Psychological Empowerment and Employee Behaviors: Employee Engagement As Mediator and Leader-Member Exchange as Moderator

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ABSTRACT

The objective of this study is to determine the association between psychological empowerment and two behavioral outcomes of employee (i.e. organizational citizenship behavior and knowledge sharing behavior) by examining the mediating role of employee engagement and the moderating role of leader-member exchange. A survey was completed by employees working in different corporations and jobs. The data were collected by self-administered questionnaire and analyzed by using correlation and regression analysis. Results indicate that psychological empowerment positively influences organizational citizenship behavior and knowledge sharing behavior. In addition, employee engagement partially mediates the relationship between psychological empowerment and organizational citizenship behavior and fully mediates between psychological empowerment and knowledge sharing behavior. Psychological empowerment has a positive significant relationship with the employee engagement whereas leader-member exchange does not moderate the relationship between psychological empowerment and employee engagement. The implications of these findings are discussed.

Keywords:
Employee Engagement
Knowledge Sharing Behavior
Leader-Member Exchange
Organizational Citizenship Behavior
Psychological Empowerment

I. Introduction

For several decades, researchers have analyzed behavioral consequences of psychological empowerment. Researchers defined psychological empowerment as the deep-rooted motivation in the task which has a sense of control related to employee's work and inclination towards employee's work role (Sprieter, 1995). The literature shows that leadership, perceived performance, attributes of work design, social and political support and management practices are the contextual antecedents of psychological empowerment (Seibert, Wang, & Courtright, 2011). Previous studies examined that organizational citizenship behavior is indirectly and positively influenced by psychological empowerment and organizational justice (Najafi et al., 2011).

Organizational citizenship behavior (OCB) is nontraditional job behavior as compared to job performance in a formal role (Ozer, 2011). Knowledge Sharing Behavior (KSB) is defined as the behavior of an individual to share his/her knowledge and skills related to work or task with other members of an organization to increase the effectiveness of an organization (Ozbebek & Toplu, 2011). Engagement is a psychological presence to employ and execute job role in an organization (Bakker & Demerouti, 2008). The social relationships between leaders and followers are the core in leader-member exchange (Lee, 2005).

In previous studies, researchers have examined job satisfaction, organizational commitment and perceived organizational support (POS) as mediating variables between psychological empowerment and OCB and KSB (Najafi et al., 2011). Leader-member exchange was examined as the moderator between employee engagement and organizational citizenship behavior and turnover intentions (Alfes et al., 2013). In literature, it's rare to have employee engagement as the mediating variable between psychological empowerment and organizational citizenship behavior and knowledge sharing behavior along with leader-member exchange as the moderator between psychological empowerment and employee engagement.

The decision to include behavioral outcomes (OCB and KSB) was predicted not only on their importance in the field of management but also in the area of applied psychology, social psychology, and organizational behavior. The employee's behavior significantly affects the smooth functioning of an organization. Hence it is important to examine the factors which have an impact on employees' behaviors. These two dependent variables are not only highly relevant to the organization but also
related to the personality of an individual.

The contribution of the study is in two folds. First examines whether leader-member exchange critically moderates the relationship between psychological empowerment and employee engagement. Second, whether two behavioral outcomes (OCB and KSB) are influenced by psychological empowerment with the mediating effect of employee engagement. The objectives of the study are, to identify the relationship between psychological empowerment and organizational citizenship behavior; to identify the relationship between psychological empowerment and knowledge sharing behavior; to investigate the role of employee engagement as mediator between psychological empowerment and organizational citizenship behavior and knowledge sharing behavior; and to investigate the role of leader-member exchange as moderator in the relationship between psychological empowerment, OCB and KSB. The social exchange theory (SET) introduced in 1958 by the sociologist George Homans, based on the theoretical perspective of social exchange, acts as an underpinning theory. This study proposed that psychological empowerment helps to maintain the high-quality relationships by influencing the employee's behavior.

