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# **Empowering Leadership and Organizational Culture: Collective Influence on Employee Flourishing**

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**Abstract---**For any organization to thrive and sustain in the competitive global market, its employees are their competitive advantage; in order to have a profitable business, employees must accept and follow the organizational mission and vision. A congruence between employees' values and organizational culture is highly essential for both, organizational outcomes as well as employee wellbeing. Therefore, leaders' empowering behaviors and the organization's culture have a huge role to play in the employees' flourishing experiences. The present research was undertaken in order to elicit how leaders' empowering behaviors in association with organizational culture influence the flourishing at the workplace of employees. Based on responses gathered from 304 employees working in banking organizations in Delhi and Gurgaon, India, it was found that indeed leaders' empowering behaviors, as well as the organizational culture, have a relation with flourishing experiences of employees. Leader behaviors of providing autonomy and control are critical in determining how well employees are able to experience positive emotion in the workplace.

**Keywords---**wellbeing, flourishing, culture, banking sector, empowering leadership, correlation.

## Introduction

Leadership styles are evolving as the market scenarios are dynamic and various novel circumstances instigate leaders to adapt and adopt new leadership styles. Empowering leadership is a newer type of leadership style wherein the focus is on providing employees with enough autonomy and decision-making skills for their respective job roles (Liu et al., 2003). The key constituents of empowering leadership are mentoring employees, creating a healthy work environment, focussing on interpersonal communication and motivating subordinates for advancing in their careers (Srivastava et al., 2006). Leadership styles often are seen as rooted in organizational culture and these factors together determine various employee experiences in the workplace (Vatankhah, 2021). In this paper, the authors discuss the implications of empowering leader behaviours and organizational culture on experiences of flourishing.

From the standpoint of social psychology, just as how interpersonal interaction influences our mental models of expectations from others and degree of communication, similarly in the work setting, when employees believe their leaders are providing them support and opportunities for their betterment along with happy and healthy work culture, employees are likely to thrive and flourish. The extent to which employees believe their leaders and managers are able to provide them with autonomy and career-advancing prospects, determines the extent to which they thrive in the workplace (Dabos and Rousseau, 2013; McDermott et al., 2013). Numerous organizational as well as managerial factors aid in determining the extent to which employees believe their career growth and advancements in the workplace are being acknowledged in the workplace, for instance, practices of being involved in decision making (Allen et al., 2003), opportunities being made available to progress and grow in their field of work within the organization (Wayne et al., 1997), being able to contribute to their departmental goals by participating in active decision making (Eisenberger et al., 1999). Together, these various factors contribute to determining the mental makeup of employees in their perceptions of the workplace being healthy for their mental health and flourishing experiences. Given the theoretical and scholarly explanations, it can be said that, empowering leadership utilize those leadership behaviours which contribute to enabling and motivating employees intrinsically in order to take charge of their work (Vecchio et al., 2010).

Organizational culture and leadership go hand in hand, such that both can be viewed as exerting their individual influence on one another. An organization's culture has been said to be equivalent to its personality, including various norms, belief systems and values upon which the organization is established and functions. Just as how individuals have a set of mental models and societal norms which guide them through the various walks of life, similarly organizational culture acts as the basis upon which the organization's members work and function upon. It forms that basis which includes all the norms and unsaid rules, including expectations that employees and subordinates have from one another (Bass & Avolio, 1993). The milestone research depicting the nuances of organizational culture was shown in the Hawthorne studies (Mayo, 1933; Roethlisberger, 1939), which made attempts to highlight how working in teams and being influenced by a group can impact the formation of organizational

cultural practices. The studies and research on organizational culture and climate have seen a huge jump since 1980s, wherein researchers have made attempts to elicit the various antecedents and consequences of how an organization's culture is. Throughout the years, scholars have been highlighting the influence of organization's and management's values and belief systems on its employees and specifically on its business strategy, various frameworks exist which evaluate organizational components from different angles; Terrence Deal and Allan Kennedy corporate culture (1984), William Ouchis theory Z (1981), and Peters and Waterman's "in search of excellence" (1982) are few such theoretical frameworks. In the recent past, a critical highlight from the organizational psychology literature highlights the influence of norms and 'way of doing things in an organization and its style of functioning in particular on the effectiveness of the organization as well as creating a healthy environment for its employees so that they can thrive and flourish (Peters and Waterman, 1982).

