

To investigate impact of leader empowerment behavior on employee work engagement: Mediating role of organizational justice perceptions

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Abstract

It is widely understood that employees want to work for companies that practice ethics. Studies of engagement had mainly focused on identifying its antecedents. However, this research insights exploration role of organizational justice between leaders and their subordinates in the Pakistan's climate among different age groups. Due to limited knowledge in this regards; there existed reasons of burnout. Therefore, this research aimed to investigate underlying grounds of employee engagement and disengagement in industrial sector. Data was collected from 217 employees using standardized instruments at five point likert scale. Mediation analysis was used to find variance in variables. Findings showed several variations in engagement of different age groups with the variety of leader behaviors. Also justice perceptions had sustainable impact on engagement. This study will aid managers in understanding the reason behind employees' engagement at work, whilst offering practical methods of managing the successful co-existence of older and younger generations.

Keywords: leader empowering behavior, Organizational justice perception, employee engagement, mediation analysis

1. Introduction

Typically investigations of empowerment take one of two points of view: relational and motivational. Relational viewpoint is about, sharing basic leadership and power among people in the organization. Motivational viewpoint is about decentralization of force that cultivates the strengthening of people. Leaders are accused of enhancing the self-viability of people, which thus engages and inspires people to complete duties [11].

The term "organizational justice" states to the degree to which employees perceive workplace procedures, interactions and outcomes to be fair in nature. These opinions may be able to influence attitudes and behavior for good and ill, this brings about an encouraging and damaging impact on an employee's performance and the organization's success as a whole. Three types of organizational justice perceptions, namely, distributive, procedural, and interactional that firms must embrace in order to have happy and productive employees [8].

William Kahn was one of the first to hypothesize about work engagement. He described in employees as being completely physically, psychologically, and candidly associated with their work roles. Engagement alludes to concentrated vitality that is engaged toward organizational objectives [10].

2. Literature Review

2.1 Leader Empowering Behavior (LEB)

Fallen and Marius (2011) directed a review on "Positive organization: The role of leader behavior in work engagement and retention". Workers holding different positions were the principle members of the review. Pearson correlation coefficients and regression investigations demonstrated that leader empowering behavior, role clarity and psychological empowerment predicts an extensive rate of the change in

engagement and turnover intension. The accepted examination demonstrated that leader empowering behavior dimensions, role clarity and psychological empowerment are explicitly identified with the three classes of work engagement (vigor, dedication and absorption). It was likewise apparent that advancement and significant work assumes a critical part in the maintenance of ability [4].

Janie Bester *et al.*, (2015) led an examination on "Leadership empowering behavior, psychological empowerment, authoritative citizenship practices and turnover goal in an assembling division". A non-exploratory, cross-sectional review was composed with aggregate population of 300 employed work forces. Analysis found that leader empowering behavior, psychological empowerment and hierarchical citizenship conduct were essentially interrelated and all go about as indicators for turnover aim inside the assembling division of the association [6].

2.2 Organizational Justice Perceptions (OJP)

Nicolas Gille *et al* (2012) analyzed the interceding part of organizational justice in the association between transformational leadership and medical attendants' nature of work life and their work engagement in France. Findings from 343 attendants demonstrated that distributive justice and interactional justice completely intervene the association between transformational administration and medical caretakers' nature of work life. Likewise, attendants' nature of work life was emphatically identified with their work engagement [7].

Upasna (2013) verified the intervening part of trust in the justice-engagement relationship of Indian managers. The relationship between justice dimensions and work engagement was viewed from the social exchange theory perspective. Data

was collected from 450 managers from manufacturing and pharmaceutical industries. Analysis of confirmatory factor of 3-model study (no mediation, partial mediation and full mediation) measurably demonstrate that trust has an essential intervening impact on the relationship between impression of equity and work engagement taking after full intervention. At long last, work engagement was likewise observed to be altogether identified with innovative work behavior [9].

2.3 Work Engagement (WE)

Azka Ghafoor *et al.*, (2011) inspected the relationship between transformational leadership, employee engagement and worker execution with intervening impact of psychological ownership. The information was gathered through surveys from 270 workers and supervisors of media transmission of Pakistan. Findings showed significant relationship among all variables. Results also showed partial mediation of psychological ownership dimensions in the relationship of transformational leadership and worker execution [2].

