

# The Mediated Role of Environmental Justice between Leadership and Employee's Environmental Performance

**Rizka Wardhani<sup>1\*</sup>, I Made Putrawan<sup>2</sup>, Guspri Devi Artanti<sup>3</sup>**

<sup>1, 2, 3</sup> Environmental Management Department, Universitas Negeri Jakarta, Jakarta, Indonesia.

\*Corresponding Author Email: rizkawardhaa@gmail.com

---

## **Abstract**

*Global issue in any national development is related to environmental problems which most of blames directed to corporations. Corporation employees should have a positive contribution in improving environmental performance. That is why this research was aimed at finding out whether employees performance could be affected by leadership and mediated by environmental justice. A causal survey method used by selecting 60 employees in Jakarta. There were three instruments developed to measure environmental performance with reliability 0,934, leadership with reliability 0,943, and environmental justice with reliability 0,969. Data analyzed by path analysis. The research results showed that leadership and environmental justice directly and significantly affected on employee's environmental performance and found also that environmental justice was a good mediated factor between leadership and environmental performance. Therefore, if corporation wants to improve firm performance, one of the strategies should be considered is by well managing employee's environmental performance focussing on transformational leadership style by involving employee's environmental justice as well.*

## **Keywords**

*Environmental Justice, Environmental leadership, Environmental Performance, Path Analysis.*

---

## **INTRODUCTION**

One of the problem that often arises in a debate in Indonesia is environmental pollution. Indonesia is a vulnerable country to climate change. Cooperation between the government and stakeholders must be carried out to overcome it. Indonesia has a high potential for disasters, such as: disruptions in the food security sector, threats of drought, floods, forest fires, disruption of ecosystems, hunger and social conflicts. The phenomenon of climate change is evidence of the failure of environmental management.

One of the anthropological activities causing environmental damage is industrial activities. Many companies have not considered social and environmental impacts from their operational activities. UN has implemented measures to reduce environmental damages by creating an international agenda of Sustainable Development Goals (SDGs). This agenda refers to people, profit, and plants following the Earth KTT of 2012 in Rio de Janeiro [14]. The SDGs achievement target includes three sustainable development aspects, i.e., environment, social, and economy, explained in 17 goals [3].

Economic activities aim to increase profit; however, it has serious impacts on the environment. Economic activities are efforts to utilize natural resources for human prosperity. Human prosperity can be achieved by providing economic growth and natural resources to support the lives of current and future generations [4]. One of the measures to minimize environmental damages is changing the conventional development paradigm into sustainable development [10]. Although companies affect social sustainability and environmental preservation, sustainable development

implementation in the company scope has not been maximized. The annual increased number of gas emissions indicates the lack of environmental insights possessed by industrial actors. It is also evidence of the low-performance environmental level.

Environmental performance can be measured from the company management system in assessing performance to create an environmentally friendly company. There are several elements of organizational responsibility towards the environment, e.g., adopting specific regulations and standards of environmental performance measurement, facilitating development technologies to minimize environmental effects, increasing environmental awareness, and communicating with related parties to solve environmental impacts. A factor that improves environmental performance is leadership style [9]. Leadership has a vital effect on institutional change. Leaders have the role of creating, controlling, and evaluating company policies with massive effects on environmental performance, company profit, and environmental justice. A leader should be capable of managing cooperation with employees to create a harmonious and sustainable work environment [10].

Environmental leadership which adopts the dimensions of transformational leadership is a leadership style that can be applied to a dynamic organizational environment and is thought to be effective in achieving environmental goals [13]. Transformational leadership has a perspective that is not only profit-oriented, but also takes into account environmental and social concerns. Collquit and his colleagues [5] stated Transformational leadership is activities that inspire employees to commit to implementing the company's vision.

Leaders have a role in developing the potential of employees so they can see problems from a new perspective.. According Avolio and Bass [2] transformational leadership has four dimension: (1) idealized influence; (2) inspirational motivation; (3) intellectual stimulation; (4) individualized consideration.

