary leadership studies. Identifying four fundamental leadership styles: directing, coaching, facilitating, and delegating provides a succinct framework for leaders to navigate various scenarios. Each style addresses a distinct situational requirement, demonstrating the flexibility and adaptation necessary for effective leadership. The claim that each leadership style is adapted to meet distinct situational needs emphasises effective leadership's adaptability and context-specificity. This is consistent with the primary idea of situational leadership, which emphasises that leaders should adapt their tactics to their unique conditions. The discussion of the adaptable character of good leadership emphasises the need for leaders' flexibility in their approaches. This is consistent with the premise that strong leaders recognise and adapt to the constantly changing dynamics of their teams and organisations.

The text emphasises the importance of leaders modifying their responses to changing conditions. This approach is consistent with the essence of situational leadership, in which the specific needs and features of the circumstance determine the appropriateness of a leadership style. The Situational Leadership Theory is expressed to improve effectiveness in guiding and managing Small and Medium-sized Enterprises (SMEs) teams. This shows that the idea is especially applicable and useful in smaller organisational structures where leadership decisions can have a big influence. The paper emphasises that none of the four leadership styles in SLT are fundamentally better than others. This core premise undermines the idea of a one-size-fits-all leadership style. SLT defines successful leadership as aligning one's behaviour with each subordinate's developmental skills based on the task at hand. The emphasis on connecting leadership behaviour with subordinates' growth skills highlights effective leadership's personalised and adaptive character. A leader's performance is determined by their ability to adjust their approach to each team member's specific strengths and demands for a given assignment.

The article emphasises the need to handle each issue individually, considering its unique characteristics, circumstances, and history. This is consistent with the primary concept of situational leadership, in which contextual circumstances play an important part in determining the most effective leadership style. This nuanced approach reflects a recognition that effective leadership necessitates a careful and tailored reaction to the complexities of each situation. Graeff (1983) is introduced to highlight the importance of behavioural flexibility in leaders. This flexibility is regarded as beneficial in accomplishing organisational goals and critical thinking in order to overcome organisational difficulties. The inclusion of behavioural flexibility is consistent with the dynamic and ever-changing character of organisational contexts, which require leaders to adapt their responses to varied situations. Blanchard et al. (2017) provide four phases for subordinates to master a certain task. This implies a complete leadership strategy that focuses on the leader's adaptability while also taking into account subordinates' developmental journeys. This emphasises the interconnectedness of leadership within the SLT framework and the reciprocal effect between leaders and team members.

The paper finishes by arguing that effective leadership, particularly in Small and Medium-sized Enterprises (SMEs), necessitates a nuanced and adaptable strategy to ensure long-term success. This underscores the notion that a flexible and context-specific leadership style is critical for long-term success in smaller organisational contexts, where leadership decisions can have a major influence.

2.2.3 Corporate Governance

This text emphasises the importance of good corporate governance in promoting justice, openness, and efficiency within both internal and external organisations. Effective corporate governance methods contrast with the negative consequences of inefficient governance, which can lead to inefficiency, mismanagement, and increased levels of corruption inside an organisation. The primary goal of corporate governance procedures is to ensure a fair distribution of power among diverse stakeholders, such as shareholders, management, and directors. According to Alnaser, Shaban, and Al-Zubi's (2014) study, this equilibrium strives to increase shareholder profit while protecting other stakeholders' interests. One observable benefit of strong company governance is increased investor trust. This is accomplished through processes that ensure public financial information's accountability, dependability, and accuracy. Alnaser et al. (2014) argue that trust in financial reporting is critical to the integrity and efficiency of capital markets.

The broader definition of corporate governance is presented, which includes the norms and limitations that control corporate decision-making. It emphasises the relevance of these restrictions in requiring management to act in the best interests of shareholders. This is consistent with Novkovic's (2013) approach and the combined work of Narwal and Jindal (2018). According to Trickler (2012), corporate governance institutions address two major issues: vertical governance, which concerns the connection between distant shareholders and management, and horizontal governance, which involves controlling and distant shareholders.

The distinction emphasizes the complex dynamics that governance mechanisms must manage across organisational tiers. Despite the well-established link between corporate governance and organisational success, the article emphasises the difficulties of quantifying the precise influence on performance and generating measurable indicators (Wessels et al. 2016). This emphasises the persistent issue of demonstrating a direct cause-and-effect relationship between governance methods and organisational outcomes.

