

**Cross Cultural Organisations and Knowledge Sharing Behaviour:  
A Study on the Banking Sector in Pakistan**

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## **Abstract**

Multicultural workforce composition has become a defining feature of contemporary organisations, particularly in large service sectors where employees from diverse linguistic, ethnic, and regional backgrounds work closely within shared organisational structures. While such diversity offers opportunities for innovation and enriched perspectives, it also presents challenges for coordination and knowledge sharing, especially in contexts characterised by hierarchical supervision and knowledge-intensive work processes. This study examines knowledge sharing behaviour (KSB) within Pakistan's banking sector, focusing on how ethical leadership (EL) and cultural diversity management (CDM) are associated with employees' willingness to share knowledge, and how trust operates as a mediating mechanism in these relationships. Grounded in Social Exchange Theory and Organisational Support Theory, the study conceptualises knowledge sharing as a relational and reciprocal outcome shaped by leadership practices and organisational support signals within multicultural workplaces.

The study is situated in Islamabad, Pakistan, a metropolitan and administratively significant setting marked by pronounced cultural diversity and a large concentration of banking institutions. Adopting a quantitative research design, the study draws on survey data collected through self-administered questionnaires administered online via Qualtrics to employees working in banks in Islamabad, Pakistan. The findings indicate that both EL and CDM are positively associated with KSB, while trust is also positively related and operates as a significant mediating mechanism linking EL and CDM. By integrating the study constructs within a single empirical framework, this research contributes to the organisational behaviour literature and offers insights relevant to global multicultural organisational environments. The study offers practical insights for banking organisations, managers, and policymakers by highlighting considerations relevant to supporting knowledge-sharing behaviour and sustained organisational effectiveness in culturally diverse workplaces.

*Keywords: Multicultural Workforce; Ethical Leadership; Cultural Diversity Management; Trust; Knowledge Sharing Behaviour; Banking Sector; Pakistan.*

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## List of Acronyms

<b>Term</b>	<b>Meaning</b>
EL	Ethical Leadership
CDM	Cultural Diversity Management
KSB	Knowledge Sharing Behaviour
EFA	Exploratory Factor Analysis
PAF	Principal Axis Factoring
KMO	Kaiser–Meyer–Olkin
CR	Composite Reliability
AVE	Average Variance Extracted
CMV	Common Method Variance
CMB	Common Method Bias
OLS	Ordinary Least Squares
SEM	Structural Equation Modelling
IV	Independent Variable
DV	Dependent Variable
VIF	Variance Inflation Factor
SE	Standard Error
CI	Confidence Interval
LL	Lower Limit of Confidence Interval
UL	Upper Limit of Confidence Interval
SPSS	Statistical Package for the Social Sciences
SAQ	Self-Administered Questionnaire

<b>Term</b>	<b>Meaning</b>
PIS	Participant Information Sheet
AUT	Auckland University of Technology
AUTEC	AUT Ethics Committee
ISB	Islamabad
HRM	Human Resource Management

## **Attestation of Authorship**

I hereby declare that this submission is my own work and that, to the best of my knowledge and belief, it contains no material previously published or written by another person (except where explicitly defined in the acknowledgements), nor used artificial intelligence tools or generative artificial intelligence tools (unless it is clearly stated, and referenced, along with the purpose of use), nor material which to a substantial extent has been submitted for the award of any other degree or diploma of a university or other institution of higher learning.

Ali Raza

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## **Chapter 1: Introduction**

### **1.1 Background of the Study**

In today's globalised economy, organisations increasingly rely on a diverse workforce to drive innovation and creativity and to gain a competitive advantage, that is, an edge over competitors in performance and market reach. A diverse workforce is understood as the heterogeneous composition of employees who differ in characteristics such as age, gender, language, ethnic origin, and cultural background, and who bring varied perspectives and experiences to the organisation (Patrick & Kumar, 2012; Saxena, 2014). Studies indicate that workforce diversity can increase a firm's competitive advantages and help create a more inclusive workplace culture (Liu et al., 2023). In turn, an inclusive workplace is one in which employees feel valued and comfortable, and this yields numerous benefits, including enhanced innovation and improved employee well-being (Dalessandro & Lovell, 2024). However, cultural diversity also presents challenges, particularly in knowledge sharing behaviour (KSB). Employees in multicultural organisations often hesitate to share knowledge due to language barriers, cultural biases, or lack of trust, and this reluctance can hinder collaboration and overall organisational effectiveness (McGrane, 2016; Raza & Awang, 2020).

Knowledge sharing is widely recognised as fundamental to organisational learning and performance, as it facilitates innovation, improves decision-making, and enhances operational efficiency (Bock & Kim, 2002; Chatzoglou & Vraimaki, 2009). Yet in multicultural environments, employees may engage in knowledge hoarding rather than open sharing, often due to competition, low trust, or cultural differences (Connelly et al., 2012). This reluctance to share knowledge can stem from fear of losing a competitive edge or status within the workplace and uncertainty about personal career impacts. In practice, such knowledge hoarding can undermine cooperation and innovation (Cheng & Chen, 2024). Moreover, in multicultural settings, employees may feel disconnected because of differences in communication styles and varying perceptions of knowledge ownership (Zhang, 2014). Thus, cultivating an inclusive culture that encourages knowledge sharing is important for organisations seeking to realise the benefits of multicultural diversity while managing its potential challenges.

Cultural diversity management (CDM), when implemented effectively, is associated with an organisation's efforts to enhance multicultural diversity and facilitate knowledge sharing. CDM aims to integrate diverse multicultural perspectives into workplace policies and promote an inclusive work environment where employees feel valued and motivated to collaborate (Cox,

1991). Effective CDM is linked with reduced knowledge hoarding through more equitable participation, mutual respect, and structured mechanisms for sharing information (Lauring, 2009). Research on multicultural organisations in Pakistan indicates that employees who experience supportive and inclusive diversity practices report higher levels of knowledge sharing (Raza & Awang, 2020, 2021).

Alongside diversity management, ethical leadership (EL) has emerged as a key factor associated with employee attitudes and behaviours, particularly in relation to knowledge sharing. When leaders act as moral role models, employees tend to report higher levels of fairness and psychological safety and indicate that they feel more comfortable contributing their knowledge without fear of judgement or exploitation (Brown & Treviño, 2006; Men et al., 2020). Building on this perspective, the present study examines how the ethical conduct of line managers is associated with employees' knowledge sharing within their immediate work setting. In such work environments, knowledge sharing among colleagues is considered in both vertical interactions with supervisors and horizontal exchanges among peers who work closely together. This context features not only a multicultural workforce but also hierarchical supervisory structures in banking, where close supervisory relationships form an important part of everyday work interactions.

Trust has been described as employees' expectation that others will act in a reliable, fair, and benevolent manner without exploiting their vulnerability in work interactions (McAllister, 1995). In organisational settings, trust shapes whether employees feel sufficiently safe to rely on others, disclose information and engage in the sharing of work-related knowledge (Holste & Fields, 2010). Prior studies indicate that employees' trust tends to develop when leaders demonstrate fairness, transparency, and integrity, and that such perceptions are associated with higher levels of employees' willingness to share knowledge (Engelbrecht et al., 2015; Le & Nguyen, 2022). Reflecting this importance, trust is conceptualised in the present study as a central relational mechanism, whereby employees' trust in line managers is associated with knowledge sharing among colleagues, encompassing both supervisory interactions and peer-level exchanges. In line with this, the analysis further examines how trust operates as a mediating mechanism between EL, CDM, and KSB in Pakistan's multicultural banking sector.

Islamabad, the federal capital of Pakistan, represents a distinctly multicultural context due to pronounced linguistic, ethnic, and regional diversity within its workforce. As a major administrative and financial hub, Islamabad has attracted sustained in-migration from across

the country, contributing to its diverse demographic profile (Pakistan Bureau of Statistics [PBS], 2023). Given Islamabad's multicultural context, the banking sector of Pakistan was selected as a particularly relevant setting for examining KSB. As one of Pakistan's largest service industries, the banking sector represents a major source of formal employment, supported by an extensive branch network that draws employees from a wide range of regions across the country (State Bank of Pakistan [SBP], 2025). In large organisations such as banks, where work processes are knowledge-intensive and interdependent, effective knowledge sharing is essential for coordination, service quality, risk management, and organisational effectiveness. These processes typically operate within hierarchical supervisory structures, in which employees work closely with their line managers, making supervisory relationships particularly salient for knowledge-related behaviours. Within this context, routine interaction among employees from varied linguistic, ethnic, and regional backgrounds may give rise to challenges in knowledge exchange (Raza & Awang, 2020).

Building on this contextual foundation, the present study examines the effects of CDM and EL on KSB within banking institutions operating in Islamabad. Within the multicultural, hierarchically supervised, and knowledge-intensive banking context. The study focuses on trust as a mediating construct in the relationships between leadership practices (EL), diversity management approaches (CDM), and employees' engagement in knowledge sharing (KSB). By empirically investigating these relationships, the study aims to advance theoretical understanding of KSB in multicultural organisational settings and to offer practical insights for managers, HR professionals, and policymakers. Specifically, the findings seek to inform organisational practices that support a collaborative work environment in which knowledge can be exchanged effectively across cultural and functional boundaries.

## **1.2 Problem Statement**

Multicultural workforce composition has the potential to enhance organisational capability; however, it may also introduce complexity into routine workplace interactions (Cox, 1991; Stahl et al., 2010). In Pakistan, particularly in metropolitan centres such as Islamabad, the workforce is increasingly multicultural (Pakistan Bureau of Statistics [PBS], 2023). Within such contexts, ethnic and cultural differences are associated with challenges in knowledge exchange, including tendencies toward knowledge hoarding (Raza & Awang, 2020, 2021).

Banking organisations function not only through hierarchical supervision but also qualify as knowledge-intensive industries. Thus, the timely and accurate exchange of work-related

knowledge among employees becomes particularly important amid rapid technological change and ongoing financial innovation (Frame & White, 2015). In organisational settings where knowledge sharing is central to operational effectiveness, interactional challenges associated with workforce diversity may undermine collective functioning. Despite the practical importance of this issue, limited empirical research has examined how knowledge sharing is sustained within multicultural banking environments, particularly in developing-country contexts. This gap constrains understanding of how knowledge-dependent organisations navigate the interactional demands associated with increasing workforce heterogeneity.

### **1.3 Research Objectives**

In response to the challenges associated with knowledge exchange in multicultural organisational environments, this study focuses on Pakistan's banking sector, which provides a multicultural workforce context for examining patterns of knowledge sharing among employees. Further, the hierarchical supervisory structure and knowledge-intensive nature of banking organisations are treated as additional contextual features that help illuminate how leadership approaches, diversity management practices, and trust are associated with knowledge sharing behaviour in culturally diverse settings. Reflecting this complex organisational context, the following research objectives are outlined to guide the focus of the study.

The main objective of this study is to explore the relational factors associated with employees' KSB within Pakistan's multicultural banking sector.

To achieve this objective, the study further seeks to:

1. Examine the relationship between ethical leadership (EL) and employees' KSB within hierarchically structured banking organisations.
2. Examine cultural diversity management (CDM) practices as HRM approaches associated with KSB in multicultural banking environments.
3. Examine trust as a mediating mechanism associated with employees' engagement in KSB.

### **1.4 Research Questions**

In accordance with the research objectives, this study examines key organisational and relational factors associated with employees' engagement in knowledge sharing within multicultural work environments. Prior research suggests that ethical leadership (EL) is

associated with employees' willingness to share knowledge (Bhatti et al., 2021). Similarly, cultural diversity management (CDM) practices are discussed as organisational mechanisms through which multicultural barriers to knowledge exchange may be addressed (Lauring, 2009; Raza & Awang, 2020). Consistent with this literature, the present study examines how EL and CDM are related to employees' KSB in contexts characterised by close work interactions, such as banking organisations. In line with these considerations, the first research question is as follows:

**RQ1:** To what extent are CDM practices and EL related to employees' KSB in multicultural banking settings?

Beyond these direct relationships, relational conditions within these work environments may further shape how leadership and diversity practices are interpreted by employees. Trust has been widely discussed as a key relational mechanism associated with knowledge sharing, particularly in contexts characterised by uncertainty, interpersonal risk, and supervisory dependence (Holste & Fields, 2010; Le & Nguyen, 2022; Levin & Cross, 2004). In multicultural banking settings, trust may therefore play a key role in explaining how EL and CDM relate to employees' engagement in KSB. Accordingly, the second research question is:

**RQ2:** To what extent does trust mediate the relationship between both CDM and EL with employees' KSB in multicultural banking settings?

Collectively, these research questions provide a structured basis for examining the relationships among EL, CDM, Trust, and KSB within Pakistan's banking sector.

## **1.5 Significance of the Study**

Situated within a complex and multicultural organisational environment, this study is intended to engage with issues that are central to both theory and practice in knowledge-intensive work settings. By focusing on knowledge sharing within the banking sector, the study aims to provide insights that may contribute to academic understanding and offer practical considerations for organisational contexts. Accordingly, the significance of the study is considered from both theoretical and practical perspectives.

### **1.5.1 Theoretical Significance**

From a theoretical perspective, this study has the potential to contribute to the literature on knowledge sharing behaviour (KSB) by examining how organisational practices and relational conditions are associated with knowledge exchange within multicultural and knowledge-

intensive banking environments. By focusing on the combined roles of cultural diversity management (CDM), ethical leadership (EL), and trust within a single integrative framework, the study may extend existing research in the areas of diversity management, leadership, and organisational behaviour, particularly in contexts that have received limited empirical attention.

By conceptualising trust as a mediating construct, the study may offer a more nuanced understanding of how leadership practices and diversity management approaches are linked with knowledge sharing in culturally diverse organisational settings. Drawing on Social Exchange Theory (Blau, 1964) and Organisational Support Theory (Eisenberger et al., 1986), the study may advance theoretical explanations of how relational processes and perceptions of organisational support are associated with employees' willingness to engage in knowledge exchange. These theoretical perspectives are elaborated further in later chapters. Overall, the study may contribute to clarifying the interactional and relational dynamics through which knowledge sharing is sustained in multicultural organisations.

### **1.5.2 Practical Significance**

From a practical perspective, this study seeks to offer insights relevant to employees, managers, organisations, and policymakers seeking to support effective knowledge sharing in multicultural work environments. The study may contribute to a clearer understanding of how employees' attitudes and everyday interactions relate to the exchange of skills, experience, and work-related knowledge. Given that sustaining knowledge sharing in multicultural workforces remains a recognised organisational challenge, the findings may assist organisations in identifying conditions under which employees feel encouraged to contribute their expertise and participate more actively in collective learning processes.

The study also aims to provide practical insights into how knowledge sharing practices can support organisational learning and effective performance outcomes in multicultural contexts. By highlighting factors associated with employees' willingness to engage in knowledge exchange, the research has the potential to inform HRM-related organisational efforts aimed at strengthening knowledge management practices and more effectively leveraging workforce diversity. In this way, the study may support organisations in developing environments in which knowledge sharing contributes to improved coordination, innovation, and long-term organisational capability.

## **Significance for Line Managers**

Building on these practical insights, the findings are relevant for line managers and supervisors operating in supervisory-intensive and knowledge-intensive banking environments, where regular leadership practices are closely associated with knowledge-related behaviours. In such contexts, supportive and trust-based work environments are understood to facilitate employees' motivation to capture, transfer, and apply knowledge, particularly when transparent knowledge processes and organisational support mechanisms are in place (McGrane, 2016; Le & Nguyen, 2022). Overall, this study provides a platform to assist managers and organisational leaders in considering leadership practices and workplace conditions that support knowledge sharing and effective knowledge utilisation within multicultural organisational settings.

### **1.6 Structure of the thesis**

This research is structured into five interconnected chapters, each contributing to an examination of the relationships between CDM, EL, trust and KSB within multicultural banking environments in Pakistan. The structure has been designed to ensure a logical flow from the identification of the research problem through to its resolution, providing both theoretical insight and practical implications.

**Chapter 1 (Introduction):** This first chapter laid the foundation for the study by introducing the research topic, its significance, and the context in which it was conducted. It began with a detailed background of the study, explaining how globalisation and increasing workforce diversity have transformed organisational dynamics, particularly in knowledge-intensive and hierarchically structured industries such as banking. The chapter then presented the problem statement, which highlighted the critical issue of limited KSB in culturally diverse settings and the organisational consequences that arise from this challenge. Following this, the research objectives and research questions were clearly outlined to define the scope of the investigation. This chapter also discussed the significance of the study, emphasising its contributions to theory and practice relevant for organisations, managers, employees, and policymakers. From a theoretical standpoint, the study extended existing models by exploring how trust mediates the relationships between the constructs. Practically, the findings aimed to inform HRM strategies by reinforcing the importance of trust-building and EL in supporting collaboration. In the context of diversity management, the study highlighted the role of inclusive policies in enabling cross-cultural knowledge flow, which was especially relevant for multicultural

organisations. Lastly, the chapter concluded with an outline of the study's structure, providing readers with a roadmap for the chapters that follow.

**Chapter 2 (Literature Review):** Chapter Two provides a critical review of existing academic literature relevant to the core constructs of the study. After establishing the study's context and discussing key aspects of the Islamabad banking sector, the chapter identifies the theoretical frameworks that underpin the study, specifically Social Exchange Theory (SET) and Organisational Support Theory (OST). The review also examines the interrelationships between these constructs, highlighting key empirical findings and gaps in the literature. By synthesising scholarly work from international and Pakistani contexts, particularly focusing on the multicultural environment of Islamabad, the chapter sets the foundation for the development of hypotheses and the conceptual framework guiding the current study. This geographical and cultural context, together with the focus on the banking sector, provides a useful perspective for examining how diversity relates to organisational dynamics.

**Chapter 3 (Research Methodology):** This chapter describes the methodological approach adopted to investigate the research questions. It begins by justifying the use of a quantitative, deductive, cross-sectional research design and outlines the rationale behind selecting banking employees in Islamabad as the study population. The chapter details the sampling techniques, data collection methods (including the use of a self-administered questionnaire), and the validated measurement scales used to assess each variable. Ethical considerations are addressed thoroughly, ensuring that the research adheres to academic and institutional standards. Finally, this chapter explains the data collection and analysis procedures, the latter implemented using IBM SPSS.

**Chapter 4 (Data Analysis and Results):** In this chapter, the results of the empirical study are presented and analysed. The chapter begins with descriptive statistics, followed by the results of inferential analyses conducted to test the study's hypotheses. Tables, figures, and visual representations are used to effectively communicate the statistical findings. This chapter evaluates the relationships between focal predictors and examines the potential mediating role of trust in these relationships.

**Chapter 5 (Discussion and Conclusion):** The last chapter interprets the findings considering the empirical evidence and the theoretical frameworks that guided the study, as reviewed in Chapter Two. It discusses whether the results align with or diverge from previous research and reflects on how the findings extend existing theoretical understanding of KSB in multicultural

organisational settings, while addressing the two research questions guiding the study. The chapter also explores the practical implications of the study for organisational leaders and human resource professionals, particularly in terms of developing inclusive leadership and trust-based collaboration. Additionally, it outlines the limitations of the study and suggests directions for future research. The conclusion synthesises the research process and highlights the study's theoretical contributions and potential to inform workplace practices in culturally diverse environments.

