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Inclusive Leadership, Well-being, and Sustainable Performance: Environmental Awareness as Mediator in a Central Bank

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ABSTRACT

Objectives: *Currency management inside a central bank pairs rigid procedural control with a sizeable ecological footprint, yet how leadership and employee welfare convert into sustainability outcomes in such a setting has not been tested. This study examines whether employee environmental awareness carries the effect of inclusive leadership and employee well-being on sustainable performance.*

Methodology: *Survey data were obtained from 142 employees of the Currency Management Department of Bank Indonesia through purposive sampling. Thirty-six items on a five-point Likert scale measured four latent constructs. Partial least squares structural equation modeling was run in SmartPLS 4.1 with 5,000 bootstrap subsamples.*

Finding: *Six of seven hypotheses were supported. Employee well-being raised sustainable performance (β = 0.308; p = 0.027), whereas inclusive leadership did not (β = 0.103; p = 0.389). Both antecedents predicted environmental awareness, which proved the strongest driver of sustainable performance (β = 0.467; f^2 = 0.306). Mediation was indirect-only for leadership and complementary for well-being.*

Conclusion: *Awareness, not directive influence, is the channel through which leadership reaches sustainability outcomes in a rule-bound public organization. Interventions should therefore target what employees notice and understand before targeting what they are told to do.*

Keywords: *Inclusive Leadership; Employee Well-being; Environmental Awareness; Sustainable Performance; Bank Indonesia.*

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INTRODUCTION

Bank Indonesia withdrew and destroyed roughly 3.2 billion unfit banknotes during 2025. Every one of those sheets passes through sorting machines and shredders that draw electricity for most of the working day and leave behind paper residue requiring controlled storage and disposal. The unit doing that work the Currency Management Department (Departemen Pengelolaan Uang, hereafter DPU) of Bank Indonesia occupies an unusual position. It belongs to a monetary authority, yet its daily output is physical: the planning, printing, issuance, circulation, withdrawal, and destruction of the rupiah. Sustainability here is not a paragraph in an annual report. It is counted in kilowatt-hours and in tons of shredded currency.

Organizational effectiveness is no longer read from financial statements alone. Sustainable performance economic, social, and environmental results achieved together rather than traded against one another (Elkington, 1999) has become the standard against which organizations are assessed, and the systematic review by (Piwowar-Sulej & Iqbal, 2023) documents how far leadership research has moved in that direction. (Khalid & Syed, 2024) show that workplace well-being scholarship has grown just as quickly, yet the two literatures rarely meet inside a single model. Public institutions face the same expectation. Central banks face it twice over, since they supervise the financial sector's sustainability agenda while also being watched as an example of it.

Most of what is known about inclusive leadership, however, comes from workplaces that reward discretion. (Aboramadan et al., 2022) studied hotels in Italy; (Bhutto et al., 2021) worked in tourism and hospitality; (Arshad et al., 2025) surveyed 315 hotel employees in Thailand; (Samo et al., 2024) surveyed 382 health-sector employees in Pakistan. In those settings an employee invited to speak can usually act on the invitation the same week. DPU is not like that. Work is bounded by maximum security protocols, zero-defect accuracy requirements, and the layered hierarchy typical of the Indonesian public sector. Whether a supervisor's openness still produces measurable results under those constraints is an open question, and answering it says something about the boundary conditions of the construct itself.

A preliminary survey of 24 DPU employees, run before the main study, sketched the problem on the ground. Nearly two-thirds (62.50%) reported that formal reporting chains made it difficult to bring ideas straight to decision makers. One third (33.33%) said operational targets pressed on their mental balance and rest. Just over a third (36.36%) judged internal education about the environmental consequences of currency processing to be insufficient. And 45.83% saw the department's sustainability programs as still developing rather than embedded in daily routine. No single figure is alarming. Read together they describe an organization where the apparatus of sustainability exists on paper but has not yet reached the level of individual habit.

The literature leaves three openings. Studies connecting inclusive leadership to green outcomes usually stop at behavior green innovative work behavior, green knowledge sharing, green service recovery (Aboramadan et al., 2022) without asking whether organizational sustainable performance follows. (Piwowar-Sulej & Iqbal, 2023) push the chain one step further, linking sustainability-oriented leadership to employees' eco-friendly innovative behavior through environmental awareness, yet organizational-level sustainable performance still sits outside the model. Research on employee well-being tends to treat well-being as the endpoint; (Liu et al., 2025) trace inclusive leadership to well-being through thriving at work and stop there. Work inside hierarchical Indonesian organizations, such as (Srimulyani et al., 2023) on state-owned enterprises, examines general employee performance and sets the environmental dimension aside. (Ren & Chowdhury, 2026) propose an identity-based framework for inclusive green human resource management, but the framework has yet to be tested against data.