Hassan and Halbouni (2013) argue that the value of governance is lessened for managers and shareholders if it does not have a tangible influence on organisational performance, a sentiment. This emphasises the need for a perceived link between governance methods and actual performance outcomes to justify their importance. Shahwan's (2015) findings indicate no positive association between governance factors (disclosure and transparency, board composition, shareholder rights, investor relations, and ownership/control structure) and organisational effectiveness. This calls into question the premise that particular governance qualities are directly associated with organisational success. According to Fauzi and Locke (2012) and Ayadi et al. (2015), larger boards can counterbalance the CEO's influence by bringing greater skills, knowledge, and expertise to monitoring and service roles. Board diversity, particularly regarding gender, is cited as a critical factor impacting corporate performance (Ntim 2013). Several studies show a positive relationship between the presence of women on boards of directors and firm performance (Fidanoski et al., 2014; Gotsis & Grimani, 2016; Lenard et al. 2014).

However, inconsistent data exist, with some studies indicating no effect or negative association (Manini & Abdillahi, 2015; Wessels et al. 2015). In addition, Peng and Yang (2014) and Kim et al. (2018) found that some governance features can harm the association between CSR and financial performance. In light of the findings mentioned above, the text emphasises the article's focus on establishing corporate governance's moderating effect on the relationship between leadership style and organisational success. This paves the way for a more in-depth examination of how corporate governance policies may influence the link between leadership styles and overall organisational effectiveness.

2.3.1 Hypotheses Development

2.3.2 Leadership style and sustainable performance

In defining the leadership role, various leadership behaviours are categorised, with transactional leadership emerging as a supportive approach that encourages Sustainable Performance (SP) through ample opportunities (Shahzad et al., 2020). According to Tomšič et al. (2015), effective leadership ensures sustainability. Management theorists have long focused on the impact of leadership on employee behaviour and an organisation's operational and output components (Samimi et al., 2021; Alghamdi, 2018). This research supports the upper echelon's idea by asserting that leadership substantially impacts a firm's long-term performance. According to the upper echelons' idea, managers' backgrounds partially influence organisational outcomes, strategic decisions, and performance levels.

Effective leaders are responsible for delivering the right signals to encourage sustainable performance and establishing rules for how sustainable principles should be followed (Szekely and Knirsch, 2005). According to Maletic et al. (2014), leadership support is vital to sustaining triple-bottom-line performance. In this context, leadership attributes are expected to be critical in shaping a firm's long-term economic, environmental, and social performance (Bonelli 2014). According to upper echelons theory, leaders can substantially contribute to sustainability by establishing the enterprise's vision and goals, selecting the mindset, and explaining the strategy. Furthermore, Metclaf and Benn (2013) argue that social sustainability necessitates leaders possessing broader skills than previously expected. In contrast, Przychodzen et al. (2016) argue that appropriate leadership is a prerequisite for transforming a business idea into a successful business model and, as a result, producing sustainable products/services.

This sector's primary focus has been understanding the leadership styles required for driving long-term performance. Research undertaken in the United Kingdom, China, and the Netherlands has examined the impact of transformational, transactional, authoritative, and entrepreneurial leadership styles on sustainability results (Bossink, 2007; Chan & Chan, 2005). Notably, research has highlighted the importance of a transformational leadership style, including inspirational motivation, intellectual stimulation, idealised behaviour, and individualised considerations, especially for professionals and managers overseeing highly sustainable development projects (Pakir et al., 2012). Przychodzen et al. (2016) emphasise the importance of transformative leadership in generating long-term performance, mainly when dealing with ecological and societal challenges.

Pantouvakis and Vlachos (2020) found that authoritative leadership impacts long-term performance across all dimensions. Iqbal et al. (2021) argue that an organisation's growth and sustainability are inextricably tied to its authoritative leadership style, which enhances and preserves its competitive edge. Entrepreneurial leadership combines entrepreneurial and leadership characteristics and maximises organisations' long-term performance, particularly in today's competitive and fast-paced business climate (Leitch and Volery, 2017). According to Pauceanu et al. (2021), entrepreneurial leadership is important in improving organisational innovation performance, stimulating employee creativity, and affecting sustainable performance.

The evidence also supports the concept that transactional leadership improves organisational learning, a critical resource for company sustainability (Barney, 1991). Asencio (2016) discovered that transactional leadership has a substantial relationship with organisational long-term performance. Furthermore, Awan et al. (2018) argue that transactional leadership significantly impacts the social sustainability of Pakistan's manufacturing industry. Therefore, the study hypothesises:

H1: Authoritative, entrepreneurial, transformational, and transactional leadership styles positively affect sustainable performance.

