EMPOWERING LEADERSHIP AND ORGANIZATIONAL CULTURE IN RELATION WITH EMPLOYEE WELLBEING

[1]Simran Singh, [2]Dr. Mamata Mahapatra, [3]Dr. Navin Kumar

ABSTRACT--*The present study examines the potential for empowering leadership and organizational culture to favourably influence employee wellbeing. Total of 138 professional employees working in the banking and IT/ITES sectors in Delhi/NCR were explored. Correlation and multiple regression analysis were applied to check the relationship and effect of the variables. Results show that empowering leadership and organizational culture have a significant and positive impact on employee wellbeing. This research will help managers and policymakers to create a more supportive workplace for employees.*

Keywords--*organizational culture, leadership, psychological wellbeing, IT/ITES, flourishing*

I.   INTRODUCTION

Until relatively recently, researchers studied employee wellbeing and leadership as separate entities, not bearing any relations. Although researchers and practitioners have made obvious connections between leadership behaviours and employee wellbeing, the relationship between the two constructs had received scant theoretical and empirical research attention. However, in the past one decade, this research scenario has changed and evolved so much so that the number of researches linking employee wellbeing to organizational factors, namely leadership and organizational culture have grown significantly. The growing body of research suggests that leadership and organizational factors (culture, climate, supervision) are key determining factors of employee health and well-being (e.g. Alfes et al., 2010; Skakon et al., 2010). The top management and particularly leaders can impact employee wellbeing in a number of ways which lie on a spectrum, for instance, acting as a stressor to enhancing engagement at work and psychological wellbeing (Li, McCauley, & Shaffer, 2017). Despite amassing research findings related to the consequences of empowering leadership, previous empowering leadership studies have largely been carried out in the western cultural context (e.g. Arnold et al., 2000; Pearce and Sims, 2002; Srivastava et al., 2006). Researchers have highlighted that effectiveness of leadership styles differ among countries owing to the cultural differences. For instance, Indian employees are inclined to feel obliged to reciprocate more strongly and react more positively than western employees when they experience positive and supportive behaviours by their leaders since Indian social and cultural environment places collectivism as a central part of social relationships resulting in greater dependence amongst each other (Saini and Budhwar,

[1]*Research Scholar, AIPS, AUUP, Noida.*

[2]*PhD Guide, Professor, AIPS, AUUP, Noida.*

[3]*Co- guide, Associate Professor, Department of Psychology, Dr Bhim Rao Ambedkar College, University of Delhi.*

2004). Thus, it is essential to revaluate the impact of empowering leadership on employee & organizational outcomes in Asian countries.

Therefore, this study attempts to divulge crucial antecedents to employee well-being by focusing on empowering leadership and organizational culture. In particular, it posits that employees will be more likely to experience increased levels of well-being when their leaders practice empowering leader behaviours. The recent economic developments in the Indian market (Budhwar, 2003) make it worthwhile to study the organizational and leader factors influencing employee outcomes, particularly their wellbeing.

1.1 Empowering Leadership

Engaging an employee to be motivated intrinsically through providing autonomy and leader support for growth and development is the essence of empowering leadership (Amundsen and Martinsen, 2014). This set of behaviours is an indicator of a global leadership construct which is often linked to desirable employee behaviours, as for most employees it leads to feeling of greater autonomy which is consistent with traditional job enrichment like autonomy and variety (Hackman & Oldham, 1980). Leaders utilise numerous methods to influence the followers and empowering leadership is one such way, since at its core, the followers have the autonomy to carry out their tasks (Amundsen & Martinsen, 2014). Few scholars have classified empowering leadership as a form of shared-leadership (e.g. Pearce & Sims, 2002; Pearce et al., 2003). Empowering leadership encourages (rather than direct) subordinates' critical thinking, involvement in goal setting, and teamwork (Pearce et al., 2003). Two recent meta-analyses suggest an existence of positive relationships between empowering leadership and work-related outcomes, like motivation performance, wellbeing and work attitudes (Kim, Beehr, & Prewett, 2018; Lee, Willis, & Tian, 2018). Relation of empowering leadership with other leadership styles exists and it is more closely related to initiating structure, participative decision-making and showing concern (Arnold, Arad, Rhoades, & Drasgow, 2000), and it is positively related to both transformational leadership, authentic leadership and leader-member exchange (e.g. Amundsen & Martinsen, 2014).