Overall, this study examines the interrelationships among CDM, EL, trust, and KSB within multicultural organisations, providing a focused empirical foundation for understanding knowledge-sharing dynamics in banking contexts such as Pakistan.

## **Chapter 2: Literature Review**

### **2.1 Introduction**

This chapter presents a review of relevant literature related to CDM, EL, trust, and KSB, which collectively form the core constructs of this study. In doing so, the chapter examines how these constructs operate within complex organisational environments, such as banking. The review is designed not only to consider each construct in isolation but also to examine their interrelationships and the mechanisms through which they are connected, with particular attention given to the mediating role of trust. This synthesis provides the basis for justifying the development of the proposed conceptual model and associated hypotheses. Following this introduction, Section 2.2 outlines the contextual background of Pakistan's banking sector, with particular attention to its multicultural workforce composition, hierarchical supervisory structures, and knowledge-intensive nature. Section 2.3 presents the theoretical foundations underpinning the study, drawing on Social Exchange Theory and Organisational Support Theory to explain the relational and organisational mechanisms relevant to KSB. Section 2.4 reviews the literature on KSB, with particular attention to its dimensions and contextual relevance. Section 2.5 examines CDM, including its key aspects and associated benefits. Section 2.6 reviews the literature on EL, focusing on its core attributes and contextual relevance. Section 2.7 examines trust, outlining its dimensions and its mediating role in the relationships between EL, CDM, and KSB, with hypotheses developed sequentially in alignment with the theoretical foundations discussed. Section 2.8 then integrates these constructs into a unified conceptual framework, presents the proposed model, and identifies key gaps in the existing literature that inform the empirical focus of the study. Finally, Section 2.9 provides a summary of the chapter, consolidating the key theoretical insights and relationships developed throughout the review and establishing a coherent foundation for the research methodology outlined in the subsequent chapter.

### **2.2 Contextual Background: Islamabad's Banking Sector in Pakistan**

Pakistan's banking sector provides a relevant organisational setting for this study due to its significance as one of the largest components of the country's services sector. Owing to its large organisational scale, banking is characterised by a diverse workforce composition and a strong reliance on effective coordination across roles, teams, and customer-facing functions. These features make internal communication and knowledge flows particularly important for day-to-day operations and organisational effectiveness (Asrar-ul-Haq & Anwar, 2016; Memon

et al., 2020). This section establishes the contextual foundation for the selection of the banking sector in Islamabad, Pakistan, by outlining three interrelated dimensions relevant to the focus of this study. Specifically, it highlights the sector's multicultural workforce, its hierarchical supervisory structures that shape leadership interactions with employees (Asrar-Ul-Haq & Kuchinke, 2016), and its knowledge-intensive nature, in which effective knowledge sharing is central to coordination and performance (Memon et al., 2017).

### **2.2.1 Islamabad's Banking Sector as a Multicultural Workplace**

Islamabad Pakistan represents a distinctive multicultural urban and administrative setting. According to the Pakistan Bureau of Statistics (2023, National Census Report), the Islamabad Capital Territory comprises a wide range of ethnic and linguistic groups, with Punjabi, Pashto, Urdu, Hindko, Kashmiri, Saraiki, and Sindhi speakers predominant. Public and private organisations in the city employ professionals originating from multiple provinces, and employees commonly differ in native language, regional identity, and cultural background. These characteristics position Islamabad as a hub of Pakistan's broader cultural diversity, bringing together employees with varied social norms, communication styles, and lived experiences within shared organisational environments.

Pakistan's banking sector provides a particularly relevant organisational context for examining multicultural workplace interactions due to its scale, formal structure, and extensive national presence. As one of the country's largest service industries, the sector employs a substantial and geographically dispersed workforce operating across public and private banking institutions. According to the State Bank of Pakistan (2025, Statistics on Scheduled Banks, Appendix II & III), there were 33 reporting scheduled commercial banks operating a nationwide network of 17,769 branches as of March 2025, including 710 branches located in Islamabad alone. This extensive branch network reflects the sector's reliance on coordinated employee interactions across locations, functions, and service roles.

The concentration of banking activity within such a diverse urban context intensifies everyday intercultural interaction among employees, line managers, and customers. In banking organisations, where work is highly interdependent and service delivery relies on accurate communication and coordination, cultural diversity can simultaneously present opportunities for skill enrichment and challenges related to trust and knowledge-sharing barriers (Asrar-ul-Haq & Anwar, 2016; Luring, 2009; Memon et al., 2020). Consequently, Pakistan's banking sector, particularly within Islamabad, offers a suitable and meaningful context for examining

how multicultural workplace dynamics shape organisational processes and employee interactions.

### **2.2.2 The Banking Sector as a Hierarchical Supervisory Structure**

In addition to its multicultural workforce, the banking sector is characterised by strongly hierarchical and supervisory organisational structures that shape work processes and employee interactions. Banking institutions operate within highly regulated and rule-bound environments, where authority, accountability, and decision-making responsibilities are formally defined and distributed across organisational levels. These structural characteristics contribute to supervisor-driven workplaces in which compliance, performance monitoring, and adherence to procedures are central to daily operations.

Documentary evidence from the organisational structure presented in the National Bank of Pakistan's Annual Financial Statements (2023), depicts a multi-layered hierarchy encompassing executive leadership, senior management, regional management, branch managers, and frontline staff. Within such structures, employees operate under clearly defined reporting lines, with line managers occupying the primary supervisory role responsible for directing work. This formalised vertical authority structure reflects the banking industry's reliance on line management as the primary leadership interface. Empirical evidence from Pakistani banks indicates that leadership styles enacted within these hierarchical structures are associated with more favourable employee attitudes towards leaders and improved performance outcomes (Asrar-ul-Haq & Kuchinke, 2016). Within this context, the hierarchical and supervisory nature of Pakistan's banking sector provides a suitable organisational context for examining how leadership practices relate to employees' workplace behaviours.

### **2.2.3 The Banking Sector as a Knowledge-Intensive Environment**

Banking organisations operate in highly knowledge-intensive environments, as employees are required to work with continuously evolving information related to products, services, regulatory requirements, and technological systems. The effective functioning of banking operations therefore depends on employees' ability to access, update, and exchange specialised knowledge across roles and departments.

This knowledge-intensive nature of banking is reinforced by frequent regulatory and policy changes imposed by central banks and supervisory authorities. Employees are required to remain informed about compliance requirements related to customer due diligence, anti-money laundering, credit risk, and reporting standards. Inadequate or delayed exchange of such

knowledge can lead to operational errors, compliance breaches, and reputational or financial consequences for banking institutions (Basel Committee on Banking Supervision, 2017).

Technological systems further intensify knowledge demands within the banking sector. Contemporary banking operations rely heavily on digital platforms, core banking systems, data analytics, and automated risk-monitoring tools, reflecting ongoing technological change and financial innovation (Frame & White, 2015; Campanella et al., 2017). These systems require employees to continuously exchange procedural knowledge, updates, and system-related insights to maintain consistency, accuracy, and compliance in service delivery.

Taken together, the multicultural composition, hierarchical supervisory structures, and knowledge-intensive nature of Pakistan's banking sector create a relevant organisational context for examining key workplace processes. Within such settings, hierarchical supervision provides a useful lens for considering how ethical leadership (EL) operates alongside cultural diversity management (CDM) in large and diverse banking environments. These organisational conditions also highlight the importance of knowledge sharing behaviour (KSB) in highly knowledge-intensive environments, where effective coordination and organisational functioning depend on the timely and accurate exchange of information.

## **2.3 Theoretical Foundations**

This study draws on two key theoretical foundations, Social Exchange Theory (SET) and Organisational Support Theory (OST), to inform the development of the conceptual model. These theories are used to explain several aspects of employees' workplace behaviour and together provide a coherent framework for examining KSB. In particular, they support analysis of how EL and CDM are associated with variation in trust and employees' KSB. The theoretical connections among these constructs are elaborated through SET and OST in the following sections.

### **2.3.1 Social Exchange Theory (SET)**

Social Exchange Theory (SET) conceptualises relationships within organisations as ongoing reciprocal exchanges involving resources such as support, effort, or information (Blau, 1964). From this perspective, workplace interactions are evaluated in terms of perceived fairness and balance, with individuals developing expectations of reciprocity over time. Within organisational contexts, SET provides a useful framework for understanding how discretionary behaviours, including KSB, emerge in response to the quality of exchange relationships.

### **SET and KSB**

Employees' engagement in KSB is commonly discussed in relation to how they evaluate the relational context of workplace exchanges. From a SET perspective, higher levels of KSB are more frequently reported in contexts where employees perceive fairness and supportive treatment, making knowledge sharing a reasonable response within ongoing exchange relationships (Wang & Noe, 2010). In organisational settings characterised by linguistic, ethnic, and regional diversity, evaluations of exchange relationships may be more complex due to increased relational uncertainty. In such contexts, lower levels of KSB, including tendencies toward knowledge hoarding, are more frequently discussed in relation to higher perceived relational risk, such as concerns about exploitation, misuse of shared information, or unfavourable personal consequences (Connelly et al., 2012; Raza & Awang, 2020). Accordingly, SET provides a foundation for understanding reciprocal behaviours in the present study, particularly in relation to employees' KSB within multicultural workplace exchange relationships.

### **SET and Trust**

Within the exchange relationships described by SET, trust plays a significant role by reducing perceived relational risk and uncertainty. Prior research characterises trust as facilitating social exchange by increasing confidence that contributions will be treated appropriately and not exploited (Levin & Cross, 2004). In multicultural workplace settings, where differences in communication styles and social norms may heighten exchange-related uncertainty, trust becomes particularly salient. In relationships characterised by higher levels of trust among colleagues, engagement in KSB is more commonly observed, as trust reflects shared expectations of reliability and appropriate use of exchanged knowledge (Holste & Fields, 2010; Raza & Awang, 2020). Within this framework, trust functions as a relational mechanism that supports reciprocal knowledge exchange in multicultural organisational contexts.

### **SET and EL**

EL represents an important construct in the present study, offering a relevant context for examining SET within the banking sector. The banking sector is commonly characterised by hierarchical organisational structures in which vertical exchange relationships between employees and line managers are especially salient. Within such settings, trust and perceptions of equitable treatment are particularly important, as line managers play a leading role in shaping employees' evaluations of workplace relationships (Le & Nguyen, 2022). Where line managers

are perceived as fair and as recognising employees' contributions, knowledge sharing is more commonly observed within these exchange relationships (Asrar-ul-Haq & Anwar, 2016; Asrar-ul-Haq & Kuchinke, 2016). In multicultural banking environments, where linguistic, ethnic, and regional differences may heighten relational uncertainty, EL within managerial exchanges provides an important basis for stabilising employees' expectations of reciprocity and appropriate treatment.

### **2.3.2 Organizational Support Theory (OST)**

Organisational Support Theory (OST) centres on employees' perceptions of how much the organisation values their contributions and cares about their well-being (Eisenberger et al., 1986). This perception, referred to as perceived organisational support (POS), is associated with employees' attitudes and discretionary behaviours. When employees perceive higher levels of organisational support, they tend to develop a sense of obligation to reciprocate, which is reflected in stronger organisational commitment and a greater willingness to engage in behaviours that benefit the organisation (Rhoades & Eisenberger, 2002; Rhoades et al., 2001).

#### **OST and CDM**

Employees perceive POS through various tangible and intangible organisational practices, such as fair treatment, open communication, recognition, and opportunities for professional development. Prior research indicates that organisational culture influences how employees interpret support signals, providing a context that enables discretionary behaviours such as knowledge sharing (Choi et al., 2022). Within culturally diverse workplaces, CDM practices such as equitable procedures, inclusive policies, and culturally responsive management approaches are commonly regarded as signals through which organisations convey support and value to a diverse workforce (Raza & Awang, 2020, 2021). When cultural diversity is perceived to be managed in an equitable and inclusive manner, employees are more likely to interpret organisational actions as supportive, aligning with reciprocal orientations towards the organisation and its objectives (Blau, 1964; Rhoades et al., 2001). Such perceptions of organisational support are commonly associated with employees' readiness to engage in KSB, in support of collective organisational functioning within multicultural contexts (Raza & Awang, 2020).

### **2.4 Knowledge Sharing Behavior (KSB)**

KSB refers to the process through which individuals exchange information, skills, and expertise within an organisation. This exchange is widely discussed in relation to organisational

learning, innovation, and overall performance (Rasdi & Tangaraja, 2022; Wang & Noe, 2010). Prior literature also associates KSB with organisations' ability to draw on collective expertise, respond to changing conditions, and remain competitive within their operating environments (Alavi & Leidner, 2001; Nguyen et al., 2022).

#### **2.4.1 Dimensions of Knowledge Sharing**

Van den Hooff and De Ridder (2004) conceptualise KSB as comprising two complementary dimensions, namely knowledge donating and knowledge collecting. Knowledge donating refers to individuals voluntarily making their intellectual capital available to others through the proactive sharing of information, insights, and skills, without an immediate expectation of reciprocation (Raza & Awang, 2020; Van den Hooff & De Ridder, 2004). This dimension is commonly illustrated through practices such as experienced employees supporting or mentoring less experienced colleagues (De Garcia et al., 2020). In contrast, knowledge collecting relates to individuals' active efforts to seek and acquire knowledge from others, including asking questions, requesting information, and learning from colleagues' experiences. Together, these dimensions underscore the bidirectional nature of KSB, encompassing both the provision and acquisition of knowledge within organisational settings (Raza & Awang, 2021; Van den Hooff & De Ridder, 2004).

#### **2.4.2 Relevance of KSB in Knowledge-Intensive Banking Contexts**

As outlined in Section 2.2.3, KSB is particularly important within Pakistan's knowledge-intensive banking environment. Effective knowledge sharing supports operational stability by enabling the timely exchange of specialised regulatory information and facilitating coordination across teams, thereby reducing the likelihood of operational errors and compliance breaches (Basel Committee on Banking Supervision, 2017; Memon et al., 2017). In addition, KSB supports employees' ability to adapt to ongoing technological developments in banking, including core banking systems and data analytics tools. Prior research indicates that such adaptation relies on the sharing of practical experience that supports problem resolution and process improvement (Chatzoglou & Vraimaki, 2009; Memon et al., 2020), particularly within a sector characterised by rapid technological innovation and system diffusion (Frame & White, 2015; Gyau et al., 2024). Thus, KSB holds significant importance for effective operations, risk management, and sustained organisational performance in knowledge-intensive banking contexts.

## **2.5 Cultural Diversity Management (CDM)**

CDM refers to the strategic approach organisations employ to recognise, respect, and optimise differences in cultural backgrounds, values, and communication styles among employees. Cox (1993) defined CDM as a process aimed at creating an inclusive workplace where diverse perspectives are valued and integrated into the organisational fabric. Effective CDM is not merely a legal or ethical obligation but also a strategic asset that can lead to enhanced innovation, employee satisfaction, and overall organisational performance (Cox & Blake, 1991; Shore et al., 2018).

In culturally diverse workplaces, employees bring differing cultural norms, communication styles, and value systems, which can introduce misunderstanding and interpersonal tension when not effectively managed (D'Netto et al., 2014; Ketemaw et al., 2024). HRM-led diversity management practices are therefore essential mechanisms for addressing such complexity through equitable procedures and inclusive approaches (Raza & Awang, 2020; Shen et al., 2009). These practices hold relevance in the context of our study on Pakistan's banking sector, where HRM plays a pivotal role in managing human resources and advancing CDM objectives.

### **2.5.1 Strategies for Effective CDM**

To realise the potential benefits of CDM, HRM functions within organisations may adopt a range of interrelated strategies aimed at supporting inclusion and the effective management of cultural diversity (Raza & Awang, 2020). First, inclusive policies and practices, such as equitable recruitment, mentoring, and career development opportunities for underrepresented groups, are emphasised as important for cultivating an environment in which employees from diverse backgrounds can participate and progress on comparable terms (Friedman & Holtom, 2002; Pendry et al., 2007). Second, Employee Resource Groups (ERGs) and cross-functional projects can serve as supporting mechanisms by providing peer support networks and by leveraging diverse perspectives to support innovation and collaboration (Távora et al., 2025). Finally, in organisations characterised by formal, HRM-led grievance procedures, embedding diversity-related concerns within these processes can contribute to more consistent and equitable workplace practices and reduce employees' perceptions of discrimination and bias. Collectively, such practices support employees from distinct cultural backgrounds in feeling valued and included, which is associated with greater willingness to contribute their skills and knowledge in ways that benefit the organisation (Raza & Awang, 2020; Shore et al., 2018).

### **2.5.2 Benefits of Culturally Diverse Workforce**

The implementation of effective CDM policies positions organisations to harness the potential advantages of a culturally diverse workforce. When diversity is managed through inclusive and supportive practices, employees can contribute multiple perspectives and problem-solving approaches, which are commonly associated with enhanced creativity and innovation (Cox & Blake, 1991; Don-Solomon & Fakidouma, 2021). In addition, workforce diversity can strengthen an organisation's capacity to understand varied customer segments and cultural preferences (Cox & Blake, 1991; Morfaki & Morfaki, 2022). This, in turn, reinforces internal cultural competence and inclusive communication practices that support trust development and effective knowledge flows in diverse organisational settings (Lauring, 2009; Memon et al., 2020).

### **2.5.3 CDM and KSB**

Prior research indicates a positive association between cultural diversity management (CDM) and knowledge sharing behaviour (KSB), with effective CDM linked to reduced communication barriers and greater integration of diverse perspectives in organisational knowledge exchanges (Lauring, 2009; Shen et al., 2014). Evidence from Pakistan's multicultural organisational contexts further suggests that inclusive management practices are associated with fewer intercultural misunderstandings that may constrain KSB (Raza & Awang, 2020). Within Pakistan's multicultural banking sector, where hierarchical structures and cultural differences may intensify tendencies toward knowledge hoarding, CDM remains particularly salient for encouraging collaborative KSB. Accordingly, the present study proposes a positive association between CDM and KSB.

**H1:** Cultural diversity management is positively associated with employees' knowledge sharing behaviour.

### **2.6 Ethical Leadership (EL)**

EL is a leadership approach that focuses on doing what is morally right (Brown et al., 2005; Ughulu, 2024). It involves leading by example through consistent ethical behaviour in both personal actions and interpersonal relationships. According to Brown et al. (2005), ethical leaders demonstrate normatively appropriate conduct and encourage the same in their followers through communication, decision-making, and reinforcement.

An EL style of leadership promotes core values such as integrity, fairness, and transparency (Engelbrecht et al., 2015; Malik et al., 2023). EL is understood to be relevant not only for guiding a leader's own actions but also for shaping the broader ethical climate of the organisation, with employees at various levels often aligning their behaviour with their leaders' standards (Brown et al., 2005; Mayer et al., 2009). This may include, for example, an EL who openly discusses ethical dilemmas with their team to promote fairness and strengthen trust.