2.3.3 Leadership Styles and Corporate Governance

Achieving the best implementation of Good Corporate Governance (GCG) requires several critical criteria. These characteristics include the strength of the organisation leader's vision and their confidence in achieving the direction and goals. Furthermore, good managerial leadership is essential because leaders must translate their vision into everyday management practices. It is critical to have rules and regulations that fit the requirements of solid business management and an operational framework for monitoring and enforcing those standards. With the combined cooperation of all stakeholders, the implementation of GCG within the company has the potential to improve organisational performance strongly and sustainably considerably. In terms of GCG implementation, leaders are critical to the success of GCG programmes within the business unit environment. Leaders play an essential strategic role in improving the quality of corporate governance, notably in the implementation of GCG. The role of leaders, particularly transformational leaders, is critical, coinciding with the view that GCG represents an organisational transition in a more positive direction. Leaders serve as advisors and transformative agents in executing GCG-related strategic updates, considering social conditions and exerting influence throughout the organisation.

Many experts have emphasised the negative effects of corporate governance failures. They argue that such failures might negatively influence the countries involved in the scandals and potentially ripple throughout the worldwide market system (Gates, Prachyl, and Sullivan, 2016). The 2008 financial crisis, which resulted in a global economic downturn, exemplifies the harmful repercussions of corporate governance failures. This crisis provoked intense debate among academics, economists, policymakers, financiers, and the general public (Tett, 2019). It is widely acknowledged that poor risk management practices caused the financial crisis, a lack of transparency, insufficient corporate accountability, financial misreporting and disclosures, and lax regulations, all essential components of good corporate governance (Tett 2019).

In contrast, the governance failings seen during the financial crisis were linked to a broader breakdown in corporate governance by important financial market participants (Yeoh, 2016). The shortcomings in risk management were linked to excessive risk-taking and a concentration on short-term interests, which ignored the long-term perspective on risk (Yeoh, 2016). Notably, the shortcomings in corporate governance demonstrated by the financial crisis were compounded by the role of the executive remuneration system since checks and balances controls were not successfully applied (Gates et al., 2016; Tett, 2019; Yeoh, 2019).

Recently, some Ghanaian banks have fallen victim to the hazards of depending on inadequate governance systems, resulting in the negative effects of poor corporate governance practices and, ultimately, their failure. A significant example is the Steinhoff case, which involved massive accounting fraud coordinated by senior management (Rossouw & Styan, 2019). The governance mechanisms at Steinhoff were closely examined, exposing an unusual system that exposed risks, including the management board's conflicting interests, and failed to report transparently to the supervisory board of directors. As a result of the lack of ethical and transparent reporting standards, the board of directors was unable to fulfil its responsibilities to provide effective corporate

governance (Rossouw & Styan, 2019). Hence, the study hypothesis that:
H2: Authoritative, entrepreneurial, transformational, and transactional leadership styles positively and significantly influence corporate governance.

2.3.4 Corporate Governance and Sustainable Performance

The anticipated impact of corporate governance on sustainable performance is a focal concern for stakeholders, serving as a key factor in identifying influences on performance and using these aspects as indicators for a firm's success or failure. In this context, Fallatah and Dickins (2012) delve into the relationship between corporate governance and firm performance, concluding that corporate governance significantly enhances a firm's performance. Conversely, Ahmed and Hamdan (2015) explore this relationship but assert that there is no connection between corporate governance and firm performance. In contrast, Alsurayyi and Alsughayer (2021) examine the impact of corporate governance on firm performance and establish a strong correlation between corporate governance practices and firm performance. Additionally, Del Miras-Rodríguez and MartínezMartínez (2018) scrutinise the influence of good corporate governance on publicly listed companies' performance and find that proper corporate governance positively affects firm performance.

Various studies, including those by Mahrani and Soewarno (2018) and Akram et al. (2018), support the idea that institutional regulation has a positive and significant effect on both corporate governance and firm performance. As best practices indicate, effective corporate governance positively impacts financial performance. Despite these findings, there is an ongoing debate on the relationship between corporate governance and firm performance. Consequently, this research investigates the effects of corporate governance on firms' performance while considering its mediating role. Thus, the study hypothesis is that:
H3: Corporate governance positively and significantly influences a firm's sustainable performance.
H4: Corporate governance mediates the relationship between leadership styles and sustainable performance.