De Villiers *et al.*, (2011) led an exploration on "Psychological Empowerment, Work Engagement and Turnover plan: The role of Leader Dealings and Role Transparency in a Budgetary Organization" of South Africa. A cross-sectional study configuration was utilized with accommodation test of 278 workers. SEM demonstrated that role clarity interceded the relationship between leader member relationship and psychological empowerment, while psychological empowerment intervened the relationship between role transparency and work engagement and in addition turnover expectation. Leader-member relations lead to enhanced consideration of characters, while role transparency empowers and engages employees [3].

2.4 Theoretical Perspective

Leader Member Exchange (LMX) theory was given by George Graen in 1970. Originally it was termed as Vertical Dyed Linkage (VDL). In this focus had shifted that how leaders can develop effective relationships with all group members. High-quality relationships between leaders and members such as organizational performance, job satisfaction, work engagement and career progress [5].

Equity Theory was given by John Stacey Adams in 1963. Theory grounds on Comparison between our own input and output ratio with the input and output ratios to be experienced by others in similar situations. Inputs cover all aspects of what a person gives, sacrifices, tolerates, invests, etc., into their work situation, and Output covers all aspects of what a person receives and benefits from in their work and wider career [1].

Employee Engagement theory was given by William Kahn in 1990. Theory proposed three main psychological conditions that influenced people’s engagement and disengagement at work: Meaningfulness of work, Safety, and Availability of resources. These create engagement continuum of Vigor Dedication and Absorption [10].

Overall Purpose identifies how the two theories work in tandem to predict employee engagement.

3. Research Gap

In Pakistan, little research has been made on workers’ perception and their engagement at work. Mostly studies have been conducted by middle and top managers of education and financial sectors. However, no extensive research is available

that addresses collective effects of both Leader Empowering Behavior and Organizational Justice Perception on Employee work Engagement.

4. Problem Statement

Limited knowledge is available on the interceding role of OJP amongst leader behavior and subordinate performance; which results in poor retention of staff, lack of opportunities and feedbacks, unfair treatment and inflexible working environment causing high rate of employee’s burnout within their work roles.

5. Questions

1. Does the perceptions of justice add more explanation in relationship between leader empowering behavior and level of employee engagement in the industrial sector of Pakistan? If so, how it impacts on the level of employee engagement?
2. Which age group has the highest work engagement?

6. Objectives

1. To inspect mediating impact of organizational justice perceptions in the relationship between leader empowerment behavior and employee engagement.
2. To find out differences in 3 age groups.

7. Hypothesis

1. Leader empowering behavior will significantly predict the variance in employee engagement among employees working in the Pakistani Industry.
2. Leader empowering behavior will significantly predict the variance in organizational justice perceptions in the Pakistani Industry.
3. Organizational justice perceptions will significantly predict the variance in employee engagement in the Pakistani Industry.
4. Organizational justice will significantly mediate the variance between employee engagement and leader empowering behavior in the Pakistani Industry.
5. There is a significant difference in the engagement of three different age group employees of industrial sector.

8. Models



Fig 1: Casual Model without Mediator

Interpretation: Figure 1 illustrates the total effect (c) of the casual model of X and Y in which LEB causing employee WE without mediator.

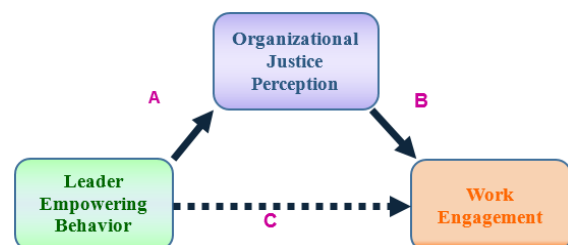


Fig 2: Casual Model with Mediator

Interpretation: Figure 2 illustrates the direct effect (c') and indirect effect (a, b) of the casual model of X, M and Y, that is LEB causes OJP and then OJP causes employee WE.

9. Equation

Total effect = direct effect + indirect effect,

$$c = c' + ab \tag{1}$$

Where c = Total effect, c' = Direct effect and ab = Indirect effect.

10. Research Design & Methods

This research was conducted in real working environment and included following characteristics; on the basis of application, it was an applied research as most of the researches in social sciences are applied. On the basis of time, it was a cross-

sectional study because the information about the variables was gathered at only one point in time. On the basis of methodology, it was a quantitative research. On the basis of objectives, this study was classified as descriptive because it attempted to systematically describe a situation, problem and attitudes towards an issue, and explanatory because it attempted to clarify why and how there is a relationship between two aspects of a situation or phenomenon. Besides that mediation analysis, non-parametric Kruskal Willis test was used to find engagement levels of different age groups.