This study joins those strands. It positions employee environmental awareness how far an employee understands, follows, and acts on the environmental consequences of organizational activity (Kollmuss & Agyeman, 2002; Pratiwi et al., 2025) as the mechanism through which inclusive leadership and employee well-being reach sustainable performance.

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Two theories anchor the argument. Social exchange theory (Blau, 1964) accounts for the reciprocity that a supervisor's openness sets in motion. Self-determination theory (Deci & Ryan, 2000) accounts for why employees whose basic psychological needs are met internalize organizational values instead of merely complying with them. The empirical question is narrower than the theoretical one: inside a rule-bound central bank department, does leadership reach sustainability outcomes directly, or only after changing what employees notice and care about?

Three contributions follow. Empirically, the study tests the well-being to environmental awareness path, seldom examined despite a clear basis in self-determination theory. Contextually, it moves the inclusive leadership literature out of service industries and into the operational core of a central bank. Practically, it identifies where managers who must raise sustainability outcomes without loosening procedural control will find the most leverage.

LITERATURE REVIEW

Two theories carry the model, and they operate at different levels. (Blau, 1964) social exchange theory rests on a plain mechanism: resources given outside any explicit contract create a felt obligation to reciprocate, discharged in whatever currency the relationship makes available. A supervisor who listens, who is present, who can be reached these are resources. Employees repay them with effort directed at what the supervisor visibly values. (Cropanzano & Mitchell, 2005) add the point that matters here: it is the quality of the exchange relationship, not its content, that determines what employees are willing to give.

Self-determination theory works one level down. (Deci & Ryan, 2000) argue that autonomy, competence, and relatedness are basic psychological needs, and that satisfying them allows external values to move inward and become the person's own. The distinction is consequential for environmental conduct. Rules produce compliance. Only internalization produces the small, unobserved decisions shutting down a machine, questioning a wasteful step, flagging a leak that accumulate into environmental performance.

Inclusive leadership

(Carmeli et al., 2010) defined the construct through three observable qualities: openness, availability, and accessibility. (Randel et al., 2018) later reframed it around belongingness and value for uniqueness. Both formulations describe a leader whose conduct signals that contribution is welcome regardless of rank. (Nembhard & Edmondson, 2006) showed that leader inclusiveness raises psychological safety in teams marked by status differences, a finding with obvious bearing on a hierarchical central bank department. (Choi et al., 2015) link the same construct to work engagement through affective commitment.

Employee well-being

(Zheng et al., 2015) developed and cross-culturally validated a three-dimensional measure covering life well-being, workplace well-being, and psychological well-being. The dimensions correlate but remain distinct; an employee can be satisfied at work and depleted at home. (Page & Vella-Brodrick, 2009) had earlier made the case for treating well-being as a composite rather than a single satisfaction score, and (Khalid & Syed, 2024) confirm in their review that fragmented measurement remains a weakness of the field.

Employee environmental awareness

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(Kollmuss & Agyeman, 2002) drew the distinction that still organizes this literature: knowing about environmental problems is not the same as acting on them, and the space between the two is where most interventions fail. (Pratiwi et al., 2025) operationalize employee environmental awareness across three facets cognitive understanding, procedural and regulatory knowledge, and active participation and report it transmitting the effect of green human capital onto organizational performance. (Darvishmotevali & Altinay, 2022) place awareness at the center of green behavior formation.

Sustainable performance

(Elkington, 1999) triple bottom line remains the working definition: economic, social, and environmental results assessed jointly. At DPU the three dimensions are unusually tangible. Economic performance means budget and energy efficiency in machine-heavy operations; social performance covers occupational safety and equitable competence development; environmental performance is measured in waste volumes from banknote destruction. (Nugraha et al., 2024; Shiferaw et al., 2025) provide operational referents for all three in emerging-market organizations.

Hypothesis development

Each hypothesis below is built in the same order: the theoretical reason why two constructs should be related, the empirical evidence that they are, and the testable statement itself.

