How Does Participative Leadership Influences Employee Engagement via the Mediational Effect of Employee Perceived Corporate Social Responsibility? An Analysis of Front-line Employees of Hotels

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ARTICLE DETAILS

ABSTRACT

Over the course of the year, the study of engaged employees has drawn increased attention. In accordance with the social learning theory, people pick up skills from verbal, symbolic, and living role models through their behaviors. Through the use of employee perceptions of corporate social responsibility as a mediator, this research seeks to inspect the connection between participatory leadership and engagement of employees. The study is unusual because it examines the underlying mechanism between participatory leadership and commitment using employee perceived CSR as a mediator for the first time in literature. The 348 replies were gathered from hotel industry workers. The outcomes were analyzed using a structural equation modelling approach. The findings demonstrated a strong correlation between participatory leadership and employee engagement. Employee perception of CSR plays a factor in mediating the influence of participatory leadership on engagement of employees. This article explores the responsibilities of participative leaders and their influence on employee engagement using motivational and multilevel perspectives, with the mediation function of employee perception of CSR. This study has important ramifications for businesses and managers, particularly in terms of increasing employee engagement.

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1. Introduction

Over recent decades, the research on engaged employees got more attention to researchers. The rationale behind this is the impact of engaged employees on positive performance at work. Many studies highlight that, how much a leader’s behavior has an impact on the positive behavior of the employees in an organization (Claxton & Sarti, 2014; Liu, Lepak, Takeuchi, & Sims Jr, 2003; Rowold & Rohmann, 2009). Employee engagement has been described by researchers as a favourable mental state characterised by vitality, devotion, and absorption. (Liu et al., 2003; Schaufeli & Salanova, 2008). This is observed through literature, that when leaders involve employees in decision making and give respect to their opinion then it will make the employees feel good and they show more engagement to their work (Liu et al., 2003; Seltzer & Bass, 1990). Previous literature shows that participative leadership is a important construct which enhances the employees positive behavior and makes them engaged. Participatory leadership is defined as "a non-directive type of role-clarifying conduct that is judged by the amount to which leaders empower subordinates to influence choices by asking feedback and involvement." (Ogbonna & Harris, 2000, p. 77). The managers who adopt the participative leadership style, their subordinates show more engagement to their tasks.

As a change in the economy and hospitality industry, it becomes obvious for managers to engage their employees to meet the high competition and changing demands of customers and stakeholders. Decision making is one skill that every manager used daily irrespective of their leadership style (Ogbeide & Harrington, 2011). It is common knowledge that the decision-making style always depends upon the leadership style. A manager who employs a directive leadership style may restrict the involvement of employees as compared to the manager who employs the participative leadership style (Northouse, 2018). One of the main benefits of the participative leadership style is its positive impact on the employee’s motivation and their satisfaction to perform a task, as a result, the employees become engaged with their jobs (Ogbeide & Harrington, 2011). While most of the past studies on hospitality industry, are on leadership ship styles and its strategic implementations, only few studies have been based on the leadership style and its impact on the employee engagement in the hospitality industry (Dev & Olsen, 1989; Okumus, 2001; Schmelzer & Olsen, 1994). In similar way scarce studies are available in hospitality industry with reference to employee attitudes and perceived CSR (Serra-Cantallops, Peña-Miranda, Ramón-Cardona, & Martorell-Cunill, 2018).

Literature of ethics shows that how employees perceive the organization’s effort for the society’s well-being, and how it influences the behavior of the employees (Baker, Hunt, & Andrews, 2006). We consider that employees perceived CSR is capable of making the employees more engaged at their task especially when managers adopt the participative leadership style and involve them in the decision-making process, so it can be dealt as a mediator in the relationship between participatory leadership style and work engagement. Employee perceived CSR is chosen because according to Patiar and Wang (2016) motivational states always serve as a mediator between the relationship of leadership style and employees' behavioral reactions. When employees observe its organization participating in CSR activities, it turn outs to enhances employee’s motivation to work more for the organization (Zhou, Luo, & Tang, 2018).

