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Mediating Effect of Psychological Empowerment on the Causal Relationship between High-Performance Work System and Organizational Citizenship Behavior in Social Welfare Organizations

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Abstract

The study is to examine the mediating effect of psychological empowerment on the causal relationship between high-performance work system and organizational citizenship behavior. This study collected data from public organizations that are responsible for social welfare provision in Daegu, Gyeongsangbuk-Do, and Pusan in South Korea. This study employs confirmatory factor analysis in Amos 21 to find the discriminant validity of all constructs and regression analysis by Baron and Kenny (1986) to test that psychological empowerment is a mediator of the causal relationship between high-performance work system and organizational citizenship behavior. As the result of the analysis, psychological empowerment has a significant mediating effect on the relationship between high-performance work system and organizational citizenship behavior. The study suggests to the managers in social welfare organizations how they need to enhance organizational citizenship behavior through psychological empowerment themselves.

Keywords: *psychological Empowerment, High-Performance Work System, Organizational Citizenship Behavior, Social Welfare Organization*

1. Introduction

The most important factor for survival in all of the organizations, including the public and the private, may have a relationship with what they bring out as performance or outcomes. Since it is true, almost all of the organizations focus on improving their performance enormously by using many different ways like innovation-oriented management in human resource development and organizational structure design. In the classical theory of organization, there is a strict belief, probably a type of myth, that the top level of management can take the most effective way to increase productivity, just finding out the best-well designed process of production.

In the modern theory of organization, better-improved performance has been towards understanding and encouraging humans in organizations with more interests than designing an organizational structure. Besides, it highlights that organizational management should contribute to meeting employees' needs since whether their needs are fulfilled can affect organizational performance.

In Korea, recently, along with a sharp increase in the budget of social welfare, the demand for social welfare services has tremendously risen. Social welfare organizations in local and central governments are more likely

to be burned out by the increasing-heavy workload with getting more responsible and accountable. More importantly, people are demanding or sometimes forcing their governments to provide more welfare services for the poor, the old, the disabled, the unemployed and so on. The response of welfare organizations to those demands can result in differences in performance with recipients' different satisfaction. In the provision of welfare service, recipients' satisfaction can become one of the most important criteria for evaluating performance achieved by welfare organizations, with effectiveness and efficiency also assessed as a judgment of policy success. To improve recipients' satisfaction, welfare organizations should progress the quality of welfare service in many respects, including the decision procedure of recipients, the delivery process of service, feedback to collect information, etc. It is very important to realize that all those processes and procedures can depend on social welfare officers' perception and behavior with managerial strategies for spurring and encouraging employees' motivations for organizational commitment.

It is highlighted that organizational citizenship behavior (OCB) represents employees' desired behavior for creating more performance and organizational commitment [1]. OCB is viewed as a discretionary, voluntary, and self-initiated behavior to enhance the social, psychological, and organizational contexts [2]. This concept contributes to OCB to be treated as an indispensable element that is beneficial to organizations.

In the existing literature, leadership, organizational justice, and job satisfaction, etc. have been treated as antecedents of OCB [3]. The prior research has identified the influence of HR systems on OCB [4], which, on the other hand, are triggering research efforts to examine different antecedents in the work system or environment: High-Performance Work System, spurring employees' psychological expectation and faith to their behaviors: Psychological Empowerment [8]. Those concepts like high-performance work system and psychological empowerment as the antecedents have been revealed to have influences on organizational citizenship behavior through many empirical studies. However, little is known about how psychological empowerment (PE) mediates the relationship between high-performance work system (HPWS) and organizational citizenship behavior.

The study is to examine the mediating effect of psychological empowerment on the causal relationship between high-performance work system and organizational citizenship behavior with the major research goal of contributing to the extant strategic human resource management.

2. Research Design

2.1 High-Performance Work System

HPWS can be defined as a group of separate but interconnected HR practices designed to enhance employee's skills and effort [6]. HPWS encompasses HR practices that impact employees' ability, motivation, and opportunities to develop, playing a synergistic role with the organizational strategies that lead to higher performance [7]. This study employs the questionnaire to measure employees' perceived HPWS by using 18 items [8]. Those items involve six typical practices of HPWS—staffing, training, developmental performance management, performance-based compensation, flexible work design, and participative decision making. The Cronbach's alpha for this measure was 0.89.