2 Literature Review

2.1 Psychological Empowerment and Organizational Citizenship Behavior (OCB)

Several researchers have discussed psychological empowerment in the field of management (Solansky, 2014). Psychological empowerment is an intrinsic motivation of an individual caused through four cognitions reflecting individual's familiarization to his/her work role (Thomas & Velthouse, 1990). These four cognitions that create intrinsic motivation mean, competence, self-determination, and impact (Spreitzer, Kizilos & Nason, 1997).

Meaning refers to a connection between behaviors, values, and beliefs of a person and demands of a work role (Spreitzer, 1996). The actions of individuals can be initiated and regulated through the sense of choice called self-determination (Deci, Connell & Ryan, 1989). The degree or extent of an individual's belief in his/her own ability for completion of a work related task with skills is called competence, whereas impact is the extent to which operating, strategic and bureaucratic outcomes in an organization are affected by an individual (Ashforth, 1989).

The visionary collaboration and cooperation between co-workers are called organizational citizenship behavior (Chiang & Hsieh, 2012). The training on principles of organizational justice to leaders directs both individual members of the union called individual, organizational citizenship behavior (OCBI) and whole union as an organization called organizational citizenship behavior (OCBO) (Skarlicki & Latham, 1996). Intrinsic motivation can increase assistance and coordination among employees.

Previous studies on teachers indicate that perception about a level of empowerment of teachers has a significant relationship with organizational citizenship behavior and their feelings of commitment to the organization, while the important predictors of organizational citizenship behavior are listed as status, self-efficacy, and decision making (Bogler & Somech, 2004; Ahmad et al., 2014). Thus an increase in psychological empowerment influences the feelings at individual and team level that turn in influences the job satisfaction which leads to increased organizational citizenship behavior.

H1: There is a positive association between psychological empowerment and organizational citizenship behavior.

2.2 Psychological Empowerment and Knowledge Sharing Behavior (KSB)

Knowledge sharing is also called "knowledge exchange" (Cabrera, Collins, & Salgado, 2006) and it can be defined as the technique for solving problems, executing new policies and procedures through collaborating with others (Cummings, 2004). Research shows that psychological empowerment, organizational citizenship behavior, job satisfaction and job involvement independently and positively affects the knowledge sharing behavior of employees (Teh & Sun, 2012). The literature on KSB reflects that there is a significant association between motivational factors and aims and attitudes of employee knowledge sharing (Lin, 2007; Bock et al., 2005). Thus an organization can achieve its objective and improve its knowledge management through knowledge sharing. Psychological empowerment improves the individual's capability which in turn improves knowledge sharing.

H2: There is a positive association between psychological empowerment and knowledge sharing behavior.

2.3 The mediating role of employee engagement in psychological empowerment and organizational citizenship behavior

Employee engagement is the voluntary attempt to perform work by employees (Frank et al., 2004). Job demand undermines the employee's well-being whereas job resources such as skills, experience, freedom and helpful surroundings are positively linked with employee's engagement (Nahrgang, Morgeson & Hofmann, 2011). Psychological empowerment is significantly associated with employee engagement, and affective job insecurity acts as moderator (Standor & Rothmann, 2010). Most of the preceding studies support the positive correlation between employee engagement and organizational citizenship behavior components (Rurkkhum & Bartlett, 2012). Engagement and job embeddedness are unique constructs, and both are predictors of performance and intention to leave (Halbesleben & Wheeler, 2008). Rurkkhum and Bartlett (2012) found that psychological empowerment has a positive influence on employee engagement. Thus, the involvement of employee stemming from psychological empowerment leads toward organizational citizenship behavior.

H3: Employee engagement mediates the relationship between psychological empowerment and organizational citizenship behavior.
2.3 The mediating role of employee engagement between psychological empowerment and knowledge sharing behavior

Employee knowledge sharing provides a way for collective learning which may improve organizational performance (Hansen, 2002). The knowledge sharing intentions of employees can be enhanced through social interaction norms, enjoyment, and reciprocity (Hau et al., 2013). Knowledge sharing will be improved when employees are highly engaged. The employee's ability to acquire and exchange knowledge enhances when personal encouragement, capacity and a network of social interaction are high (Reinholt, Pedersen & Foss, 2011). Past studies found that the enactment of positive behavioral outcomes, as a consequence of engagement, largely depends on the wider organizational climate (Alfes et al., 2013). Thus, when employee's self-efficacy, competence, autonomy, and determination are high, the employee will be highly involved and vigorous in his or her job consequently the exchanging knowledge behavior is positively influenced.