1.2 Organizational Culture

Organizational culture is a frequently studied area in the management area because of its crucial role in an organization's life (Alvesson, 2002, p. 1). Schein (1990, p.111) has proposed a definition of organizational culture as a "pattern of basic assumptions, invented, discovered or developed by a given group as it is learning to cope with its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore is to be taught to new members as the correct way to perceive, think and feel in relation to those problems." However, it should be noted that there is little agreement about the exact definition of organizational culture is and how to study it (Schneider et al, 2013). Organizational culture has often been termed as 'personality of the organization (Cartwright & Cooper, 1993, p. 60). As highlighted by various researchers, organizational culture is the base on which the practices and policies are built upon (Ireland & Hitt, 1999, p. 51). At its core, organizational culture comprises of shared beliefs, vision (Alvesson, 2002, p. 3).

1.3 Employee Wellbeing

A holistic definition of wellbeing encompasses mental, psychological or emotional states of employees (Danna & Griffin, 1999). The recent past has seen a rise in researches in positive psychology in the organizational setting, enabling scholars to focus on eudemonic experiences at workplace rather than the negative states such as illnesses, stress, burnout, and depression (Fisher, 2010). The concept of well-being is getting more attention in today's organizations. Employees having a higher level of wellbeing feel good about themselves, are more trusting of interpersonal relations, and feel they are doing well in life. The concept of wellbeing is essential for organizations as well as employees owing to the structural changes in firms such as long-work hours and increased complex work nature. Psychological wellbeing has reportedly shown to have significant favourable outcomes for both- employees and organizations, thus gaining the limelight amongst management scholars (Avey et al, 2010). In organizations, the feeling of belonging and identification with the organizational culture, has been shown to have a positive impact on employee wellbeing (Blanchflower & Oswald, 1998).

1.4 Significance of the study

It has been well documented that personal and professional lives are interrelated entities and they do not exist in isolation to each other and there exists spill over effects between the two (Conrad, 1998). Aligned with this trend, numerous researches on employee wellbeing linked with organizational factors are being conducted and studied (e.g. Conway et al., 2015; Li et al., 2016; Panaccio and Vandenberghe, 2009). Given the lack of sufficient research on the relationship between organizational culture and leadership and wellbeing in the extant literature, this paper identifies how empowering leadership and organizational culture influences employees' overall well-being from the social support perspective.

II.   REVIEW OF LITERATURE

2.1 Empowering Leadership and Employee Wellbeing

Psychological wellbeing arises from a positive state of mind and psychological states of employees are often influenced by leader behaviours (Conger and Kanungo, 1988). As per McGregor and Little (1998) and Brunstein (1993), personal goal achievement influences subjective wellbeing. The consequential impact of organizational factors (e.g. organizational culture, climate) on employees, with special reference to wellbeing, have been documented in the literature in the works of Miles & Mangold, 2007; Stark, Shaw, & Duffy, 2007; Zempetakis et al, 2009. Encouraging to take initiate and autonomy granting are characteristic features of empowering leaders (Srivastava et al., 2006). The number of studies examining the role of empowering leadership related to employee outcomes has increased recently (e.g. Ahearne et al., 2005; Srivastava et al.,2006; Zhang and Bartol, 2010) yet they are mostly limited to performance-based outcomes (Ahearne et al., 2005; Srivastava et al., 2006). Limited research focuses on examining the ties of empowering leadership with positive employee wellbeing (Ahearne et al., 2005; Segers et al., 2009). Research suggests that under strenuous working conditions, empowering leadership helps in maintaining job satisfaction as well as lowering levels of burnout (Andrews et al., 2014). In another study, Fitzsimons and Fuller (2002) suggest that feeling of autonomy and control result in

lower levels of psychological distress and it has ties with positive self-esteem. Molix and Bettencourt (2010) posit that empowerment has strong ties with psychological wellbeing. In view of these findings from earlier research, we offer the first hypothesis,

H1: There exists a significant and positive effect of empowering leadership and employee wellbeing.