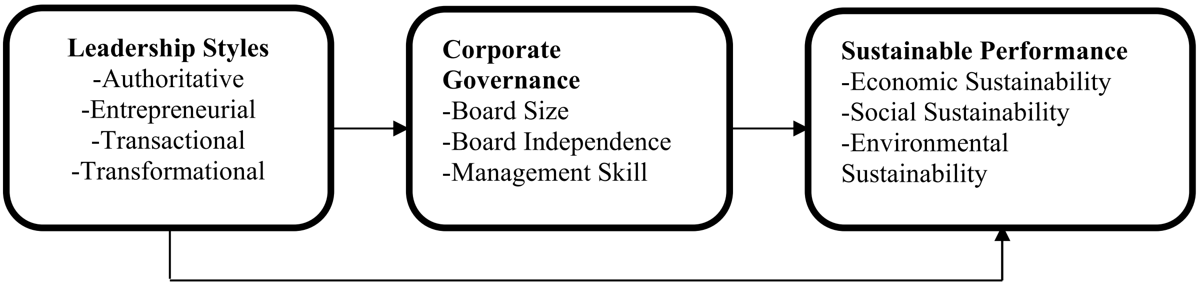

Figure 2.1 Conceptual Framework

3. Methodology

The questionnaire is created in two stages to systematically collect data on study participants. The dual-stage structure enables the gathering of demographic information and data relating to the research variables. The first stage of the questionnaire is designed to collect demographic information about the study participants. Demographic information includes age, gender, educational background, professional experience, or other relevant qualities that add context to the study. The next phase of the questionnaire focuses on measuring the research variables. At this stage, three variables are under investigation, each contributing to a better understanding of Sustainable Performance (SP). The research focuses on three Sustainable Performance (SP) indicators: Economic Sustainability (ES), Social Sustainability (SS), and Environmental Sustainability. These indicators are essential for assessing the sustainability features of the study participants or entities under examination. In the second step, 38 items are used to measure the research variables.

The focus is on 11 aspects of the three Sustainable Performance (SP) metrics. These factors are classified as four from Economic Sustainability (ES), three from Social Sustainability (SS), and four from Environmental Sustainability. Economic Sustainability (ES): Four items in this category are concerned with economic aspects, most likely analysing participants' or institutions' financial sustainability or economic performance. Social Sustainability (SS): Three components in this category are likely related to evaluating the research context's social impact and sustainability strategies. Environmental Sustainability (ES): Four criteria in this category may be used to assess the research participants' or entities' environmental sustainability initiatives and practices. The questionnaire structure is consistent with the specific research variables connected to the Sustainable Performance (SP) indicators. The selected factors, which include Economic Sustainability (ES), Social Sustainability (SS), and Environmental Sustainability (ES), demonstrate a holistic approach to measuring sustainability from many perspectives.

The study assessed Leadership Style (LS) using four indicators: Authoritative Leadership (AL), Entrepreneurial Leadership (EL), Transactional Leadership (TL), and Transformational Leadership. The exam consisted of 15 items dispersed among the four-leadership metrics. These articles were classified as four from AL, four from EL, three from TL, and four from Transformational Leadership. Corporate governance was evaluated using three criteria: board size (BS), board independence (BI), and management skills (MS). The examination included 12 items, four for each variable: board size, independence, and managerial skills. Each research item in the Leadership Style and Corporate Governance tests was assessed using a five-point Likert scale. The Likert scale varied from 1 (strong disagreement) to 5 (strong agreement), giving participants a systematic framework for expressing their views on the various leadership and governance elements.

The questionnaire Was issued to top and middle management employees at nine banks listed on the Ghana Stock Exchange. A total of 45 questionnaires were submitted to these banks, with each questionnaire likely reflecting a different respondent in the management hierarchy. Notably, the text states that 36 questionnaires were successfully retrieved from the distributed 45, suggesting an impressive response rate of 88.88% among the targeted group. The high response rate reflects the success of the survey dissemination procedure and the willingness of management staff at the selected banks to participate in the study.

4. Presentation of the Result

4.1 Measurement Model

Cronbach alpha and composite reliability (CR) were two well-known techniques used in the study to examine the constructs' reliability. Notably, all estimated CRs exceeded the recommended threshold of 0.70 established by Wasko and Faraj (2005), indicating strong internal consistency. Additionally, the Cronbach alpha values for each construct are above the 0.70 threshold, indicating acceptable internal consistency. These findings, as shown in Table 1, confirm the reliability of the measurement equipment used in the study and strengthen the overall validity and credibility of the research findings. The investigation validated convergent validity by showing that the average variance extracted (AVE) exceeded the suggested level of 0.50. Table 1 summarises the overall reliability and validity scores, as well as the factor loadings for specific items.

