Empowering Leadership and Employee Performance: A Mediating Role of Thriving at Work

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ABSTRACT

This article seeks to investigate the mediating effect of thriving at work between perceived empowering leadership behavior and employee performance. The proposed hypotheses were tested with structure equation modeling (SEM) techniques via AMOS 21. The data was collected from the employees of the Big Four bank branches in Shanghai; thus, future research is encouraged to collect data from different respondents and sectors. The results of this study indicated that empowering leadership behavior plays a vital role in employees thriving at work and thus, in turn, influenced their performances. Also, employee thriving at work mediates the relationship of empowering leadership and employee performance. The findings, however, suggested that organization should empower their employees to enhance their thriving attitude towards work and help to improve performance outcomes. The present study was one of the few attempts that has revealed the mediating effects of employees thriving at work between perceived empowerment behavior and employee performance.

KEYWORDS
Banks, China, Employee performance, Empowering leadership, Thriving at work

INTRODUCTION

Thriving

Due to globalization and fast-paced economic changes, organizations are forced to compete in the complex and operational uncertainty environment (Rosa, 2013). Moreover, with the level of such complex environment, they have to implement quick changes necessary to stay competitive (Prem et al., 2017). Before adopting these changes and being remaining sustainable in the competition, it is becoming increasingly important for firms to make sure by having a competitive and thriving workforce thrilled to nurture and develop in the fast-paced, competitive market (Spreitzer, Porath, & Gibson, 2012). The concept thriving got massive attention in Spreitzer (2005) socially embedded model with an advanced two-dimensional conceptualization. It has composed of vitality and learning, which defined as “the psychological state in which individuals experience both a sense of vitality and a sense of learning or getting better at work” (Spreitzer et al., 2005, p. 538). It includes both an affective and a cognitive component. In an affective component (i.e. vitality), it is about the feelings or subjective experience of employees’ energy and liveliness (Peterson & Seligman, 2004). Whereas the second component (i.e. learning) refers to the employee psychological state i.e. sense, that one

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is acquiring and can apply knowledge and skills to one’s work to build capability and confidence (Elliott & Dweck, 1988).

While performing in organizations, such thriving workforce is critical for the performance of both employees and organization as well. As they are supposed to create new resources, e.g. knowledge, meaning, and interpersonal relationships, that may also contribute to the organizational performance while improving employees’ health at the same time (Porath et al., 2012). Previous studies have considerable revealed the positive effects of learning on performance, and vitality with motivational component that stimulates proactivity in the workplace (Carmeli et al., 2009). In the socially embedded model of Spreitzer and his companion (2005), ‘TAW’ is conceptualized on employees’ learning and vitality, emphasizing two important components of thriving facilitated by contextual features and available resources in the organization. Both components play a vital role in their effective outcomes. Because, employees who are only experiencing vitality, but finds personal learning to be stagnant. Such employees are experiencing limited thriving because of languishing one of its component (i.e. learning) and may feel the loss of their potential. Likewise, those who are just learning but not experiencing the vitality may feel depleted from their work (Mortier, Vlerick, & Clays, 2016). The development of such employees is stunted and limited because of not having the capacity to fully realize learning as a result of low energy. In the field of organizational behavior, employees’ thriving is becoming an important element need to consider (see Porath et al., 2012). As it predicts effects and behavior of employees at work (Niessen, Sonnentag & Sach, 2012). Especially, for those working in the service sector are continuously confronted with learning by experiencing new customers, latest technologies and changing the distribution of their task (Pool et al., 2013).

Empowering Leadership

The ideology of empowerment was introduced in the 1980s and has been advanced by several scholars (for example, Chebat & Kollias, 2000; Hartline & Ferrell, 1996; Spreitzer, 1995, 1996). The basic premises of empowerment were to promote employee productivity (Bartunek & Spreitzer, 2006) based on technological and commercial changes that took place in the working environment (Fernandez & Moldogaziev, 2011). From last decades, the nature of work substantially has been modified, and the workplace becomes more complex and cognitively demanding workforce that is more flexible, highly skilled and energized to grow and develop (Humphrey, Nahrgang, & Morgeson, 2007).

In this fast-paced changing landscape, empowering leadership (hereafter ‘EL’) has been seen as an emerged and distinct type of leadership (Amundsen & Martinsen, 2014). This leadership is different from other forms of traditional leadership styles like supportive, directive, contingent reward, transactional, and transformational (Babic et al., 2014; Nesterkin, 2013). It has being defined from two different complementary perspectives i.e. “power sharing” and “self-efficacy” (Zhang and Bartol, 2010; Seibert, Wang & Courtright, 2011). The first perspective refers to the endorsement of power and responsibility to subordinates, realize self-management (Arnold et al., 2000), whereas, the second is about emphasizing psychological experiences of employees (Li et al., 2016). According to the Ahearne et al., (2005), ‘EL’ is a leadership style that comes with employees’ feelings of helplessness by giving them full autonomy and raising their task-related intrinsic motivations. Moreover, in essence, it has a positive impact on employees’ work context that provides with necessary working resources, stimulate their motivational behaviors and promotes employees’ ability to thrive at work (Harris et al., 2014). Whereas, the traditional leadership’s styles primarily emphasized the charismatic and behavior context of leaders that deals with the momentum of employees change behaviors (Li et al., 2016). In comparison, ‘EL’ is considered more supportive, encouraging, informative, providing coaching and training to their subordinates (Bandura, 1986). In this study, authors used two perspectives of ‘EL’ integrated by Zhang and Bartol’s (2010). They conceptualize ‘EL’ as power being shared with subordinates through a series of leadership behaviors. For instance, emphasizing job meaning, giving them full autonomy and raising their task-related intrinsic motivations, expressing confidence in
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