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MEDIATION, SECTORAL COMPARISONS, AND PERFORMANCE DIMENSIONS: REASSESSING THE HARMONY–ALTRUISM–PERFORMANCE LINK IN BANKING

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Abstract

This paper re-examines the harmony–altruism–performance relationship in the banking sector by focusing on three analytical questions: whether employee altruistic behaviour mediates the relationship between workplace harmony and employee performance, whether public and private sector banks significantly differ on the three focal constructs, and whether the effects of workplace harmony and altruistic behaviour vary across task and contextual dimensions of performance. Using the same survey dataset of 408 employees from major public and private banks in Haryana, the study estimates bivariate and multivariate performance models, bootstrap-based mediation statistics, sectoral comparison tests, and sub-dimensional regressions. The findings reveal that altruistic behaviour is positively related to performance in bivariate analysis ($\beta = 0.592, p < .001$), but its direct effect disappears when workplace harmony is introduced ($\beta = 0.036, p = .395$). Mediation results similarly show that the indirect effect of workplace harmony through altruistic behaviour is statistically non-significant ($ab = 0.022, p = .442$; 95% CI [-0.035, 0.079]). Sectoral comparisons are also non-significant for workplace harmony, altruistic behaviour, and performance, indicating broad cross-sector generalizability of the empirical model. Sub-dimensional analysis shows that workplace harmony remains a strong predictor of both task performance ($\beta = 0.766, p < .001$) and contextual performance ($\beta = 0.748, p < .001$), while altruistic behaviour again makes no independent contribution. The paper concludes that workplace harmony is best interpreted as the primary structural mechanism behind performance in banking, whereas altruistic behaviour is better seen as a correlated but not mediating force within the tested model.

Keywords: mediation analysis, public versus private banks, task performance, contextual performance, workplace harmony, employee altruistic behaviour

Introduction

Research on organizational behaviour often assumes that helping-oriented behaviour provides the key mechanism through which positive workplace environments translate into stronger performance. This assumption is intuitively attractive. If employees work in a harmonious



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climate, one expects them to help colleagues more, share knowledge more freely, and cooperate more readily; in turn, these prosocial acts should improve performance. Yet empirical relationships among these constructs are not always linear or sequential. A climate variable can sometimes exert such a strong direct effect that apparently related behavioural variables lose explanatory independence once the broader organizational environment is taken into account. This paper explores precisely that possibility in the context of Indian banking.

The paper analytically revisits the second set of findings from the doctoral thesis on workplace harmony, employee altruistic behaviour, and employee performance. It focuses on three issues that are crucial for publication-quality interpretation. First, does employee altruistic behaviour actually mediate the effect of workplace harmony on employee performance? Second, are the three constructs significantly different across public and private banks? Third, when employee performance is split into task and contextual dimensions, do workplace harmony and altruistic behaviour show distinct effects? These questions matter because they determine whether the theory should be framed as a sequential harmony–altruism–performance mechanism or as a more direct harmony–performance model with altruism functioning as a co-occurring but non-mediating construct.

The analysis is theoretically anchored in Social Exchange Theory and in the broader literature on organizational citizenship behaviour and performance. Social Exchange Theory suggests that a supportive work environment should stimulate cooperative reciprocity (Blau, 1964; Cropanzano & Mitchell, 2005). Organizational citizenship scholarship similarly argues that helping, sacrifice, and extra-role support can improve organizational functioning (Bolino & Grant, 2016; Podsakoff et al., 2024). However, these perspectives do not require that altruistic behaviour always mediate climate effects. It remains possible that a strong relational climate influences performance directly through multiple channels such as reduced conflict, role clarity, emotional stability, and smoother coordination. The present paper tests this more demanding interpretation.

LITERATURE REVIEW

Mediation models have become common in organizational research because they allow scholars to move beyond simple direct effects and identify the mechanism through which one variable influences another. In the present context, the most plausible mediating route is that workplace harmony increases employee altruistic behaviour, and altruistic behaviour then improves employee performance. This logic is consistent with empirical work linking harmonious climate to helping behaviour and with studies showing positive associations between prosocial workplace conduct and performance outcomes (Bui et al., 2020; Barghouti et al., 2023; Wang et al., 2024). In banking especially, where teamwork and mutual support are often necessary to maintain



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service continuity, the mediation hypothesis appears highly plausible.