### **2.6.1 Core Attributes of EL**

EL is commonly described as resting on several core attributes that together are associated with organisational trust and ethical conduct (Brown & Treviño, 2006; Yazdanshenas & Mirzaei, 2023). Integrity is foundational, reflected in leaders who consistently align actions with moral principles and organisational values (Brown et al., 2005; Ughulu, 2024). Fairness remains central, with ethical leaders making impartial, merit-based decisions while treating employees equitably (Brown & Treviño, 2006; Colquitt et al., 2001). Transparency manifests through open communication and honest disclosure of organisational decisions (Brown et al., 2005; Burhan et al., 2023). Accountability involves leaders owning their actions and holding others responsible (Kaptein, 2015). Finally, employees' care, demonstrated via genuine concern for well-being and development, prioritises collective interests and links to higher engagement (Brown et al., 2005; Brown & Mitchell, 2010; Jia et al., 2022).

### **2.6.2 Relevance of EL in the Banking Contexts**

As discussed in Section 2.2.2, the banking sector operates within leadership-intensive hierarchical structures, making EL a particularly relevant construct in this study. In such environments, supervisory practices play a significant role in shaping employees' work experiences and behavioural responses. Prior research in Pakistani banks indicates that employees' attitudes and workplace behaviours are closely linked to how leaders exercise authority and demonstrate fairness and integrity (Asrar-ul-Haq & Kuchinke, 2016; Burhan et al., 2023). Ethical leaders provide clear behavioural standards through consistent and impartial decision-making, which supports accountability and reduces uncertainty in supervisory relationships (Brown & Treviño, 2006; Mayer et al., 2009). This leadership approach is especially important in the regulated banking context, where ethical conduct underpins compliance, sound decision-making, and organisational stability.

In addition to shaping employee behaviour, EL is closely associated with broader organisational outcomes in the banking sector, particularly in relation to risk management and

regulatory compliance. Given the industry's reliance on trust, integrity, and accurate information, unethical leadership practices can result in serious financial and reputational consequences. The collapse of Fortis Bank during the 2008 financial crisis provides a clear example, where leadership failures related to transparency, communication, and unmanaged conflicts of interest contributed to institutional breakdown (Fassin & Gosselin, 2011). Similarly, the 2012 HSBC money laundering case, which resulted in a reported settlement of USD 1.9 billion, drew substantial attention to the risks associated with ethical failures in banking governance (Investopedia, 2013). Such cases underscore the role of EL in supporting regulatory compliance and reinforcing organisational cultures grounded in accountability and ethical conduct.

However, while ethical leadership is widely associated with fairness, integrity, and trust-building within organisations, evidence from corporate and banking contexts suggests that such ideals are not always consistent. High-profile corporate and financial scandals have demonstrated that leadership behaviours may deviate from ethical standards, often shaped by performance pressures, organisational priorities, and structural constraints that emphasise outcomes over ethical considerations. Prior analyses of corporate scandals highlight how leadership failures have contributed to unethical decision-making and weakened moral accountability within organisations (Knights & O'Leary, 2005). Similarly, the banking sector has been identified as particularly exposed to ethical risks due to financial pressures, global competition, and opportunities for misconduct, which may influence leadership behaviour and organisational outcomes (Starnawska, 2015). These perspectives suggest that ethical leadership should be understood as context-dependent rather than uniformly enacted, and that employees' perceptions of leadership ethics may be shaped by organisational conditions.

### **2.6.3 EL and KSB**

Prior research indicates that leadership plays a leading role in shaping employees' engagement in KSB. Studies within the knowledge management literature highlight that employees' willingness to share knowledge is influenced by managerial conduct, organisational climate, and perceived expectations regarding cooperative behaviour (Bock et al., 2005; Le & Nguyen, 2023). Ethical leaders are shown to encourage openness, responsible conduct, and constructive interaction, which are associated with higher levels of knowledge exchange among employees (Bavik et al., 2018; Bhatti et al., 2021). Related research further suggests that EL is associated with lower tendencies toward knowledge hiding and greater engagement in discretionary information sharing (Men et al., 2020). In line with prior evidence, the present study proposes

a positive association between EL and KSB, particularly within hierarchical banking environments where supervisory influence is pronounced.

**H2:** Ethical Leadership is positively associated with Knowledge Sharing Behaviour.

## **2.7 Trust in Organizational Settings**

Trust is widely regarded as a fundamental component in the effective functioning of organisations, underpinning cooperative relationships, facilitating knowledge sharing, and being associated with enhanced organisational performance (Abrams et al., 2003; Dirks & Ferrin, 2001; Yaqub & Alsabban, 2025). Trust is often described as providing a strong basis for collaboration, associated with reduced monitoring needs across organisational levels and with environments where employees feel secure sharing information and ideas (Dirks & Ferrin, 2001; Mayer et al., 1995). In organisational contexts, trust is commonly discussed in terms of two forms, namely cognition-based trust, and affect-based trust (McAllister, 1995; Legood et al., 2022).

### **2.7.1 Cognition-Based and Affect-Based Trust**

Trust in organisational contexts has often been conceptualised as comprising two distinct yet complementary dimensions: cognition-based trust and affect-based trust, a framework introduced by McAllister (1995) and subsequently developed in later work (Colquitt et al., 2007; Fulmer & Gelfand, 2012; Searle et al., 2011). This dual perspective recognises trust as involving both rational assessment and emotional connection, with both elements viewed as relevant for understanding interpersonal and group dynamics in contemporary workplaces (Colquitt et al., 2007; Fulmer & Gelfand, 2012; Mumtaz & Nadeem, 2024).

Cognition-based trust is typically described as grounded in rational evaluations of another individual's reliability, competence, and professional integrity, and is discussed in terms of the trustor's perceptions of the trustee's skills, knowledge, and behavioural consistency in role performance (McAllister, 1995; Colquitt et al., 2011). Employees, for example, may report higher levels of cognition-based trust in colleagues who demonstrate expertise, meet deadlines, and honour commitments in a consistent manner (McAllister, 1995; Gill et al., 2024). Affect-based trust, by contrast, is commonly associated with emotional ties and interpersonal relationships that extend beyond task competence, with emphasis placed on experiences of mutual care, empathy, and socio-emotional support (McAllister, 1995; Searle et al., 2011).

Both cognition- and affect-based trust are well established in the literature as important for cohesive and well-functioning organisational environments. Cognition-based trust is associated with confidence in task execution and role-based collaboration, whereas affect-based trust is linked with psychological safety, openness, and KSB (Dirks & Ferrin, 2001; Breuer et al., 2016). Contemporary trust research continues to reference this dual framework across a range of organisational settings, including virtual teams and cross-cultural workgroups underscoring its ongoing relevance for understanding how trust is experienced and enacted in modern organisations (Chua et al., 2009; Fulmer & Gelfand, 2012; Mumtaz & Nadeem, 2024).

### **2.7.2 Relevance of Trust in Multicultural Organisational Contexts**

In multicultural organisations, trust has particular significance in contexts characterised by diverse cultural backgrounds, values, and communication styles, where differences in norms and expectations may contribute to misunderstanding or misinterpretation (Stahl et al., 2010; Schreiber et al., 2025; Thomas, 2006). Trust in these contexts is frequently described as a means through which culturally diverse teams are better able to interact cohesively, coordinate work, and sustain collaboration despite differences in perspectives and practices (Mayer et al., 1995; Stahl et al., 2010; Schreiber et al., 2025).

Cognition-based trust in multicultural settings is linked to an emphasis on recognising and valuing diverse competencies and perspectives, with attention directed towards professional abilities, qualifications, and performance rather than perceived similarity (Chua et al., 2009; Mumtaz & Nadeem, 2024). Affect-based trust in multicultural organisations is linked with cultural intelligence, empathy, and opportunities for meaningful interpersonal contact across cultural boundaries (Rockstuhl & Ng, 2008). Accordingly, the present study operationalises trust as a unified construct incorporating both cognition- and affect-based dimensions, reflecting trust between colleagues in multicultural, knowledge-intensive organisational contexts.

### **2.7.3 Trust and KSB**

Trust is widely described as a relational condition that supports cooperative exchange by reducing perceived interpersonal risk and strengthening employees' willingness to share information and expertise within organisational networks (Abrams et al., 2003; Haq et al., 2023; Levin & Cross, 2004). In knowledge intensive settings, higher trust is commonly associated with more open communication, greater sharing of tacit and experience-based

knowledge, particularly when employees perceive colleagues as reliable and well intentioned (Holste & Fields, 2010; Renzl, 2006). This link is particularly relevant in culturally diverse workplaces, where differences in norms and communication styles may increase uncertainty in sharing, and trust supports more open and constructive knowledge exchange among colleagues (Chow & Chan, 2008; Rutten et al., 2016; Roy & Islam, 2025). Consistent with this literature, the present study proposes that trust is positively associated with knowledge sharing behaviour.

**H3:** Trust is positively associated with Knowledge Sharing Behaviour.

#### **2.7.4 Trust as a Mediating Mechanism between EL, CDM, and KSB**

In complex organisational structures such as the hierarchical, knowledge intensive, and culturally diverse banking context examined in the present study, workplace interactions and coordination are strongly associated with relational and organisational conditions. Within this context, trust is positioned as the key relational mechanism through which EL and CDM are associated with employees' engagement in KSB. Accordingly, the present study examines trust as a mediating construct linking EL and CDM with KSB, forming the basis for the proposed mediation hypotheses.

##### **2.7.4.1 Trust in the EL–KSB Relationship**

In complex organisational contexts characterised by hierarchical structures and intensive knowledge demands, trust represents a critical condition through which leadership practices are interpreted and enacted by employees. Prior evidence indicates that trust in leadership is closely associated with employees' attitudes and behavioural responses, underscoring its significant role in translating leadership conduct into workplace outcomes (Dirks & Ferrin, 2002; Le & Nguyen, 2022). Research further suggests that ethical leadership, grounded in integrity, fairness, and consistency, is associated with higher levels of trust in leaders, particularly in environments where power asymmetries and supervisory influence are pronounced (Engelbrecht et al., 2015). Within such contexts, trust in management has also been linked to greater openness in information exchange, indicating its relevance for knowledge-related behaviours (Le & Nguyen, 2022; Renzl, 2006).

Within this established leadership–trust relationship, trust is further positioned as a key relational mechanism through which EL is associated with employees' engagement in KSB. Empirical studies demonstrate that EL practices are associated with increased knowledge sharing primarily when employees perceive higher levels of trust in leadership, highlighting trust's mediating role in this relationship (Le & Lei, 2018; Le & Nguyen, 2022). In settings

characterised by close and consistent leader–employee engagement, trust further facilitates the linkage between EL and KSB, with implications for positive organisational outcomes (Bhatti et al., 2021). Consistent with this body of work, the present study conceptualises trust as a mediating construct linking EL with KSB.

**H4:** Trust mediates the relationship between Ethical Leadership and Knowledge Sharing Behaviour

#### **2.7.4.2 Trust in the CDM–KSB Relationship**

Shen et al. (2014) argue that effective CDM practices implemented through HRM systems are associated with higher levels of trust among employees and within organisations, and that such trust functions as a mediating mechanism facilitating cooperative behaviours, including KSB. Evidence from Pakistan further indicates that in multicultural organisational contexts, trust functions as a key relational mechanism connecting inclusive CDM practices with employees' engagement in KSB (Raza & Awang, 2020, 2021). Consistent with these insights and the contextual features of Pakistan's multicultural banking sector, the present study conceptualises trust as a mediating pathway through which CDM is associated with KSB, leading to the following hypothesis.

**H5:** Trust mediates the relationship between Cultural Diversity Management and Knowledge Sharing Behaviour.

### **2.8 Integrative Framework and Conceptual Model**

The preceding sections have examined EL, CDM, and trust in relation to KSB, which has been widely discussed in organisational research (Brown & Treviño, 2006; Luring, 2009; Le & Nguyen, 2022; Raza & Awang, 2020). Collectively, this literature indicates that employees' engagement in KSB is shaped by both supervisory leadership practices and organisational approaches to CDM. This section integrates these constructs into a framework that explains how leadership and organisation-level practices are associated with KSB through a unified relational mechanism.

The proposed framework is informed by the combined application of SET and OST (Blau, 1964; Eisenberger et al., 1986). From a SET perspective, EL is situated within supervisor–employee exchange relationships in which leadership conduct shapes relational expectations and the perceived quality of workplace exchanges, with implications for discretionary behaviours such as KSB (Blau, 1964; Bock et al., 2005; Nazarian et al., 2024). In parallel, OST

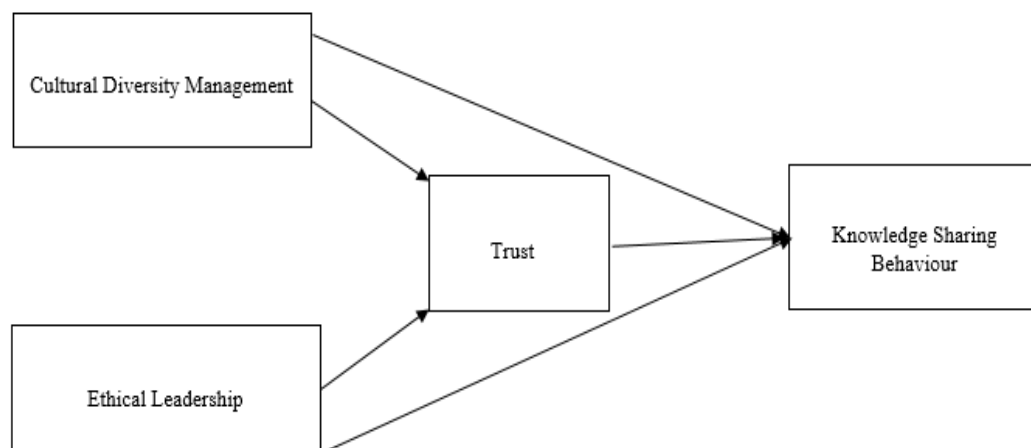
provides an organisational-level explanation, whereby CDM functions as an organisational support signal conveyed through inclusive HRM policies and equitable management processes in multicultural workplaces (Eisenberger et al., 1986; Leveson et al., 2009; Shen et al., 2009).

Integrating these perspectives, trust is positioned as the central relational mechanism linking both EL and CDM with KSB. Within this framework, EL is associated with trust through leadership conduct in supervisory relationships (Dirks & Ferrin, 2002; Engelbrecht et al., 2015), whereas CDM is associated with trust through employees' perceptions of inclusive and supportive organisational practices in culturally diverse settings (Shen et al., 2014; Raza & Awang, 2020). Consistent with this integrated logic, both EL and CDM are theorised to relate to KSB directly and indirectly through Trust (Bavik et al., 2018; Luring, 2009).

Figure 1 presents the conceptual model derived from this synthesis. Within this model, EL and CDM are specified as the independent variables (IVs), trust is positioned as the mediating variable, and KSB represents the dependent variable (DV). The model specifies direct associations between EL and KSB and between CDM and KSB, alongside indirect pathways operating through trust. This structure reflects prior work showing that leadership and HRM-led diversity management shape cooperative behaviour through relational mechanisms that support knowledge exchange in organisational settings (Bavik et al., 2018; Shen et al., 2014; Raza & Awang, 2020).

### Figure 1

*Integrative Conceptual Model of EL, CDM, Trust, and KSB*



### **2.8.1 Gaps in the Existing Literature**

The present study advances an integrated model that addresses identified gaps in the existing literature within a specific organisational context. First, a substantial proportion of prior studies examining CDM, EL, trust, and KSB have been conducted in culturally homogeneous organisational environments, limiting insight into how these relationships operate under conditions of pronounced cultural diversity (Bavik et al., 2018; Le & Nguyen, 2022). Where studies have been situated in multicultural settings, research has often examined a subset of these constructs, with trust either omitted or tested in a limited capacity as a mediating mechanism linking leadership and diversity management with KSB (Raza & Awang, 2020; Shen *et al.*, 2014). Second, much of the empirical evidence examining EL, CDM, trust, and KSB is drawn from Western, Educated, Industrialised, Rich, and Democratic (WEIRD) contexts, including North America and Western Europe (e.g., Brown et al., 2005; Luring, 2009; Abrams et al., 2003). As a result, the generalisability of these findings to developing-country contexts, where organisational structures and leadership dynamics may differ substantially, remains constrained (Henrich et al., 2010). Third, comparatively little research has integrated these constructs within supervisory dependent and knowledge-intensive sectors such as banking, where formal hierarchies, regulatory pressures, and continuous knowledge exchange are central to organisational functioning. Taken together, these gaps highlight the relevance of examining these focal constructs of study as a unified framework.

### **2.9 Chapter Summary**

Chapter Two established the contextual, theoretical, and conceptual foundations for examining knowledge sharing behaviour within Pakistan's banking sector. The chapter situated the study within the hierarchical, multicultural, and knowledge-intensive context of banks operating in Islamabad, highlighting why leadership practices, diversity management, and trust are particularly salient in this setting. Drawing on Social Exchange Theory (SET) and Organisational Support Theory (OST), the chapter reviewed and integrated literature on ethical leadership, cultural diversity management, trust, and knowledge sharing behaviour, and developed a conceptual model explaining their direct and indirect relationships. Five hypotheses were proposed to capture these linkages, with trust positioned as a central relational mechanism. The chapter concluded by identifying key gaps in the existing literature, including limited integrative models, the dominance of WEIRD-context evidence, and the underrepresentation of multicultural banking environments, thereby providing a clear rationale for the empirical approach outlined in the following methodology chapter.

## **Chapter 3: Research Methodology**

### **3.1 Introduction**

This chapter presents the methodological framework adopted to investigate the relationships among EL, CDM, trust, and KSB in multicultural banking organisations in Islamabad, Pakistan. The chapter is organised into ten main sections. Section 3.2 outlines the research philosophy and key assumptions underpinning the study, including the rationale for adopting a positivist orientation. Section 3.3 presents the research approach and justifies the use of a deductive logic for hypothesis testing. Section 3.4 explains the methodological choice and rationale for adopting a quantitative method. Section 3.5 describes the research strategy and time horizon, including the survey-based strategy and cross-sectional design. Section 3.6 details the survey design and measurement procedures, the target population, sample size determination, and the use of a non-probability convenience sampling technique. Section 3.7 presents the ethical considerations and AUTEK approval procedures. Section 3.8 outlines the pilot study and subsequent instrument refinements. Section 3.9 describes the data collection and screening procedures, while Section 3.10 outlines the data analysis techniques used to test the study hypotheses. Finally, Section 3.11 provides a brief summary of the methodological framework adopted.

This methodological structure is presented in a structured and sequential manner to demonstrate how the research design aligns with the study's objectives, theoretical foundations, and empirical focus, consistent with established guidance on research design in management research (Saunders et al., 2019).