It is crucial for an organization's culture to be clearly understood and also accepted by all its affiliates in order for employees and managers to work towards realising the overall goals of the department as well as personal goals. Organizations where the culture is weak and not accepted by the employees, generally do not fare well in terms of productivity and effectiveness. Employees ought to be clear about their role and responsibility in their departments and capacity of functioning in the organization as well as accept the prevailing culture. Even though throughout the years there have been various differing conceptualizations of what organisational culture is and what it constitutes, one defining feature in all such conceptualizations is that each organization's culture is unique to itself and just as how individuals differ in their personalities, organizations too differ in their values and ethos (Kiimaa et al; 1995; Deal & Kennedy, 1982).

### **Literature Review**

For the purpose of this research, an overview of the existing scholarly contributions to the fields of empowering leadership, organizational culture and workplace flourishing were scrutinized and assimilated. The transactional nature of psychological contract is has been found to have reciprocal links with affective commitment and organizational citizenship behaviour whereas empowering leadership to an extent exerts its influence on psychological contract breach and related organizational outcomes. (Philipp, 2013).

Srinivasan & Sular Nachimuthu (2022) have examined the influence of strenuous work conditions in special reference to COVID pandemic on the employee experiences of flourishing and posit that, the extent to which managers are able to provide resources to employees to handle occupational stress influences their flourishing and thriving experiences. Occupational stress can be understood as crucial determinants of flourishing experiences. Saxena & Banerjee (2021) unravelled the links between personality and experiences of flourishing among Indian employees and posit that, being open to novel experiences and being emotionally stable positively implicates flourishing among employees. Per the responses gathered from Indian healthcare employees, it was found that, employee wellbeing can be strengthened if the employees identify with the mission

and vision of the organization and also if employees undergo less workplace emotional dissonance; as the dissonance experienced by employees was found to have a moderating influence on the relationship between identification with the organization and emotional wellbeing (Kumar, Mishra & Bhatnagar, 2010). Organizational culture therefore, can be said to influence subjective wellbeing and mental health of employees.

What an organization follows, what its principles are heavily influence the degree to which it is able to create a sustainable business strategy. The ethos and values of an organization impact the flourishing of its business model. Therefore, the culture plays a vital role in attracting, retaining and managing the workforce in addition to creating a profitable business model (Luthans, 1998). Culture of the organization is essential from a business and economic standpoint but furthermore it is essential in imbibing a sense of oneness among employees; belonging to the organization (Kreitner and Kinicki 2001). The values and norms that run deep in the organization act as a force to bring employees together. It is not imperative that each organization will have a strong and robust culture, i.e., how employees believe their company's values are, how well the managers are able to communicate the organization's vision and mission and the extent to which there is a congruence between employees' personal belief system and that of the organizations, all in totality determine the effectiveness of the culture. Employees who are in sync with their organization's culture tend to perform better and are more efficient, while employees who do not believe their organization's culture to be fair or have high moral grounds, tend to be less effective in realizing organizational goals. Organizational culture can thus be said to have significant influence on the employees' expectations which in turn may affect their flourishing experiences (Lee et al., 2018). Leader behaviours also play a significant role in perceptions of employees in their expectation fulfilment, leading to positive experiences and attitudes (Choi et al., 2019).