2.2 Psychological Empowerment

Psychological empowerment encourages employees to think about their capabilities to accomplish the jobs, develop meaning for the task, and has some impact on their work environment. Spreitzer (1995) has categorized psychological empowerment into four dimensions: meaning, competence, autonomy or self-determination and impact. This study uses Spreitzer's (1995) twelve-item scale to measure psychological empowerment [9]. The Cronbach's alpha of the scale was 0.92.

2.3 Organizational Citizenship Behavior

This study defines OCB as behavior that is discretionary, not directly or explicitly recognized by the formal reward system, and that in the aggregate promotes the effective functioning of the organization, based on Organ's concept of OCB [10]. It employs a nine-item scale developed by Farh et al., (2004) [2] to measure organizational citizenship behavior, consisting of altruism, voice, and conscientiousness with three items each. The Cronbach's alpha was 0.89.

2.4 Control Variables

The study inputs some control variables like employees' age, gender, education, and organizational tenure into our research model to avoid the research problem from selection bias.

2.5 Research Model

The study, as we can see the Figure 1, aims to examine the mediating effect of psychological empowerment in the causal relationship between high-performance work system and organizational citizenship behavior. The study assumes that HPWS has a direct influence on OCB and PE, and PE has a direct influence on OCB, and PE has mediating effect. Plus, the study uses 4 control variables to measure unbiased effects in the relationship among variables.

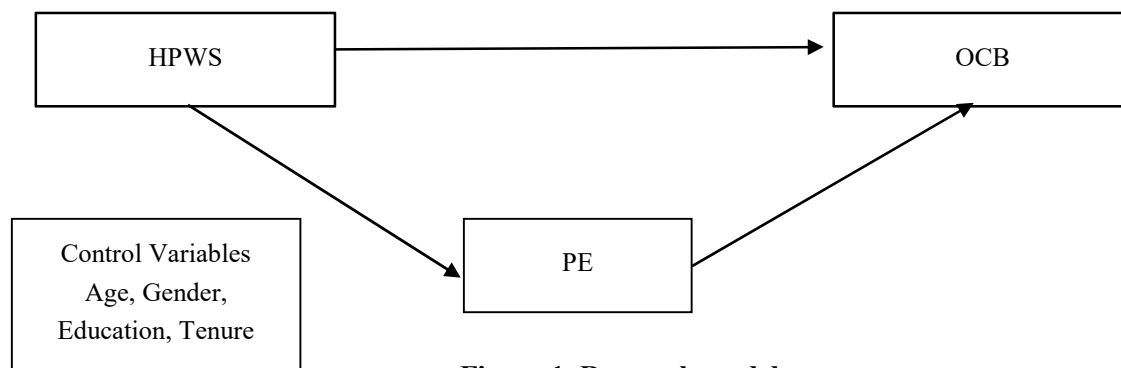


Figure 1. Research model

2.6 Sample

This study collected data from public organizations that are responsible for social welfare provision in Daegu, Gyeongsangbuk-Do, and Pusan in South Korea. All respondents were assured to keep the confidentiality of their responses. We employed the self-administered questionnaires and received completed and usable questionnaires from 198 public employees, with a response rate of 89 percent. According to the survey results, 68% of the respondents were male. 98.9% of the public employees received educational service from higher than the level of college. 86.5% of the employees were more than 40 years, and organizational tenure 81.3% were longer than 10 years.

3. Analytical Results

This study employs confirmatory factor analysis in Amos 21 to find the discriminant validity of all constructs. We compared the fit of the hypothesized three-factor model. The result of confirmatory factor analysis described a significantly well data fit for the hypothesized three-factor model ($\chi^2 = 387.43$, $df = 147$,

$p < .01$, CFI = 0.95, GFI = 0.92, TLI = 0.94, RMSEA = 0.06). Thus, the results satisfy the conditions for discriminant validity.