### **3.2 Research Philosophy**

The research philosophy is the foundation that guides how a researcher approaches a study. The research philosophy adopted for a study significantly influences the methodology, research design, and the way in which findings are interpreted (Saunders et al., 2019). Researchers inevitably work with a set of underlying assumptions about the nature of reality, the status of knowledge, and the role of values in the research process. These assumptions are broadly classified into three main categories, including ontological assumptions that concern the nature of reality being examined, epistemological assumptions that relate to the sources and validity of knowledge, and axiological assumptions that reflect the influence of the researcher's values on the research process. Such assumptions inform a range of recognised research philosophies, including positivism, critical realism, interpretivism, postmodernism, and pragmatism

(Saunders et al., 2019). In line with the research aim of achieving objectivity, employing empirical data collection, and applying statistical analysis to test theoretically derived hypotheses, the present study adopts a positivist research philosophy (Bryman, 2016).

### **3.2.1 Positivism**

The present study is grounded in a positivist philosophical orientation. Positivism assumes that reality exists independently of human perception and can be systematically observed and measured. Studies adopting this perspective emphasise objectivity, empirical data collection, and statistical analysis to test theoretically derived hypotheses (Bryman, 2016; Krauss, 2005). This paradigm aligns with the research's quantitative design, which seeks to test hypotheses regarding the relationships among CDM, EL, trust and KSB, and using empirical data. The study therefore employs structured instruments, namely surveys, to collect measurable data from participants. These data are analysed statistically to test the relationships between these constructs.

This hypothesis-testing orientation draws on Social Exchange Theory (SET) and Organisational Support Theory (OST), which conceptualise workplace relationships in terms of reciprocal exchanges and perceptions of organisational support (Blau, 1964; Eisenberger et al., 1986). Within this theoretical framing EL and CDM are positioned as organisational conditions within which relational exchanges occur and with which trust and KSB are examined (Lauring, 2009; Le & Nguyen, 2022). In this way, positivism provides a coherent philosophical foundation for empirically testing theory-driven relationships within the organisational context.

### **3.2.2 Assumptions of the Research**

In line with the positivist philosophy, this study makes three key assumptions. Firstly, it assumes that the relationships between EL, CDM, trust, and KSB are objective and can be measured using quantitative indicators. Secondly, the study assumes that these constructs can all be reliably captured through self-report surveys, while recognising that such measurements are subject to some degree of unavoidable error. Finally, it is assumed that the findings from the current study will be generalisable not only to similar banking contexts but also to other multicultural workplace settings globally in which similar conditions of cultural diversity exist. These assumptions provide the foundation for the study and align with its quantitative, hypothesis-testing orientation.

### **3.3 Research Approach**

The research approach bridges the research philosophy and the methods used to collect and analyse data (Saunders et al., 2019). Social science research generally recognises three primary research approaches: inductive, deductive, and abductive. An inductive approach begins with specific observations and seeks to identify patterns from which new theories or conceptual frameworks can be developed (Creswell, 2014). In contrast, a deductive approach starts with established theories from which specific hypotheses are derived and then tested through empirical data collection and analysis. Abductive approaches involve iteratively refining explanations by moving back and forth between observations and theory to account for surprising findings (Saunders et al., 2019). Given the research objective to test the relationships among EL, CDM, trust, and KSB using established theories (SET and OST), and to align with the positivist philosophy that assumes reality can be objectively measured and knowledge advances through systematic hypothesis testing, a deductive approach was adopted for this study (Saunders et al., 2019).

#### **3.3.1 The Deductive Approach**

The deductive approach begins with theoretical assumptions, from which specific hypotheses are derived and then tested through systematic data collection and analysis (Saunders et al., 2019). In this study, SET and OST provide the theoretical foundations for specifying how EL and CDM are expected to influence trust and, in turn, KSB. Through this process, the deductive approach not only enables the proposed relationships among the focal constructs to be tested empirically in the Pakistani banking context, but also demonstrates generalisability through theory testing by assessing whether hypotheses derived from SET and OST are supported or refuted (Saunders et al., 2019; Creswell, 2014). On this basis, hypotheses were formulated and tested using quantitative survey data and statistical analysis, consistent with a deductive, positivist research design (Saunders et al., 2019).

### **3.4 Research Method (Methodological Choice)**

After establishing research philosophy and research approach, the next step involves methodological choice. At this stage, researchers determine whether a study will adopt quantitative, qualitative, or mixed methods. This decision is critical, as it directly shapes how empirical evidence is generated, analysed, and interpreted (Saunders et al., 2019).

### **3.4.1 Quantitative Method**

Consistent with the positivist research philosophy and deductive research approach adopted in this study, a quantitative research method was selected. This method empirically tests relationships among EL, CDM, trust, and KSB within established theoretical frameworks. It supports the objective operationalisation of constructs and application of statistical techniques for hypothesis testing, ensuring consistency with the study's positivist assumptions and deductive logic grounded in SET and OST (Bryman, 2016). Building on this methodological choice, the study employs a survey-based research strategy, discussed in the following section.

## **3.5 Research Strategy and Time Horizon**

### **3.5.1 Survey as a Research Strategy**

Survey studies are widely used in quantitative social science research because they provide a structured means of collecting numerical data from a relatively large number of respondents within a limited timeframe (Creswell, 2014). The use of a structured instrument with pretested items enables the generation of quantifiable data that can be analysed statistically to test hypothesised relationships among study constructs, consistent with a positivist and deductive research design (Bryman, 2016).

This survey study is particularly suited to research that examines relationships among predefined variables, such as EL, CDM, trust, and KSB, within an organisational context. Accordingly, the present study employs an online self-administered questionnaire (SAQ) to collect data from employees working in banking organisations in Islamabad, Pakistan. SAQ refers to a data collection instrument designed to be completed independently by respondents without direct involvement of the researcher, thereby minimising researcher influence and enhancing response consistency (Sekaran & Bougie, 2016).

The use of an online SAQ allows respondents to complete the survey at their convenience, using either workplace or personal devices, without specific time or location constraints. In this research, this flexibility was anticipated as facilitating participation from employees across different banks and their branches, supporting broader coverage of the target population, and helping to enhance the external validity of the study findings (Bryman, 2016).

### **3.5.2 Time Horizon (Cross-sectional)**

The time horizon refers to the temporal scope over which data are collected and analysed, and it reflects whether a study examines phenomena at a single point in time or across an extended

period (Saunders et al., 2019). The selection of an appropriate time horizon is guided by the research questions, the nature of the phenomenon under investigation, and the objectives of the study (Iovino & Tsitsianis, 2020). Methodological literature commonly distinguishes between cross-sectional and longitudinal time horizons. Cross-sectional studies involve data collection at one point in time, whereas longitudinal studies examine changes in variables across multiple time periods (Saunders et al., 2019).

A cross-sectional time horizon was adopted for the present study, as the research questions focus on testing hypothesised relationships rather than examining developmental trends or temporal change. This design enables the examination of relationships among EL, CDM, trust, and KSB as they are experienced by employees at a specific point in time, thereby capturing current organisational practices and employee perceptions within multicultural banking organisations. Accordingly, a cross-sectional time horizon is well suited to quantitative, deductive research that seeks to empirically test theory-driven relationships using survey data, rather than to examine changes over time (Bryman, 2016; Saunders et al., 2019).

### **3.6 Survey Design and Measurement**

#### **3.6.1 Survey Design**

In this research, an online survey was developed and administered using Qualtrics survey software, a widely used platform in academic research (see Appendix C). Qualtrics offers a flexible and efficient environment for survey design, enabling researchers to construct questionnaires using advanced features such as logical flows, standardised response formats, and automated data capture. A key advantage of this platform is its ability to export data in a range of formats, including IBM SPSS compatible file formats that can be imported directly into IBM SPSS for analysis, which reduces manual data handling and minimises time spent on spreadsheet-based processing, also reducing the risk of errors. From the respondents' perspective, the use of the Qualtrics platform enhances accessibility and convenience, as a survey can be completed across various devices such as smart phones and computers. It also allows participants to start the survey at their own pace and complete it later, thereby supporting engagement and improving response completion.

The survey was designed with two main categories of questions, with one category focusing on sociodemographic information and the other on the study focal variables. The sociodemographic section collected information on participants' gender, age, employment status, years of experience in the banking sector, and whether they worked in a multicultural

environment. These questions were included primarily to describe the characteristics of the sample and to provide contextual information about the respondents, rather than being analysed as focal predictors in the study (Sekaran & Bougie, 2016).

The second category of questions focuses on the core study variables CDM, EL, trust, and KSB. A 5-point Likert scale is applied consistently across all questions, with response options ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). The use of a Likert scale is common in social science research, as it provides clear and consistent measurement and supports reliable analysis of responses (Likert, 1932).

### **3.6.2 Measures**

The survey uses validated measurement scales for CDM, EL, trust, and KSB, ensuring that the constructs are measured consistently and accurately and allowing for meaningful statistical analysis and hypothesis testing (Bryman, 2016).

#### **Ethical Leadership Scale**

EL will be measured using the Ethical Leadership Scale developed by Brown et al. (2005), which assesses the extent to which leaders demonstrate ethical behaviour such as fairness, integrity, and concern for others. The scale comprises ten items, with a reliability coefficient of  $\alpha = .94$ . A sample item is: “My line manager listens to what employees have to say.”

#### **Knowledge Sharing Behaviour Scale**

KSB will be measured using the scale developed by van den Hooff and de Ridder (2004). This instrument captures two dimensions of knowledge sharing: knowledge donating (the act of providing knowledge to others) and knowledge collecting (the act of seeking knowledge from others). The scale comprises ten items, with a reliability coefficient of  $\alpha = .94$ . Sample items include: “I share the information I have with colleagues within my department” and “When I’ve learned something new, I see to it that colleagues outside of my department can learn it as well.”

#### **Trust Scale**

Trust was assessed using McAllister’s (1995) Trust Scale, which captures both affect-based and cognition-based dimensions of trust. The scale comprises 11 items, with a reported reliability coefficient of  $\alpha = .93$ . The affect-based dimension reflects relational aspects of trust, such as emotional connection and mutual care, while the cognition-based dimension reflects

work-related perceptions, including reliability, competence, and integrity. Sample items include: “I can rely on my colleagues not to make my job more difficult by careless work”, “Given my colleague’s track record, I have no reason to doubt his/her competence and preparation for the job” and “My colleagues and I share a relationship where we can freely exchange ideas, feelings, and hopes.” In this study, trust is operationalised through these two dimensions to capture a unified assessment of employees’ trust, where elements such as reliability, competence, and integrity are embedded within these dimensions rather than examined as separate constructs.

### **Cultural Diversity Management Scale**

CDM will be measured using the Cultural Diversity Management Scale developed by Mor Barak et al. (1998). Specifically, the Organisational Fairness dimension of the scale was utilised in this study to assess equitable treatment and fair evaluation practices in diverse workplaces, rather than the full scale. The scale comprises six items, with a reliability coefficient of  $\alpha = .86$ . A sample item is: “My line manager gives feedback and evaluates employees fairly, regardless of the employee’s ethnic background, language, or regional identity.”

### **3.6.3 Population**

The target population of this study consisted of employees working in both private and public sector banks operating within the Islamabad metropolitan region of Pakistan. According to the State Bank of Pakistan, there were 33 commercial banks operating a network of 17,769 branches nationwide as of March 2025, including 710 branches in Islamabad (State Bank of Pakistan, 2025). The study targeted full time, part time and contractual staff across a broad range of functional positions, including branch managers, operations managers, supervisors, operations officers, cash officers, and sales staff. In addition, no minimum or maximum thresholds for years of work experience were applied, in order to promote maximum diversity and inclusiveness of the banking workforce.

### **3.6.4 Sample Size and Sampling Technique**

Proper identification of sample size is essential for ensuring the reliability, statistical power, and generalisability of quantitative research findings. Methodological guidelines recommend a minimum ratio of 10–15 observations per predictor variable to obtain stable parameter estimates, reduce the risk of over fitting, and ensure adequate statistical power in multivariate analyses, including mediation models (Babyak, 2004; Hair et al., 2019; Harris, 2001). More broadly, in survey-based behavioural and social science research involving large populations,

a sample size of approximately 200–300 respondents are commonly regarded as adequate to produce stable estimates and meaningful statistical inference (Sekaran & Bougie, 2016). Accordingly, the present study aimed to target a sample size of approximately 300 participants to satisfy these methodological recommendations and support robust hypothesis testing.

A non-probability convenience sampling technique was employed in this study. This approach involves selecting participants based on their accessibility and willingness to participate, rather than through random selection from a defined population (Etikan et al., 2016). It was adopted because the banking staff were anonymous and no complete, up-to-date sampling frame of all bank employees in Islamabad was available. Consequently, applying probability-based sampling across different banks within the limited data-collection period was not feasible given organisational access barriers, time constraints, and resource limitations. In this context, convenience sampling provided a practical means of recruiting a sufficient number of respondents for conducting the statistical analyses in this study (Bryman, 2016; Saunders et al., 2019).

### **3.7 Ethical Considerations**

Ethical considerations were central to ensuring that the study was conducted responsibly and that participants' rights were upheld throughout the research process (Creswell & Poth, 2017). The research protocol, including the Participant Information Sheet (PIS), advertisement plan, survey development, and recruitment procedures, were first reviewed with the AUT Business School ethics advisor, Professor Asheq Rahman, and subsequently amended in line with his feedback before being submitted to the Auckland University of Technology Ethics Committee (AUTEC) on 8 July 2025. Following review by AUTEC, ethical approval was granted (AUTEC reference 25/232, dated 23 July 2025; see Appendix A), and data collection commenced only after this approval was obtained. In accordance with the approved protocol, potential participants were recruited through a digital advertisement circulated via professional banking networks and social media channels (e.g., LinkedIn, Facebook, banking groups), as well as by directly approaching ex-colleagues and sharing the survey link via WhatsApp and email to maximise participation. The PIS outlined the study purpose, eligibility criteria, expected time commitment, data privacy protections, options for future use of de-identified data, and contact details for the researcher, supervisor, and AUTEC. This enabled potential participants to make an informed decision about participation (see Appendix B).

After accessing the Qualtrics survey link, participants were first presented with the PIS and were required to indicate their consent by ticking a mandatory checkbox before proceeding to the questionnaire. Those who did not consent could not access the survey items. Participation was entirely voluntary, and participants were informed that they could withdraw at any time while completing the survey by exiting the questionnaire. Because the survey was anonymous, withdrawal after submission was not possible. The survey was configured to maximise anonymity and confidentiality. No names, email addresses, employee IDs, or branch identifiers were collected in the survey. A Qualtrics link with fully anonymised responses was used so that identifying data were not stored, consistent with recommended practices for protecting participants' privacy in survey research (Saunders et al., 2019).

All anonymised survey data for conducting analysis are stored in password-protected files on an AUT OneDrive folder accessible only to the researcher and primary supervisor, and, in order to maximise the value of the information provided, may also be accessed by future postgraduate research students. These data will be retained for six years in accordance with AUTEK approval before being permanently deleted, thereby ensuring secure data management and protection of participants' privacy.

### **3.8 Pilot Study**

Before launching the main survey, a pilot study was conducted using the Qualtrics survey platform to evaluate the functionality, layout, and data recording of the online questionnaire. The survey was first tested in self-review mode, which allowed the researcher to move through the questionnaire as a respondent, check how each question was displayed, and verify that responses were correctly stored in the dataset. During this self-check, two main issues were identified: the work experience question was better presented using a slider (drag bar) to make it easier for participants to respond, and the survey allowed progression with missing answers on key items. To address this, the "force response" option in Qualtrics was applied to the main blocks of questions so that participants could not proceed without completing all required items, thereby reducing missing data. Participants who did not wish to answer a question could still withdraw. In addition, the "anonymised responses" setting and an anonymous survey link were enabled to ensure that no identifying information was stored, in line with the approved ethics protocol and AUTEK requirements for anonymity.

After confirming that the technical and ethical settings were functioning as intended, the revised questionnaire was piloted with a small group of 10 close contacts, who were former

colleagues currently working in the Pakistani banking sector, to assess its performance in a context similar to the target population. This pilot group was invited to share feedback on any aspects of the questionnaire they considered important, including the clarity of wording, the logical flow of items, and the time required to complete the survey, and their comments informed a few refinements described in the following adjustments section.

### **3.8.1 Survey Instrument Minor Adjustments**

Based on feedback from the pilot study, minor adjustments were made to improve the clarity and specificity of several items, while retaining the original meaning of the validated scales. Within the Ethical Leadership scale, references to a generic “leader” were replaced with “my line manager” to more accurately reflect participants’ immediate supervisor; for example, the item “The leader listens to what employees have to say” was reworded as “My line manager listens to what employees have to say.” Items within the Trust scale were also slightly refined to improve readability, such as revising “We have a sharing relationship. We can both freely share our ideas, feelings, and hopes” to “My colleagues and I have a sharing relationship where we can both freely share ideas, feelings, and hopes.” In the Cultural Diversity Management (CDM) scale, items were made more specific to participants’ direct experiences with their own line manager rather than managers in the organisation more generally; for instance, “Managers here give assignments based on the skills and abilities of employees” was revised to “My line manager gives assignments based on the skills and abilities of employees.” These adjustments focused on contextual specificity and linguistic clarity, involved only minor wording changes, and did not alter the underlying constructs measured by the original scales (DeVellis & Thorpe, 2021).

## **3.9 Data Collection and Screening**

### **3.9.1 Data Collection**

Following AUTEK approval and the completion of the pilot study and associated survey refinements described in the previous sections, data for the present study were collected using an online SAQ implemented in Qualtrics. During the data collection period, the survey link and advertisement were re-circulated at regular intervals via the same professional and social media networks used for the initial invitation (e.g., LinkedIn, Facebook, banking groups, WhatsApp, and email). Ex-colleagues in the banking sector played a key role by sharing the survey within their own workplaces to encourage further participation, helping to maintain visibility and support response rates (Creswell, 2014; Fowler, 2014).

### **3.9.2 Data Screening**

In total, 320 survey responses were collected via the Qualtrics platform. After data cleaning procedures to address incomplete and invalid responses, 44 cases were removed, leaving 276 valid cases for analysis. As outlined in Section 3.6.3 on sample size, this number of observations meets commonly recommended thresholds for quantitative survey research and offers sufficient statistical power for hypothesis testing (Cohen et al., 2018; Sekaran & Bougie, 2016).

Incorporating reverse-coded items is one method of mitigating common method variance by reducing response-style bias (Podsakoff et al., 2003), and two items across the measures had reverse-coding in the original scale to reduce this bias. Hence, T11 from Trust Scale and CDM1 from Cultural Diversity Management Scale were reverse coded prior to analysis to align their scoring direction with the rest of their respective scales. No out-of-range values, data entry errors, or irregular response patterns were identified, which is in keeping with the survey configuration in Qualtrics with pre-specified ranges and forced-response option. The retained dataset contained no missing values.

### **3.10 Data Analysis**

Once the dataset was finalised, it was analysed using both descriptive and inferential statistical techniques in IBM SPSS (version 29), with the PROCESS Macro v4.2 used for the mediation analyses (Hayes, 2022). Descriptive statistics were first employed to summarise the sociodemographic characteristics of respondents and the distribution of the key study variables, using frequency distributions, means, and standard deviations (Bryman, 2016). Measurement properties were then examined through reliability analysis and exploratory factor analysis to confirm internal consistency and the underlying factor structure before proceeding to hypothesis testing (Hair et al., 2019).