Another factor affecting employee performance is justice. In actualizing sustainable development, justice is an indicator to be achieved. Each person has the right to receive environmental justice, such as the right to have environmental knowledge and a stable and mutualistic relationship with the environment. Therefore, company leaders are expected to understand the justice principle, particularly in the environmental aspect of their company [14]. Environmental justice is a concept from the massive events of environmental damages. Environmental justice is crucial to be considered by leaders in running their industrial activities. Environmental justice relates to norms, habits, policies, and decisions to create social, economic, and environmental activities that are balanced, safe, comfortable, and productive [11]. Concerning this explanation, the effect of leadership and environmental justice on environmental performance is exciting to be examined. This research aims to examine a direct/indirect effect of environmental leadership and environmental justice on the environmental performance.

**MATERIALS AND METHODS**

This research was quantitative, using the survey method. The path analysis model was utilized in this research. The population in this research were 60 employees selected using cluster random sampling and Mcclave formula to represent the population of a coal company in South Jakarta. Data were collected using the survey method with the questionnaire. Validity test of questionnaire using the Pearson Product Moment formula. Furthermore, the reliability coefficient is calculated using the Alpha Cronbach formula. The reliability calculation results of the three variables were 0,93 for environmental performance, 0,945 for environmental leadership, and 0,91 for environmental justice.

Data were analyzed using descriptive and inferential statistical techniques. Descriptive data analysis aimed to categorize data using the Sturges approach, histogram figure per variable, mean, and standard deviation. Meanwhile, the inferential statistical analysis aimed to test hypothesis requirements comprising normality and homogeneity tests, followed by the path analysis.

**RESULTS**

The test results from questionnaires filled out by 60 respondents showed regression model normality test of the estimated error difference of  $\hat{X}_3 = 46,751 + 0,790X_1$ ,  $\hat{X}_3 = 47,014 + 0,736X_2$ , and  $\hat{X}_3 = 47,014 + 0,736X_2$ . The result of Kolmogorov-smirnov test indicated that the data were normally distributed. This research also use barlett test for homogeneity of variance, the data assumed to be

homogeneous.

**Table 1:** ANAVA Table for Regression Model of  $\hat{X}_3 = 46,751 + 0,790X_1$

Model	Unstandardized Coefficients		Standardized Coefficients	t <sub>hitung</sub>	t <sub>tabel</sub>	Correlations		
	B	Std. Error	Beta			Zero-order	Partial	Part
1 (Constant)	46,751	7,580	6,167	6,167				
X1	0,790	0,128	6,173	6,173	2,00	0,630	0,630	0,630

\*: p < 0,05

**Table 2:** ANAVA Table for Regression Model of  $\hat{X}_3 = 47,014 + 0,736X_2$

Model	Unstandardized Coefficients		Standardized Coefficients	t <sub>hitung</sub>	t <sub>tabel</sub>	Correlations		
	B	Std. Error	Beta			Zero-order	Partial	Part
1 (Constant)	47,014	8,867	5,302	5,302				
X2	0,736	0,140	0,567	5,243	2,00	0,567	0,567	0,567

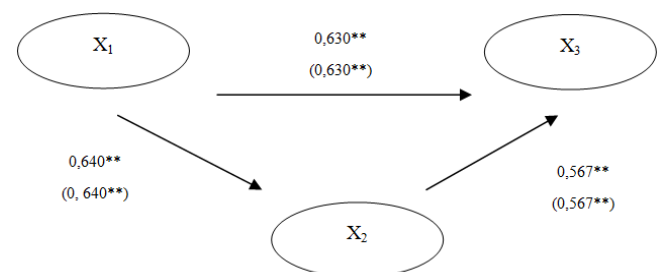
\*: p < 0,05

**Table 3:** ANAVA Table for Regression Model of  $\hat{X}_2 = 26,442 + 0,619X_1$

Model	Unstandardized Coefficients		Standardized Coefficients	t <sub>hitung</sub>	t <sub>tabel</sub>	Correlations		
	B	Std. Error	Beta			Zero-order	Partial	Part
1 (Constant)	26,442	5,776	4,578	4,578				
X1	0,619	0,098	0,640	6,346	2,00	0,640	0,640	0,640

\*: p < 0,05

The following step was the path analysis step, explaining the direct effect of environmental leadership on environmental performance, environmental justice on environmental performance, and environmental leadership to environmental justice. Data of the path analysis test stated a significant indirect effect from environmental leadership to environmental performance via environmental justice.