Table 1. Loading, Reliability, and Validity

CONSTRUCTS AND ITEMS	LOADING	CRONBACH ALPHA	COMPOSITE RELIABILITY	AVE
BOARDI	0.812	0.821	0.892	0.734
BOARDS	0.873			
MSKILL	0.883			
ECS1	0.759	0.786	0.862	0.61
ECS2	0.854			
ECS3	0.796			
ECS4	0.709			
ENVS 1	0.798	0.819	0.879	0.646
ENVS 2	0.888			
ENVS 3	0.728			
ENVS 4	0.793			
AUTHL	0.878	0.909	0.936	0.786
ENTRL	0.898			
TRANFL	0.861			
TRANSL	0.908			
SOCS1	0.825	0.787	0.875	0.701
SOCS2	0.85			
SOCS3	0.836			

According to Ramayah et al. (2018), discriminant validity describes how each construct in the study differs from the others. To establish discriminant validity, Fornell and Larcker's criterion and the Heterotrait-Monotrait Correlation Ratio (HTMT) must be met. Cross-loading requirements are met when the loadings for each indicator are the highest for the selected construct. To ensure discriminant validity, the square root of Average Variance Extracted (AVE) values for constructs along the diagonal should be greater than the squared correlations with other constructs off the diagonal. Another strategy, the HTMT ratio, involves determining the ratio of correlations inside and between constructs, with a value less than 0.9 regarded acceptable. Table 3 shows the HTMT values, whereas Table 2 depicts the Fornell and Larcker (1981) criterion.

Table 2 shows that the investigated constructs meet the criteria for discriminant validity and have acceptable values. Corporate governance (0.746), corporate social responsibility (1.000), financial performance (0.758), and market power (1.00) all had square roots of AVEs higher than correlations with other categories in off-diagonal space, indicating discriminant validity. Table 4.6 indicates that the HTMT values for the variables are within an acceptable range.

Table 2. Discriminant Validity—Fornell and Larcker Criterion

	CORPGOV	ECOS	ENVS	LS	SOCS
CORPGOV	***0.857***				
ECOS	0.696	***0.781***			
ENVS	0.486	0.498	***0.804***		
LS	0.788	0.688	0.52	***0.886***	
SOCS	0.621	0.59	0.698	0.632	***0.837***

Table 3. Discriminant Validity—HTMT

	CORPGOV	ECOS	ENVS	LS	SOCS
CORPGOV					
ECOS	0.849				
ENVS	0.566	0.614			
LS	0.893	0.803	0.583		
SOCS	0.758	0.75	0.853	0.747	

4.2 Assessment of structural model

Hair et al. (2017) define the inner or structural model as the relationship between the model's latent constructs. After reviewing the measurement model, it is critical to analyse the structural model in order to determine the significance of the inner routes, as emphasised by Ramayah et al. (2018), who emphasised the importance of investigating lateral collinearity among constructs.

To find the best fit, the coefficient of determination (R2) was determined. The analysis yielded R2 values of 0.621 for corporate governance, 0.535 for economic sustainability, 0.286 for environmental sustainability, and 0.440 for social sustainability. These figures indicate that leadership styles and corporate governance account for 62.1% of the variation in corporate governance, 53.5% of the variation in economic sustainability is explained by leadership style, it has also indicated that leadership style and corporate governance account for 28.6% of the variation in environmental sustainability, and in addition, 44% of the variation in social sustainability is explained by leadership style and corporate governance. Meeting Falk and Miller's (1992) recommended 0.10 cutoff value; the findings show that the model achieved acceptable R2 statistics for the variables. Figure 2 depicts the R2 results, which exceed the value advised by Falk and Miller (1992).

Table 4. Goodness Fits

	R Square	**R Square Adjusted**
CORPGOV	0.621	0.620
ECOS	0.535	0.532
ENVS	0.286	0.282
SOCS	0.440	0.437

