The Relationship among Leadership Style, Employees Engagement and Management Performance in Grid Company

Hui-jun NI
Grid of China Technology College Jinan, P.R. China

Keywords: Employees engagement, Leadership style, Management performance, Psychological empowerment.

Abstract. By analyzing relative literature, the paper launches on research revolved on the relationship between leadership style and management performance, by taking employees engagement and psychological empowerment as intermediary variables. It is necessary to adjust managers’ own leadership style, pay attention to use human care, work guidance and knowledge aid to promote employees involvement, and go about improving psychological empowerment to promote management performance.

Introduction

Everyone knows about the links between employee engagement and employee productivity, but the atmosphere is decided by leadership style, which working atmosphere is created depends on leadership. In general, employees work in a stress-free environment and come out with endless new idea and make a good beneficial result. So this paper attempts to study the impacts of different leadership style dimensions on employees’ engagement and psychological empowerment, then to reveal the relationship among leadership style, employees engagement and management performance.

Literature Review

The Impact Factors on Management Performance

Several studies have investigated into the factors that influence management performance. Therefore, leadership styles, employees’ engagement and psychological empowerment have already attracted the attention of management performance [1]. The previous studies demonstrate that the leadership styles perceived by the staffs can influence employees’ engagement and then influence management performance. However, related research is rare, when the leadership style, employees’ engagement and management performance are put into an integral whole.

From the literature there appears to be a plethora leadership style on management performance of leadership styles, several definitions on leadership, numerous theories and research in corporate leadership, and multiple classifications of this concept, etc. Since the late 1980’s, much of the leadership research has focused on the characteristics and effects of charismatic and transformational leadership [2]. Leadership styles have an impact on management performance and this catches the interest of many scholars. Scholars conducted numerous studies about the antecedents and consequences of management performance. Based on the study of the relationships among leadership styles, employees engagement and psychological empowerment. Leadership style refers to the habit and characteristics of leadership which is closely related to personal experience, enterprise features and enterprise development cycle. There are leadership styles: work-oriented one and relationship-oriented one.

A lot of scholars has studied on this aspects and drawn some valuable conclusions. Work-oriented leadership style focuses on the mission, the purpose of use resources is to achieve organizational goal. Relationship-oriented leadership style pays attention to form people-oriented atmosphere inside and lays emphasis on relationship. In reality, the majority of the leadership style is between them with the characteristics of both work-oriented and relationship-oriented. Most people tend to resent being
treated like this. Therefore, autocratic leadership often leads to high levels of absenteeism and staff turnover. Many researchers such as Bass[3] divided leadership style into transformational leadership and transactional leadership. Transformational leadership has the characteristics of individual influence, spiritual encouragement and intellectual stimulation. They often take individual into consideration, establish vision and aim inside, create open culture, trust the staff to reach their goals and give full play for staff's potential. Transactional leadership is focused on staff's basic and external demand, the relationship between leaders and subordinates is based on the contract. They tend to attain organizational goal by specific job roles and mission design, their basic purpose is to maintain a stable organization. In addition, other leadership style includes coercive leadership style, authoritarian leadership and democratic leadership, and so on.

**Leadership Style on Psychological Empowerment**

However, the effectiveness of transformational leadership and transactional leadership was influenced by the situational and followers' variables in the view of contingency theories. In many organizations, both transactional and transformational leadership are needed. Bowen and Lawler[4] considered that empowerment means managers share information, knowledge, rewards and power with the front line employees. Empowerment requires managers abandon the traditional management model, change organizational structure and management methods, allow staff participates in management, elaborate staff's innovative potential, strengthen staff's perceived duty and make staff form the sense of empowerment. Empowerment can mobilize staff's creatively action to maximize customers' value. The result of empowerment is not decided by organization empower to staff, but decided by whether the staff accepts the power. If the staff wants to accept power, they can exert the initiative, otherwise, empowerment could not succeed. The concept of psychological empowerment is taken by Spreitzer on the base of Thomas and Velthouse's research. Spreitzer also design measurement scales for psychological empowerment, she considered that psychological empowerment is decided by staff's perceived mission value, ability, decision-making autonomy and influence[5].

**Leadership style on Employees Engagement**

Existing research shows that employees’ engagement is closely related to many factors in the field of organizational employees working. Employees engagement can be the pre-variable of management performance, also can be used as an intervening variable, even can be used as the result variable[3]. For example, the Pre-variables of employees engagement include leadership style, role stress and organizational justice, etc., and consequence variables of employees engagement include have employee's work performance, efficiency levels, job satisfaction, turnover and management performance, etc. [6]

James. Bruni Jones studied the relationship between leadership style and employees’ engagement. A generalization can be made that leadership style is used as affect variables, employees’ engagement is used as result variables. Possible causal relationships is analyzed between leadership style and employees engagement. No enough evidences showed that the cognitive of the leadership is consistent with leadership adopted by leader.

**Assumption**

Different leadership style reflects in the different leadership methods. In accordance with Zhou's research[5], leadership style can be measured by leader's charm, human care, knowledge aid and exception management. By these questions, we can classify leadership style. For example, work-oriented leadership style is not significant in above aspects, while the relationship-oriented leadership style is just on the opposite.