H4: Employee engagement mediates the relationship between psychological empowerment and knowledge sharing behavior.

2.5 The moderating role of leader-member exchange between psychological empowerment and employee engagement

Leader-member exchange can be defined as the connection of mutual exchange between the new job holder/subordinate and his/her supervisor or boss (Lian, Ferris & Brown, 2012). Members are treated by their leaders differently which lead to different kinds of exchange relationships ranging from lower to higher quality mutual relationships in the context of leader-member exchange theory (Sherony and Green, 2002). The feedback of followers in the form of emotions toward leaders is positively influenced. The work I do is very important to me' was the sampling item. The scale used for measurement was 5 points 'Likert' scale, and 0.82 was the Cronbach's alpha for the scale.

H5: Leader-member exchange moderates the relationship between psychological empowerment and employee engagement such that the relationship is stronger for those who are higher in leader-member exchange.

2.6 Theoretical Model

3. Methodology

3.1 Sample and Procedure

In this study, the sample contained employees working in three different work environments of Pakistan; the researcher has included well-established universities from both private and public sectors. It was a cross-sectional study.

A self-administered questionnaire was the tool for collecting data. Mostly, questionnaires were distributed in person but sometimes when it was difficult to reach respondent personally then questionnaires were sent through email. The sample was selected carefully for the study because in selected sector employees spend most of their time in their offices. The convenience sampling technique was used because of the limited availability of time and resources. 300 questionnaires were distributed, 156 were received back that constituted 52% response rate. The respondents were asked to identify their gender, age, qualification and work experience. Ten questionnaires were rejected because of misleading and incomplete answers. The total responses used for statistical modeling were 146 (n=146), which is 93.5% of total received questionnaires. The respondents consisted of 43.8% female and 56.2 % male. 56.8 % of the respondents hold master degrees while 19.9% people hold MS/M. Phil degrees. In terms of age group, 50.7% of the sample lies between 26 and 33 of age.

3.2 Measures

3.2.1 Psychological empowerment

Psychological empowerment was measured by using a twelve-item scale developed by Spreitzer(1995). ‘The work I do is very important to me’ was the sampling item. The scale used for measurement was 5 points ‘Likert' scale, and 0.82 was the Cronbach's alpha for the scale.

3.2.2 Employee engagement

A seventeen item-scale established by Schaufeli et al. (2002) was used to measure employee engagement. ‘I can continue working for very long periods of time' was the sampling item. A five-point measure is going from 1 (strongly disagree) to 5 (strongly agree). The Cronbach's alpha for the scale was .88.

3.2.3 Leader-member exchange

For leader-member exchange scale, a seven-point measure is going from 1 (strongly disagree) to 7 (strongly agree). An 11 item scale developed by Liden and Maslyn (1998) was used to measure leader-member exchange. ‘I like my supervisor very much as a person’ was the sample item. 0.93 was Cronbach's alpha for the scale of leader-member exchange.

3.2.4 Organizational citizenship behavior

The instrument for organizational citizenship behavior is comprised of 16 items. An example of these items consists of helping others who have been absent, express loyalty towards the organization and so on. A seven-point measure is going from 1 (never) to 7 (always). Organizational citizenship behavior has two aspects (organizational citizenship behavior individual and organizational citizenship behavior organization) which were measured by the instrument established by Lee and Allen (2002). 0.896 was the Cronbach's alpha for the organizational citizenship behavior scale.
3.2.5 Knowledge sharing behavior
To measure knowledge sharing, a 5 item scale was used developed by Zarraga and Bonache (2003). ‘My knowledge sharing with other organizational members is good’ was a sample item. A seven-point measure is going from 1 (strongly disagree) to 7 (strongly agree). 0.85 was Cronbach’s alpha for the scale of knowledge sharing behavior.