At the same time, banking institutions in India are structurally diverse. Public sector banks have historically been associated with wider branch presence, stronger employment stability, and a more bureaucratic work environment, while private sector banks are often described as more performance-driven, technology-oriented, and market-responsive (Ahamed & Mallick, 2019; Das & Ghosh, 2006). These differences generate a reasonable expectation that workplace harmony, altruistic behaviour, and performance could vary across sectors. Yet comparative claims are often made impressionistically, without strong employee-level testing. The present paper therefore subjects the public–private distinction to direct statistical examination.

A third issue concerns performance dimensionality. Borman and Motowidlo (1993) distinguished task performance from contextual performance, and that distinction is especially useful here. Task performance concerns the technical execution of formal duties, whereas contextual performance concerns initiative, adaptability, and constructive extra-role contributions. If altruistic behaviour truly matters, one would expect it to show at least some independent effect on contextual performance, even if its influence on task performance is weaker. If, however, workplace harmony dominates both dimensions, then the appropriate interpretation is that harmony is the deeper structural condition behind performance.

METHODOLOGY

The paper draws on survey data from 408 banking employees from SBI, BOB, HDFC Bank, and ICICI Bank across six revenue zones in Haryana. The sample includes employees from both public and private sector institutions and is sufficiently balanced to permit sector comparison. Reliability and validity conditions were already established in the measurement phase. Cronbach's alpha values exceeded .95 across the major scales, and KMO values ranged from .969 to .975 with significant Bartlett's tests. Workplace harmony was validated as a single factor, altruistic behaviour as a three-factor construct, and employee performance as a two-factor construct.

The analytical procedure in this paper includes four related models. First, a bivariate regression examines the relationship between employee altruistic behaviour and employee performance. Second, a multivariate model enters workplace harmony and altruistic behaviour together to determine whether altruistic behaviour retains explanatory independence. Third, a bootstrap-based mediation analysis decomposes the total, direct, and indirect effects of workplace harmony on performance via altruistic behaviour. Fourth, one-way ANOVA and t-test comparisons assess whether public and private bank employees differ significantly on workplace harmony, altruistic behaviour, and performance. Finally, sub-dimensional regressions test the effects of harmony and



altruistic behaviour separately for task and contextual performance.

RESULTS & DISCUSSION

Reassessing the altruistic behaviour–performance relationship

The initial bivariate model shows a substantial and statistically significant association between employee altruistic behaviour and employee performance. In Model B, altruistic behaviour predicts performance with $\beta = 0.592$, $p < .001$, and the model explains 37.0% of the variance (adjusted $R^2 = .359$) (Table 1). On its face, this appears to support the common view that prosocial conduct strengthens employee effectiveness.

Table 1. Bivariate and multivariate models for employee performance

Model	Key predictor(s)	Beta	p	R ²
Bivariate Model B	EAB -> EP	0.592	< .001	0.370
Multivariate Model A	WH -> EP	0.757	< .001	0.650
Multivariate Model A	EAB -> EP (controlling WH)	0.036	.395	0.650

However, the analytical picture changes sharply when workplace harmony is introduced into the model. In the multivariate specification, workplace harmony remains highly significant while altruistic behaviour becomes non-significant ($\beta = 0.036$, $p = .395$). The full model explains 65.0% of the variance in performance, substantially improving upon the bivariate model. This pattern is analytically decisive. It suggests that the earlier altruistic behaviour–performance relationship is not a stable independent effect once the broader work climate is taken into account. In other words, altruistic behaviour correlates with performance, but workplace harmony appears to be the stronger underlying cause driving both.

This result matters because it forces a reinterpretation of organizational citizenship in the banking context. It would be easy to conclude that because helping behaviour and performance are positively correlated, helping behaviour itself is the main engine of performance. The present results caution against that inference. Helping behaviour may be one visible expression of a harmonious workplace, but it does not necessarily constitute the mechanism through which harmony produces performance gains.