2.2 Organizational Culture and Employee Wellbeing

Organizational culture has been found to be related with organizational stress experiences (Chang and Lu, 2007). Lately Santos et al, (2013) found among university professors that the organizational culture influenced subjective wellbeing. Limited researches (Lu, 1997; Lu et al., 1999) have been found which studied the role of organizational culture (e.g. management and communication styles) in creating employee wellbeing at workplace. Therefore, workplace wellbeing can be understood as experiencing positive emotions at work and the employee's perception that in their job they develop and progress in achieving personal and professional goals. Aligned to this view, workplace wellbeing includes both- affective (emotions and moods) as well as cognitive (achievements). The organizational factors such as the work environment through flexibility and autonomy (leadership) (Mendes & Tamayo, 2001), or organizational support (Siqueira et al, 2006) provided to employees results in better wellbeing at work. Owing to the significance of the professional life in every individual's life, organizational culture has effects on individual level as well as impact on organizational outcomes (Huppert & Whittington, 2003). Previous researches have studied an association between organizational culture and employee wellbeing in different contexts such as the works of Miles &Mangold, 2007. Based on these studies, the authors posit the following hypothesis:

H2: There exists a significant and positive effect of organizational culture on employee wellbeing.

III. METHOD

3.1 Sample

For getting an overview of the demographic profile of the respondents, descriptive statistics were used. Total of 350 employees was approached using a questionnaire, from which 216 questionnaires were received back. From 216 filled questionnaires, 78 were incomplete. Thus, 138 responses were kept for further analysis. The population of this study consisted of the employees working in the banking and IT/ITES sector in Delhi/ NCR. The sample comprised of 82 males, and 56 female employees. 32.6% of employees were working in the public sector and 67.4% were from the private sector. The sample had 37.68% employees under 28 years of age, 50.72% were having age between 29-37 years, 8.69% belong to the age group of 38-46 years and 2.89% employees from the age group of 46 years or above. 11.4% of the employee were graduates and 88.4 % of the employee were postgraduates.

3.2 Instruments

Empowering leadership- was assessed with the 18-item Empowering Leadership scale of Amundson and Martinsen (2014). This instrument is the only validated measure of ELBs of which the authors are aware of and has been used successfully at the individual level of analysis. It assesses 08 empowering leadership behaviours:

delegating, initiative, goal focus, efficiency support, inspiring, coordinating, modelling and guidance. The scale is two dimensional; the dimensions being autonomy support and autonomy support.

Organizational Culture- The 18-item scale by Singh and Mishra (2009) was utilised to assess the organizational culture. The scale is sub divided in the dimensions of pressure, encouragement, freedom and challenging work. The scale yields a composite score. A sample item from the scale is 'My work is challenging in nature' and 'The tasks in my work bring out best in me'. The Cronbach alpha for the scale is 0.79.

Psychological Wellbeing- Making use of the eudemonic perspective of wellbeing, Flourishing scale by Deiner- Biswas Diener (2009) was used to assess context free employee wellbeing. It is a brief 8-item measure, yielding a single composite score which indicates one's perceived accomplishments in prominent aspects of life such as self-esteem, optimism, etc. The Cronbach alpha for the scale is 0.85. Scale includes items such as 'I actively contribute to the happiness and well-being of others'.

IV.   RESULT

Research methods refer to the methods the researchers use in performing research operations. It includes those methods which are concerned with the collection of data, which are used for establishing relationship between the variables and those methods which are used to evaluate the accuracy of the results obtained (Kothari, 2004). For the present study, descriptive and inferential statistics such as mean, standard deviation, correlation and regression analysis were performed using SPSS software version 20.