Inferential analyses focused on multiple regression and mediation. Standard multiple regression in SPSS was used to test the direct effects of CDM, EL, and trust on KSB and to estimate the strength and direction of these relationships, providing detailed information about the unique contribution of each predictor (Field, 2024). Mediation analyses were subsequently conducted using PROCESS Macro v4.2 in SPSS, with 5,000 bootstrap samples, to examine whether trust mediated the effects of EL and CDM on KSB (Hayes, 2022).

### 3.11 Chapter Summary

This chapter outlined the methodological framework adopted to investigate the relationships among EL, CDM, trust, and KSB in multicultural banking organisations in Islamabad, Pakistan. The research was guided by a positivist philosophy and a deductive, quantitative approach, and this hypothesis-testing orientation was aligned with established theoretical frameworks, particularly SET and OST. This survey-based study used an online SAQ developed in Qualtrics, incorporating validated 5-point Likert-type multi-item scales to measure the core constructs.

The target population comprised employees working in public and private banks in Islamabad, and a non-probability convenience sampling technique was used, with sample size determined using established guidelines for regression-based analysis. Ethical approval was obtained from the university ethics committee (AUTEK), which covered detailed procedures for presenting the PIS, advertisement, recruitment, anonymity, and secure data storage. A pilot study was subsequently conducted, and minor instrument adjustments were made to improve clarity and contextual specificity.

Finally, this chapter outlined the data collection process, which yielded 276 valid responses, and detailed the planned analytical strategy using IBM SPSS, including descriptive statistics, reliability, and factor analyses, as well as multiple regression. Mediation analysis using Hayes' PROCESS Macro v4.2 in IBM SPSS was also specified, thereby establishing a robust methodological foundation for the results presented in Chapter 4.

## **Chapter 4: Data Analysis and Results**

### **4.1 Introduction**

This chapter presents the procedures, the justification for the statistical techniques employed, and the findings derived from the quantitative analyses. The results are structured to demonstrate how each stage of the statistical process contributes to addressing the research questions and hypotheses developed in the preceding chapters. Following this introduction, Section 4.2 outlines the sociodemographic characteristics of the respondent sample to contextualise the dataset. Section 4.3 presents the descriptive statistics, internal reliability estimates, and bivariate correlations among the study variables, establishing their basic distributional and relational properties. Section 4.4 reports the results of the confirmatory factor analysis, undertaken to verify the dimensional structure and construct validity of the measurement scales within the present sample. Section 4.5 details the regression analysis used to examine the direct effects of CDM, EL and trust on KSB (H1–H3). Section 4.6 then presents the mediation analyses, conducted using PROCESS Model 4 (Hayes, 2022), to determine whether trust functions as a mediating variable in the relationships between EL and KSB, and between CDM and KSB (H4–H5). Finally, Section 4.7 provides a Chapter Summary, synthesising the key findings of the analyses presented.

### **4.2 Sociodemographic Characteristics of Respondents**

Table 1 presents the sociodemographic and work-related characteristics of the participants. The sample consisted of 69.2% male ( $n = 191$ ) and 30.8% female ( $n = 85$ ) respondents. Most participants were aged between 35–44 years (47.5%), followed by those in the 25–34 age group (39.5%). A smaller proportion of respondents were aged 18–24 years (9.8%), while only a limited number fell within the 45–54 years (2.9%) and 55 years and above (0.4%) categories.

In terms of employment status, the majority of respondents were employed on a full-time basis (84.4%), while 12.3% were employed part-time and 3.3% were engaged on contractual arrangements. Regarding work experience in the banking sector, most participants reported between 6–10 years of experience (43.8%), followed closely by those with up to 5 years of experience (41.7%), with a smaller proportion indicating more than 10 years of experience (14.5%). Regarding workplace diversity, 66.3% of respondents perceived that they were working in a culturally diverse environment, while 30.4% were unsure and 3.3% indicated that their workplace was not culturally diverse. Overall, the statistics indicate that the respondents

were young and experienced banking professionals, with a substantial proportion perceiving their workplaces as culturally diverse.

**Table 1**

*Sociodemographic Characteristics of Respondents*

Variable	<i>n</i>	%
<b>Gender</b>		
Male	191	69.2
Female	85	30.8
<b>Age Group</b>		
18–24 years	27	9.8
25–34 years	109	39.5
35–44 years	131	47.5
45–54 years	8	2.9
55 years and above	1	.4
<b>Employment Status</b>		
Full Time	233	84.4
Part Time	34	12.3
Contractual	9	3.3
<b>Years in Banking Sector</b>		
Up to 5 years	115	41.7
6–10 years	121	43.8
More than 10 years	40	14.5
<b>Culturally Diverse Environment</b>		
Yes	183	66.3
No	9	3.3
Not sure	84	30.4

*Note.*  $N = 276$ . Percentages are based on valid responses only.

### 4.3 Descriptive Statistics, Reliability, and Intercorrelations

Table 2 presents the means, standard deviations, Cronbach's alpha coefficients, and bivariate correlations among the four study variables. All scales demonstrated high internal consistency, with reliability coefficients ranging from  $\alpha = .94$  (EL and KSB) to  $\alpha = .86$  (CDM), with trust also demonstrating high reliability ( $\alpha = .93$ ), indicating strong internal reliability across the study variables (Hair et al., 2019).

As the outcome variable in this study, KSB was examined in relation to the predictor variables. KSB showed a strong positive correlation with trust ( $r = .778, p < .001$ ) and EL ( $r = .768, p < .001$ ), indicating that employees who perceive greater trust and stronger ethical leadership

are more likely to engage in knowledge-sharing behaviours. A strong, statistically significant correlation was also observed between CDM and KSB ( $r = .653, p < .001$ ), suggesting that effective diversity management practices are also associated with higher knowledge-sharing behaviours.

The strongest intercorrelation among the predictor variables was found between EL and trust ( $r = .760, p < .001$ ), reflecting a close empirical association and showing that higher levels of trust are associated with higher EL, thus providing a complementary context that may facilitate employees' willingness to share knowledge. No correlations approached multicollinearity thresholds ( $r \geq .90$ ), supporting the suitability of these variables for subsequent regression and mediation analyses (Field, 2024).

**Table 2**

*Mean, Standard Deviation, Reliability, and Correlations of Study Variables*

Variables	M	SD	1	2	3	4
EL	4.11	0.91	(.94)			
KSB	4.11	0.89	.768**	(.94)		
Trust	3.99	0.73	.760**	.778**	(.93)	
CDM	3.94	0.77	.486**	.653**	.646**	(.86)

*Note.* \*\* Significant at  $p < .001$  (two-tailed).

#### 4.4 Confirmatory Factor Analysis

To assess the dimensionality of the measurement instruments and ensure that each construct represents a distinct latent factor prior to regression analysis, an exploratory factor analysis (EFA) was conducted using principal axis factoring (PAF) with Promax (oblique) rotation. PAF was selected because it is designed to uncover latent variable structure and partitions common variance while separating it from unique variance, making it preferable to principal component analysis when the goal is construct validation (Costello & Osborne, 2005). Promax rotation was chosen since theoretical considerations and prior research suggest the latent constructs (CDM, EL, trust, and KSB) are likely correlated; oblique rotation allows factors to be inter-related, improving interpretability and reflecting real-world construct relationships (Fabrigar

et al., 1999). Prior to extraction, sampling adequacy was assessed to ensure the dataset was appropriate for factor analysis. The Kaiser–Meyer–Olkin (KMO) value was .95, exceeding the recommended threshold of .90 and indicating excellent sampling adequacy (Kaiser, 1974). Bartlett’s test of sphericity was also highly significant,  $\chi^2(666) = 9094.37, p < .001$ , confirming that the correlation matrix was sufficiently patterned for factor extraction. These results demonstrate strong factorability of the data (see Appendix D, Table D1).

#### 4.4.1 Total Variance Explained

Table 3 summarises the eigenvalues and variance explained by each extracted factor. Consistent with the Kaiser Criterion (eigenvalues  $> 1$ ) and theoretical expectations, four factors were retained. The first factor accounted for 51.36% of the total variance, followed by 6.72%, 4.33%, and 3.72% explained by the remaining three factors, respectively, yielding a cumulative variance of 66.13%. According to Hair et al. (2019), cumulative variance exceeding 60% demonstrates satisfactory explanatory power in behavioural science research, confirming that the extracted factors adequately capture the shared variance among the measured items.

Visual inspection of the scree plot (see Appendix E, Figure 2) further supported the four-factor solution, showing a distinct inflection point after the fourth factor, beyond which the slope of eigenvalues levelled off. This convergence of statistical and graphical evidence justified retaining four factors, which corresponded conceptually to EL, CDM, trust, and KSB.

**Table 3**

*Confirmatory Factor Analysis Total Variance Explained*

Factor	Eigenvalue	% Variance	Cumulative %
1	17.06	51.36	51.36
2	2.49	6.72	58.08
3	1.60	4.33	62.41
4	1.38	3.72	66.13

*Note.* PAF, Promax Rotation. Only factors with eigenvalues  $> 1$  were retained (Kaiser Criterion).

#### 4.4.2 Factor Loadings Matrix

Table 4 presents the rotated pattern matrix and communalities derived from principal axis factoring with Promax rotation. All items loaded primarily on their intended factors with coefficients of  $\geq .40$ , demonstrating a clear and theoretically coherent four-factor structure corresponding to EL (Factor 1), CDM (Factor 2), KSB (Factor 3), and Trust (Factor 4). The communalities in the current analysis indicating that most items shared a substantial proportion of variance with their underlying constructs. No problematic cross-loadings above .40 were detected, supporting the discriminant validity and factorial validity of the measurement model (Hair et al., 2019). A few items showed marginally lower loadings (e.g., T2, T4, KSB10), though they were retained given their adequate communalities and strong theoretical grounding within validated instruments. Retaining such items is consistent with methodological guidance suggesting that item retention decisions should consider theoretical relevance, communalities, and overall scale reliability, particularly when using established and validated measurement instruments (Hair et al., 2019). Overall, the factor structure was both statistically sound and theoretically consistent with the study's conceptual framework.

**Table 4**

*Pattern Matrix and Communalities -Principal Axis Factoring, Promax Rotation*

Item	Factor 1	Factor 2	Factor 3	Factor 4	Communality
EL1	.96	—	—	—	.64
EL2	.89	—	—	—	.70
EL3	.93	—	—	—	.70
EL4	.95	—	—	—	.68
EL5	.80	—	—	—	.60
EL6	.54	—	—	—	.58
EL7	.55	—	—	—	.65
EL8	.73	—	—	—	.72
EL9	.79	—	—	—	.67
EL10	.56	—	—	—	.60
CDM1 (R)	—	.76	—	—	.30
CDM2	—	.69	—	—	.52
CDM3	—	.95	—	—	.76
CDM4	—	.93	—	—	.75
CDM5	—	.96	—	—	.69
CDM6	—	.90	—	—	.69
KSB1	—	—	.60	—	.65
KSB2	—	—	.57	—	.62

Item	Factor 1	Factor 2	Factor 3	Factor 4	Communality
<b>KSB3</b>	—	—	.55	—	.62
<b>KSB4</b>	—	—	.74	—	.64
<b>KSB5</b>	—	—	.86	—	.72
<b>KSB6</b>	—	—	.82	—	.75
<b>KSB7</b>	—	—	.58	—	.65
<b>KSB8</b>	—	—	.61	—	.66
<b>KSB9</b>	—	—	.53	—	.57
<b>KSB10</b>	—	—	.43	—	.73
<b>T1</b>	—	—	—	.59	.61
<b>T2</b>	—	—	—	.44	.71
<b>T3</b>	—	—	—	.58	.61
<b>T4</b>	—	—	—	.41	.78
<b>T5</b>	—	—	—	.68	.60
<b>T6</b>	—	—	—	.61	.55
<b>T7</b>	—	—	—	.53	.65
<b>T8</b>	—	—	—	.62	.55
<b>T9</b>	—	—	—	.74	.72
<b>T10</b>	—	—	—	.68	.62
<b>T11 (R)</b>	—	—	—	.90	.48

*Note.* Values < .40 suppressed for clarity. Rotation: Promax ( $K = 4$ )

## 4.5 Regression Analysis

### 4.5.1 Overview of the Regression Analysis

This section presents the results of a multiple regression analysis conducted to examine the direct effects of CDM, EL, and trust on KSB among employees in multicultural banking organisations in Islamabad, Pakistan. Multiple regression is appropriate for assessing the unique contribution of several correlated predictors to a single continuous outcome and is widely applied in behavioural and organisational research (Cohen et al., 2003). Following factor analysis, item responses were aggregated into mean composite variables (CDM\_MEAN, EL\_MEAN, TRUST\_MEAN, KSB\_MEAN) to represent each construct as a single continuous variable, as required for inclusion in the multiple regression analysis.

Before conducting the multiple regression analysis, the dataset was examined against the underlying assumptions of multiple regression, including normality, linearity, homoscedasticity, multicollinearity, and independence of errors (Field, 2024). As detailed next, these assumptions were evaluated using residual statistics, histograms, Q–Q plots, scatterplots

of standardised residuals, and collinearity statistics. Once the assumptions were confirmed as satisfactory, a standard multiple regression was performed in IBM SPSS v29 with all predictor variables entered simultaneously in a single model. The analysis commenced with an evaluation of the overall regression model to establish its statistical significance, followed by examination of regression coefficients and effect sizes to assess statistical support for the direct-effect hypotheses (H1–H3).

#### **4.5.2 Assumption Checks**

Before interpreting the regression results, the assumptions of multiple regression were examined. The assumptions assessed included normality of residuals, linearity, homoscedasticity, independence of errors, and multicollinearity.

##### **4.5.2.1 Normality of Residuals**

Normality was first assessed using the Shapiro–Wilk test, which was statistically significant ( $p < .001$ ), indicating a deviation from perfect normality. However, such significance is common and expected in large samples (Razali & Wah, 2011). To obtain a more accurate assessment, additional diagnostics were examined, including the Kolmogorov–Smirnov test, skewness and kurtosis values, and visual inspection of the histogram and normal Q–Q plot. The skewness (–0.97) and kurtosis (3.31) statistics fell within acceptable limits for large samples, as minor departures from normality have minimal impact on regression estimates when sample sizes exceed 200 (Field, 2024; Lumley et al., 2002). The graphical outputs also showed no substantial distortion, with residuals aligning closely along the diagonal reference line. The full normality test results are presented in Appendix D (Table D2), and the corresponding diagnostic plots (Q–Q plot and histogram) are provided in Appendix F (Figures 3 and 4). Taken together, the assumption of normality was adequately satisfied for the purposes of multiple regression analysis.

##### **4.5.2.2 Linearity and Homoscedasticity**

Linearity and homoscedasticity were assessed using a scatterplot of standardised residuals against standardised predicted values. The plot showed no funnel pattern, curvature, or clustering. The variance of the residuals appeared constant across all levels of prediction (see Appendix F, Figure 5). Collectively, these results indicate that both linearity and homoscedasticity assumptions were satisfied (Hair et al., 2019)

### 4.5.2.3 Multicollinearity

As shown in Table 5, all predictors met the acceptable thresholds for multicollinearity, with tolerance values exceeding .20 and VIF values remaining below 5. These results indicate that the regression estimates were not affected by shared variance among the independent variables.

**Table 5**

*Multicollinearity Statistics for Predictor Variables in the Regression Model (N = 276)*

<b>Predictor</b>	<b>Tolerance</b>	<b>VIF</b>
Ethical Leadership (EL)	.422	2.37
Trust	.322	3.11
Cultural Diversity Management (CDM)	.583	1.72

### 4.5.3 Regression Model Fit

The overall regression model was statistically significant,  $F(3, 272) = 231.24, p < .001$ , indicating that EL, trust, and CDM collectively explained 71.8% of the variance in KSB ( $R^2 = .718$ , Adjusted  $R^2 = .715$ ; see Appendix G, Table G1). The model demonstrated a strong level of predictive accuracy, as reflected by the standard error of the estimate ( $SE = .476$ ). The Durbin–Watson statistic (1.70) fell within the acceptable range of 1.50–2.50, suggesting no autocorrelation in the residuals and supporting the assumption of independence of errors (Field, 2024; Turner, 2019). Overall, the results indicate that the regression model fits the data well and accounts for a substantial proportion of variance in employees' KSB. In light of this satisfactory model fit, the next section examines the regression coefficients, effect sizes, and hypothesis tests for each predictor.

### 4.5.4 Regression Coefficients, Effect Sizes, and Hypotheses Testing

Table 6 presents the unstandardised and standardised regression coefficients for the three predictors entered the model. In line with the hypotheses developed in Chapter 2, the results were examined to determine the direct associations of EL, CDM, and trust with KSB, and are discussed sequentially according to the regression results

Hypothesis 1 (H1) proposed that CDM would be positively associated with KSB. The analysis indicated that CDM, while comparatively the weakest predictor, was nevertheless a significant

positive predictor of KSB ( $\beta = .262, p < .001$ ). Therefore, H1 was supported, indicating that higher levels of CDM are associated with greater KSB among employees.

Hypothesis 2 (H2) proposed that EL would be positively associated with KSB. The analysis showed that EL emerged as the strongest predictor of KSB ( $\beta = .421, p < .001$ ). Accordingly, H2 was supported, indicating that higher levels of EL are associated with greater KSB among employees.

Hypothesis 3 (H3) proposed that trust would be positively related to KSB. The results demonstrated that trust also had a significant positive association with KSB ( $\beta = .289, p < .001$ ). Thus, H3 was also supported, indicating that employees reporting higher levels of trust within their work environment also reported higher KSB.

Overall, all predictors showed positive and statistically significant relationships with KSB, thereby supporting all three hypotheses (H1–H3). Together, these findings suggest that EL, CDM, and trust each make an independent contribution to predicting KSB.

**Table 6**

*Multiple Regression Predicting Knowledge Sharing Behaviour*

Predictor	<i>B</i>	<i>SE B</i>	$\beta$	<i>p</i>	Hypothesis Outcome
Constant	-0.204	0.172	—	0.235	—
CDM	0.305	0.049	.262	<.001	H1 Supported.
EL	0.413	0.049	.421	<.001	H2 Supported.
Trust	0.353	0.069	.289	<.001	H3 Supported.

*Note.* *B* = unstandardized coefficient; *SE B* = standard error;  $\beta$  = standardized coefficient.

#### 4.6 Mediation Analysis

Mediation analyses were conducted to examine whether trust functioned as a mediator through which EL and CDM influence KSB. The analyses were performed using Hayes' PROCESS Macro v4.2 in IBM SPSS (Hayes 2022), applying Model 4, which tests simple mediation with one independent variable, one mediator, and one dependent variable. The significance of the indirect effects was assessed using 5,000 bootstrap samples with bias-corrected 95%

confidence intervals. Mediation is statistically significant when the confidence interval of the indirect effect does not include zero (Hayes, 2022).