Mediation analysis

The mediation model provides the clearest test of this issue. The path from workplace harmony to altruistic behaviour is large and highly significant (path a = 0.720, SE = 0.034, $p < .001$; 95% CI [0.654, 0.786]). The total effect of workplace harmony on performance is also large and highly significant (path c = 0.782, SE = 0.029, $p < .001$; 95% CI [0.725, 0.839]). The direct effect remains very strong even after the mediator is included (path c' = 0.759, SE = 0.042, $p < .001$;

95% CI [0.676, 0.843]). The crucial statistic, however, is the indirect effect. The estimated indirect effect through altruistic behaviour is only 0.022 (SE = 0.029, $p = .442$), and the 95% bootstrap confidence interval crosses zero [-0.035, 0.079] (Table 2). The indirect pathway is therefore not statistically significant (Figure 1).

Table 2. Mediation summary for workplace harmony, altruistic behaviour, and performance

Path	Description	Coefficient	SE	p	95% CI
a	WH -> EAB	0.720	0.034	< .001	[0.654, 0.786]
b	EAB -> EP	0.589	0.039	< .001	[0.512, 0.667]
c	Total WH -> EP	0.782	0.029	< .001	[0.725, 0.839]
c'	Direct WH -> EP	0.759	0.042	< .001	[0.676, 0.843]
ab	Indirect effect	0.022	0.029	.442	[-0.035, 0.079]

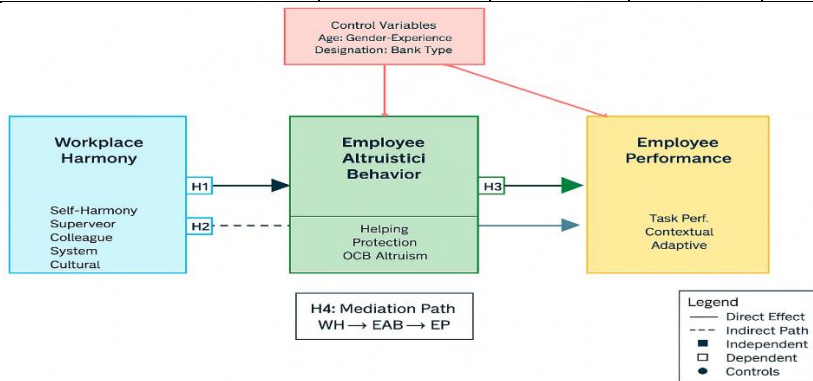


Figure 1. Mediation model for workplace harmony, altruistic behaviour, and performance

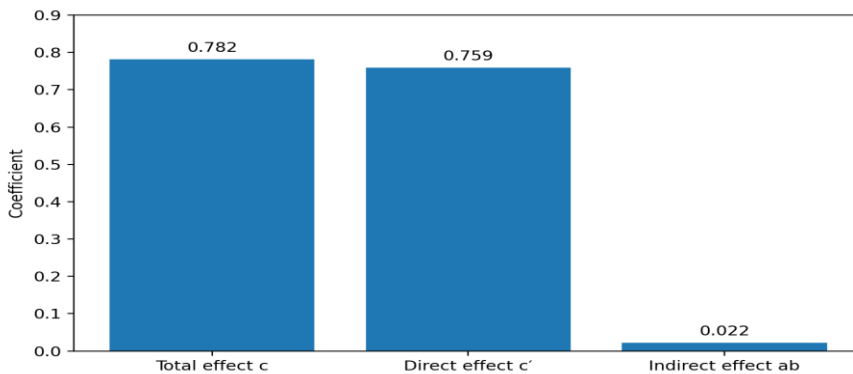


Figure 2. Total, direct, and indirect effects in the mediation model



This means that the mediation hypothesis must be rejected. Employee altruistic behaviour does not significantly mediate the effect of workplace harmony on employee performance in the tested model (Figure 2). Although harmony strongly increases altruistic behaviour, and harmony strongly increases performance, the transmission through altruistic behaviour is too small and unstable to qualify as a meaningful mediation process.

This finding should not be misunderstood as evidence that altruistic behaviour is unimportant. Rather, it indicates that altruistic behaviour is more likely to be a parallel outcome of harmony than a mediating mechanism. A harmonious workplace may directly improve performance because it lowers interpersonal friction, strengthens coordination, improves psychological safety, clarifies roles, and reduces the emotional costs of working in a demanding service environment. Altruistic behaviour rises in such settings as well, but it does not statistically carry the effect.

