Effects of Shared Leadership, Psychological Empowerment and Organizational Justice on Organizational Commitment

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Abstract The environment of modern corporate management is undergoing many changes due to the horizontal organizational structure and the spread of team system. The importance of collective leadership that all members can pursue together beyond the existing personal leadership is increasing day by day. This study was conducted to analyze the effects of shared leadership on psychological empowerment, organizational justice and organizational commitment using PLS, a structural equation tool. The analysis highlighted the following. First, shared leadership exerted positive effects on psychological empowerment and organizational justice. Second, psychological empowerment exerted positive effects on organizational justice and organizational commitment and lastly, organizational justice exerted positive effects on organizational commitment. The causality between shared leadership, psychological empowerment, organizational justice and organizational commitment. This study demonstrated the important relationship between shared leadership and psychological empowerment and organizational justice, which will serve as a guideline for further organizational commitment.

Key Words : Shared Leadership, Psychological Empowerment, Organizational Justice, Organizational Commitment, PLS

요약 현대 기업경영의 환경은 수평적 조직 구조화와 팀제도의 확산 등으로 많은 변화를 겪고 있는 가운데, 기존의 개인적 차원의 리더십을 넘어 구성원 모두가 함께 지향할 수 있는 집단적 리더십의 중요성이 날로 커져가고 있다. 이에 본 연구는 공유리더십이 심리적 임파워먼트와 조직공정성 및 조직몰입에 미치는 영향을 구조방정식 도구인 PLS를 사용하여 분석을 수행하였다. 분석 결과 첫째, 공유리더십은 심리적 임파워먼트와 조직공정성에 긍정적인 영향을 미쳤다. 둘째, 심리적 임파워먼트는 조직공정성과 조직몰입에 긍정적인 영향을 미쳤으며, 마지막으로 조직공정성은 조직몰입에 긍정적인 영향을 미치고 있음을 확인할 수 있었다. 본 연구는 공유리더십과 심리적 임파워먼트 및 조직공정성 그리고 조직몰입과의 중요한 인과관계를 파악하고자 하였으며, 본 연구의 결과는 공유리더십, 심리적 임파워먼트, 조직공정성 간의 중요성과 영향 요인이 조직몰입을 높일 수 있는 가이드라인을 제공할 것으로 기대한다.

주제어 : 공유리더십, 심리적 임파워먼트, 조직공정성, 조직몰입, PLS

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1. Introduction

The advent of ICT and the internet has accelerated the globalization. The recent emergence of digital transformation has brought about lots of changes, which in turn requires diversified efforts in a bid to survive the fierce competition[1]. Also, the duration and cycle of corporate competitive advantages are gradually getting shorter. Therefore, companies are increasing their efforts for external growth, while establishing flexible organizations for internal growth[2]. Businesses should pursue the harmony between organizational members and their entire organization, whilst at the same time setting up proper missions and visions.

In particular, dramatic changes in business environment add to the importance of flexible responsiveness by virtue of organizational justice, empowerment and commitment. Simultaneously, leadership as a means of enabling organizational members to autonomously carrying out given jobs has been drawing increasing attention. In the past, research on leadership highlighted personal traits and behaviors, and focused on the vertical relationship between leaders and organizational members without taking any multipronged perspective.

The horizontal leadership has emerged as an increasingly important and worthwhile alternative to the conventional model of vertical relationship. Particularly, the shared leadership meaning there exist more than one leaders within an organization implies a few unofficial leaders may exist behind one official leader. Compared to the vertical leadership, the horizontal leadership requires organizational members should have greater responsibilities and power.

Organizational growth need be underpinned by extensive and profound efforts in the form of voluntarily shared and collaborated actions among organizational members instead of one person. In the process, conflicts will ensue. To solve such conflicts, business communication is essential[3].

Shared leadership is defined as a process where group members influence one another or a certain member influences others with intent to achieve organizational goals[4].

Empowerment is divided into relational empowerment, where organizational decisions are made and authority is given through power distribution or delegation, and psychological empowerment [5]. The psychological empowerment is focused on how organizational members perceive and experience organizational situations, and serves as an important condition for having organizational members’ potential competence manifested [6]. That is, for an organization to adjust to environmental changes, it is crucial to lead organizational members to become committed to their work, when the very psychological empowerment is needed.

In addition, the organizational justice is another important determinant for increasing organizational efficiency. Above all, the organizational justice is critical in relation to assessing performance. Any lack of justice from the perspective of organizational members would have some negative impacts on their job satisfaction and organizational commitment.

Previous studies mostly analyzed the causality between the vertical leadership and the empowerment, organizational commitment, job performance and organizational citizenship behavior. However, due to the ICBMA technology that has triggered the Industry 4.0, it is time to explore the causal effects of shared leadership, which enables organizational leaders rather than one leader to exert interactive, persistent and simultaneous effects in diverse contexts on high performance.