No control variables were included in the regression models, as the analyses focused on testing the hypothesised relationships among the core constructs, consistent with the survey design described in Chapter 3, Section 3.6.1, where sociodemographic variables were collected for descriptive and contextual purposes rather than as focal predictors.

#### 4.6.1 Mediation of Trust in the relationship between EL and KSB

To determine whether trust mediated the relationship between EL and KSB, as proposed in H4, the total, direct, and indirect effects were calculated. These are reported in Table 7. The total effect of EL on KSB was positive and statistically significant ( $c = .753, p < .001$ ). Following the total effect, the association between EL and KSB was partitioned into a direct effect ( $c' = .410, p < .001$ ) and an indirect effect operating through trust ( $a \times b = .343$ ), which was statistically significant, with a 95% bootstrap confidence interval that excluded zero [.235, .468]. These results indicate that trust mediates the positive relationship between EL and KSB, supporting H4 and suggesting that part of the association between EL and KSB is conveyed through trust.

**Table 7**

#### *Mediation of Trust in the Relationship between EL and KSB*

Effect Type	Effect	SE	t/Z	p	95% CI (LL, UL)
Total effect ( $c$ )	.753	.038	19.82	<.001	[.678, .828]
Direct effect ( $c'$ )	.410	.052	7.91	<.001	[.308, .512]
Indirect effect ( $a \times b$ )	.343	.060			[.235, .468]

*Note.* Indirect effect based on 5,000 bootstrap samples. When the CI excludes zero this indicates significance of the mediation effect.

#### 4.6.2 Mediation of Trust in the relationship between CDM and KSB

Hypothesis 5 (H5) proposed that trust would mediate the relationship between CDM and KSB. A second mediation analysis was conducted to examine this indirect pathway, and the total,

direct, and indirect effects are presented in Table 8. The total effect of CDM on KSB was positive and statistically significant ( $c = .761, p < .001$ ). Following the total effect, the association between CDM and KSB was partitioned into a direct effect ( $c' = .301, p < .001$ ) and an indirect effect via trust ( $a \times b = .460$ ), which was statistically significant, with a 95% bootstrap confidence interval that excluded zero [.300, .650]. These results indicate that trust partially mediates the positive relationship between CDM and KSB, supporting H5, and suggesting that a considerable portion of the association between CDM and KSB is conveyed through trust.

**Table 8**

*Mediation of Trust in the Relationship between CDM and KSB*

Effect Type	Effect	SE	t/Z	p	95% CI (LL, UL)
Total effect (c)	.761	.053	14.26	<.001	[.656, .866]
Direct effect (c')	.301	.055	5.46	<.001	[.192, .410]
Indirect effect (a × b)	.460	.089	—	—	[.300, .650]

*Note.* Indirect effect based on 5,000 bootstrap samples. When the CI excludes zero this indicates significance of the mediation effect.

#### 4.7 Chapter Summary

This chapter presented the quantitative data analysis and results addressing the study's research questions and hypotheses. The chapter began by describing the sociodemographic characteristics of the respondent sample, providing contextual insight into participants' demographic and work-related profiles. Descriptive statistics, reliability analyses, and bivariate correlations demonstrated strong internal consistency across all constructs and revealed significant positive associations among EL, CDM, trust, and KSB.

Confirmatory factor analysis using principal axis factoring with Promax rotation confirmed a clear and theoretically coherent four-factor structure, supporting the construct validity and discriminant validity of the measurement scales. Subsequent multiple regression analysis indicated that EL, CDM, and trust each made significant and independent contributions to predicting KSB, with EL emerging as the strongest predictor.

Finally, mediation analyses using PROCESS Model 4 demonstrated that trust partially mediated the relationships between EL and KSB, and between CDM and KSB. Together, these findings provide robust empirical support for the hypothesised model and establish trust as a key explanatory mechanism linking leadership and diversity management practices to employees' engagement in knowledge sharing. The implications of these findings are discussed in the following chapter.

## **Chapter 5 Discussion and Conclusion**

### **5.1 Introduction**

The aim of this study was to examine employees' knowledge sharing behaviour within multicultural workplace environments, where knowledge hoarding has been recognised as an organisational challenge in prior research (Raza & Awang, 2020, 2021). To achieve this objective, the research was conducted in Islamabad, Pakistan, a context characterised by substantial cultural, linguistic, and regional diversity (PBS, 2023). The banking sector was selected as the focal industry due to its multicultural workforce composition, hierarchical supervisory structures, and knowledge-intensive nature, which together provide an appropriate context for examining the association between ethical leadership conduct and employees' reciprocal workplace behaviours. To facilitate this examination, trust was conceptualised as the central mechanism through which EL and CDM are jointly associated with KSB. In line with this conceptual framework, this last chapter provides a comprehensive interpretation of the empirical findings, demonstrating how the research questions, hypotheses, and core objectives of the study have been addressed, resulting in theoretical and practical contributions. The chapter consists of five sections. Section 5.2 discusses the key findings by interpreting the observed relationships among CDM, EL, trust, and KSB in light of the research questions and prior literature. Section 5.3 examines the theoretical implications of the study by first outlining the study's contributions to diversity management research within multicultural organisational contexts. The section then advances leadership literature by clarifying how EL positively shapes employees' behaviour in multicultural banking settings. Finally, it contributes to trust theories by demonstrating the role of trust in linking EL and CDM with KSB. Section 5.4 outlines the practical implications of the study, highlighting the benefits of the findings for organisational and managerial practice, policy makers, employee development, and globally diverse multicultural workplaces. Section 5.5 identifies the study's main limitations, including methodological constraints, measurement issues, analytical and statistical limitations, and conceptual boundaries. Finally, Section 5.6 concludes the chapter by precisely highlighting how the study effectively addresses the identified research gap.

### **5.2 Discussion of Key Findings**

This study examined how EL, CDM, and trust are associated with employees' KSB within multicultural banking organisations in Islamabad, Pakistan. Across all analyses, these organisational factors demonstrated significant associations with employee's willingness to

share knowledge, indicating that ethical leadership practices, cultural diversity management support, and trust are jointly related to a more open and collaborative knowledge environment. The discussion addresses the study's two research questions in a structured manner. RQ1 examines the associations between EL, CDM, and employees' KSB, while RQ2 considers the role of trust within these associations. To address these research questions, the discussion is organised into two analytical parts. The first part focuses on the associations between EL, CDM and KSB, in line with RQ1. The second part examines trust as a mediating mechanism within the relationships between EL, CDM and KSB, addressing RQ2. Each section interprets the empirical findings to demonstrate how the research questions are addressed and to examine proposed mechanisms with support from prior research.

### **5.2.1 RQ1: Direct Associations between EL, CDM, and KSB**

#### **EL and KSB**

Findings from the data analysis indicate that EL emerged as the strongest predictor associated with KSB in this study (see Table 6). This pattern observed in the present study suggests that ethical supervisory behaviour characterised by fairness and integrity is associated with employees' willingness to engage in knowledge sharing. This interpretation is consistent with prior research demonstrating that EL is associated with fair, trustworthy, and supportive leader-employee relationships (Brown & Treviño, 2006; Malik et al., 2023), creating conditions that reduce perceived interpersonal risk and reinforce norms of reciprocity that encourage KSB (Bavik et al., 2018; Le & Nguyen, 2022).

Within the context of Pakistan's banking sector, which is characterised by hierarchical supervisory structures, the present findings also align with prior empirical evidence. Specifically, Bhatti et al. (2021) demonstrate that when ethical leaders act as normative role models in banking organisations, employees are more likely to engage in productive behaviours such as knowledge sharing. Consistent with this prior research, the present findings suggest that EL is particularly salient in supervisory-intensive banking environments, where line managers' conduct is closely associated with patterns of employee behaviour. Overall, the findings align with prior research highlighting the positive relationship between EL and KSB, while extending this evidence to multicultural banking settings, where ethical supervisory behaviour is similarly associated with employees' knowledge sharing behaviour.

## **CDM and KSB**

CDM also demonstrated a positive association with KSB in the present study (see Table 6). This pattern in the current study indicates that higher perceptions of fair and inclusive diversity management are associated with greater willingness among employees to engage in knowledge sharing. These findings align with prior research showing that when cultural diversity is managed fairly and inclusively, communication barriers are reduced, and employees are more willing to share information within multicultural workgroups (Lauring, 2009; Raza & Awang, 2020, 2021). Consistent with this evidence, the present study demonstrates that CDM is associated with KSB within a work climate in which employees from diverse cultural backgrounds perceive fair treatment.

### **5.2.2 RQ2: Trust as a Mediating between EL, CDM, and KSB**

Before examining trust as a mediating mechanism, it is important to establish whether trust is associated with KSB, providing a foundation for interpreting its mediating role. Trust emerged as the most prominent factor associated with KSB among the study variables (see Table 6), underscoring its relevance for understanding employees' willingness to share knowledge. This association aligns with Holste and Fields (2010), who demonstrate that trust reduces perceived interpersonal risks, thereby linking higher trust levels with greater employee willingness to share knowledge with colleagues. Building on this association between trust and KSB, the following discussion considers trust as a mediating mechanism within the relationships between EL, CDM, and KSB.

#### **Trust as mediator in the EL → KSB relationship**

The mediation analysis showed that the relationship between EL and KSB was partially transmitted through trust, with both direct and indirect effects observed (see Table 7). This pattern demonstrates that a considerable proportion of EL's influence on KSB occurs through trust. Prior research indicates that EL characterised by fairness and transparency is associated with higher levels of employee trust (Engelbrecht et al., 2015; Le & Nguyen, 2022). Consistent with this evidence, Le and Nguyen (2022) show that integrity-driven role modelling by leaders is associated with trust, which functions as a mediating mechanism linking EL with employees' willingness to engage in KSB. Adding to the broader organisational literature, the present findings contribute by demonstrating that the trust-based mediating mechanism in the EL–KSB relationship also operates within a multicultural, hierarchical supervisory context.

### **Trust as Mediator in the CDM → KSB Relationship**

As indicated by the present findings, trust functioned as a mediating mechanism within the relationship between CDM and KSB. The results suggest that the association between CDM and KSB was evident both directly and indirectly through trust, indicating partial mediation (see Table 8). This pattern suggests that employees who perceive cultural diversity as being managed fairly tend to report higher trust, and this trust is in turn associated with greater confidence in sharing knowledge across cultural boundaries. Prior research supports this interpretation, showing that diversity supportive practices strengthen employees' trust, which subsequently drives higher levels of cooperation and knowledge sharing behaviour (Shen et al., 2014). Evidence from Pakistani studies further indicates that in multicultural workplace settings, particularly within Islamabad's diverse organisational environments, trust functions as a central mechanism through which inclusive, HR-supported CDM practices are associated with employees' engagement in knowledge sharing (Raza & Awang, 2020, 2021). Consistent with this contextual evidence, the present study conducted within Pakistan's multicultural banking sector indicates that trust functions as an important mediating pathway through which CDM is associated with KSB.

### **5.3 Theoretical Implications**

The theoretical contributions of this study are grounded in the dynamics of multicultural organisational environments, where cultural diversity shapes employees' workplace interactions. As the metropolitan capital of Pakistan, Islamabad exhibits substantial cultural diversity, encompassing ethnic, linguistic, and regional differences among its workforce. This diversity is clearly reflected in the data collected from employees working in Islamabad's banking sector (see Table 1). By situating the analysis within a culturally diverse banking environment, this study offers a distinctive empirical context that extends theoretical understanding in a multicultural setting where these predictors have received comparatively limited empirical attention.

First, the study contributes to the diversity management literature by indicating that employees' perceptions of higher levels of CDM were associated with greater reporting of knowledge-sharing behaviours, with such relationships potentially reflecting perceptions of fairness and inclusivity (Mor Barak et al., 1998; Shen et al., 2014). While prior research has primarily

examined these relations without explicitly considering culturally diverse workforces (Brown & Treviño, 2006; Bavik et al., 2018; Le & Nguyen, 2022). However, multicultural dynamics are known to shape communication patterns and workplace behaviours (Lauring, 2009; Shen et al., 2014). Prior evidence from studies of Pakistan's multicultural context shows that cultural differences meaningfully shape employees' willingness to share knowledge. Studies of multicultural staff in higher education institutions in Islamabad document that ethnically and culturally diverse employees often hoard knowledge and tend to share primarily within their own ethnic groups, while also demonstrating that cultural diversity management practices play a significant positive role in promoting knowledge sharing behaviour (Raza & Awang, 2020, 2021). By capitalising on the opportunity to examine CDM as a key antecedent of KSB within a multicultural organisational environment, this study advances diversity management scholarship by providing empirical evidence from one of the largest service sectors, characterised by a highly diverse multicultural workforce in Islamabad, Pakistan.

Second, this study extends leadership literature by examining EL in a supervisory-intensive multicultural banking environment, a context where empirical work remains limited. Although prior studies in Pakistan have examined leadership styles and employee outcomes in the banking sector (Asrar-ul-Haq & Kuchinke, 2016; Burhan et al., 2023) and have explored the association between EL and employees' knowledge-related behaviours, including KSB (Bhatti et al., 2021), these studies did not explicitly incorporate cultural diversity as a focal analytical consideration within their research designs. The present findings indicate that EL is positively associated with knowledge sharing even within a multicultural context, thereby contributing to existing theoretical insights by showing that employees' perceptions of line managers' ethical conduct remain positively associated with cooperative behaviour in diverse workplaces.

Third, this study makes a significant contribution to the trust literature by highlighting the mediating role of trust within the integrated EL-CDM-KSB model. In this research context, characterised by multicultural workgroups and pronounced supervisory influence, trust emerged as a mechanism for translating both ethical leadership signals and diversity supportive practices into employees' willingness to share knowledge. Previous studies have examined trust as a mediator of KSB either in relation to ethical leadership without directly conceptualising cultural differences in the work environment (Le & Lei, 2018; Le & Nguyen, 2022) or in diversity-related contexts where ethical leadership dynamics are not modelled (Raza & Awang, 2020, 2021). Consequently, existing literature has offered limited insight into how EL, CDM, and trust jointly shape KSB within multicultural and hierarchical

organisational contexts. The present study demonstrates that trust functions as the psychological mechanism linking both ethical conduct and equitable diversity practices to knowledge sharing. This study contributes to trust theory by showing that employees' trust in line managers is positively associated with knowledge sharing within culturally diverse work environments. In such settings, trust in supervisory relationships may be reflected in more open and cooperative interactions among colleagues, encompassing both vertical and peer-level exchanges.

Collectively, the findings of this study clarify how Social Exchange Theory (SET) and Organisational Support Theory (OST) help explain the relational mechanisms associated with KSB within multicultural and hierarchically structured organisations. From a SET perspective, EL operates within vertical exchange relationships between employees and line managers, where perceptions of fairness, integrity, and consistent ethical conduct reduce relational uncertainty and strengthen expectations of reciprocity. In such exchanges, trust functions as a relational mechanism that lowers perceived interpersonal risk, making discretionary behaviours such as KSB more likely within ongoing social exchange relationships (Blau, 1964; Levin & Cross, 2004; Nazarian et al., 2024).

In parallel, the findings provide insights into OST by illustrating how HR-supported CDM practices operate as organisational-level support signals. Within culturally diverse banking environments, inclusive diversity practices communicate that the organisation values employees' contributions irrespective of cultural background, thereby strengthening perceived organisational support (Eisenberger et al., 1986; Ketemaw et al., 2024). These perceptions, in turn, are associated with a stronger sense of obligation and psychological safety, which supports employees' willingness to engage in KSB. By empirically demonstrating that trust mediates the relationships between both EL and CDM with KSB, the study clarifies how leader–employee exchange processes (SET) and organisational support signals (OST) are translated into knowledge sharing behaviour through relational trust.

#### **5.4 Practical Implications**

The findings of this study produce several practical implications for organisations, managers, policy makers, employees, and multicultural workplaces more broadly. Based on the findings that EL, CDM, and trust jointly predicted KSB, the interpretation of these findings offers actionable guidance for strengthening leadership practices, diversity management systems, and trust-building mechanisms in banking and related institutions.

### 5.4.1 Organisational and Managerial Implications

Building on these insights, the organisational and managerial implications extend across both strategic HRM systems and supervisory practices. Given the prominence of EL in relation to KSB, developing and institutionalising ethical competencies represents an important strategic consideration for banks. HR departments and leadership development units have a key role in embedding fairness, transparency, and value-based decision making into recruitment, promotion, and training processes for leaders. Integrating these competencies into leadership development programmes may support the cultivation of ethical organisational cultures in which open communication and knowledge sharing are valued (Bavik et al., 2018; Brown & Treviño, 2006).

At the same time, the observed associations involving CDM and trust highlight the relevance of inclusive HR policies and practices. To leverage the potential of CDM, HR units and organisational support functions may consider establishing mechanisms that promote bias-free treatment and cultural inclusivity. Embedding diversity-oriented considerations within grievance procedures and team management frameworks can help address perceptions of bias and support employees' sense of fairness and trust within the organisation, which ultimately encourages knowledge-sharing activities (Lauring, 2009; Raza & Awang, 2020).

At the operational level, line managers and supervisors in Pakistan's multicultural banking sector serve as the primary agents who translate organisational values into everyday behaviour. As indicated by the findings, in order to enhance ethical conduct and cultivate trust among employees, line managers must consistently demonstrate fairness, transparency, and integrity (Engelbrecht et al., 2015). Engaging in these behaviours provides conditions that enable employees to engage confidently in knowledge sharing activities (Le & Nguyen, 2022). When supervisors model ethical behaviour, they reinforce employees' perceptions of psychological safety and reduce knowledge-hiding behaviours (Men et al., 2020), which are essential for sustaining effective knowledge sharing in culturally diverse teams.

By aligning ethical leadership development, diversity management practices, and trust building mechanisms across HR systems and supervisory processes, banks can establish an integrated organisational framework that promotes a sustained culture of knowledge sharing. Such alignment not only enhances day-to-day organisational effectiveness but also strengthens long-term firm performance and supports competitive advantage (Mills & Smith, 2011; Obeso et al., 2020).

### **5.4.2 Implications for the Policymakers**

At the industry level, the findings also offer actionable guidance for sector-level policymakers. Bodies such as the Pakistan Banks Association (PBA) and the State Bank of Pakistan (SBP), which act as key regulatory and coordinating authorities for the banking sector, should prioritise sector wide leadership development programmes that emphasise ethical conduct, fairness, and cultural competence. These behavioural standards help create and sustain environments that strengthen effective knowledge sharing. Moreover, system-level initiatives, such as standardised diversity management guidelines, cross-cultural training requirements, and transparent governance frameworks, can help banking institutions manage multicultural workforces more consistently and cohesively. By embedding EL and CDM principles into regulatory expectations, such as enforcing penalties for ethical breaches or discriminatory practices, policymakers can signal the importance of ethical and inclusive conduct across the sector. These standards may also be integrated into professional development and compliance structures, particularly within HRM functions. Together, such measures can support the development of culturally inclusive organisational climates that are conducive to sustainable knowledge sharing and stronger industry-wide performance.