10.1 Measurement

Primary data was collected through structured close-ended questionnaire from respondents. As there were three variables in the study, so three standardized research instruments were selected for the study;

Table 1: Research Instruments & Reliability

Research Instruments & Reliability				
	Variables	Scales	Cronbach's Alpha	No. of Items
1.	Leader Empowerment Behavior (LEB)	(LEBQ) by Konczak <i>et al.</i> (2000)	.859	19
2.	Organizational Justice Perception (OJP)	(OJS) by Niehoff <i>et al.</i> (1993)	.882	19
3.	Employee Work Engagement (WE)	(UWES) by Schaufeli <i>et al.</i> (2002)	.770	17

10.2 Survey

A total number of 217 employees were selected through stratified random sampling of three different age groups.

Following survey characteristics and age generation spans are considered "global" generations: Millennial (20-34 years), Generation X (35-44 years), Baby Boomers (45-60 years).

Table 2: Survey Characteristics

Survey Characteristics	
Geographical Area	Karachi and Hyderabad (Sindh)
Sample size	217 questionnaires
Sampling unit	Cement Industry
Respondents	Workers and junior managers

10.3 Accessing Normality

Normality of the values of the variables of this research has

been assessed by using Kalmogorov-Smirnov & Shapiro-Wilk tests.

Table 3: Test of Normality

Tests of Normality						
	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
LEB	.183	217	.000	.901	217	.000
OJP	.161	217	.000	.923	217	.000
WE	.191	217	.000	.899	217	.000

a. Lilliefors Significance Correction

Interpretation

Since p < .001 for all the three variables (LEB, OJP and WE), showing very significances, it is therefore interpreted that the null hypotheses for normality will be rejected and overall distribution of data is non-normal in nature.

11. Analysis

Analysis includes the demographic profile of respondents, descriptive statistics of employee engagement and other variables. Test statistics of Kruskal Wallis test and summarized results of Baron and Kenny's 4-step mediation analysis using SPSS 22.0.

Table 4: Demographic Characteristics

Demographics						
Age, Gender and Position cross tabulation						
Position	Male	Female	Millennials	Gen X	Boomers	Total
Workers	126	12	116	19	8	143
Junior managers	60	19	30	34	10	74
Total	186	31	146	53	18	217

Table 5: Descriptive Statistics of all Variables

Descriptive Statistics			
	N	Mean	Std. Deviation
LEB	217	3.54	.485
OJP	217	3.42	.521
WE	217	3.57	.364
Valid N (listwise)	217		

Interpretation

Table 5 illustrates that all main variables show slight positive attitude towards their organization. Results showed that LEB and WE were appeared to be the most satisfied by employees (Mean scores = 3.54, 3.57) and least satisfied with OJP (Mean score= 3.42).

Table 6: Summarized results of Mediation Analysis

Steps	Variables Impacts	R ²	β		F value	T value	p value	
1.	LEB predict WE	.332	.576		106.87	10.336	.000	
2.	LEB predict OJP	.730	.855		582.069	24.126	.000	
3.	OJP predict WE	.397	.630		141.772	11.907	.000	
4.	LEB & OJP predicting WE	R Square	Unstandardized Coefficients		Standardized Coefficients		T	Sig.
	(Constant)		B	Std. Error	Beta			
	LEB		.104	.016	.139	1.366	.173	
	OJP	.403	.357	.071	.512	5.029	.000	

Interpretation: Tables 6: shows that in step 1, LEB explains (R² = .332, p<.001) of significant variance in WE. In step 2, LEB explains (R² = .730, p<.001) of significant variance in OJP. In step 3, OJP explains (R² = .397, p<.001) of significant variance in WE. In other words, the regression analysis showed that all three steps showed significant influence of predictors on outcome variable.

In the fourth step, employee WE was regressed on both LEB and OJP. Results indicated that the direct effect of LEB (c') on WE had reduced (β = .139 out of .576) and became insignificant (p>.05), and indirect effect, which is the mediating effect (ab) on WE became significant (P<.001). So mediating role of OJP in the relationship between LEB and WE was proved and confirmed to be significant.

The significance of indirect paths (ab) was conducted by Sobel test. Statistics showed (z = 4.92, S.E = .066, P<.001) very significant indirect path.

$$Z = \frac{ab}{\sqrt{b^2s_a^2 + a^2s_b^2}} \tag{2}$$

Where,

a = unstandardized regression coefficient

s_a = standard error of a.

b = unstandardized regression coefficient

s_b = standard error of b.