H1. Stakeholder logic and social exchange both predict a direct leadership effect on sustainable performance. Leaders set priorities, allocate attention, and signal what counts; the systematic review by (Piwowar-Sulej & Iqbal, 2023) and the evidence from Ethiopian manufacturing reported by (Shiferaw et al., 2025) point the same way. Inclusive leadership positively affects sustainable performance.

H2. Employees whose psychological needs are met bring more energy, commitment, and engagement to their work, and those reserves feed outcomes across all three sustainability dimensions rather than economic output alone. (Liu et al., 2025; Nusraningrum et al., 2024) both report positive well-being to performance links. Employee well-being positively affects sustainable performance.

H3. How a leader makes employees care about the environment has little to do with instruction and much to do with the quality of the relationship. Openness, availability, and accessibility read as social investment, and the reciprocity norm pushes employees to respond in the currency their leader values. (Quan et al., 2022) found green inclusive leadership operating through pro-environmental goal clarity, a construct close kin to awareness; (Abdou et al., 2023) traced a parallel route through green organizational identification. Inclusive leadership positively affects employee environmental awareness.

H4. Attention is finite. An employee absorbed by workload pressure has little spare capacity for questions lying outside the immediate task, and environmental consequence is precisely such a question. Well-being frees that capacity, and self-determination theory explains what happens next: satisfied needs shift motivation toward the autonomous end, where organizational values are internalized rather than obeyed. (Mohamed, 2026; Widyanty et al., 2024) report supporting evidence. Employee well-being positively affects employee environmental awareness.

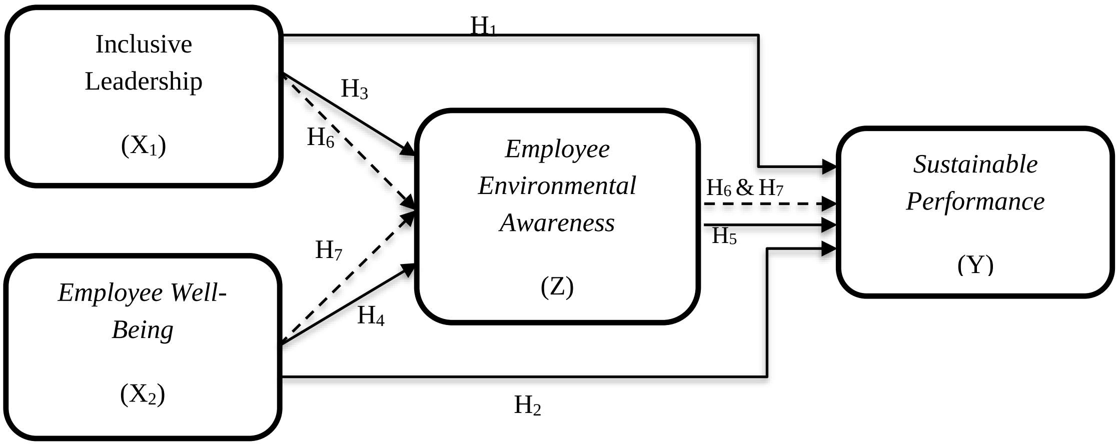
H5. Awareness precedes practice. Employees who grasp the environmental footprint of their own tasks are more inclined to support efficiency measures, cut avoidable waste, and sustain the habits that make such measures durable. (Pratiwi et al., 2025) document the link to organizational performance directly. Employee environmental awareness positively affects sustainable performance.

H6. If leadership shapes awareness and awareness shapes performance, the leadership effect should travel that route. Prior work in hierarchical organizations suggests the indirect path is often the only one available (Abbas et al., 2022; Srimulyani et al., 2023). Employee environmental awareness mediates the effect of inclusive leadership on sustainable performance.

H7. The same reasoning applies to the second antecedent, with one difference: well-being plausibly reaches performance directly as well, through energy and commitment, so the mediation here may be partial rather than complete. Employee environmental awareness mediates the effect of employee well-being on sustainable performance.

Figure 1 assembles the seven statements into a single model. Inclusive leadership and employee well-being sit as exogenous constructs, environmental awareness as the mediator, and sustainable performance as the outcome.