### **5.4.3 Implications for Employees**

Employees are key beneficiaries under EL and CDM practices, particularly because trust within the workplace emerged as a prominent factor associated with KSB in this study. When line managers demonstrate ethical conduct, such behaviour is associated with higher levels of trust among employees, including trust in colleagues, which represents an important condition for confident and proactive knowledge sharing behaviour (Le & Nguyen, 2022; Holste & Fields, 2010).

Importantly, these findings underscore that when EL and CDM are reflected in organisational practices, a trust-rich work environment can emerge in which employees feel more confident interacting with both colleagues and line managers. Within such environments, employees may increasingly view line managers as supportive resources or mentors, which facilitates open and effective knowledge exchange and supports broader learning and career development (Abrams et al., 2003; Dirks & Ferrin, 2001; Yazdanshenas & Mirzaei, 2023). At the same time, employees can actively look for and respond to cues of ethical leadership, trustworthiness, and inclusive diversity practices in their line managers' behaviour, using these as signals that it is relatively safe to share ideas, raise concerns, and seek feedback.

Within such trust-rich environments, employees are better positioned to feel secure and supported when asking questions, admitting mistakes, and sharing knowledge with colleagues (Levin & Cross, 2004; Holste & Fields, 2010). This dynamic enables juniors to learn from the expertise of senior staff and peers, promoting mutual learning and career growth while ultimately benefiting the organisation through richer exchange of experience, knowledge, and specialised skills.

#### **5.4.4 Implications for Global Multicultural Workplaces (e.g., New Zealand and Gulf Cooperation Council)**

Although this study was conducted in Pakistan, its insights are highly relevant to multicultural workplaces globally. Because the theoretical model examined here was specifically developed for culturally diverse organisational settings, it offers particular value for countries such as New Zealand and other multicultural environments, for example those with high immigrant populations, where similar diversity related challenges persist. In New Zealand, for example, data show that nearly 29% of residents were born overseas; major ethnic communities include European (68%), Māori (18%), Asian (17%), and Pacific People (9%), and with more than 200 countries of birth and over 150 languages represented nationally (Stats NZ, 2024).

Similarly, cultural diversity in the Gulf Cooperation Council (GCC) is even more pronounced, with figures from the Gulf Labour Markets, Migration, and Population Programme (GLMM, 2023) indicating that foreign nationals make up around 52% of the total population across Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates. In several of these states, non-nationals substantially outnumber citizens, with foreign nationals comprising approximately 88% of the population in Qatar and around 86% in the United Arab Emirates, creating intensely multicultural organisational environments (GLMM, 2023). These ethnic backgrounds create multicultural contexts in organisations where communication barriers, cultural clustering, and trust asymmetries frequently shape workplace interactions. In such diverse workplace settings, the present study provides valuable guidance by highlighting the relevance of EL and effective CDM practices for supporting knowledge sharing.

### **5.5 Limitations and Directions for Future Research**

#### **5.5.1 Methodological Limitations**

Although this study has produced meaningful findings, it is important to acknowledge several limitations. First, the use of self-reported survey data and a cross-sectional design limits the ability to draw strong causal inferences (Fowler, 2014). Second, although validated

measurement scales were employed, the data capture employees' perceptions of organisational practices and behaviours at a single point in time, rather than directly observed behaviours. Given that the study examines relationships between attitudinal constructs that may evolve over time, a longitudinal or multi-wave design would have been more suitable for examining how these dynamics unfold (Rindfleisch et al., 2008). Future research could strengthen both temporal inference and measurement robustness by adopting time-separated designs and incorporating multi-source approaches like supervisor or peer inputs, alongside employee perceptions (Podsakoff et al., 2012; Rindfleisch et al., 2008). Despite these limitations, the present findings still provide valuable empirical insights and a useful starting point for further research.

### **Control Variables and Model Specification**

A further limitation of this study concerns the absence of sociodemographic variables as control factors in the main regression and mediation analyses. Although the survey captured sociodemographic information such as gender, age, tenure, and employment status, these characteristics were not incorporated as statistical controls in the primary models. This decision was made to avoid unnecessary model complexity, as including control variables without strong theoretical justification can distort focal relationships and reduce interpretability (Becker et al., 2016).

Nevertheless, supplementary analyses incorporating selected sociodemographic controls (gender, age group, and tenure) were conducted as a robustness check, and the substantive pattern of results remained unchanged (see Appendix H, Table H1). This indicates that the observed relationships among EL, CDM, trust, and KSB are not driven by these demographic characteristics.

Even so, sociodemographic factors may sometimes explain meaningful variability in KSB or influence the strength of relationships among key organisational constructs (Grubić-Nešić et al., 2015). Accordingly, future research could integrate theoretically relevant control variables more systematically to examine whether such characteristics account for additional variance in KSB or condition the relationships among EL, CDM, and trust within multicultural banking environments.

### 5.5.2 Measurement Limitations

Several measurement limitations were identified despite the use of validated scales, particularly regarding reverse-coded items and few borderline factor loadings. The single reverse-coded items in the scales for trust (T11) and cultural diversity management (CDM1) both showed comparatively low communalities (.48 and .30, respectively), indicating that these negatively worded indicators were not strongly representative of their intended latent constructs. This pattern is consistent with evidence that reverse-coded items often perform poorly, introducing wording related method factors and weakening reliability and factorial validity (Wong et al., 2003). Secondly, a few items exhibited marginally low factor loadings. Hair et al. (2019) note that loadings in the .30–.40 range may still be acceptable when the sample size exceeds 250 respondents. On this basis, and given the sample size of 276 respondents, these items were retained to maintain the construct validity of the established scales, with internal consistency reliability remaining strong (see Table 2). Future studies in similar cultural contexts are encouraged to re-examine such items more rigorously before full data analysis.

### 5.5.3 Statistical and Analytical Limitations

In this study, mediation was tested using Hayes' PROCESS Macro (Model 4), an ordinary least square (OLS) based regression approach that estimates paths sequentially, which carries few analytical limitations. First, EL, CDM, trust, and KSB were entered as composite mean scores (e.g., EL\_mean, CDM\_mean, Trust\_mean, KSB\_mean). This approach ignores random measurement error in these predictors, producing biased direct, indirect, and total effects, as unadjusted OLS regression can attenuate associations when predictors contain measurement error (Hayes et al., 2025). Second, the mediation pathways EL → Trust → KSB and CDM → Trust → KSB were analysed separately, as Model 4 estimates only one mediator at a time. Although this yields valid effects under perfect measurement, it treats constructs as observed variables without overall model fit assessment. By contrast, SEM would simultaneously estimate both pathways with latent variables, correcting measurement error and providing fit indices (Hair et al., 2019; Kline, 2023). Despite these limitations, Hayes' PROCESS Model 4 remains a well-established and robust approach for testing mediation in applied organisational research, particularly when constructs demonstrate strong internal consistency reliability. Future research may adopt SEM, to more rigorously examine the EL–CDM–Trust–KSB framework while allowing simultaneous estimation of mediation pathways and overall model fit.

#### **5.5.4 Conceptual Limitations**

This study was based exclusively on the mediating role of trust in the relationships among CDM, EL, and KSB. While the model generated meaningful insights within a multicultural organisational setting, the absence of a moderating variable in our model presents an opportunity to further examine the conditions under which these relationships interact and vary in strength. For example, Le and Nguyen (2022) demonstrated that distributive justice positively moderates the relationship between EL and trust in the EL–Trust–KSB relationship, enhancing employee’s knowledge sharing intentions. Furthermore, extending the model to examine KSB as an antecedent of firm performance would help clarify the organisational value of knowledge sharing, by linking employees’ behaviours to higher-level outcomes. Prior research demonstrates that effective knowledge sharing processes significantly improve innovation capability, operational efficiency, and overall firm performance (Truong et al., 2023). Incorporating such performance-related outcomes would directly benefit organisations by highlighting gains in performance. Future research could therefore adopt a moderated-mediation design to investigate how additional contextual factors shape the pathways from EL and CDM to KSB and, ultimately, to organisational performance.

#### **5.6 Conclusion**

The Islamabad capital district represents one of Pakistan’s culturally diverse organisational environments, where knowledge hoarding has been identified as a persistent barrier (Raza & Awang, 2020). Reflecting this multicultural context, the present study examined knowledge-intensive work environments characterised by hierarchical supervisory practices through a focus on Pakistan’s banking sector. By situating the analysis within a developing-country context where organisational practices and cultural norms differ from those commonly examined in Western settings, the study addresses an important empirical gap in the existing literature. Capitalising on this context, the findings indicate that ethical leadership, fair and inclusive cultural diversity management, and trust are closely associated with knowledge sharing behaviour within multicultural organisational environments.

Beyond addressing this empirical gap, the study contributes to theory by clarifying the relevance of theoretical frameworks such as SET and OST, showing how EL and CDM jointly relate to patterns of trust associated with KSB. These aligned theoretical processes help explain why trust emerged as an important mediating mechanism within the EL–CDM–KSB model. Overall, this thesis provides a coherent empirical and theoretical foundation for understanding

the mechanisms associated with knowledge sharing behaviour, while offering insights that may serve as a valuable resource for scholars and practitioners seeking to enhance organisational effectiveness in multicultural contexts.

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## Appendices

### Appendix A

### Ethical Approval



#### Auckland University of Technology Ethics Committee (AUTEC)

23 July 2025

Helena Cooper-Thomas  
Faculty of Business Economics and Law

Dear Helena

Re Ethics Application: **25/232 Cross Cultural Organizations and Knowledge Sharing Behaviour: A Study on the Banking Sector in Pakistan**

Thank you for your responses to AUTEC's conditions.

Your ethics application has been approved for three years until 22 July 2028.

#### Non-Standard Conditions of Approval

1. In the Information Sheet remove the references for the option of providing an email address for summary report.

Non-standard conditions do not need to be submitted to or reviewed by AUTEC unless requested but must be completed before commencing your study.

#### Standard Conditions of Approval

1. The research is to be undertaken in accordance with the [Auckland University of Technology Code of Conduct for Research](#) and as approved by AUTEC.
2. All public facing documents must have the AUTEC approval number and be of a high standard of spelling and grammar. Dates on the Information Sheet(s) and Consent Form(s) must be consistent.
3. Any amendments to the project must be approved by AUTEC prior to being implemented.
4. A progress report is due annually on the anniversary of the approval date.
5. A final report is due at the expiration of the approval period, or, upon completion of project.
6. Any serious or adverse events must be reported to AUTEC, this includes unforeseen issues that might affect continued ethical acceptability of the project.
7. AUTEC grants ethical approval only. You are responsible for obtaining management permission for access from any institution or organisation at which your research is being conducted and you need to meet all ethical, legal, public health, and locality obligations or requirements for the jurisdictions in which the research is being undertaken.

The application number and title need to be referenced on all correspondence related to this project.

All forms are available online <http://www.aut.ac.nz/research/researchethics>

For any enquiries, please contact the Secretariat at [ethics@aut.ac.nz](mailto:ethics@aut.ac.nz)  
(This is a computer-generated letter for which no signature is required)

The AUTEC Secretariat  
Auckland University of Technology Ethics Committee

Cc: [wmb7299@autuni.ac.nz](mailto:wmb7299@autuni.ac.nz)

## Appendix B

### Participant Information Sheet



#### Participant Information Sheet

Participant Information Sheet

#### Date Information Sheet Produced:

<sup>23rd</sup> July 2025

#### Project Title

Cross Cultural Organizations and Knowledge Sharing Behaviour: A Study on the Banking Sector in Pakistan

#### An Invitation

My name is Ali Raza, and I am currently completing a Master of Business (Management) at Auckland University of Technology (AUT) New Zealand. As part of my qualification, I am conducting research to better understand how cultural diversity management and ethical leadership influence knowledge-sharing behaviour in the banking sector, particularly within cross-cultural workplace settings where knowledge sharing can be challenged by differences in ethnicity, language, and regional backgrounds. This study also explores the important mediating role of trust in enabling effective knowledge exchange across diverse teams. A complete outline of the research project can be found below. Thank you for taking the time to read this document.

#### What is the purpose of this research?

My research focuses on the banking sector in Pakistan, where workplaces are often culturally diverse, with employees from various linguistic, ethnic, and regional backgrounds. In this study, **'culture' refers to shared ethnic, linguistic, or regional identities (e.g., Punjabi, Sindhi, Urdu-speaking) and associated workplace norms**. While such diversity can enhance innovation, it may also present communication challenges that impact knowledge sharing. Gender and age are analysed separately as demographic factors.

This research aims to investigate how key workplace practices, cultural diversity management and ethical leadership, influence employee's willingness to share knowledge, particularly when trust is present. The study will use a self-administered, anonymous online survey to gather data from banking employees in Pakistan.

Findings from this research will contribute to my Master of Business thesis and may be used in future academic presentations and publications.

#### How was I identified and why am I being invited to participate in this research?

To seek participants like you for this research, I have primarily utilised both general social media platforms and professional networks within the Pakistani banking sector, such as Facebook, LinkedIn, WhatsApp groups, and email, to promote the study and reach relevant participants. I have also asked my ex- colleagues to share the invitation with other colleagues to recruit participants. You may have received information about this research through one of these channels.

For this research, the criteria for participating are:

- Currently employed in a public or private banking sector in Pakistan.
- 18 years of age or older.

#### How do I agree to participate in this research?

Your participation in this research is voluntary (it is your choice) and whether or not you choose to participate will not disadvantage you.

Upon reviewing the information in this document, if you have questions, please feel free to contact me via email or phone to answer your queries (my contact details are at the end of this document).

Please note if you decide to participate, you will be asked to confirm your consent electronically by ticking a box at the beginning of the online survey. You are able to withdraw from the study at any time before submission of survey. However, once you complete and submit the survey, this implies your consent to participate and removal of your data will not be possible. .

**What will happen in this research?**

I am seeking approximately 300 banking professionals to voluntarily complete an anonymous online survey. The survey will take approximately 10–12 minutes to complete and can be accessed at your convenience via a secure Qualtrics link:

[https://aut.au1.qualtrics.com/jfe/preview/previewId/b855b2e1-b90d-4aeb-a82a-d88a0ad526e8/SV\\_6KKQDV\\_MtzCHPhrg?Q\\_CHL=preview&Q\\_SurveyVersionID=current](https://aut.au1.qualtrics.com/jfe/preview/previewId/b855b2e1-b90d-4aeb-a82a-d88a0ad526e8/SV_6KKQDV_MtzCHPhrg?Q_CHL=preview&Q_SurveyVersionID=current)

**What are the discomforts and risks?**

The survey questions ask you to evaluate your experiences with leadership, trust, knowledge-sharing and cultural diversity at work, and provide some demographic information allowing a description of my overall sample. Reflecting and evaluating your work experiences could cause mild discomfort.

**How will these discomforts and risks be alleviated?**

These discomforts are expected to be minimal. Moreover, participation is entirely voluntary, and you may exit the survey at any time before submission without penalty. The survey is self-administered online, allowing you to complete it privately at your convenience.

**What are the benefits?**

By participating in this research, you may benefit from reflecting on your own experiences and views related to leadership, trust, knowledge sharing and cultural diversity at work within your organisation. This process of reflection may enhance your awareness of how these factors influence collaboration and knowledge sharing in the workplace. Your anonymous input will directly support my completion of a Master's qualification and may contribute to future academic research (with your consent) under the supervision of Professor Helena Cooper-Thomas.

Beyond individual benefits, your contribution will help generate new insights into how cultural diversity management and ethical leadership affect trust and knowledge-sharing behaviour in cross-cultural workplaces. These findings can inform practical improvements in human resource practices and leadership development within banking institutions, and perhaps other industries. By supporting more inclusive, trust-based environments, this research may lead to stronger team collaboration, improved innovation, and better organisational performance, benefiting both employees and the wider banking sector.

A summary report of key findings will be available for participants at the end of the study and will be posted at this link: <https://osf.io/nzc3b/>; the full thesis will be publicly accessible through AUT's open-access repository, Tūwhera: <https://tuwhera.aut.ac.nz/research-repository> If you would like to get a copy of the summary report or the full thesis, you can access them through the above links.

**How will my privacy be protected?**

Throughout the course of the research, participant's privacy and confidentiality will be protected by collecting all data anonymously through a self-administered Qualtrics survey. No names, email addresses, or identifiable personal data will be requested or stored within the survey. All survey data will be securely stored in a password-protected folder on Professor Cooper-Thomas' (the supervisor) AUT OneDrive account, accessible only to the researcher and the supervisor, and will be retained for six years in accordance with AUT's data management policy before being permanently deleted.

**What are the costs of participating in this research?**

There are no direct costs associated with participating in this research, other than your time.

**Options for future use of the information you provide**

In order to maximise the value of the information you provide, we seek your permission to allow future postgraduate research students supervised by Professor Helena Cooper-Thomas to use your deidentified (anonymous) survey responses in their research. This will enable future students to build on the insights generated by this study. There is a tick box at the end of the survey where you can indicate whether or not you give permission for this further use of your data. Either way, the secure data storage remains the same, with deletion after six years.

**What opportunity do I have to consider this invitation?**

You are welcome to consider this invitation at your own convenience. However, we kindly ask that you complete the survey as early as possible, as the data collection period is scheduled to end within one month of this advertisement, by 31/08/2025. If you have any questions or require further information before deciding to participate, please feel free to contact me at any time using the contact details provided below. Your participation is entirely voluntary, and no individual follow-ups will be made.

**Will I receive feedback on the results of this research?**

A summary of the overall research findings will be made available once the thesis is complete. If you would like to receive this summary, you will have the option to access it online at <https://osf.io/nzc3b/>.

**What do I do if I have concerns about this research?**

Any concerns regarding the nature of this project should be notified in the first instance to the Project Supervisor, Dr. Helena Cooper-Thomas – email: [helena.cooper.thomas@aut.ac.nz](mailto:helena.cooper.thomas@aut.ac.nz), phone: 09 921 9999 ext. 7664.

Concerns regarding the conduct of the research should be notified to the Executive Secretary of ATEC, [ethics@aut.ac.nz](mailto:ethics@aut.ac.nz), (+649) 921 9999 ext. 6038.

**Whom do I contact for further information about this research?**

Please keep this Information Sheet for your future reference. You are also able to contact the research team as follows:

**Researcher Contact Details:**

Ali Raza  
+642902487704  
[wmb7299@autuni.ac.nz](mailto:wmb7299@autuni.ac.nz) / [aliraza181818@gmail.com](mailto:aliraza181818@gmail.com) (personal)

**Project Supervisor Contact Details:**

Dr. Helena Cooper-Thomas  
[helena.cooper.thomas@aut.ac.nz](mailto:helena.cooper.thomas@aut.ac.nz)  
09 921 9999 ext 7664

Approved by the Auckland University of Technology Ethics Committee on **23 July 2025**, ATEC Reference number **25/232**.

## Appendix C

### Qualtrics SAQ Survey

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Qualtrics Survey Software

#### Default Question Block

Welcome to the Research Survey

Dear Participant,

Thank you for your interest in this study titled:

“Cross-Cultural Organisations and Knowledge Sharing Behaviour: A Study on the Banking Sector in Pakistan.”