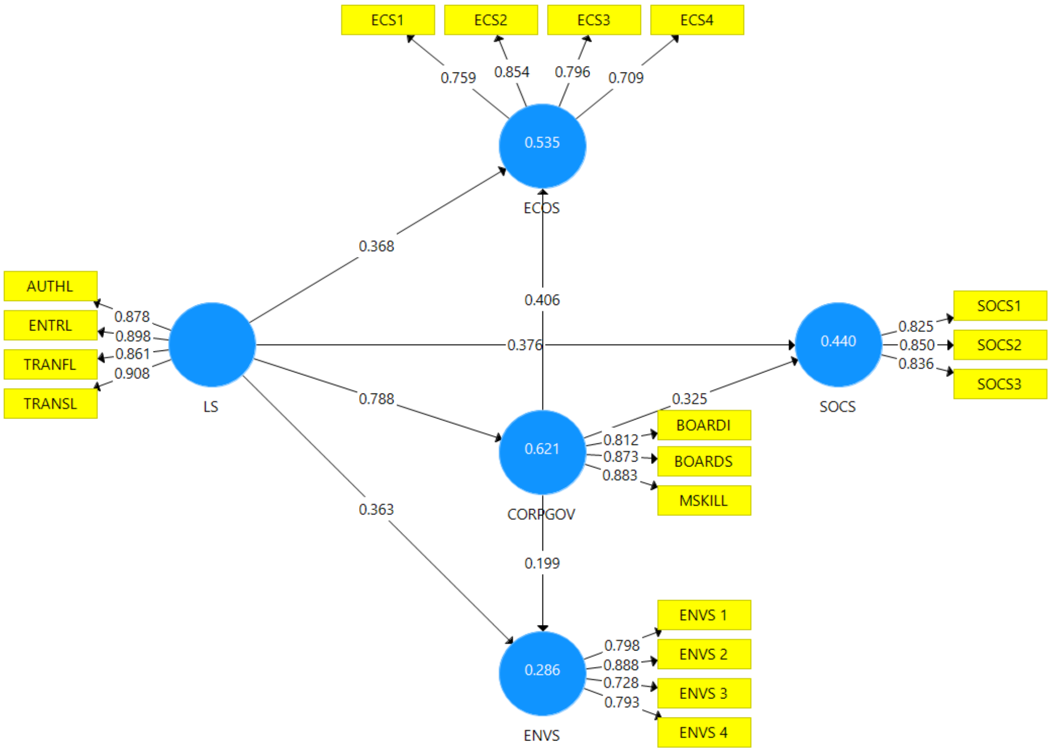

Figure 2. Measurement Analysis Results

4.3 Hypotheses Testing

The research investigated eight hypotheses. The first hypothesis was to examine whether leadership styles (LS) have a positive and significant impact on economic sustainability. The results indicated a direct effect of LS on economic sustainability ($\beta = 0.368$, $t = 5.061$, $p < 0.001$), leading to the conclusion that LS is positively correlated with economic sustainability. Consequently, hypothesis 1 was accepted. The finding demonstrates that adopting successful leadership styles can promote economic sustainability, as evidenced by a substantial positive link ($\beta = 0.368$, $t = 5.061$, $p < 0.001$). This conclusion emphasises the significance of leadership in creating economic outcomes, which supports Hypothesis 1.

The second hypothesis assessed the positive relationship between leadership style and environmental sustainability. The findings supported a positive association between leadership style and environmental sustainability ($\beta = 0.364$, $t = 4.559$, $p < 0.001$), resulting in the acceptance of hypothesis 2. The study found a significant correlation between leadership style and environmental sustainability ($\beta = 0.364$, $t = 4.559$, $p < 0.001$). This suggests that choosing and implementing effective leadership styles can improve environmental sustainability results. This emphasises the importance of leadership in promoting environmentally responsible behaviours, as well as potential pathways for organisations to improve their ecological footprint.

Moreover, the study unveiled that leadership style directly impacts social sustainability ($\beta = 0.377$, $t = 5.116$, $p < 0.001$). This observation led to the conclusion that SL influences social sustainability, subsequently enhancing firms' performance. Hence, hypothesis 3 was confirmed. The identification of a direct impact of leadership style on social sustainability ($\beta = 0.377$, $t = 5.116$, $p < 0.001$) in the study implies that the type of leadership exhibited significantly influences the social sustainability outcomes of an organisation. This conclusion suggests that by cultivating leadership styles that prioritise social responsibility, firms can not only contribute to societal well-being but also potentially enhance their overall performance and reputation.

Conversely, the fourth hypothesis proposed a positive influence of leadership style on corporate governance (CG). However, the findings revealed a robust and statistically significant positive relationship between leadership styles and corporate governance ($\beta = 0.788$, $t = 29.977$, $p < 0.001$). This underscores the crucial role of leadership styles in shaping effective corporate governance practices, suggesting that organisations with well-aligned leadership are more likely to exhibit strong governance structures. Hence, the hypothesis was accepted. Additionally, the results highlighted a direct and statistically significant relationship between corporate governance and economic sustainability ($\beta = 0.406$, $t = 5.791$, $p < 0.001$), affirming the acceptance of the hypothesis. This suggests that effective corporate governance practices play a crucial role in positively influencing economic sustainability within organisations, emphasising the importance of governance structures in achieving sustainable economic outcomes.