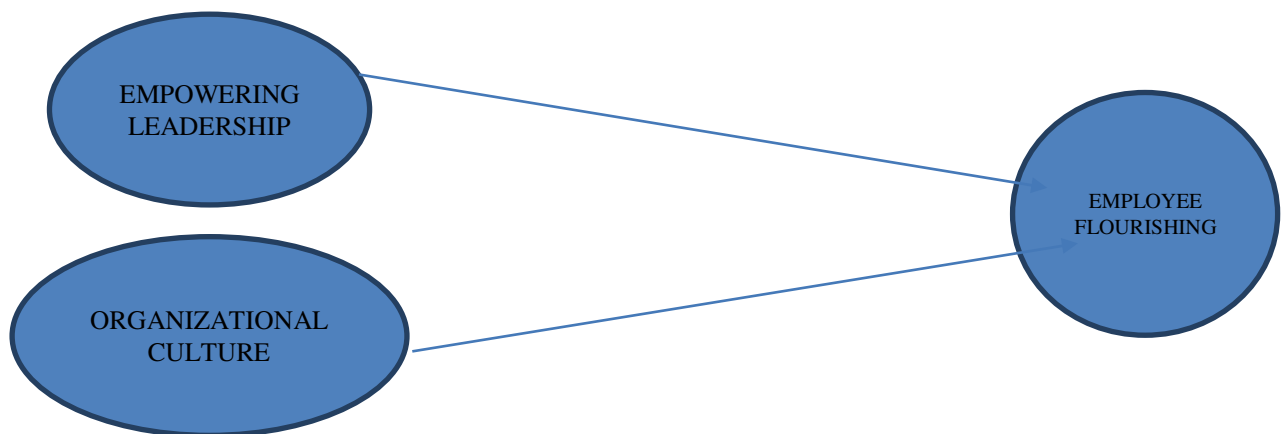
The role of perceived organizational support, at different time intervals has been found to have significant influence on how employees evaluate their flourishing in real time. Feelings of optimism, hope as well as resilience have been found to influence employee flourishing in workplace (Ho & Chen, 2022). Links between various leadership styles and flourishing have been examined recently. For instance, based on responses gathered from 983 employees in the UK, it can be ascertained that virtuous leadership influences employee perceptions of flourishing (Hendriks et al, 2020). How employees view their leaders in term of being just and moral, influences the extent of their involvement in their job roles, which in turn has crucial consequences for one's flourishing experiences at workplace. Managers must take the consequences of employee experiences of flourishing into consideration to tackle the ill effects of perceptions of languishing. Flourishing experiences have been found to be significantly influenced by incidents of workplace bullying (Nel, 2019). Linkages between positive relationships and flourishing have highlighted that employee who perceive their work to be meaningful often tend to be more satisfied in their lives. In addition, it was found that having social support in the workplace in terms of interpersonal relations leads to experiences of positive emotions in the workplace (Colbert, Bono & Purvanova, 2016).

Javed (2010) found that organizational factors such as job demands, task autonomy, support from the organization as well as support from family members have a significant impact on the extent to which employees undergo stress and burnout as well as anxiety; these harmful experiences further influence employee decisions of quitting the organization.

*On the basis of the literature review, the following hypotheses were made:*

*H1- Stronger the leaders' empowering behaviours, greater will be the employees' experience of flourishing*

*H2- Organizational culture will influence the experience of flourishing*



**Figure 1: Conceptual Model**

## **Method**

### *Sample*

Employee working in banking sector in Delhi and Gurgaon, India were requested to provide their experiences in order to be part of the research. For the ease of research, purposive sampling was conducted. Employees who had a tenure of at least two years in the current bank were included in the research as understanding and adapting to the culture is a time taking process. From the total sample of 304 employees, the female employees were 111 in number whereas the majority of the sample was male, making up 193 in number. In terms of percentages, the male sample was 63.48% and the female respondents constituted 36.52%. Furthermore, from the total of 304 employees, 89 employees reported a tenure of 2-4 years with their current bank, 65 employees reported being with the organization from a period of 5-7 years, 49 employees had a tenure of 8-10 years with their current employer and 101 employees had a tenure of 10+ years in the present bank. As per the respondents, 186 employees had a bachelor's degree, 114 employees had a master's degree and 04 employees had a PhD or equivalent degree in terms of their formal educational qualification.