Figure 1. Research framework



Source: developed by the authors (2026)

METHOD

Design and participants

The study is quantitative and causal-associative, using a cross-sectional survey administered at a single point in time. The population comprised employees of DPU Bank Indonesia holding a subordinate position, that is, employees with a direct supervisor whose behavior they could assess; the single department head was excluded on those grounds, leaving 219 employees. Purposive sampling was applied with three inclusion criteria: active employment at DPU, at least one year of service in the department, and voluntary consent. Questionnaires were distributed online through official email and internal messaging, following the procedure used by (Pratiwi et al., 2025). One hundred and forty-two usable responses were obtained.

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Sample adequacy was assessed against (Hair et al., 2017). With a maximum of three arrows pointing at a single construct, a 5% significance level, and a minimum R^2 of 0.10, the required sample is 103. The realized sample of 142 clears that threshold and sits inside the 100 to 200 range those authors recommend for stable path estimates. The Slovin formula was deliberately not used, since it presumes probability sampling and does not apply to a purposive design.

Measures

The instrument carried two parts: demographic items, then 36 statements scored on a five-point Likert scale ranging from strongly disagree to strongly agree. Each construct was measured reflectively with nine items. Inclusive leadership was adapted from (Carmeli et al., 2010) as applied by (Srimulyani et al., 2023), covering openness, availability, and accessibility. Employee well-being came from (Zheng et al., 2015), spanning life, workplace, and psychological dimensions. Employee environmental awareness was adapted from (Pratiwi et al., 2025). Sustainable performance items were built on (Nugraha et al., 2024; Shiferaw et al., 2025), then contextualized to currency management for instance, the environmental dimension refers explicitly to the destruction of unfit banknotes under environmental safety standards. Items were translated into Indonesian following the back-translation procedure, and content validity was established through expert review by a human resource management specialist before distribution.

Analysis

Partial least squares structural equation modeling was performed in SmartPLS 4.1. The method suits a predictive model with a mediating construct and does not require multivariate normality. Evaluation followed the standard two-stage sequence. The measurement model was assessed through outer loadings, average variance extracted, cross loadings, the Fornell-Larcker criterion, the heterotrait-monotrait ratio, Cronbach's alpha, and composite reliability. The structural model was then evaluated in the order recommended by (Hair et al., 2019): variance inflation factors, coefficients of determination, effect sizes, out-of-sample prediction via PLSpredict, and the standardized root mean square residual, followed by significance testing through bootstrapping with 5,000 subsamples. Mediation was classified using the typology of (Zhao et al., 2010) rather than the Baron and Kenny sequence, since the former distinguishes indirect-only from complementary patterns on the basis of the sign and significance of both paths.

RESULTS AND DISCUSSION

Results

Men made up 87.3% of respondents, a reflection of how currency processing work has historically been staffed rather than of any sampling decision. Half the sample fell between 36 and 45 years of age, and 73.2% had served more than ten years long enough to judge leadership practice and departmental routine from experience rather than impression. Nearly all held a bachelor's degree or higher. Executing and staff levels together accounted for 59.2% of respondents, the tiers with the narrowest discretionary room, which will matter when the results are interpreted.

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Table 1. Respondent profile (n = 142)

Characteristic	Category	n	%
Gender	Male	124	87.3
	Female	18	12.7
Age	25–35 years	47	33.1
	36–45 years	70	49.3
	> 45 years	25	17.6
Education	Diploma	1	0.7
	Bachelor's degree	99	69.7
	Master's degree	42	29.6
Position	Executing / Staff	84	59.2
	Assistant Manager / Manager	45	31.7
	Assistant Director / Deputy Director	13	9.2
Tenure	1–5 years	14	9.9
	6–10 years	24	16.9
	> 10 years	104	73.2

Source: processed primary data (2026)

Thirty-five of the 36 indicators loaded above 0.70, ranging from 0.751 to 0.879. The exception was Y1.5 at 0.698, marginally below the threshold. (Hair et al., 2022) advise removing indicators loading between 0.40 and 0.70 only when removal lifts composite reliability or average variance extracted above the required level. Sustainable performance already recorded an average variance extracted of 0.639 and composite reliability of 0.941, so deletion would have added nothing while costing content coverage of the social dimension. The item was retained and no indicator was dropped. All four constructs exceeded the 0.50 threshold for average variance extracted and the 0.70 threshold for both reliability coefficients, as Table 2 shows. Composite reliability above 0.90 warrants a note: with nine reflective items per construct and loadings averaging roughly 0.84 for inclusive leadership, values in this range follow arithmetically from the number of items and do not by themselves indicate redundancy, particularly when average variance extracted stays near 0.70.