Public versus private sector comparisons

The sectoral comparison results are equally revealing. Workplace harmony shows nearly identical mean levels in public and private banks: 3.047 (SD = 0.674) versus 3.049 (SD = 0.601), with p = .9753. Employee altruistic behaviour is similarly close: 2.948 (SD = 0.661) in public banks and 2.942 (SD = 0.601) in private banks, with p = .9189. Employee performance also shows no significant difference: 2.895 (SD = 0.650) in public banks and 2.926 (SD = 0.595) in private banks, with p = .6170. Cohen’s d values are trivial across all three comparisons (Table 3 & Figure 3).

Table 3. Public versus private sector comparison

Table with 5 columns: Construct, Public mean (SD), Private mean (SD), p value, Cohen d. Rows include Workplace Harmony, Altruistic Behaviour, and Performance.

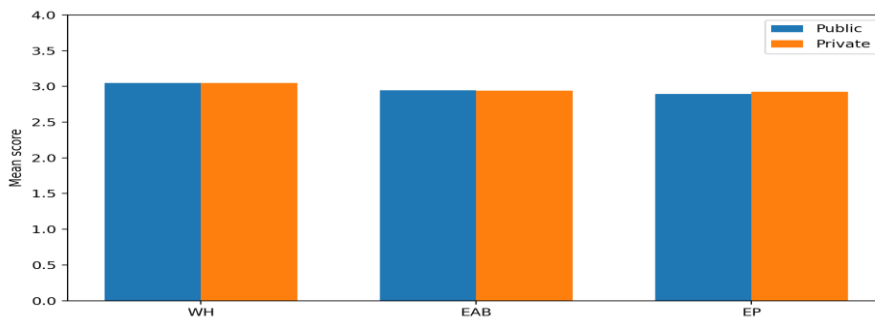


Figure 3. Sector-wise comparison of construct means



These results are analytically significant because they challenge common assumptions that public and private banking institutions differ sharply in employee-level behavioural climate. The findings indicate that the tested relationships are broadly generalizable across sectoral ownership structures, at least within the sampled Haryana context. Whatever structural differences exist between public and private banking institutions, they do not translate into meaningful differences in average workplace harmony, altruistic behaviour, or employee performance at the level measured here.

This has both theoretical and practical value. Theoretically, it suggests that the harmony–performance relationship is not an artifact of one type of bank. Practically, it implies that organizational interventions aimed at strengthening harmony and performance may be relevant across both sectors, rather than requiring entirely separate behavioural models.

Task and contextual performance

The performance sub-dimension analysis provides an additional level of interpretive refinement. For task performance, workplace harmony shows a strong effect (β = 0.766, p < .001), while altruistic behaviour is non-significant (β = 0.054, p = .225). The model explains 64.2% of task performance variance (adjusted R² = .635). For contextual performance, workplace harmony again remains strongly significant (β = 0.748, p < .001), while altruistic behaviour is again non-significant (β = 0.019, p = .689). The model explains 60.1% of contextual performance variance (adjusted R² = .593) (Table 4 & Figure 4 & 5).

Table 4. Sub-dimensional regression summary for employee performance

Table with 7 columns: Outcome variable, Beta (WH), p (WH), Beta (EAB), p (EAB), R², Adjusted R². Rows include Task Performance and Contextual Performance.

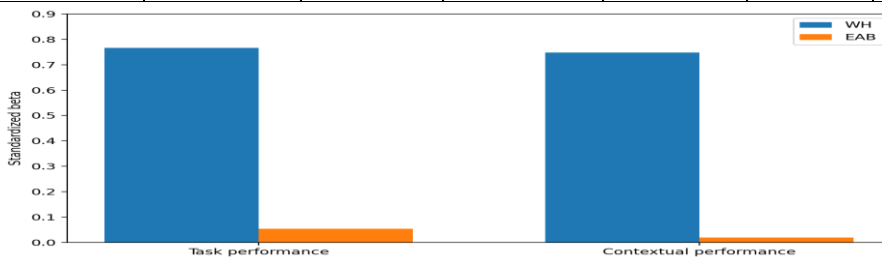


Figure 4. Workplace harmony and altruistic behaviour across task and contextual performance