Leader's charm is embodied in the vision, sensitivity to the environment and his subordinates, taking personal risks and showing unconventional behavior, which can significantly improve the cohesion between the members and team performance, as well as staffs' trust on organization and
leader. In accordance with the social exchange theory, employee's pay is closely related to his harvest. Human care from leader can make employee reward enterprises by work hard. To staff, work is not only means to get salary, but also a platform to reward enterprise, which can enrich staff's awareness on the work meaning. Human care can also increase staff's self-confidence and self-efficacy, and actively overcome the difficulties \cite{11,12}. Meanwhile, human care can also enhance staff's ability to decide the methods of work and their own influence on the organization and then provide service creatively. Knowledge aid is an effective means for enterprise to accumulate knowledge. The study from knowledge management shows that knowledge aid from managers can increase knowledge reserves and strengthen flexible capacity for organization, make employees in the state of satisfaction. Knowledge aid is a method to approve staff's work, meanwhile, knowledge aid can increase staff's ability to finish work, and the increase of knowledge also can relatively raise his position in the organization and strengthen his own influence.

So we assume,

H1. Leader's leadership has positive effect on employees’ psychological empowerment.

H2. Leader's leadership has positive effect on employees’ engagement.

Psychological empowerment can impact on employees feeling and behavior. Employees perceived significance of work and decision-making power in psychological empowerment can improve satisfaction and eliminate tension, then Employees want to engage more work, such as communicating and interacting with customers. Psychological empowerment can also motivate staff use decision-making power efficiently and work creatively \cite{15}. If the staff perceives work value is significant, they will work hard and maintain the interest of work input to avoid slack. Staff with strong self-efficacy can overcome role ambiguity and role stress \cite{7}. If staff perceives their own power is high, they will attend and promote the accumulation of organizational knowledge and strengthen organizational core competitiveness. In short, staff with high degree of psychological empower can have stronger sense of ownership and identity of the organization, and are more impossible to show organizational citizenship behaviors and engage in the behaviors outside the organizational reward system but conducive to development.

So we assume,

H3. Employees psychological empowerment has positive effect on employees engagement.

H4. Employees psychological empowerment has positive effect on management performance.

H5. Employees engagement has positive effect on management performance.

**Variable Measurement and Data Collection**

In this study, we collect data in 35 municipal power supply companies. Before formal investigation, we chose two municipal power supply companies to carry out pre-investigation and adjusted questionnaire slightly through the feedback of the results. Official data collection started from June 2015, the questionnaires were mainly answered by middle managers. All the questionnaire are carried out through Human Resources Department, we send out 500 copies and recovered 342 valid ones, the number of valid questionnaires can reach the requirements.

The source of leadership style comes from Zhou's localization study \cite{5} and Bass' explanation \cite{3}. We divide leadership style into leader charm, human care, knowledge aid and exception management. The test of leader charm includes “Leader is my model”, “I trust my leader”, “I respect my leader”, “I have confidence on my leadership in the enterprise”, “My leader has vision”. The test of human care includes “Leader make me sure that I can achieve my goal”, “My leader is satisfied with my job”, “Leader trust my ability to finish mission”. The test of knowledge aid includes “Leader helps me consider the idea that I never doubted”, “Leader assists me solve problems from different perspective”, “Leader can help me solve the difficulty in reality”. The test of exception management includes “Leader encourages innovation”, “Leader often change previous work procedure”, “Leader encourages us to try new working methods”. The internal consistency coefficient of leadership style is 0.91.
The source of Employees engagement comes from Schaufeli Utreesht Work Engagement Scale, abbreviated as UWES. The scale comprises three parts, namely, the vitality, selfless devotion, focus. The internal consistency coefficient of leadership style is 0.89, 0.92, 0.87.

The test of psychological empowerment is from Spreitzer's classic scale. She set more than 10 problems from staff's perception of work value, work ability, independent decision-making power and influence in enterprise to test psychological empowerment. The test of work value includes "whether engage in important work", "the importance of the job to yourself", "the value of the job". The test of ability includes "trust your own ability", "the level of skills need by the jobs", "Whether have capacity to achieve certain mission". The test of independent decision-making power includes "the degree of job autonomy", "the degree of work method decision", "the extent of independent working method". The test of influence includes "the influence of the business", "the control of the business" and "the impact of organizational strategy". The internal consistency coefficient of psychological empowerment is 0.95.

The measurement of management performance is from existed study from Yujun’s the original scale of job performance which included three dimensions we test management performance. Namely, the task performance, interpersonal facilitation and job dedication. The internal consistency coefficient of satisfaction is 0.93.

Data Analysis
Reliability and Validity
The standardized coefficients of each observed variable are more than 0.70, the AVE value of each variable is than 0.5, and the square root of AVE variables are greater than the correlation coefficient of the variable with other variables, which indicates the variables have good introverted validity and discriminate validity.

Hypothesis Testing
We use the LISREL 8.70 software for data analysis.

Conclusion and Discussion
The results of the paper are consistent with House's conclusion. Leader's charm have positive effects on employees engagement and management performance. Research shows that staff's psychological empowerment has significant positive effects on employees’ engagement and management performance. For Thomas' opinion, psychological empowerment can improve staff's performance by improving staff's coordination, initiative and freedom. So the manager should improving staff's psychological empowerment from improving staff's perceived work value, increasing employees' self-efficacy, giving staff's decision-making power and enhance employees' influence. It is necessary to point out that empowerment can bring negative effect.

This study reveals how the leadership style affects psychological empowerment and management performance. This study is based on special time, we do not consider the change of leadership style. In future, we will choose several enterprises as examples to study the influence of leadership styles' change on psychological empowerment and management performance. Management performance is the results of complex system, we only choose leadership style and psychological empowerment as objects, do not mention other factors. We will take other factors into consideration in future.

Literature References


