



Leadership behavior and employee well-being: An integrated review and a future research agenda^{☆,☆☆}

Ilke Inceoglu^{a,*}, Geoff Thomas^b, Chris Chu^b, David Plans^b, Alexandra Gerbasi^a

^a University of Exeter Business School, University of Exeter, UK

^b Surrey Business School, University of Surrey, UK

A B S T R A C T

Leadership behavior has a significant impact on employee behavior, performance and well-being. Extant theory and research on leadership behavior, however, has predominantly focused on employee performance, treating employee well-being (typically measured as job satisfaction) as a secondary outcome variable related to performance, rather than as an important outcome in and of itself. This qualitative state of the science review examines the process by which leadership behavior (i.e., change, relational, task, passive) affects employee well-being. We identify five mediator groupings (social-cognitive, motivational, affective, relational, identification), extend the criterion space for conceptualizing employee well-being (i.e., psychological: hedonic, eudaimonic, negative; and physical), examine the limited evidence for differential processes that underlie the leader behavior-employee well-being relationship and discuss theoretical and methodological problems inherent to the literature. We conclude by proposing a theoretical framework to guide a future research agenda on how, why and when leadership behavior impacts employee well-being.

Introduction

Management research needs to strive for higher impact (George, 2016). Specific attention has been drawn to tackling Grand Challenges such as those formulated in the Sustainable Development Goals (SDGs) of the United Nations (UN), with SDG #3 focusing on “good health and well-being” (George, Howard-Grenville, Joshi, & Tihanyi, 2016), which is becoming increasingly important for policy-making, research and practice globally (e.g., Grant, Christianson, & Price, 2007). Leaders play a pivotal role in organizations and their behavior has a significant impact on the work behavior, performance and well-being of their employees (e.g., Avolio, Walumbwa, & Weber, 2009; Kuoppala, Lamminpää, Liira, & Vainio, 2008). The leadership literature, however, has largely neglected research on employee health and well-being in favor of employee performance (Grant et al., 2007), even though the relationship between well-being (conceptualized as job satisfaction) and performance is modest at best (e.g., Judge, Bono, Thoresen, & Patton, 2001). Moreover, when included in leadership research, employee well-being has either been treated as a secondary outcome or as a mediator that helps explain the leadership-performance relationship (e.g., Montano, Reeske, Franke, & Hüffmeier, 2017). That is, employee

well-being has generally not been considered as an important outcome in and of itself.

Leadership researchers have typically equated well-being with job satisfaction (e.g., Kuoppala et al., 2008). From a criterion perspective, however, this narrow focus on job satisfaction does not fully capture the concept of employee well-being, which is multi-dimensional (e.g., Grant et al., 2007) and can be measured at broad (e.g., general health) as well as at narrow levels (e.g., specific affects: Warr, 2013). Moreover, other important well-being and health outcome variables linked to psychological and physical health (e.g., thriving, sleep quality) are ignored. While the association of leadership with employee job satisfaction is relatively well-established, we cannot infer that relationships between leadership and other well-being outcomes are similar. The same leadership behavior can result in trade-offs between different dimensions of well-being, where actions that may improve, for example, psychological well-being can be detrimental to physical well-being (Grant et al., 2007).

The upshot of this discussion is that the majority of leadership researchers have failed to take employee well-being seriously enough. Thus, our understanding of the impact of a leader's behavior on employee well-being is underdeveloped and narrowly-focused. Studies

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* Corresponding author at: University of Exeter Business School, University of Exeter, Streatham Court, Rennes Drive, Exeter EX4 4PU, UK.
E-mail address: i.inceoglu@exeter.ac.uk (I. Inceoglu).

that have examined the influence of leadership behavior on follower well-being, beyond that of job satisfaction, focus on narrow aspects of well-being and apply theories and approaches that were principally designed for improving employee performance, rather than well-being (e.g., see Skakon, Nielsen, Borg, & Guzman, 2010, for a review on leadership and employee affective well-being; Montano et al., 2017, for a review on leadership and employee mental health). Moreover, prior reviews have focused on specific leadership styles and outcomes without systematically examining the processes that underlie the relationship between leadership behavior and well-being (e.g., Arnold, 2017; Harms, Credé, Tynan, Leon, & Jeung, 2017; Montano et al., 2017; Skakon et al., 2010). To fill this lacuna, the overarching objective of our paper is to conduct a state of the science review of leadership research that examines the processes by which leadership behavior impacts employee well-being. Our qualitative review seeks to answer the following questions: What kinds of mediational processes have been examined that clarify the relationships between specific leadership behaviors and different forms of well-being? Can we identify differential relationships between specific leadership behaviors and specific forms of employee well-being? What is the state of science of theory and methodology applied in empirical studies that have investigated leadership behavior, mediational processes and employee well-being?

To address these questions, our review has three primary research goals: First, to get a better understanding of the mediational processes through which leadership behavior affects employee well-being. Second, to extend the criterion space for conceptualizing employee well-being in leadership research, which we argue is essential for identifying differential processes in the leadership behavior-employee well-being relationship. Third, to understand theoretical and methodological issues inherent in the literature to guide a future research agenda on how, why and when leadership behavior impacts employee well-being.