Before you begin, please read the Participant Information Sheet (PIS), which explains the purpose of the study, your rights as a participant, and how your data will be handled.

  [Click here to read the Participant Information Sheet](#)

Once you have read the Participant Information Sheet and are happy to take part in the study, please tick the checkbox below to confirm your consent and begin the survey. Your responses are anonymous, and participation is voluntary.

Thank you again for your time.

Kind regards,

Ali Raza

Postgraduate Researcher

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Qualtrics Survey Software

Auckland University of Technology (AUT)

I have read the Participant Information Sheet and voluntarily agree to take part in this research.

Tick this box to confirm and click on the red arrow to continue

#### **Block 4**

Instructions:

Please indicate your level of agreement with each of the following statements on a 5-point Likert scale:

- 1 – Strongly Disagree
- 2 – Somewhat Disagree
- 3 – Neither agree nor disagree
- 4 – Somewhat Agree
- 5 – Strongly Agree

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Qualtrics Survey Software

## Block 2

### Section 3: ETHICAL LEADERSHIP

*The following statements relate to the leadership behaviour of your line manager. Please rate how much you agree or disagree with each one based on your experience.*

	Strongly disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Strongly agree
My line manager listens to what employees have to say.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My line manager disciplines employees who violate ethical standards.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My line manager conducts their personal life in an ethical manner.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My line manager has the best interests of employees in mind.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My line manager makes fair and balanced decisions.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My line manager can be trusted	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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Qualtrics Survey Software

	Strongly disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Strongly agree
My line manager discusses business ethics or values with employees.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My line manager sets an example of how to do things the right way in terms of ethics.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My line manager defines success not just by results but also by the way they are obtained.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My line manager asks, "What is the right thing to do?" when making decisions.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## Block 5

### KNOWLEDGE SHARING BEHAVIOUR

Section 4(a): Knowledge Sharing - Donation

*The following statements relate to knowledge sharing (Donation) in your workplace. Please rate how much you agree or disagree with each one based on your*

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Qualtrics Survey Software

*experience.*

	Strongly disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Strongly agree
When I've learned something new, I see to it that colleagues in my department can learn it as well.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I share the information I have with colleagues within my department.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I share my skills with colleagues within my department.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
When I've learned something new, I see to it that colleagues outside of my department can learn it as well.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I share the information I have with colleagues outside of my department.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I share my skills with colleagues outside of my department.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## Block 6

### KNOWLEDGE SHARING BEHAVIOUR

#### Section 4(b) Knowledge Sharing—Collection

*The following statements relate to knowledge sharing (collection) in your workplace. Please rate how much you agree or disagree with each one based on your experience.*

	Strongly disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Strongly agree
Colleagues within my department tell me what they know when I ask them about it.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Colleagues within my department tell me what their skills are when I ask them about it.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Colleagues outside my department tell me what they know when I ask them about it.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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Qualtrics Survey Software

	Strongly disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Strongly agree
Colleagues outside my department tell me what their skills are when I ask them about it.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## Block 7

### TRUST

Section 5(a): Trust—Affect Based

*The following statements relate to trust (affect based) with your colleagues in your workplace. Please rate how much you agree or disagree with each one based on your experience.*

	Strongly disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Strongly agree
My colleagues and I have a sharing relationship where we can both freely share ideas, feelings, and hopes.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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Qualtrics Survey Software

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Qualtrics Survey Software

	Strongly disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Strongly agree
I can talk openly to my colleagues about difficulties I am having at work and know that (s) he will want to listen.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My colleagues and I would feel a sense of loss if one of us was transferred and we could no longer work together.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
If I shared my problems with my colleagues, I know (s) he would respond constructively and caringly.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I would have to say that we have both made considerable emotional investments in our working relationship.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## Block 8

### TRUST

Section 5(b): Trust—Cognition Based

*The following statements relate to trust (cognition Based)*

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Qualtrics Survey Software

*with your colleagues in your workplace. Please rate how much you agree or disagree with each one based on your experience.*

	Strongly disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Strongly agree
My colleagues approaches his/her job with professionalism and dedication.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Given my colleague's track record, I have no reason to doubt his/her competence and preparation for the job.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I can rely on my colleagues not to make my job more difficult by careless work	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Most people, even those who aren't close friends of my colleagues, trust and respect them as a coworker	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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Qualtrics Survey Software

	Strongly disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Strongly agree
Other work associates of mine who must interact with my colleagues consider them to be trustworthy.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
If people knew more about my colleagues and their background, they would be more concerned and monitor his/her performance more closely.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## Block 9

### Section 6: Cultural Diversity Management

*The following statements relate to how cultural diversity is managed in your workplace. Please rate how much you agree or disagree with each one*

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Qualtrics Survey Software

	Strongly disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Strongly agree
I feel I have been treated differently here because of my ethnic background, language, or regional identity.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My line manager have a track record of hiring and promoting employees objectively, regardless of their ethnic background, language, or regional identity..	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My line manager gives feedback and evaluate employees fairly, regardless of the employee's ethnic background, language, or regional identity.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My line manager make layoff decisions fairly, regardless of factors such as employees' ethnic background, language, or regional identity..	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My line manager interprets human resource policies (such as sick leave) fairly for all employees.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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	Strongly disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Strongly agree
My line manager gives assignments based on the skills and abilities of employees.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## Section 2: Demographics

### Section 1: Demographic Information

*Please note: Age and gender are collected as demographic variables and will be used as control variables in the analysis.*

What is your gender?

- Male
- Female
- Prefer not to say

What is your age group?

- 18 - 24

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- 25 - 34
- 35 - 44
- 45 - 54
- 55 and above

What is your employment status?

- Full Time
- Part Time
- Contractual/Temporary

How many years have you worked in the banking sector?

Do you work in a culturally diverse (multicultural) environment?

(That is, are your colleagues from a variety of ethnic background, language, or regional identity?)

- Yes
- No
- Not sure

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Qualtrics Survey Software

## Block 10

Thank You for Participating!

Would you like to receive a copy of the **final summary report** of this research?

If yes, please [click here](#) to provide your email address. (via a separate secure form)

If not, you may simply click the red arrow to complete the survey.

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**Appendix D****SPSS output for exploratory and assumption testing tables****Table D1***KMO and Bartlett's Test of Sampling Adequacy*

Test	Statistic
Kaiser–Meyer–Olkin (KMO)	.95
Bartlett's Test of Sphericity	$\chi^2 (666) = 9094.37, p < .001$

*Note.* KMO > .90

**Table D2***Tests of Normality and Distribution Characteristics of Regression Residuals*

---

<b>Test</b>	<b>Statistic</b>	<b>df</b>	<b>p</b>
Shapiro–Wilk	.925	276	< .001
Kolmogorov–Smirnov	.118	276	< .001
Skewness	–0.97	—	—
Kurtosis	3.31	—	—

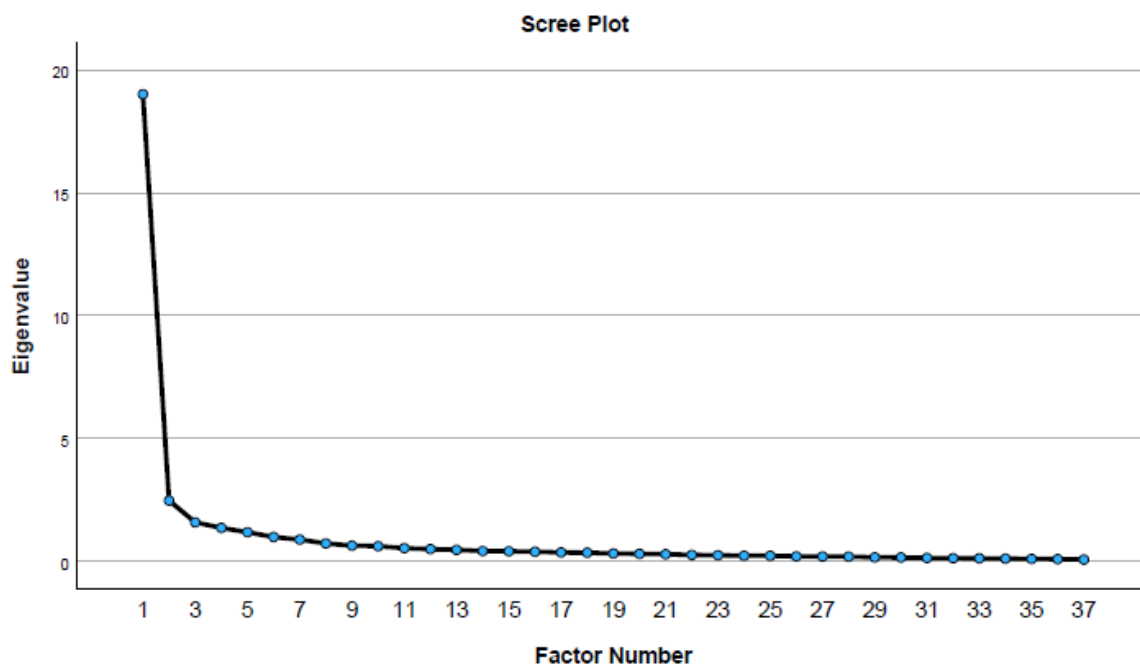
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## Appendix E

### Exploratory Factor Analysis Diagnostic Figures

**Figure 2**

*Scree plot of eigenvalues for the full measurement model (37 items)*



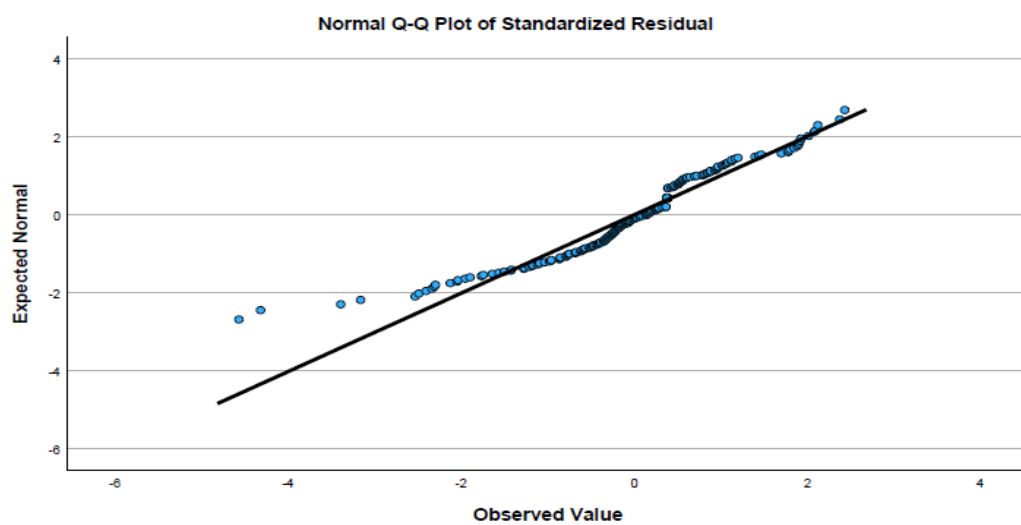
*Note. The measurement model includes items assessing EL, CDM, Trust, and KSB.*

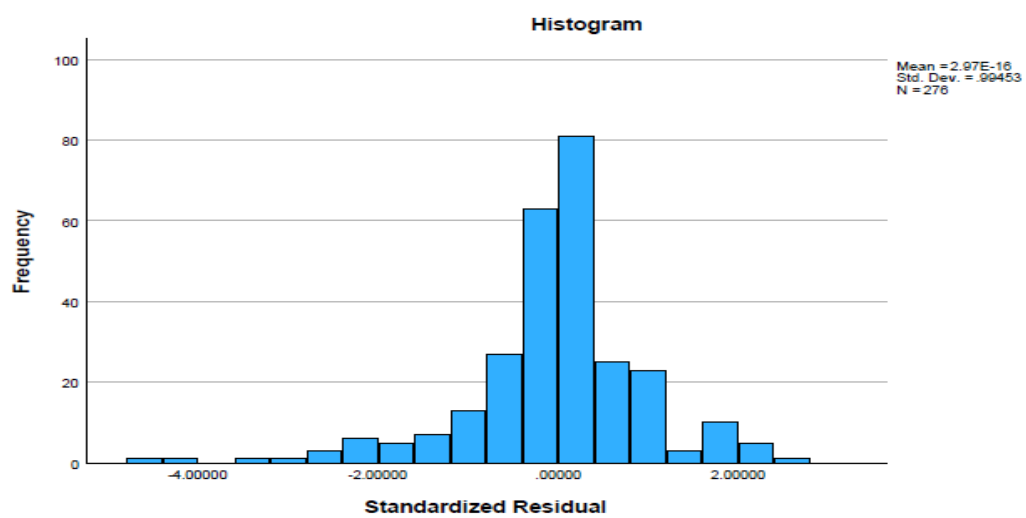
## Appendix F

### Regression Diagnostic Figures for EL-CDM-Trust-KSB Models

**Figure 3**

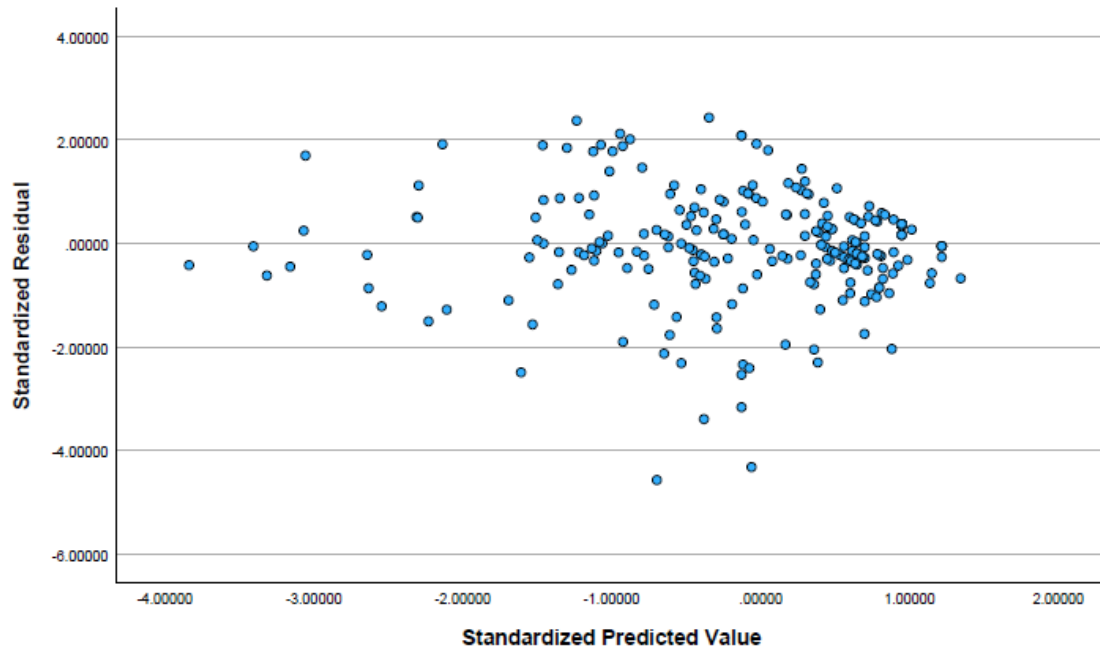
*Normal Q-Q plot of standardised regression residuals*



**Figure 4***Histogram of standardised regression residuals*

**Figure 5**

*Scatterplot of standardised regression residuals versus predicted values*



## Appendix G

### Regression Model Fit Summary

**Table G1**

*Model Summary and Overall Regression Significance*

<b>Statistic</b>	<b>Value</b>
<i>R</i>	.848
<i>R</i> <sup>2</sup>	.718
Adjusted <i>R</i> <sup>2</sup>	.715
Std. Error of Estimate	.476
<i>F</i> (3, 272)	231.24
<i>p</i>	< .001

*Note.* Predictors: Ethical Leadership (EL), Trust, Cultural Diversity Management (CDM).  
Dependent variable: Knowledge Sharing Behaviour (KSB).

## Appendix H

### Regression Analysis with Sociodemographic Control Variables

**TABLE H1**

*Regression Analysis Predicting KSB with Sociodemographic Controls*

		Coefficients <sup>a</sup>				
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	3.938	.302		13.041	<.001
	What is your gender?	-.239	.128	-.124	-1.864	.063
	What is your age group?	.032	.100	.026	.317	.752
	How many years have you worked in the banking sector?	.053	.024	.189	2.167	.031
2	(Constant)	-.276	.241		-1.146	.253
	What is your gender?	.008	.072	.004	.114	.909
	What is your age group?	.009	.056	.008	.168	.866
	How many years have you worked in the banking sector?	.012	.014	.043	.878	.381
	EL_MEAN	.406	.049	.414	8.219	<.001
	TRUST_MEAN	.338	.070	.276	4.795	<.001
	CDM_MEAN	.314	.050	.269	6.309	<.001

*Note.* Model 1 includes sociodemographic controls (gender, age group, tenure).

Model 2 includes control variables along with EL, Trust, and CDM.

## Appendix I

### Executive Summary of Thesis

This report presents the key findings of the study examining knowledge sharing within the multicultural banking organisation. Knowledge sharing is particularly important in banking because employees must regularly exchange information related to compliance requirements, risk procedures, regulatory updates, and customer service practices. The purpose of the study was to better understand how ethical leadership behaviour, cultural diversity management, and trust influence employees' willingness to share knowledge within multicultural teams. The research was conducted with banking employees in Islamabad, Pakistan, using an anonymous online questionnaire that captured employees' experiences of leadership behaviour, diversity management, trust among colleagues, and everyday knowledge sharing practices.

The findings revealed a clear and consistent pattern. In hierarchical banking environments, supervisors are leaders who play an important role in shaping everyday communication with employees. In this context, leadership behaviour becomes particularly important. When these leaders demonstrate ethical behaviour, including fairness, transparency, and integrity, employees tend to feel more comfortable sharing ideas, seeking advice, and contributing their knowledge. Similarly, when cultural differences are managed respectfully through organisational practices and human resource management systems, employees are more likely to feel included and collaborate across diverse teams. Trust emerged as a key connecting factor, supporting open communication and enabling employees to exchange knowledge more confidently.

These findings highlight several practical implications for banking organisations. Strengthening ethical leadership practices and ensuring that HRM policies are applied fairly across cultural groups can help create inclusive environments where employees feel confident communicating and sharing knowledge. When implemented consistently, these practices may help reduce operational errors, improve compliance accuracy, strengthen coordination across departments, and support smoother problem-solving in complex situations. Overall, the study suggests that knowledge sharing in multicultural banking organisations is supported by the combined influence of ethical leadership behaviour, inclusive diversity management, and building trust. By reinforcing these areas through leadership development, fair organisational practices, and supportive workplace cultures, banks may strengthen day-to-day collaboration. It is likely that, in turn, these enable long-term organisational effectiveness and sustainability.