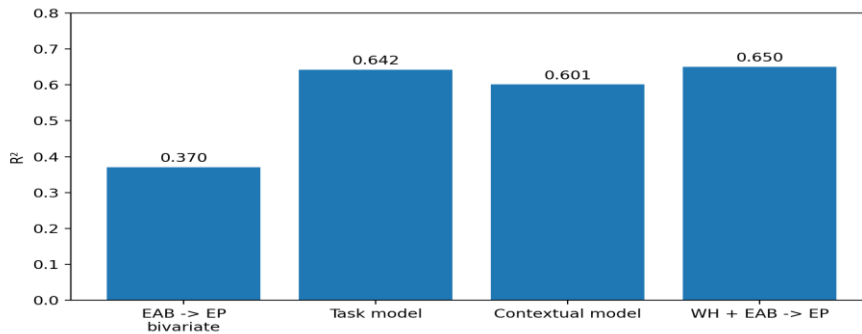


Figure 5. Comparative explanatory power of the main performance models

These results are striking. One might have expected altruistic behaviour to matter more for contextual performance than for task performance, since contextual performance includes extra-role initiative and adaptive contribution. Yet even here, altruistic behaviour does not make an independent contribution once harmony is introduced. Workplace harmony, by contrast, predicts both dimensions almost equally strongly.

The implication is that harmony is not simply a backdrop to performance but a cross-dimensional performance condition. It supports formal task execution and discretionary contextual contribution simultaneously. In analytical terms, the evidence favours a universal harmony effect over a differentiated altruism effect. The bank employee who works in a respectful, cooperative, emotionally safe, and low-conflict environment appears better able both to do the formal job and to take initiative beyond it.

Discussion

The findings substantially refine the theoretical interpretation of the harmony–altruism–performance relationship. Much of the intuitive appeal of organizational citizenship research comes from the belief that helping behaviour is the bridge between positive climate and better outcomes. The current evidence suggests a different ordering. Workplace harmony may directly shape the psychological and relational architecture of work in ways that improve performance before any mediating behavioural chain becomes necessary. Altruistic behaviour remains a positive and meaningful companion variable, but it is not the statistical transmission route in this model.

This direct-effect interpretation is consistent with several theoretical mechanisms. First, harmony likely reduces emotional and cognitive resource depletion associated with conflict, mistrust, and defensive interaction. Second, it may improve communication quality and problem-solving



speed. Third, harmony can increase role clarity and reduce the hidden coordination costs that often undermine service performance. Fourth, it may produce psychological safety, allowing employees to focus on effective execution rather than on self-protection. These direct pathways can plausibly account for why the workplace harmony coefficient remains so large even after altruistic behaviour is controlled.

The public–private comparison results also contribute to the literature by discouraging simplistic sector stereotypes. Banking institutions may differ structurally, but employee behavioural climate does not automatically divide along ownership lines. Scholars should therefore be cautious about assuming strong sectoral effects without direct testing. It may be that branch culture, leadership quality, HR practices, and local work conditions matter more than public-private categorization alone.

Practical implications

For banking leaders, the practical lesson is clear. If the goal is to improve employee performance, then investing in a harmonious work environment may yield larger returns than focusing narrowly on encouraging helping behaviours in isolation. Altruism cannot be sustainably engineered by exhortation alone. It is more likely to appear naturally when employees experience mutual respect, positive conflict handling, trust, emotional security, and cooperative norms.

Performance management systems should therefore be supplemented with organizational climate strategies. Branch managers should be trained not only in target achievement but in conflict management, trust-building, respectful communication, and team cohesion. Internal communication channels should reduce ambiguity and foster relational transparency. HR systems should recognise collaboration and create conditions in which employees can support one another without role strain or interpersonal risk. Because the findings generalise across public and private banks, such interventions have broad applicability.

CONCLUSION

This paper shows that workplace harmony is the strongest and most consistent explanatory force in the harmony–altruism–performance model tested in the banking sector. Employee altruistic behaviour is positively associated with performance in simple analysis, but it does not survive as an independent predictor once workplace harmony is taken into account, nor does it mediate the harmony–performance relationship. Sectoral differences between public and private banks are statistically negligible, and workplace harmony predicts both task and contextual performance with nearly equal strength. The broader conclusion is that organizational climate, rather than prosocial behaviour alone, is the deeper structural basis of employee effectiveness in banking. Publication-ready interpretation of the thesis findings should therefore foreground workplace harmony as the central driver of performance.



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