### *Instruments*

In order to elicit reliable responses from the sample, the following psychological scales were utilized:

The 18-items scale of Empowering Leadership given by Amundson and Martinsen (2014) was utilised to understand the employees' perceptions of their leaders' empowering behaviours. It captures the leaders' behaviours through specific behaviours such as: delegating, initiative, goal focus, efficiency support, inspiring, coordinating, modeling and guidance. The scale has two dimensions, namely, autonomy support and development support.

The 18-item scale by Singh and Mishra (2009) was made use of in order to analyse the dominating characteristics of the banks' organizational culture. Although the scale provides a single composite score for culture, the items assess organizational culture on various realms, such as pressure, freedom, challenging work and encouragement from leaders. A sample item from the scale assessing the perceptions of employees regarding their work is 'My work is challenging in nature' and 'The tasks in my work bring out best in me'. Employee flourishing experiences were examined with the help of scale developed by Diener- Biswas (2009). The scale consists of eight items assessing the personal psychological resources an individual has. No item is negatively worded or reverse scored.

	Autonomy support	Development support	Empowering leadership total	Employee flourishing
Autonomy support	1			
Development support	.715**	1		
Empowering leadership total	.639**	.447**	1	
Employee flourishing	.364**	.293**	.605**	1

Table 1: The mean, standard deviations and reliability of the tools used

### Data analysis

Construct	Sub dimensions	No. of items	Mean	Standard Deviation	Cronbach alpha
Empowering Leadership	Autonomy support	12	52.61	1.802	0.726
	Development support	06	36.68	1.903	
Composite scale		18	89.29	2.103	
Organizational Culture	Pressure	05	11.04	1.113	0.793
	Freedom	03	12.02	1.091	
	Encouraging	07	27.69	1.348	
	Challenging Work	03	14.16	1.649	

Composite Scale	18	64.91	5.201	
Employee Flourishing	08	10.36	1.708	0.811

Table 2: Correlation coefficient between empowering leadership and employee flourishing

Table 3: Correlation between Organizational culture and employee flourishing.

Variable	Pressure	Encouragement	Freedom	Challenging Work	Organizational culture total	Employee flourishing
Pressure	1					
Encouragement	.248**	1				
Freedom	.314**	.505**	1			
Challenging Work	.186**	.297**	.503*	1		
Organizational Culture total	.437**	.662*	.580**	.329**	1	
Employee flourishing	.469**	.251*	.613**	.537*	.498**	1

\*\* Correlation significant at 0.01 level of significance

\* Correlation significant at 0.05 level of significance

## Discussion

The present short study embarked on an attempt to assess the nature of organizational culture in Indian bank sector, the empowering leadership instances and how these factors impact the flourishing experiences of employees. Empowering leadership is still relatively a novel and newer form of leadership wherein the main focus is to provide employees with enough control and autonomous working conditions, in a manner that it boosts their productivity and effectiveness. Leadership is often understood to stem from the prevalent organizational practices and values. Organizational culture therefore is critical in determining the leadership styles that leaders and managers incorporate in motivating their employees. The interpersonal communications and how employees and employers interact with one another in context of the organizational culture influences the overall interactions across the hierarchy has a crucial influence on the employees' experiences of thriving in work and life in general. Seeing leaders' and employees' relationship from a social exchange standpoint, it is clear that employees evaluate and assess their interactions with their supervisors based on the ratio of how much effort and work they are putting in and how much acknowledgment and rewards they are getting in return (Blau, 1964). Analysing the social and interpersonal relationships in the workplace, this particular perspective plays a critical role in addressing flourishing experiences of employees (Coyle-Shapiro and Conway, 2005).