Table 2. Measurement model assessment

Construct	Items	Loading range	AVE	Cronbach's α	rho_A	CR
Inclusive leadership (X_1)	9	0.792–0.879	0.706	0.948	0.949	0.956
Employee well-being (X_2)	9	0.776–0.862	0.674	0.939	0.941	0.949
Environmental awareness (Z)	9	0.751–0.851	0.629	0.926	0.928	0.938
Sustainable performance (Y)	9	0.698–0.840	0.639	0.929	0.934	0.941
Threshold	–	≥ 0.70	> 0.50	> 0.70	> 0.70	> 0.70

Source: SmartPLS 4.1 output, processed (2026)

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Discriminant validity held on all three tests. Every indicator correlated more strongly with its own construct than with any other, satisfying the cross-loading criterion. The square root of average variance extracted exceeded every inter-construct correlation, with the highest correlation 0.721 between environmental awareness and sustainable performance well below the relevant diagonal values. Heterotrait-monotrait ratios peaked at 0.766, comfortably under the 0.90 ceiling. Table 3 reports both criteria.

Table 3. Discriminant validity

Construct	Fornell-Larcker criterion				HTMT ratio		
	X_1	X_2	Y	Z	X_1	X_2	Y
Inclusive leadership (X_1)	0.840						
Employee well-being (X_2)	0.708	0.821			0.749		
Sustainable performance (Y)	0.611	0.670	0.800		0.643	0.711	
Environmental awareness (Z)	0.619	0.618	0.721	0.793	0.657	0.658	0.766

Source: SmartPLS 4.1 output, processed (2026). Diagonal values in the Fornell-Larcker block are the square roots of AVE.

Turning to the structural model, variance inflation factors ranged from 1.812 to 2.245, all below three, so collinearity does not distort the path estimates. The model explains 60.6% of the variance in sustainable performance (adjusted $R^2 = 0.598$), which Hair et al. (2022) would classify as moderate, and 44.8% of the variance in environmental awareness (adjusted $R^2 = 0.440$), classified as weak. Effect sizes follow the four-category scheme of Cohen (1988). The path from awareness to sustainable performance produced the largest value at $f^2 = 0.306$, a medium effect and the strongest contribution anywhere in the model. Three paths fell in the small range: inclusive leadership to awareness (0.120), well-being to awareness (0.117), and well-being to sustainable performance (0.108). Small f^2 values are ordinary in organizational behavior research with correlated predictors here inclusive leadership and well-being correlate at 0.708 and they measure contribution to R^2, not the existence of an effect. The direct path from inclusive leadership to sustainable performance returned $f^2 = 0.012$, below the 0.02 floor and therefore no effect at all: removing that predictor barely moves the model's explained variance.

Predictive relevance was examined through PLSpredict. Construct-level Q^2predict reached 0.414 for environmental awareness and 0.439 for sustainable performance. At indicator level, all 18 items of the two endogenous constructs returned positive Q^2predict values between 0.134 and 0.389, and every one of the 18 produced lower root mean square error and lower mean absolute error under PLS-SEM than under the linear benchmark model. By the criterion of (Shmueli et al., 2019), a model in which no indicator underperforms the benchmark demonstrates high predictive power. The standardized root mean square residual was 0.064, inside the 0.10 limit for acceptable fit.