3.3 Control Variables
In Table 1, one-way analyses of variance were conducted to compare gender, age and work experience on employee engagement, organizational citizenship behavior, and knowledge sharing behavior. These tests revealed that on the basis of age significance difference occurred in employee engagement and organizational citizenship behavior and employee engagement on the basis of work experience. Thus age and work experience had been controlled in regression analysis.

### Table 1: One-Way Anova

<table>
<thead>
<tr>
<th>Control Variable</th>
<th>Employee Engagement</th>
<th>Organizational Citizenship Behavior</th>
<th>Knowledge Sharing Behavior</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>F-value</td>
<td>Sig(p)</td>
<td>F-value</td>
</tr>
<tr>
<td>Gender</td>
<td>13</td>
<td>.01</td>
<td>94</td>
</tr>
<tr>
<td>Age</td>
<td>3.29</td>
<td>.67</td>
<td>62</td>
</tr>
<tr>
<td>Qualification</td>
<td>13</td>
<td>.16</td>
<td>96</td>
</tr>
<tr>
<td>Work Experience</td>
<td>2.55</td>
<td>.13</td>
<td>27</td>
</tr>
</tbody>
</table>

If p<0.05, no need to control that variable; If p<0.05, control those variables.

4. Results
4.1 Correlation Analyses
Table 2 presents descriptive statistics and correlations occur among the variables. The correlations of all variables are significant at p<.05. 4.05 was the mean for psychological empowerment and .499 was standard deviation, and that for organizational citizenship behavior was 5.54 (s.d=.94). The correlation between the psychological empowerment and organizational citizenship behavior was .37. The mean for knowledge sharing behavior was 5.64 (s.d=1.13). .19 was the correlation between psychological empowerment and behavior of sharing knowledge. Employee engagement mean was 3.98 (s.d=.56). The correlation between psychological empowerment and employee engagement was .55, among employee engagement and organizational citizenship behavior was .33 and between employee engagement and knowledge sharing behavior was .19.

### Table 2: Mean, Standard Deviations, Correlations and Reliabilities

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>S.d.</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
</table>

4.2 Regression Analyses
To test hypotheses, hierarchical regression modeling (HRM) technique was adopted (Table 3). In regressions where the dependent variable was employee engagement, age and work experience were recorded as control variables in the first step and regressions where the dependent variable was organizational citizenship behavior age was entered as a control variable in the first step. Baron and Kenny (1986) suggested some provisions that were applied to test mediation of employee engagement. Table 3 illustrates that psychological empowerment has significant positive influence on organizational citizenship behavior (n=70, p<.001, supporting hypothesis 1).

The psychological empowerment has significantly positive influence on knowledge sharing behavior (β=.44, p<.05), supporting hypothesis 2. After launching the mediating variable (i.e. employee engagement) into the model, psychological empowerment has significant positive influence on employee engagement (n=60, p<.001). The employee engagement has the significantly positive influence on organizational citizenship behavior (n=.58, p<.001), while the influence of psychological empowerment on organizational citizenship behavior with the mediation of employee engagement becomes significant (n=.50, p<.001). Therefore employee engagement partially mediates the connection between psychological empowerment and OCB, partially supporting hypothesis 3. Employee engagement has significant positive influence on the behavior of sharing knowledge sharing (n=.60, p<.001). The impact of psychological empowerment on the behavior of exchanging knowledge with mediating role employee engagement was insignificant (n=.29, p>.05). Therefore full mediation of employee engagement occurs between the relationship of psychological empowerment and OCB with mediating variable exchange has insignificant influence on employee engagement (n=.09, p>.05), which indicates that positive association among psychological empowerment and employee engagement is weaker when the employee is high than low in leader-member exchange, not supporting hypothesis 5.