**Figure 1:** Empirical Model of The Final Path Analysis Result

Based on the result above, the Phi<sub>31</sub> path coefficient = 0,630 and tcal = 6,173. It can be stated that environmental leadership has a direct effect on environmental performance. The Phi<sub>32</sub> path coefficient = 0,567 and tcal = 5,243. It can be stated that environmental justice has a direct effect on

environmental performance. The Phi21 path coefficient = 0,640 and tcal = 6,346. It can be stated that environmental leadership has a direct effect on environmental justice. The Phi31.2 path coefficient = 0,359 and tcal 2,941. It can be stated that environmental leadership indirectly affected environmental performance through environmental justice. The summary of the hypothesis test is presented in table 4.

**Table 4:** A Summary of Hypothesis Test's Results

Direct/indirect effect	n	Koefisien Path	thitung	ttabel			
				0,05	0,20	0,01	0,10
X <sub>1</sub> on X <sub>3</sub>	60	0,630	6,173	2,00		2,66	
X <sub>2</sub> on X <sub>3</sub>	60	0,567	5,243	2,00		2,66	
X <sub>1</sub> on X <sub>2</sub>	60	0,640	6,346	2,00		2,66	
X <sub>1</sub> on X <sub>3</sub> through X <sub>2</sub>	60	0,359	2,941		1,29		1,67

### DISCUSSION

The first hypothesis testing result was environmental leadership has a direct effect on environmental performance. It proves that environmental leadership can affect environmental performance. Environmentally Leadership could affect voluntary employee performance towards the environment since the leader can encourage and motivate employees to become proactive agents of change in running the environmental vision and mission [16]. Robertson & Carleton [13] stated that leaders implementing four transformational leadership dimensions could encourage and affect employees to consider, support, and perform environmentally friendly behaviors. Employees with good judgment towards the leader are easily motivated to do a voluntary performance. It is supported by Tran & Choi [15] that the leader's behavior in running the organization affects voluntary employee behaviors in improving organizational effectiveness.

The second hypothesis testing result demonstrated a significant direct effect between environmental justice on environmental performance. It proves that environmental justice affects environmental performance. It is in line with a study by Anser et al. [1] where environmental justice of employees may affect their behavior in improving voluntary performance to preserve the environment. Justice perceived by employees could foster pro-environment behaviors to improve environmental performance. Environmental justice reflects fairness perceived by employees in the evaluation process and respecting pro-environment behaviors. Environmental justice perceived by employees could improve the positive emotions of employees, leading them to perform better [8].

The third hypothesis testing result showed a significant direct effect between environmental leadership on environmental justice. Environmental leadership affected environmental justice because leadership effectiveness was assessed from how the leader pays attention in distributing appreciation and policies concerning employee engagement

in the decision-making process [6]. Effective environmental leadership can provide positive employee perceptions. Leader who will be able to provide trust and fairness to employees can influence their motivation to contribute to achieving goals. An effective leader can have a direct impact on outcomes by facilitating timely and good decisions [7].

The fourth hypothesis testing result stated that environmental leadership indirectly affected environmental performance through environmental justice. Employee participation is required to meet the company's environmental objectives. Leaders play a key role for encouraging, allowing employees to participate in decision-making, and finding solutions to reduce environmental impact. Environmental leadership is perceived to affect and motivate employees to participate in implementing environmental vision and mission [1]. Employee performance is improved when they have a good perception of the leader and organization. Environmental justice is an excellent mediator since several studies revealed that employees treated fairly by the leader in receiving their rights and obligations following the applicable norms and laws can improve employee output in working voluntarily.