4.1 Correlational analysis

To check the existence of relationship between the variables correlation analysis was carried out (Table 1 in Appendix). Results show that empowering leadership and flourishing have a positive and significant relationship (r= 0.690**, p<0.01). Organizational culture and flourishing also have a positive and significant relationship (r=0.590**, p<0.01). The table also represents mean and standard deviation.

Table 1: depicting descriptive statistics and correlations among variables

Variables	Mean	Standard deviation	Empowering Leadership	Organizational Culture	Wellbeing
Empowering Leadership	90.22	2.394	1	-	-
Organizational Culture	68.44	2.271	.411**	1	-

Wellbeing	39.49	2.643	.690**	.590**	1

** p < 0.01

4.2 Regression analysis

For the hypothesis testing of this study, multiple regression analysis was used. For hypothesis to be true, the independent variable (organizational culture and empowering leadership) must have a significant effect on the dependent variable. Results of regression analysis were shown in Table 2 (Appendix). Model 1 uses empowering leadership as an independent variable and wellbeing as the dependent variable. Model 2 captures the effect of organizational culture on wellbeing. Result of model 1 shows that significance value is .0001 which is less than 0.05 and hence this model is significant (F value is 123.77 and P = .0001). Also, we can conclude from the value of R square that 47.6% of all the variance in employee wellbeing can be explained by empowering leadership. Also, table 2 shows Beta value equals to .690 is the slope for empowering leadership, constant value -29.261 is y-intercept. To see whether or not the slope of empowering leadership is significant, the significant value (which is .0001) corresponding to the t value which is -4.733, was examined, Hence results are significant which provides enough evidence to accept hypothesis 1. Similarly, the ANOVA table of model 2 shows that the model is significant (p-value of .0001 which is smaller than .05 and F value equals to 72.793). R square value tells that 34.9% of all variance in employee wellbeing can be explained through organizational culture. Beta value is .590, the constant is -7.542 and its corresponding t value is -1.367. Organizational culture has a significance value of .003 which shows that the result is significant and thus hypothesis 2 is accepted.

Table 2: depicting results of regression analysis

	Model 1	Model 2
Constant	-29.261	-7.542
Empowering Leadership	.690	
Organizational Culture		.590
R sqaure	.476	.349
Adjusted R2	.473	.344
F statistic	123.77	72.793

V.   DISCUSSION

This paper investigates the impact of empowering leadership and organizational culture on employee wellbeing. Descriptive statistics, correlation analysis and regression analysis are computed on the data collected through the questionnaire survey data. The results imply that when employees are led with autonomy granting leadership, they tend to have higher levels of employee wellbeing (Culbertson et al.,2010). The authors also infer from the results that empowering behaviours positively influence employees' positive state of mind in general. Most importantly, this study shows that organizational culture, in combination with empowering leadership can contribute to enhancement of employees' wellbeing. This finding is aligned with previous literature (Avey et al., 2010; Culbertson et al., 2010; Avey, Wernsing and Luthans, 2008 and Hodges, 2010). Results of regression analysis shows that empowering leadership has a positive and significant effect on employee wellbeing. Also, organizational culture has a significant and positive effect on employee wellbeing. Results of this study resembles with Santos et al, 2013; Mehari, 2015; Hayes, 2018; Istiqomah, 2019.

VI.   IMPLICATIONS AND FUTURE RESEARCH

The research will help the top management in getting adept to create an organizational culture which promotes psychological wellbeing and enhanced business performance. The authors also hope that it will aid the policymakers to make the workplaces more employee friendly which will in turn result in improving the holistic wellbeing of employees. To evaluate the effectiveness of organizational practices and its impact on employee wellbeing, stakeholders should be encouraged to participate in researches. Numerous studies have asserted that employees profit from empowering leadership and flexible organizational policies, however, in the Indian context these researches are still scant, thereby the authors urge that attention to this scholarly area be given. Researchers are also advised to consider various other leadership styles (e.g. ethical leadership, authentic leadership) in relation to employee wellbeing as well as other organizational factors that may deter employee wellbeing. A comparative study among organizations on the basis of their values and practices and sectors can also be conducted. Longitudinal research can also be performed to bring about more elaboration in the topic.