The various organizational factors such as support from managers, resources to carry one's tasks efficiently, opportunities to showcase one's talents and grow in their career paths all influence the manner in which employees feel about themselves and the organization at large. The critical role that organizational

culture plays in determining what the ethos and value system of the organization is going to be and how these values prove essential in shaping employees' behaviours and attitudes is well researched. Organizational culture therefore, acts as a fundamental process and guiding principle for employers and employees based on which the whole functioning and operational processes work (Kreitner and Kinicki 2001). It is crucial to note that employees who believe that their organization and leaders' (viewed as spokesperson for the organization as such) take into consideration their mental and emotional health and provide them with resources to aid in their overall wellbeing as well as professional advancements, are more likely to contribute to organizational goals and vision in a more efficient manner as compared to their counterparts who believe their organization/leaders do not contribute to their wellbeing.

Inferences drawn in the present research were in line with the findings of Rousseau (2004) which ascertain that the nature of organization's culture, its ethos and the leader behaviours, together have a significant role to play in determining the wellbeing of employees, more specifically, their flourishing experiences. The perceptions of employees regarding their leaders and the organization as a whole are determined by the nature of communication they have with their leaders. The cultural practices and policies are together critical in employees' experiences of different health and wellbeing constructs (Shemerhorn et al. 1994). For example, employees who believe their leaders are looking after them, they are being taken care of, they have enough advancement opportunities are more likely to exhibit citizenship behaviours, report a higher commitment towards the organization and even trust in their leaders, on the other hand, employees who believe their leaders do not value their opinions and the cultural practices do not support autonomous working conditions then employees are more likely to report lesser job satisfaction, more counterproductive work behaviours and higher intentions to leave the organization (Putri and Handoyo 2014). The current research does indeed suggest that a significant correlational relationship exists among empowering leadership, organizational culture and flourishing experiences of employees.

## **Conclusion**

The present research was interested in eliciting the associations among empowering leadership, organizational culture and the employee wellbeing outcome of flourishing. Organizational culture takes the credit of creating and sustaining effective business models and economic profits. It is critical to provide a healthy work atmosphere to employees since feelings of autonomy, contentment and being looked after by one's supervisors enhances mental health and wellbeing of employees. Empowering leadership has also been found to give rise to stronger associations between employees and managers. It can be inferred from this study that employees' positive mental experiences of flourishing, are heavily determined by empowering leadership style and organizational culture practices.

## *Scope for future research*

Research in the future must take into account the various personal and organizational pathways which influence the employee behaviours and attitudes.



Employee wellbeing can be studied in more narrower terms as opposed to flourishing as in the present case. It would be interesting to note how organizational policies and leaders' personal qualities such as personality influence employees' wellbeing and thriving experiences. Another area of research can be the association between tenure expensed in the organization and differences in flourishing experiences among employees. Any gender differences in perceptions of empowering behaviours of leaders and organizational culture could also throw light on how women and men flourish. A time frame research could also highlight how the perceptions of flourishing change over a course of time when organizations go through changes and when leaders' utilize different leadership behaviours.

### *Implications for managers*

The implications of this research for corporate managers are as following-

- a) The main contribution of this research is eliciting the importance of leader behaviours and organizational culture factors in determining the positive experiences of employees such as thriving in the workplace and overall flourishing in life. Organizations must acknowledge the role their behaviours and values play in influencing employees' perceptions of themselves.
- b) Leaders are encouraged to imbibe positive organizational culture values and beliefs in their behaviours and motivate employees intrinsically while creating situations for autonomous decision making and goal setting while providing enough control to employees over their individual tasks.
- c) Academicians and researchers can also develop this theoretical framework further to understand in depth the more complex ways in which perceptions of flourishing in the workplace influence other essential employee behaviours and attitudes such as performance, citizenship behaviour etc.

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