Our review contributes to the leadership and well-being literature in the following four ways. First, it identifies five theory-driven mediator groupings in the leadership-well-being relationship. One of the key findings from our review is that the most frequently measured mediators were social-cognitive (e.g., follower self-efficacy and empowerment) and relational (e.g. trust) in nature and little research has focused on affective pathways (e.g., follower and leader affect) and identification processes (e.g., follower identification with the leader). By delineating the mechanisms through which leadership unfolds, it not only helps develop explanatory theories of leadership but also has practical implications for how to improve employee well-being (Wegge, Shemla, & Haslam, 2014).

Second, our paper expands the well-being criterion space beyond job satisfaction and other positive forms of psychological well-being, in particular hedonic well-being. The narrow focus on job satisfaction in the leadership literature is lagging behind the growing interest in eudaimonic forms of well-being (such as thriving; Spreitzer, Sutcliffe, Dutton, Sonenshein, & Grant, 2005) in the wider organizational behavior and psychological literatures (Gallagher, Lopez, & Preacher, 2009; Warr, 2013). Our review distinguishes between negative and positive forms of psychological well-being and within positive well-being between hedonic and eudaimonic types. In addition, we also review physical well-being. Such a distinction is not only important for examining differential relationships between leadership behavior and employee well-being, but also for investigating potential trade-off effects between well-being criteria. Results of our review demonstrate, however, that few studies measured negative well-being¹ (e.g., burnout) and hardly any studies considered physical well-being.

¹ We decided to use the term “negative well-being” in this paper as it appears to be the most commonly used term in the clinical, health and organizational psychology literature (e.g., Huppert & Whittington, 2003; Linley & Joseph, 2007) and it is also consistent with the philosophical origins of well-being as a construct (e.g., Plato).

Third, we review differential relationships between leadership behavior and employee well-being. Differential processes can take many forms: for example, an array of leadership behaviors may influence a particular kind of well-being through different mediational pathways, and the same leadership behavior may have differential effects on a variety of well-being via alternative mediational processes. We conclude that the literature to date has had a disproportionate focus on change-related forms of leadership (especially transformational leadership) and that this area of research is very much emergent. Our review points to some limited evidence of social-cognitive (self-efficacy) and relational (e.g., trust) mediator pathways between transformational leadership and hedonic forms of well-being (typically job satisfaction). However, the current state of the literature does not allow us to draw firm conclusions about the differential processes.

Finally, our review shows that theories and methods are underdeveloped. For example, the choice of mediational and well-being variables is often not strongly theory-driven, but appears to be based on leadership approaches. Our review also demonstrates that very few studies consider the relationship between leadership behavior and well-being to be a process – both theory and research design are usually based on the implicit assumption that this relationship and the constructs involved are static, as reflected in the predominantly cross-sectional research designs. Of concern is also the observation that research designs are overwhelmingly common-source (using follower-rated measures), which constitutes a serious methodological problem. To address these theoretical and methodological issues, we develop a future research agenda on leadership behavior and employee well-being by integrating two well-established theories of well-being: the conservation of resources (COR) theory by Hobfoll (1989) and Diener's modified adaptation theory (Diener, Lucas, & Scollon, 2006). In doing so, we develop a pathway for a future research agenda that is grounded in a differentiated view of employee well-being and a process and resource-based perspective of the leadership behavior-well-being relationship. The integration of these established well-being theories for application in leadership research is not only of theoretical relevance, but also of methodological significance as it can help inform choice of constructs and research design. In short, we propose a theoretical framework to guide a future research agenda on how, why and when leadership behavior impacts employee well-being.

The review is structured around four main sections. First, we outline our theoretical approach to the review. Next, we describe the methodology that we applied to search and code papers. We then discuss the results of our review, organized by our three research goals. Finally, we discuss implications for research on leadership and employee well-being and based on those, develop a theoretical framework to guide a future research agenda.

Theoretical approach to review

As the literature on leadership behavior and employee well-being, which also takes into account mediation processes, is still emergent, it was best suited to a selective, qualitative review. This enabled us to examine theoretical and methodological issues, which served as a starting point for our objective to advance a more comprehensive theoretically-guided future research agenda. Our review focuses on leadership behaviors, as these are more proximal to the well-being of followers than leader characteristics such as personality traits, and the recent literature has provided comprehensive reviews of the link between leader characteristics and leader behaviors (e.g., DeRue, Nahrgang, Wellman, & Humphrey, 2011). To organize the literature, we applied a taxonomy that distinguishes between types of leadership behaviors. Yukl proposed a hierarchical taxonomy based on three major types of leadership behavior: task, relations and change-oriented (Yukl, 2013; Yukl, Gordon, & Taber, 2002). Extending Yukl's approach, DeRue et al. (2011) also categorized leader behaviors into Task-oriented, Relational-oriented and Change-oriented and added Passive Leadership

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