Furthermore, the investigation of the sixth hypothesis aimed to determine if corporate governance (CG) has a positive and significant impact on environmental sustainability. The results revealed a direct and statistically significant effect of CG on environmental sustainability ($\beta = 0.199$, $t = 2.354$, $p < 0.001$), supporting the conclusion that CG is positively correlated with environmental sustainability. Consequently, hypothesis six was accepted, suggesting that robust corporate governance practices contribute positively to environmental sustainability within organisations. The seventh hypothesis sought to investigate the favourable correlation between corporate governance and social sustainability. The findings revealed a robust and positive association between corporate governance and social sustainability ($\beta = 0.364$, $t = 4.559$, $p < 0.001$), leading to the acceptance of hypothesis seven. This suggests that effective corporate governance is linked to favourable social sustainability outcomes, underscoring the role of governance structures in contributing to socially responsible practices within organisations.

Table 5. Direct Relationship Result

	Beta Coefficient	Standard Deviation	T Statistics	P Values	Decision
LS -> ECOS	0.368	0.073	5.061	0.000	Supported
LS -> ENVS	0.364	0.080	4.559	0.000	Supported
LS -> SOCS	0.377	0.074	5.116	0.000	Supported
LS -> CORPGOV	0.788	0.026	29.977	0.000	Supported
CORPGOV -> ECOS	0.406	0.07	5.791	0.000	Supported
CORPGOV -> ENVS	0.199	0.084	2.354	0.019	Supported
CORPGOV -> SOCS	0.324	0.075	4.318	0.000	Supported

Hypothesis eight aimed to evaluate the mediating role of corporate governance in the relationship between leadership styles and economic sustainability. The results, as presented in Table 1, indicated that the total effect of leadership on economic sustainability was significant (H4: $\beta = 0.688$, $t = 19.210$, $p < 0.001$). Moreover, considering the mediating variables of corporate governance, the impact of leadership style on economic sustainability remained significant ($\beta = 0.368$, $t = 5.061$, $p < 0.001$). The indirect effect of leadership style on economic sustainability was also found to be significant ($\beta = 0.320$, $t = 6.069$, $p < 0.001$). This suggests that the relationship between leadership style and economic sustainability is partially mediated by corporate governance, emphasising the influential role of governance structures in shaping the impact of leadership on economic outcomes.

However, hypothesis nine sought to determine the function of corporate governance in mediating the relationship between leadership styles and environmental sustainability. Table 1 shows that leadership significantly affects environmental sustainability (H4: $\beta = 0.521$, $t = 12.310$, $p < 0.001$). Even after accounting for corporate governance, leadership style had a substantial impact on environmental sustainability ($\beta = 0.364$, $t = 4.559$, $p < 0.001$). The study demonstrated a substantial indirect effect of leadership style on environmental sustainability ($\beta = 0.157$, $t = 2.327$, $p < 0.001$). This shows that corporate governance mediates the relationship between leadership styles and environmental sustainability, emphasising the importance of governance frameworks in determining leadership's impact on environmental outcomes.

Hypothesis ten sought to assess the mediating function of corporate governance in the relationship between leadership style and social sustainability. The study found that leadership style had a substantial effect on social sustainability (H4: $\beta = 0.632$, $t = 19.028$, $p < 0.001$). Leadership styles had a substantial impact on social sustainability, even after controlling for corporate governance characteristics ($\beta = 0.377$, $t = 5.116$, $p < 0.001$). The study demonstrated a substantial indirect effect of leadership styles on social sustainability ($\beta = 0.256$, $t = 4.383$, $p < 0.001$). This shows that corporate governance mediates the relationship between leadership styles and social sustainability, emphasising the importance of governance frameworks in shaping leadership's impact on social outcomes.