### Table 3: Results of Regression Analyses

<table>
<thead>
<tr>
<th>Predictors</th>
<th>EE</th>
<th>OCB</th>
<th>KSB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step 1</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

N=146; Values in parentheses are alpha reliabilities;***p<.001; **p<.01; *p<.05; PE=Psychological Empowerment; EE=Employee Engagement; LMX=Leader-member Exchange; OCB=Organizational Citizenship Behavior; KSB=Knowledge Sharing Behavior.
The first hypothesis predicted that there would be positive association between psychological empowerment and organizational citizenship behavior which was partially supported by analysis. The previous results illustrate that work engagement played a mediating role between charismatic leadership and organizational citizenship behavior (Babcock-Roberson & Strickland, 2010). By empowering the employees psychologically, employee engagement at work partially relates psychological empowerment with organizational citizenship behavior. When employees are psychologically empowered, they will be more vigorous and dedicated towards their job which enhances the activities entailing a greater commitment towards work.

The investigation suggested a mediating role of employee engagement in the association of psychological empowerment and knowledge sharing behavior; supported the fourth hypothesis.

Employee's behavior towards knowledge sharing and exchange will be positive when the employee will be more empowered and engaged in work because employees will be more dedicated, vigorous and absorbed in their work. The employees will share their expertise and knowledge which contributes to the effectiveness of an organization.

The fifth hypothesis was leader-member exchange moderates in the association among psychological empowerment and employee engagement in such a way that the connection is stronger for those who are higher in leader-member exchange. Results were not supporting this hypothesis. According to vertical dyadic linkage theory, nature of the interaction of leader with members is varying in in-group and out-group (Graen & Cashman, 1975). In in-group members are more satisfied and committed and in out-group members are dissatisfied and not committed which puts an impact on organizational performance (Graen & Ulh-Bien, 1995). This study examined that leader-member exchange does not moderate among the association of psychological empowerment and employee engagement. The argument is that the psychological empowerment and employee engagement relationship of members of out-group will be weaker when the leader-member exchange is high. When employees are psychologically empowered, their dedication and absorption will be more without the role of leader.

The second hypothesis predicted that there would be positive association between psychological empowerment and knowledge sharing behavior which was supported by the findings of the current study. The commitment towards meaningfulness, self-efficacy and autonomy positively influences the employee's knowledge sharing behavior. The employee's feeling of psychological satisfaction will have a positive effect on members of the organization.

The third hypothesis predicted that employee engagement mediated in the association of psychological empowerment and organizational citizenship behavior which was partially supported by analysis. The previous results illustrate that work engagement played a mediating role between charismatic leadership and organizational citizenship behavior (Babcock-Roberson & Strickland, 2010). By empowering the employees psychologically, employee engagement at work partially relates psychological empowerment with organizational citizenship behavior. When employees are psychologically empowered, they will be more vigorous and dedicated towards their job which enhances the activities entailing a greater commitment towards work.

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that managers should increase psychological empowerment of employees. Managers can adapt following steps: First, identify what motivates employees such as an increase in participation in decision making, expansion opportunities, promotion, job autonomy, job control, team participation and to be a successful team member to accomplish a task. Second, determine and explore hurdles that can reduce encouragement of employees such as lack of knowledge, and fear of losing a job. Third, develop an employee motivation program such as better compensation packages, favorable intrinsic and extrinsic rewards, uplifting, compliment and appreciation as employee’s work raise. Fourth add motivation to employee training. Fifth implement procedures for motivating an aging workforce. Managers should provide good supervision to guide and direct activities of employees.

The major strength of this study is field data from of a variety of organizations. Field data from different private and public organizations can be generalized. The current study is with few limitations. First, convenience sampling technique was used. Second, the possibility of method bias for variables tapped from the same source is an issue. Third, the sample size was small.

The future researchers should use large sample size and experimental and longitudinal research designs. Researchers should test mediation –moderation model in different countries or cultures with samples from other occupations and settings. Future researchers should try to examine the link between job demands or job resources with organizational citizenship behavior or knowledge sharing behavior. Job resources, transformational leadership, perceived organizational support and PS fit should be examined as moderators. Future research should also examine employee creativity as a mediator between psychological empowerment or employee engagement and organizational citizenship behavior or knowledge sharing behavior.

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Reference