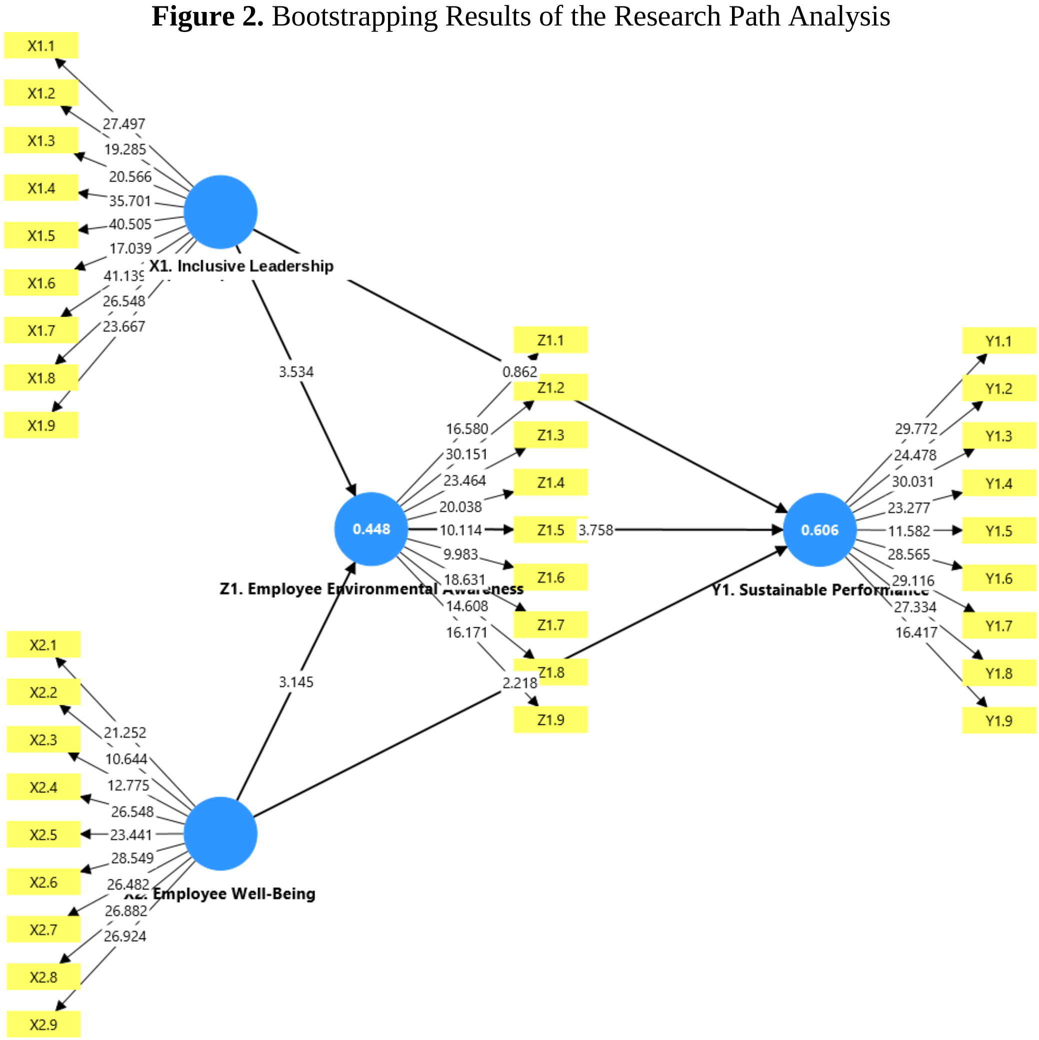
Bootstrapping with 5,000 subsamples produced the results in Table 4 and Figure 2. Six of the seven hypotheses were supported. The exception is H1: the direct path from inclusive leadership to sustainable performance was positive in sign but statistically indistinguishable from zero ($\beta = 0.103$; $t = 0.862$; $p = 0.389$). Both indirect paths were significant. Because the direct effect of inclusive leadership is non-significant while its indirect effect is significant, the pattern classifies as indirect-only mediation under (Zhao et al., 2010). For employee well-being both the direct and the indirect effect are significant and share the same sign, which makes that pattern complementary partial mediation.

Table 4. Structural model and hypothesis testing results

H	Path	β	t	p	f²	Decision
H1	$X_1 \rightarrow Y$	0.103	0.862	0.389	0.012	Rejected
H2	$X_2 \rightarrow Y$	0.308	2.218	0.027	0.108	Supported
H3	$X_1 \rightarrow Z$	0.364	3.534	0.000	0.120	Supported
H4	$X_2 \rightarrow Z$	0.360	3.145	0.002	0.117	Supported
H5	$Z \rightarrow Y$	0.467	3.758	0.000	0.306	Supported
H6	$X_1 \rightarrow Z \rightarrow Y$	0.170	2.189	0.029	–	Supported (indirect-only)
H7	$X_2 \rightarrow Z \rightarrow Y$	0.168	2.547	0.011	–	Supported (complementary)

Source: SmartPLS 4.1 output, processed (2026). Bootstrapping with 5,000 subsamples; two-tailed test at α = 5%; critical t = 1.96. SRMR = 0.064; R^2 (Y) = 0.606; R^2 (Z) = 0.448.