REFERENCES

1. Ahearne, M., Mathieu, J., & Rapp, A. (2005). To empower or not to empower your sales force? An empirical examination of the influence of leadership empowerment behavior on customer satisfaction and performance. Journal of Applied psychology, 90(5), 945..

2. Amundsen, S., & Martinsen, Ø. L. (2014). Empowering leadership: Construct clarification, conceptualization, and validation of a new scale. The leadership quarterly, 25(3), 487-511.

3. Andrews, M. C., & Kacmar, K. M. (2014). Easing employee strain: The interactive effects of empowerment and justice on the role overload-strain relationship. Journal of Behavioral and Applied Management, 15(2), 43.

4. Arnold, J. A., Arad, S., Rhoades, J. A., & Drasgow, F. (2000). The empowering leadership questionnaire: The construction and validation of a new scale for measuring leader behaviors. Journal of organizational behavior, 21(3), 249-269.

5. Arnold, K. A., Turner, N., Barling, J., Kelloway, E. K., & McKee, M. C. (2007). Transformational leadership and psychological well-being: the mediating role of meaningful work. Journal of occupational health psychology, 12(3), 193.

6. Avey, J. B., Luthans, F., Smith, R. M., & Palmer, N. F. (2010). Impact of positive psychological capital on employee well-being over time. Journal of occupational health psychology, 15(1), 17.

7. Blanchflower, D. G., & Oswald, A. J. (1998). What makes an entrepreneur?. Journal of labor Economics, 16(1), 26-60.

8. Budhwar, P. S. (2003). Employment relations in India. Employee Relations.

9. Conger, J. A., & Kanungo, R. N. (1988). The empowerment process: Integrating theory and practice. Academy of management review, 13(3), 471-482.

10. Conrad, L. (1998). Enhancing research through academic staff development. The International Journal for Academic Development, 3(2), 114-123.

11. Cooper, C. L., & Cartwright, S. (1994). Healthy mind; healthy organization—A proactive approach to occupational stress. Human relations, 47(4), 455-471.

12. Culbertson, S. S., Fullagar, C. J., & Mills, M. J. (2010). Feeling good and doing great: The relationship between psychological capital and well-being. Journal of occupational health psychology, 15(4), 421.

13. Danna, K., & Griffin, R. W. (1999). Health and well-being in the workplace: A review and synthesis of the literature. Journal of management, 25(3), 357-384.

14. Fitzsimons, S., & Fuller, R. (2002). Empowerment and its implications for clinical practice in mental health: A review. Journal of Mental Health, 11(5), 481-499.

15. Hackman, J. R., & Oldham, G. R. (1980). Work redesign. Reading, MA: Addison Wesley

16. Hayes, H. (2018). Exploring the relationship between selected leadership styles and flourishing in a milling company (Doctoral dissertation, North-West University).

17. Huppert, F. A., & Whittington, J. E. (2003). Evidence for the independence of positive and negative well-being: Implications for quality of life assessment. British journal of health psychology, 8(1), 107-122

18. Ireland, R. D., & Hitt, M. A. (1999). Achieving and maintaining strategic competitiveness in the 21st century: The role of strategic leadership. Academy of Management Perspectives, 13(1), 43-57.

19. Istiqomah, S. (2019, March). PENGARUH EMPOWERING LEADERSHIP PADA KESEJAHTERAAN PSIKOLOGIS DAN KETERLIBATAN KERJA: PERAN MEDIASI MODAL PSIKOLOGI (Studi Pada Karyawan Bank Jatim Surabaya). In The 5th National Conference on Applied Business.

20. Kim, M., & Beehr, T. A. (2018). Can empowering leaders affect subordinates' well-being and careers because they encourage subordinates' job crafting behaviors? Journal of Leadership and Organizational Studies, 25, 184 –196

21. Lee, A., Willis, S., & Tian, A. W. (2018). Empowering leadership: A meta-analytic examination of incremental contribution, mediation, and moderation. Journal of Organizational Behavior, 39(3), 306-325.