This means that employee engagement is highly influenced when leader keeps justice perceptions in mind when making any decision.

Table 7: Kruskal Wallis Test

Test Statistics ^{a, b}	
	WE
Chi-Square	30.387
df	2
Asymp. Sig.	.000
a. Kruskal Wallis Test	
b. Grouping Variable: Age	

Interpretation: In table 7, difference in engagement level of three age groups was calculated by Kruskal Wallis test, (X² =

30.387, df = 2, p<.001). According to the assumption, if chi-Square > 5.99, Null hypothesis will be rejected. This determines that there is a substantial difference among engagement level of 3 different age group employees.

Table 8: Mean Ranks of Age Groups

Ranks			
	Age	N	Mean Rank
WE	Millennial	136	91.61
	Generation X	46	129.02
	Baby Boomers	35	150.26
	Total	217	

Interpretation: Table 8 explained detailed mean ranks of 3 different age group employees. Millennial were (N = 136, mean rank = 91.61). Generation X were (N = 46, mean rank = 129.02) and Baby Boomers were (N = 35, mean rank = 150.26). It was concluded that Baby Boomers WE was the highest, followed by Generation X and lastly Millennial. This determines that younger employees require more retention towards their work by organization.

12. Discussions

H₁ Leader empowering behavior will significantly predict the variance in employee engagement among employees working in the Pakistani Industry.

Accepted, (R² = .332, p<.001)

This finding was supported by Paula Greco *et al* (2006) who found that leaders develop organizational structures thereby creating greater work engagement

H₂ Leader empowering behavior will significantly predict the variance in organizational justice perceptions in the Pakistani Industry.

Accepted, (R² = .730, p<.001)

This result was backed by the findings of Xiameng Zhang *et al* (2010) who found that empowering leadership positively affected psychological empowerment.

H₃ Organizational justice perceptions will significantly predict the variance in employee engagement in the Pakistani Industry.

Accepted, ($R^2 = .397$, $p < .001$)

This result was also supported by the findings of Mark G. (2004) whose results supported the association of both leadership and procedural justice climate with unit-level OCB.

H₄ Organizational justice will significantly mediate the variance between employee engagement and leader empowering behavior in the Pakistani Industry.

Accepted, ($R^2 = .403$, $p < .001$)

This result was in line with the findings of Muhammad Irfan Syaebani (2011) who concluded that organizational justice perception plays important role to the occurrence of deviant workplace behavior that is engaged by its employees.

H₅ There is a significant difference in the engagement of three different age group employees of industrial sector.

Accepted, ($X^2 = 30.387$, $df = 2$, $p < .001$)

This result is also supported by the findings of Nico Martins (2014) whose study was on Perceptions of Age Generations Regarding Employee Satisfaction.

13. Findings

LEB and OJP being predicting variable significantly played their roles in stimulating employee engagement of industrial employees. Work Engagement was less positively related to LEB than OJP, this shows that OJP have good impact on WE. It was resolved that indirect effect, which is the mediating effect (ab) became significant as compared to direct effect. Baby Boomers WE was the highest, followed by Generation X and lastly Millennial. Overall, study concluded that decision made by leader put a question mark to employees fairness perceptions, and if acknowledged fairly leads to high WE.

14. Conclusions

The role of a leader is crucial to employee engagement and progression. Successful leaders themselves are dedicated and respected by all. They are trusted to be empathetic to the needs of their employees, and are pro-actively involved in the company culture. Furthermore, effective leaders make decisions justly (moving beyond personal affiliations) and are able to communicate and co-ordinate tasks and ideas to various departments. They are able to lead with new, creative ideas whilst simultaneously empowering their own team's concepts. More specifically, when it comes to supporting their team, good leaders take into consideration the entire working process: guiding at the start, motivating during the course and appreciating the strengths and targets of the final result.

15. Recommendations

It was recommended that leader should create a supportive working environment with fairness, guidance, encouragement, respect, empowerment, communication, challenge-oriented keeping in mind the company's culture. The injustice can be overcome when top administration incorporate workers in decision making. Employers should provide opportunities to make the correct job choice, engagement increases when there is a fit between expectations and reality.

16. Future work

Besides those six dimension of LEB, inspirational aspect of leader's behaviors should also be investigated in order to see their inner motivation towards engagement.

17. References

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