Figure 2. Bootstrapping Results of the Research Path Analysis



Source: SmartPLS 4.1 output, processed (2026)

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Discussion

Why the direct leadership path failed

The rejection of H1 is the finding that most repays attention, and four layers of evidence converge on an explanation.

The first is statistical. Every inclusive leadership item scored in the very high band, spread across a range of only 0.120 from 4.232 on X1.8 to 4.352 on X1.3. When almost all respondents rate their supervisor similarly, there is little variance left with which to explain differences in performance. The standard error of the path coefficient was of a magnitude comparable to the coefficient itself, which is exactly what a ceiling effect produces.

The second is structural. Look at which sustainable performance items scored highest and lowest. The top item, Y1.9 on destroying unfit banknotes under strict environmental safety standards, scored 4.387 and it is the activity most tightly governed by Bank Indonesia regulation and standard operating procedure. The two lowest, both at 4.106, were Y1.1 on budget efficiency and Y1.3 on optimizing material resources: precisely the areas that depend on employee discretion and initiative. Sustainability achievement at DPU is driven largely by procedural compliance, which leaves a leadership style little room to act on outcomes directly.

The third layer connects back to the preliminary survey. The weakest inclusive leadership item was accessibility (X1.8), and 62.50% of pre-survey respondents had already reported difficulty reaching decision makers through formal chains. Add the composition of the sample 59.2% at executing and staff level and the picture is of employees who perceive their leaders positively but occupy positions where that perception has limited conversion into changed outcomes.

The fourth is institutional. Some 45.83% of pre-survey respondents saw sustainability programs as still under development rather than integrated into daily work. Without an established institutional channel, a supervisor's environmental commitment has nowhere to go except through individual internalization.

This pattern is not peculiar to Bank Indonesia. (Srimulyani et al., 2023), studying 135 permanent employees across three state-owned enterprises in Madiun, found the direct effect of inclusive leadership on employee performance non-significant ($\beta = 0.038$; $p = 0.532$) while the path through affective commitment held and classified as full mediation. (Tampubolon & Huliselan, 2025) reported the same shape among 180 employees of an Indonesian bakery company, where the direct effect was again non-significant ($\beta = -0.010$; $p = 0.880$) and materialized only through corporate culture. (Maskuroh et al., 2023) found the parallel result with a different antecedent: green human resource practices did not reach sustainable performance directly in Indonesian nickel mining firms, but did so through employee-level culture. In organizations built on hierarchy and standardized procedure, managerial practice does not move performance until it has first moved people.

The contrast with (Samo et al., 2024) is instructive rather than contradictory. Their 382 health-sector respondents in Pakistan showed a significant direct effect of green inclusive leadership on sustainable performance ($\beta = 0.296$; $p = 0.000$), with innovative behavior as a partial mediator. Health care grants employees wide latitude to translate a leader's direction into new practice; currency management does not. That difference in discretionary room is what separates the two results, and it strengthens rather than undermines the case for testing the model in this setting.

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Well-being, awareness, and the mediating chain

Employee well-being reached sustainable performance directly ($\beta = 0.308$; $p = 0.027$). Employees whose physical, psychological, and social condition holds up carry reserves of energy and commitment into work that is demanding in exactly those terms. Read through social exchange theory, perceived well-being functions as organizational investment, repaid in discretionary effort. The result places well-being programs on the revenue side of the sustainability ledger rather than the cost side.

Both antecedents predicted environmental awareness, and the two coefficients are almost identical (0.364 and 0.360). For leadership, the mechanism is reciprocity: a supervisor who discusses sorting-machine energy use, or invites suggestions on handling shredded-currency waste, converts an environmental concern from a departmental obligation into shared business. (Aboramadan et al., 2022; Quan et al., 2022) report the same direction in service settings. For well-being, the mechanism is capacity and internalization, as self-determination theory would predict — employees who find their work meaningful and their relationships supportive have room to attend to consequences beyond the immediate task.

Environmental awareness proved the strongest predictor in the model ($\beta = 0.467$; $f^2 = 0.306$). This is the structural finding that carries the practical weight. Individual understanding is the foundation on which collective conduct rests: when most employees in a department grasp the environmental footprint of what they do, efficiency practice and waste handling in the currency cycle become steadier and more consistent. (Darvishmotevali & Altinay, 2022) reach a similar conclusion from a different empirical base.