Table 6. Mediation Analysis Result

Total effect		Direct effect			The indirect effect				
Coefficient	**P Value**	**Coefficient**	**P Value**		**Coefficient**	**SD**	**T Value**	**P Value**	**BI [2.5%;97.5%]**
0.688	.000	0.368	.000	H8: LS>CG>ECS	0.320	0.053	6.069	.000	0.211 0.409
0.521	.000	0.364	.000	H9: LS>CG>ENS	0.157	0.067	2.327	.020	0.022 0.286
0.632	.000	0.377	.000	H10: LS>CG>SOS	0.256	0.058	4.383	.000	0.140 0.357

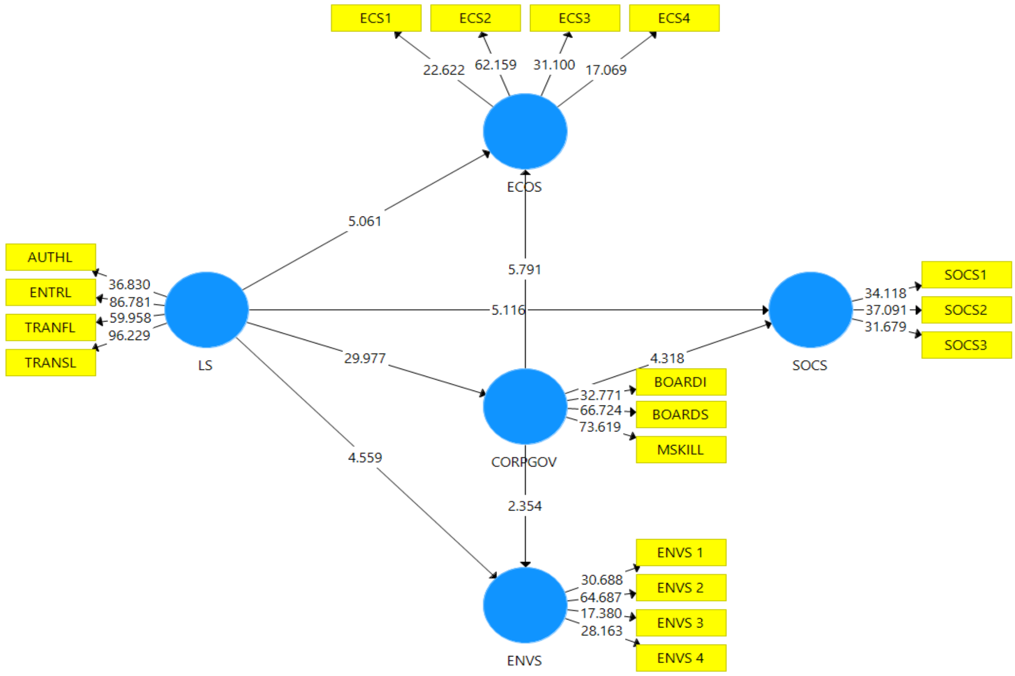

Figure 3. Path Analysis Results

5. Discussion and conclusion

In summary, the study investigated eight hypotheses about the relationship between leadership styles, corporate governance, and sustainability features. The findings indicate that adopting successful leadership styles has a favourable correlation with economic sustainability, environmental sustainability, and social sustainability. This emphasises the importance of leadership in determining economic outcomes, fostering environmentally responsible behaviours, and strengthening social sustainability, all of which have the potential to improve organisations' overall performance and reputation.

The study also confirmed a beneficial association between leadership styles and corporate governance. This suggests that organisations with well-aligned leadership are more likely to have robust governance frameworks. Furthermore, effective corporate governance was discovered to have a direct and beneficial impact on economic sustainability and environmental sustainability, highlighting the critical significance of governance systems in achieving sustainable economic and environmental results.

Furthermore, the study supported the positive relationship between corporate governance and social sustainability, implying that effective governance leads to better social sustainability results. These findings show the complicated links between leadership styles, corporate governance, and sustainability characteristics, shedding light on potential pathways for organisations to improve their ecological, social, and economic sustainability.

In the examination of the data, hypotheses eight, nine, and ten focused on the mediating function of corporate governance in the links between leadership styles and economic, environmental, and social sustainability. For hypothesis eight, the findings revealed a strong total influence of leadership styles on economic sustainability, with corporate governance serving as a partial mediator. Even after controlling for governance characteristics, leadership styles continued to have a significant impact on economic sustainability, highlighting the importance of governance institutions in shaping the impact of leadership on economic results.

However, in hypothesis nine, which investigated the mediating effect of corporate governance in the relationship between leadership styles and environmental sustainability, the study discovered that corporate governance serves as a mediator. Even after accounting for governance characteristics, leadership styles continued to have a considerable impact on environmental sustainability. This emphasises the value of governance frameworks in deciding how leadership affects environmental results.

Finally, the findings emphasise the deep relationship between leadership styles, corporate governance, and sustainability features. The findings indicate that governance frameworks mediate the links between leadership styles and economic, environmental, and social sustainability, emphasising governance structures' complex influence on the impact of leadership on organisational sustainability.

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