### CONCLUSIONS

Based on these findings, it can be concluded that the environmental performance variant in employees is caused by variants occurring in employee judgment towards the leadership style and how they perceive injustice in managing the environment. Therefore, it is necessary to consider environmental policies that minimize such variants based on leadership enhancement towards the transformational direction with robust environmental justice. It can be implicated as a policy implication through a policy in recruiting employees to assess three variables, i.e., leadership style and fair environmental management ability. This method is expected to allow candidates to have a positive working environment.

### REFERENCES

- [1] Anser, M. K., Shafique, S., Usman, M., Akhtar, N., and Ali, M. Spiritual leadership and organizational citizenship behavior for the environment: An intervening and interactional analysis. *Journal of Environmental Planning and Management*, 64(8), 2021, 1496-1514.
- [2] Avolio, B. J., & Bass, B. M. *Developing Potential Across a Full Range of Leadersip*. New Jersey: Lawrence Erlbaum Associates. 2002.
- [3] Badan Pusat Statistik. *Potret Awal Tujuan Pembangunan Berkelanjutan (Sustainable Development Goals) di Indonesia*. Jakarta: Badan Pusat Statistik/Statistics Indonesia. 2016.
- [4] Cobb, J. B. *Sustainability: Economics, ecology, and justice*. Eugene: Wipf and Stock Publishers. 2007.
- [5] Collquitt, J. A., Lepine, J. A., & Wesson, M. J. (2017). *Organizational Behavior: Improving Performance And Commitment In The Workplace*, Sixth Edition. New York: McGraw-Hill Education.
- [6] Eberlin, R. J., & Tatum, B. C. *Making just decisions: organizational justice, decision making, and leadership*.

- Management decision, 46(2), 310-329. 2008.
- [7] Madanchian, M., Hussein, N., Noordin F., & Taherdoost, H. Leadership Effectiveness Measurement and Its Effect on Organization Outcomes. *Procedia Engineering*. 18, PP. 1043-1048. 2017.
- [8] Nugraha, I. P. J., & WayanMujiati, N. The Effect of Organizational Justice on Job Satisfaction and Employee Performance of PT. Merapi Utama Pharma. *American Journal of Humanities and Social Sciences Research*, 4(11), 223-229. 2020.
- [9] Paillè, P., Chen. Y., Boiral, O., & Jin, J. The Impact of Human Resource Management on Environmental Performance: An Employee-Level Study. *Journal of Business Ethics*, 121(3), 451-466. 2013.
- [10] Rahayu, M. I. F. R. Keadilan Ekologis dalam Gugatan Class Action Tempat Pembuangan Akhir Leuwigajah. *Jurnal Yudisial*, 5(1), 17-35. 2012.
- [11] Rialmi, Z. Pengaruh Keadilan Prosedural yang Diterapkan Kepemimpinan Pegawai dan Kepuasan Kerja Pegawai Terhadap Kinerja dari Pegawai BPBD Provinsi Riau. *JURNAL MANDIRI: Ilmu Pengetahuan, Seni, dan Teknologi*, 1(2), 354-374. 2017.
- [12] Robertson, J. L., & Barling, J. Greening Organizations Through Leaders' Influence on Employees' Pro-Environmental Behaviors. *Journal of organizational behavior*, 34(2), 176-194. 2013.
- [13] Robertson, J. L., & Carleton. E. Uncovering How and When Environmental Leadership Affects Employees' Voluntary Pro-environmental Behavior. *Journal of Leadership & Organizational Studies*, 25(2), 197-210. 2017.
- [14] Sachs, J. D. From Millennium Development Goals to Sustainable Development Goals. *The lancet*. 379(9832), 2206-2211. 2012.
- [15] Tran, T. B. H., & Choi, S. B. Effects of Inclusive Leadership on Organizational Citizenship Behavior: The Mediating Roles of Organizational Justice and Learning Culture. *Journal of Pacific Rim Psychology*. (13), 1-11. 2019.
- [16] Tuan, L. T. Catalyzing employee OCBE in tour companies: the role of environmentally specific charismatic leadership and organizational justice for pro-environmental behaviors. *J. Hosp. Tour. Res*, 43, 682-711. 2019.