Taken together, the two mediation results describe one chain with two entry points. Inclusive leadership works on sustainable performance only through awareness not an immediate lever but a longer investment that pays through what employees come to understand. Employee well-being works through both routes at once, direct and mediated, which is why its total contribution exceeds what either path shows alone. Social exchange theory and self-determination theory turn out to describe successive links in the same psychological sequence rather than competing accounts.

Implications for practice

Four recommendations follow, and they are ordered by leverage rather than by ease.

Environmental awareness deserves first claim on management attention, being both the strongest predictor and the full mediator of the leadership path. Where to aim within the construct is a question the loadings answer better than the means. Item Z1.2, on consciously following environmental issues relevant to organizational operations, carries the highest outer loading of the nine (0.851), making it the most representative marker of the construct yet its mean of 4.268 ranks only fifth, behind Z1.3, Z1.1, and Z1.7. Importance is high; attainment lags. That gap is what makes Z1.2 the efficient intervention point. What it calls for is not another one-off green campaign but a standing flow of environmental information tied to the currency cycle itself: a periodic sustainability bulletin covering environmental developments in central banking and the financial sector; routine internal publication of operational environmental data, including electricity consumption of sorting and shredding machines, volumes of shredded-currency waste, and period-on-period efficiency results; and a fixed environmental item on the agenda of regular unit meetings, so that the subject attaches to routine rather than to special occasions.

Well-being programs come next, and the descriptive data point to where. Work-life balance (X2.3) recorded the lowest mean of the nine items at 4.035, in an operation that demands both speed and absolute accuracy. Workload review is therefore the obvious starting point. Programs designed around meaningful work rather than job satisfaction alone would also align with the mediating chain the data describe, since meaning is what carries organizational values inward.

Leadership development retains its place, but on revised grounds. Inclusive competence should be a criterion in the career development of unit leaders not because it lifts performance directly the data say it does not but because it is what builds awareness, and awareness is what lifts performance. Development programs should accordingly be assessed on whether leaders can involve staff in shaping efficiency and waste-reduction initiatives, rather than on target attainment alone.

A fourth point follows from the economic dimension itself. Y1.1 and Y1.3, both at 4.106, mark the lowest mean in the entire model, and both concern discretionary economic conduct budget efficiency and material-resource optimization rather than the procedure-bound tasks that otherwise dominate sustainable performance at DPU. Because sustainable performance is the model's outcome rather than a lever, these two items cannot be targeted through a stand-alone initiative; they are better read as a scoreboard for the other three recommendations. If the awareness-first strategy above is working, budget efficiency and material-resource optimization should be the indicators that move, and management can track them accordingly rather than design a separate program around them.

CONCLUSION

This study set out to determine whether inclusive leadership and employee well-being reach sustainable performance directly, or through employee environmental awareness, in an organization where hierarchy is steep and procedure is binding. The question mattered because the existing evidence came almost entirely from service industries, because the well-being to awareness path had rarely been tested, and because no study had brought the two antecedents together in a single mediated model.

Six of seven hypotheses found empirical support across 142 employees of the Currency Management Department of Bank Indonesia. Employee well-being raised sustainable performance; inclusive leadership did not. Both raised environmental awareness, which in turn proved the model's strongest predictor of sustainable performance. Awareness fully mediated the leadership path and complementarily mediated the well-being path. The model accounted for 60.6% of the variance in sustainable performance and demonstrated high out-of-sample predictive power.

The theoretical implication is that social exchange theory and self-determination theory operate as consecutive links rather than rival explanations: reciprocity opens the door, internalization carries the value through it. The practical implication is more pointed. In a procedure-bound public organization, the way to improve sustainability outcomes is not to instruct harder but to invest in what employees understand with a sustained environmental information flow as the highest-leverage intervention available, and workload balance as the condition that makes such attention possible.

Four limitations bound these conclusions. The sample covers only the head office department, so extension to regional representative offices should be cautious. The cross-sectional design cannot capture how these relationships shift over time. Variables outside the model account for 39.4% of the variance in sustainable performance and 55.2% in environmental awareness. All constructs rest on self-report, so common method bias cannot be ruled out; a full collinearity assessment for that purpose fell outside the scope of this analysis and would strengthen any replication. Future work might widen the sample to regional offices, introduce moderators such as green organizational culture or digital literacy to probe the conditions under which the direct leadership path becomes significant, and adopt longitudinal or mixed-method designs to recover the employee perspective that survey data compress.

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