Hence, this paper reviews the literature on leadership to shed light on the causality between shared leadership, psychological empowerment, organizational justice and organizational commitment.
2. Theoretical Background

2.1 Shared leadership

Leadership implies the influence that allows organizational members, not an organizational leader, to execute the official authority of their departments or teams[7].

Shared leadership among other types of horizontal leadership is a process of dynamic and interactive influence among members in a group for the purpose of achieving the goals of their group or organization[8]. The horizontal leadership has lately drawn attention because of the following. First, the ever more complex and diverse work environment limits the leadership that can be delivered by one leader. Second, the shift toward the knowledge-based organizational operation expands the scope of autonomy given to organizational members, who are in turn pushing the boundaries of tasks[9].

Researchers largely divided the antecedents of shared leadership into the following two variables in view of the preceding factors vitalizing the leadership[10]. One is the coaching offered by an official team leader as part of the factors external to a team[11]. The other is the environment variable internal to a team involving shared goals, communication and social support among team members. The presence of shared visions and goals within a team is translated as a consensus among team members on the purpose of their existence and the reasons for creating collective performance[10].

Likewise, Pearce (2004) conducted historical analysis, confirmed four types of leadership behavior (i.e. directive, transactional, transformational and delegating) common to shared leadership, and comparatively verified that both vertical leadership and members influence one another in shared leadership[12].

2.2 Psychological empowerment

Psychological empowerment was used in the 1940s in politics and sociology with respect to the civil rights movement, black ballots, trade union activities, emancipation of women. Psychological empowerment is understood as a phenomenon of empowerment arising in the cognitive process of a person, and as a psychological belief that organizational members delegated responsibilities and power will have a sense of ownership for themselves and willingly fulfill tasks given[13].

As organizational members are likely to feel extremely exhausted and stressed by their jobs in adjusting to unprecedented changes, which will severely compromise their competency and sense of responsibility, the psychological empowerment is needed to motivate and empower the members so that they can perform their tasks to the fullest extent[14].

Spreitzer (1995) developed the first multi-dimensional scale for measuring the psychological empowerment[15,16], and extended Thomas & Velthouse’s (1990) conceptualization to define the ‘psychological empowerment’ as the empowerment taking place in a person’s cognitive process[17]. Tymon (1988) empirically analyzed the cognitive model of psychological empowerment and conceptualized it as the intrinsic motivation that allowed people to have influence and experience competence, meaning and self-determination[18].

2.3 Organizational justice

Organizational justice is a topic of importance in the field of organizational behavior in that it is substantially meaningful to and has significant effects on organizational members. Organizational justice refers to the fairness in a range of decision-making processes and consequences perceived by employees within an organization.

Also, organizational justice is defined as the extent to which organizational members perceive the rewards they receive (distributive justice) and the means and procedures of determining the quantity of such rewards (procedural justice) are fair[19].
Similarly, organizational justice means the extent to which one perceives the ratio between inputs (e.g. knowledge, time, experience, efforts) invested in his job and outputs (e.g. wage, recognition, compliment, job security) is reasonable compared with others[20]. In that organizational members’ enthusiasm about their jobs increases in proportion to the reasonable treatments and rewards they receive from their organizations, and their job satisfaction rises accordingly, organizational justice positively contributes to members[21].

2.4 Organizational commitment

Organizational commitment has been well-documented since the 1960s. Mowday et al.(1982) defined organizational commitment as a strong desire to maintain strong trust in and attachment to organizational goals or value, devotion to organizations and membership[22].

According to Brown(1969), organizational commitment is relevant to organizational members’ consciousness, reflects their current status, and potentially predicts such organizational performance variables as performance, job motivation and contribution to organizations, with motivation factors presenting a differential fit [23], a general indicator of one’s stable and persistent attitude and his disposition to stay with his organization, organizational commitment has been continuously explored[24].

Meyer and Allen(1991) classified the organizational commitment into affective, continuance and normative commitments[25]. First, the affective commitment means organizational members are emotionally attached to their organizations, identifying themselves with the latter. Second, the continuance commitment refers to one’s organizational commitment based on potential gains and losses or the fear that he will lose his incidental investments if he leaves the organization. Third, the normative commitment means the internal systems of norms that coerce individuals into acting to achieve organizational goals[26].

3. Research Model and Hypothesis

Based on the foregoing literature, this paper models the causalities between shared leadership and psychological empowerment/organizational justice; between psychological empowerment and organizational justice; and between psychological empowerment/organizational justice and organizational commitment.

Shared leadership is the leadership shared by organizational members, not taken by one person, and has a complementary relationship with the vertical leadership.