22. Li, A., McCauley, K. D., & Shaffer, J. A. (2017). The influence of leadership behavior on employee work-family outcomes: A review and research agenda. Human Resource Management Review, 27, 458 – 472.

23. Lu, L. (1997). The process of work stress: A dialogue between theory and research. Chinese Journal of Mental Health, 10(1), 19-51.

24. Lu, L., Tseng, H. J., & Cooper, C. L. (1999). Managerial stress, job satisfaction and health in Taiwan. Stress Medicine, 15(1), 53-64.

25. McGregor, I., & Little, B. R. (1998). Personal projects, happiness, and meaning: on doing well and being yourself. Journal of personality and social psychology, 74(2), 494.

26. Mehari, B. (2015). Transformational leadership and well-being: The mediating role of trust in leadership, meaningfulness and job satisfaction.

27. Miles, S. J., & Mangold, W. G. (2007). Growing the employee brand at ASI: A case study. Journal of Leadership & Organizational Studies, 14(1), 77-85.

28. Molix, L., & Bettencourt, B. A. (2010). Predicting well-being among ethnic minorities: Psychological empowerment and group identity. Journal of Applied Social Psychology, 40(3), 513-533.

29. Pearce, C. L., & Sims Jr, H. P. (2002). Vertical versus shared leadership as predictors of the effectiveness of change management teams: An examination of aversive, directive, transactional, transformational, and empowering leader behaviors. Group dynamics: Theory, research, and practice, 6(2), 172.

30. Pearce, C. L., & Sims Jr, H. P. (2002). Vertical versus shared leadership as predictors of the effectiveness of change management teams: An examination of aversive, directive, transactional, transformational, and empowering leader behaviors. Group dynamics: Theory, research, and practice, 6(2), 172.

31. Ryff, C. D. (1995). Psychological well-being in adult life. Current directions in psychological science, 4(4), 99-104.

32. Ryff, C. D., & Keyes, C. L. M. (1995). The structure of psychological well-being revisited. Journal of personality and social psychology, 69(4), 719.
    Schein, E. H. (1992). Organizational Culture and Leadership. Josey-Bass. San Francisco

33. Saini, D. S., & BUDHWAR, P. S. (2004). HRM in India 7. Managing human resources in Asia-Pacific, 113.

34. Santos, J., Gonçalves, G., & Gomes, A. (2013). Organizational culture and subjective and work well-being. The case of employees of Portuguese universities. Journal of Spatial and Organizational Dynamics, 1(3), 153-161.

35. Schein, E. H. (1992). Organizational Culture and Leadership. Jossey-Bass Publishers: San Francisco.

36. Segers, J., De Prins, P., Brouwers, S., & Vloeberghs, D. (2009). How perceived leadership engages employees and makes them happy: the role of the quality of the leader-member relationship, hope and optimism. In An International Symposium on Disentangling Engagement at the 2009 Society for Industrial and Organizational Psychology Conference, New Orleans, April.

37. Siqueira, M. M. M., Padovam, V. A. R., Chiuzi, R. M., & Covacs, J. M. L. M. (2006). A interface bem-estar subjectivo e bem-estar no trabalho. In I. Leal, JL Pais Ribeiro, & SN Jesus, Actas do 6º Congresso Nacional de Psicologia da Saúde (pp. 23-28).

38. Srivastava, A., Bartol, K. M., & Locke, E. A. (2006). Empowering leadership in management teams: Effects on knowledge sharing, efficacy, and performance. Academy of management journal, 49(6), 1239-1251.
    Stark, E. M., Shaw, J. D., & Duffy, M. K. (2007). Preference for group work, winning orientation, and social loafing behavior in groups. Group & Organization Management, 32(6), 699-723.

39. Zampetakis, L. A., Beldekos, P., & Moustakis, V. S. (2009). ''Day-to-day'' entrepreneurship within organisations: The role of trait Emotional Intelligence and Perceived Organisational Support. European Management Journal, 27(3), 165-175.