We analyzed the data using regression analysis to test the hypothesis that psychological empowerment is a mediator of the causal relationship between HPWS and OCB. We followed the procedure suggested by Baron and Kenny (1986) [11]. Based on the four-stage process, mediation can be said to occur when, firstly, the independent variable (IV) significantly affects the mediator. Secondly, the IV significantly affects the dependent variable (DV) in the absence of the mediator. Thirdly, the mediator has a significant unique effect on the DV. Fourthly, the effect of the IV on the DV shrinks upon the addition of the mediator to the model.

According to the regression analysis by Baron and Kenny (1986), the first stage showed that HPWS is positively related to psychological empowerment ($\beta = 0.54$, $p < 0.001$). At the second stage of analyses, HPWS is positively related to OCB ($\beta = 0.41$, $p < 0.001$). As we can see from Table 1, HPWS, in stage 1, is positively related to psychological empowerment, and psychological empowerment, in stage 2, also significantly affect OCB. In testing the third step, we verified that psychological empowerment was significantly related to OCB. This empirical research found the positive relationship between psychological empowerment and OCB ($\beta = 0.33$, $p < 0.001$). With step 3, step 4 identified the causal relationship between HPWS and OCB. However, in Model 4 that HPWS and psychological empowerment were both entered, the effect size of HPWS on OCB was reduced a little (from $\beta = 0.41$ to 0.36) with still statistical significance. The significant relationship between HPWS and OCB goes down slightly when psychological empowerment is added to the equation. Therefore, psychological empowerment has a mediating effect on the causal relationship between HPWS and OCB.

Table 1. Hierarchical regression analysis

Dependent Variable		PE	OCB		
		Model 1	Model 2	Model 3	Model 4
Control Variables	Age	-0.00(0.05)	-0.01(0.03)	-0.01(0.04)	-0.01(0.03)
	Gender ^{male}	0.09(0.07)	-0.02(0.04)	0.03(0.05)	0.03(0.05)
	Education Level	0.02(0.03)	0.01(0.04)	-0.02(0.04)	-0.01(0.04)
	Organizational Tenure	0.02(0.03)	-0.02(0.04)	-0.04(0.05)	-0.04(0.04)
Independent Variables	HPWS	0.54 ^{***} (0.05)	0.41 ^{***} (0.08)		0.36 ^{***} (0.07)
	PE			0.33 ^{***} (0.05)	0.24 ^{***} (0.05)
<i>F</i>		12.41 ^{***}	24.65 ^{***}	21.36 ^{***}	26.53 ^{***}
<i>R</i> ²		0.22	0.29	0.22	0.35
Adjusted <i>R</i> ²		0.20	0.27	0.20	0.32
ΔR^2					0.05

^{***} $p < 0.001$

4. Conclusion

The results of this study contribute to some of the evidence that only a few studies have examined linking employees' HPWS to important psychological and discretionary behavioral outcomes. Especially, this study contributes to human resource development for spurring employees' potential and immanent capability by explaining how psychological empowerment plays a mediating role in the relationship between high-performance work system and organizational citizenship behavior in the context of social welfare

organizations.

Social welfare organizations are more likely to be vulnerable to the change of external environment like rapid growth of welfare demands, innovative trials of a welfare supply system, and political leaders' demands to deal with welfare issues by a variety of social classes, etc. Under the context, social welfare organizations, to have good responses to these demands, should take some actions to lead to their employees' attitude and behavior towards positive and committed directions. This highlights that they should, with a great number of willing, find managerial strategies for motivations to improve employees' commitment and loyalty to the performances and goals of their organizations with limits of public organizations.

Concerning innovation in how to working, it is important to note that managers need to find effective ways to design organizational structure and employees' jobs. It may be, however, more important to say that understanding employees' psychological attitudes and behavior is the basic managerial or more effective tool in the way. This present study points out more importantly that innovation should be found in employees' excellent ideas on working improvement and voluntary cooperation with the organizational vision and mission. The study, ultimately, suggests to the managers in social welfare organizations how employees are more likely to enhance organizational citizenship behavior through psychological empowerment themselves.

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