The psychological empowerment is focused on not only the power or authority delegated by a leader but also organizational members’ psychological experience and perception.

![Fig. 1. Research Models](image)

Yukl(1998) asserts the vital effect of leadership is empowerment, and the transformational leadership has great effects on empowerment. The shared leadership has positive effects on organizational performance and effectiveness by the medium of interactions among members[27].

Organizational justice refers to the fairness of a leader’s organizational operation and decision making perceived by organizational members. In short, organizational justice is the perceived fairness or unfairness of leadership. A leader’s respect for and fair treatment of organizational members is conducive to information sharing and authentic partnerships between the two
parties, signifying the former regards the latter as the end, not means [28]. Shared leadership was found to have positive effects on the organizational justice. As a rule, the empowerment, which is the internal motivation for organizational members, rather than the external motivation, substantially affects the organizational justice as hypothesized below.

H1. Shared leadership will have positive effects on psychological empowerment.
H2. Shared leadership will have positive effects on organizational justice.
H3. Psychological empowerment will have positive effects on organizational justice.

Thomas & Velthouse(1990) scaled up the psychological empowerment and described it as a cognitive component constituting the intrinsic motivation in the process of enhancing one’s self-efficacy[29]. According to them, psychological empowerment means augmenting one’s intrinsic motivation for tasks embodying the meaning, self-determination, self-confidence in tasks and awareness of influence as part of one’s recognition of the personal orientation of his roles.

Conger & Kanungo(1988) defined the psychological empowerment in terms of relational structures and motivation[30]. Orpen (1993) analyzed the relationship between organizational commitment and procedural/distributive justice, and found that organizational commitment was related to both distributive and procedural justice and that highly committed organizational members showed a higher tendency to link justifiable procedures with justifiable outcomes[31].

Konovský & Cropanzano(1991) reported people with high organizational identification perceived the existence of organizational justice, and the procedural justice was significantly related to the organizational commitment[32].

As one’s psychological state relevant to his organization, organizational commitment represents one’s commitment to, identification with and attachment to organizations, implying the person’s strong trust in and acceptance of organizational goals or value, according to Allen & Meyer(1990). These findings underlie the following hypotheses[33].

H4. Psychological empowerment will have positive effects on organizational commitment.
H5. Organizational justice will have positive effects on organizational commitment.

4. Results

4.1 Sample and method

This study used PLS, a structural equation tool, for many of its strengths for analysis. Korean companies were analyzed here. Excluding insincere responses, 139 copies were analyzed. The survey was conducted for one month in March, 2018.

The characteristics of sample are as follows. To look their work experience, 1–5 years occupied 24%, 5–10 years 38%, 10–15 years 25%, and 15 years or more 13%. To look at the general characteristics of respondent, college graduate occupied 63%, master’s degree 37%. A survey was conducted on the employees of domestic small and medium enterprises.

4.2 PLS analysis

In PLS analysis, three aspects of items and constructs need verifying. This study verified the three aspects as outlined below[34,35].

First, the composite reliability exceeded the reference value 0.7. Second, the convergent validity exceeded the reference value (AVE) 0.5, and the factor loading was greater than 0.7. Third, the discriminant validity requires the value on the diagonal axis should be greater than other values. The largest value on the diagonal line, (0.00), is greater than the smallest value [36,37].
Table 1. Discriminant Validity Analysis

<table>
<thead>
<tr>
<th></th>
<th>Factor Loading</th>
<th>Composite Reliability</th>
<th>AVE</th>
<th>Cronbach's Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>OC1</td>
<td>0.7604</td>
<td></td>
<td>0.858</td>
<td>0.7793</td>
</tr>
<tr>
<td>OC2</td>
<td>0.7636</td>
<td></td>
<td>0.858</td>
<td>0.7793</td>
</tr>
<tr>
<td>OC3</td>
<td>0.7901</td>
<td></td>
<td>0.858</td>
<td>0.7793</td>
</tr>
<tr>
<td>OC4</td>
<td>0.7885</td>
<td></td>
<td>0.858</td>
<td>0.7793</td>
</tr>
<tr>
<td>SHA1</td>
<td>0.8086</td>
<td></td>
<td>0.858</td>
<td>0.7793</td>
</tr>
<tr>
<td>SHA2</td>
<td>0.7423</td>
<td></td>
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</tr>
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<td>SHA3</td>
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</tr>
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<td>SHA4</td>
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<td></td>
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<td>0.7793</td>
</tr>
<tr>
<td>SHA5</td>
<td>0.7935</td>
<td></td>
<td>0.858</td>
<td>0.7793</td>
</tr>
<tr>
<td>OJ</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OJ2</td>
<td>0.7729</td>
<td></td>
<td>0.9339</td>
<td>0.9212</td>
</tr>
<tr>
<td>OJ3</td>
<td>0.7656</td>
<td></td>
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<td>0.9212</td>
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<tr>
<td>OJ4</td>
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<tr>
<td>OJ5</td>
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<td>0.9212</td>
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<tr>
<td>OJ7</td>
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<td>0.9212</td>
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<tr>
<td>OJ8</td>
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<td></td>
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<td>0.9212</td>
</tr>
<tr>
<td>OJ9</td>
<td>0.7139</td>
<td></td>
<td>0.9339</td>
<td>0.9212</td>
</tr>
<tr>
<td>OJ10</td>
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<td>0.9212</td>
</tr>
<tr>
<td>PE1</td>
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<tr>
<td>PE2</td>
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</tr>
<tr>
<td>PE3</td>
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<tr>
<td>PE4</td>
<td>0.8156</td>
<td></td>
<td>0.9339</td>
<td>0.9212</td>
</tr>
</tbody>
</table>

OC: Organizational commitment, SHA: Shared leadership, OJ: Organizational justice, PE: Psychological empowerment

As the items and constructs met the three criteria in the verification, they fitted the structural model analysis (Table 1, Table 2). The $R^2$ was above the reference statistical power, or 10%, indicating a very high explanatory power.

Table 2. Correlation between Latent Variable

<table>
<thead>
<tr>
<th></th>
<th>PE</th>
<th>OC</th>
<th>OJ</th>
<th>SHA</th>
</tr>
</thead>
<tbody>
<tr>
<td>PE</td>
<td>0.7871</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OC</td>
<td>0.7376</td>
<td>0.7758</td>
<td></td>
<td></td>
</tr>
<tr>
<td>OJ</td>
<td>0.6981</td>
<td>0.5804</td>
<td>0.7654</td>
<td></td>
</tr>
<tr>
<td>SHA</td>
<td>0.7522</td>
<td>0.7163</td>
<td>0.6907</td>
<td>0.7730</td>
</tr>
</tbody>
</table>

As shown in Fig. 2 and Table 3, the model was verified and statistically accepted H1, H2, H3, H4, H5 at a significance level of 5%.

Table 3. Hypotheses Testing

<table>
<thead>
<tr>
<th>Path</th>
<th>Coefficient</th>
<th>t-value</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>SHA -&gt; PE</td>
<td>0.3064</td>
<td>11.8928</td>
</tr>
<tr>
<td>H2</td>
<td>SHA -&gt; OJ</td>
<td>0.6007</td>
<td>21.3665</td>
</tr>
<tr>
<td>H3</td>
<td>PE -&gt; OJ</td>
<td>0.3414</td>
<td>7.5369</td>
</tr>
<tr>
<td>H4</td>
<td>PE -&gt; OC</td>
<td>0.6484</td>
<td>15.4143</td>
</tr>
<tr>
<td>H5</td>
<td>OJ -&gt; OC</td>
<td>0.1278</td>
<td>2.467</td>
</tr>
</tbody>
</table>

Also, the management organizational commitment ($R^2$) was 55.2%, while the psychological empowerment and organizational justice showed 62.6% and 47.7%, respectively. These findings exceeded the generally accepted statistical power (10%), indicating a very strong explanatory power of the model [38, 39].

Fig. 2. Hypotheses Testing

5. Conclusion

This study empirically analyzed the factors relevant to the effects of horizontal shared leadership on organizational commitment, psychological empowerment and organizational justice, and their mediating effects.

The analysis highlighted the following.

First, shared leadership exerted positive effects on psychological empowerment. Second, shared leadership exerted positive effects on organizational justice. Third, psychological empowerment exerted positive effects on organizational justice. Fourth, psychological empowerment exerted positive effects on organizational commitment. Fifth, organizational justice exerted positive effects on organizational commitment.

This study has scholarly implications. The relationship between the conventional vertical leadership and organizational commitment,
psychological empowerment and organizational justice has been well-documented. Yet, the causality between horizontal shared leadership and organizational commitment, psychological empowerment and organizational justice has hardly been analyzed. Notably, this study developed the questionnaire items based on the literature and surveyed corporate practitioners.

In order to create high performance in a company, organizational commitment is necessary. It is advisable to identify various factors that can increase organizational commitment and provide them to members.

Also, as its practical and strategic implication, this study demonstrated the important relationship between shared leadership and psychological empowerment and organizational justice, which will serve as a guideline for further organizational commitment.

Despite the above-mentioned implications, this study has limitations. It failed to take into account such variables as job performance, organizational citizenship behavior and organizational performance, except the organizational commitment, which is a variable involving the organizational effectiveness. Future research needs to further analyze and consider diverse variables, and compare local findings with those from overseas countries.

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