There is no study found up till now which examine the relationship of participatory leadership, employee perceived CSR and work engagement. Most of the studies have investigated these variables but in pairs. Furthermore, the relationship with the different types of leadership style and work engagement is found in the literature (Babcock-Roberson & Strickland, 2010; De Clercq,
Bouckenoohe, Raja, & Matsbyborska, 2014; Patiar & Wang, 2016). And a few have investigated the relationship among participative leadership style and working engagement (Bamford, Wong, & Laschinger, 2013; Somech, 2005) However, there are few research on the connection between participatory leadership and CSR (Baker et al., 2006; Rok, 2009; Strand, 2011), and there is just one study on the connection between participative leadership and the CSR that employees perceive their employer to be doing (Lythreatis, Mostafa, & Wang, 2019). A study of this nature will help to bring insights about antecedents related to work engagement and participative leadership. Moreover, the mediating influence of employee-perceived CSR will better support us to understand link of participative leadership and work engagement.

2. Participative Leadership Style

Participative leadership style can be defined as when a supervisor involves his subordinates in process of decision-making and give respect to opinion and suggestions from them (Chan, 2019). According to agreement, consultation and involvement of employees are associated with participative leadership. As it has consultative nature, so it has more potential to improve and disseminate the organizational values (Bass, 1997). Results revealed that when employees perceive that their managers have a more consulting nature, they become more engaged and satisfied with their organization and job (Yousef, 2000). According to social learning theory (Bandura, 1986), the engaged employees are more motivated through role modeling. They always note and try to replicate the behavior of their manager. When they found encouraging signals and welcoming behavior from their manager, they work more innovatively at their work and tries to discuss the more new ways and ideas (Dolatabadi & Safa, 2010).

3. Employee Perceived CSR

CSR is all grounded on the ethical assumptions. Organizations who are CSR concerned, they deal the personnel and humanities fairly and ethically. When organizations implement CSR initiatives then employees are likely to believe that fairness is present in the organization (Sarfraz, Qun, Abdullah, & Alvi, 2018). The idea of corporate social responsibility can be explained as, that the organization has not only the responsibility to meet its obligations either its ethical or legal but there are also some definite societal duties. Organizations are also responsible to work for the well-being of society (Zhou et al., 2018).

Aguinis (2011, p. 855) suggest that, "Context-specific organisational activities and policies that take stakeholders' expectations and the triple bottom line of economic, social, and environmental performance" is what referred to as "CSR.". According to Carroll (1979), CSR has four basic factors one is economic, second is legal, third is ethical and the fourth is discretionary. Economic is the first and most fundamental social responsibility of an organization, where they produce goods and services according to the needs of customers and then sell them on profit. Legal responsibility is the society's expectations that an organization must achieve its economic responsibility by remaining within the framework of legal requirements. Ethical responsibility can be defined as that there are some other conducts and actions that are not categorized into law but society expects from organizations to fulfill them. And the last discretionary responsibility is the business voluntary actions that they take for the well-being of society. These are the actions which are not instructed, not imposed by law, and even not predictable from business in term of ethical sense. All the business desires to engage in social roles. The perception of CSR can be explained as, how employees think about these four factors of CSR. In an organization, one of the most important stakeholders considered are employees (Rodrigo & Arenas, 2008). Research shows that when
employees observe that their organization is answerable, caring and compassionate towards the society, their attitudes and behaviors in the workplace turn to improve (Cropanzano, Byrne, Bobocel, & Rupp, 2001).

4. Work engagement

Schaufeli, Salanova, González-Romá, and Bakker (2002) defined, work engagement is as a pleasant, rewarding, job-related frame of mind that is marked by vitality, devotion, and immersion. According to Bakker and Leiter (2010), the attention and vigour brought on by work engagement inspire people to accomplish a task to the best of their abilities. Kahn (1990, p. 694) states WE is the "harnessing of the organization members' selves to their work roles; in engagement, employees utilize and express themselves physically, intellectually, and emotionally throughout role performances". WE is a concept of motivation, employees when feel motivated, use their energies (intellectual, physical and emotional) to perform their work (Kahn, 1990). Work engagement has three characteristics (1) vigor (2) dedication (3) absorption. Vigor can be defined that, how much an employee is willing to utilize his energy during a challenging work. It is more consistent with the concept of motivation. Dedication can be defined as how much an employee is enthusiastic and feel pride in his work. And the final absorption is about deep concentration during work (Schaufeli et al., 2002). According to Fenton-O'Creevy (2001), when managers involve employees in the decision-making process they feel more motivated, engaged and are less threatened about the organizational change. In this study the focus is participative leadership style of the manager which is “a non-directive form of role-clarifying behavior which is gauged by the extent to which leaders allow subordinates to influence decisions by requesting input and contribution” (Ogbonna & Harris, 2000, p. 776). The leaders who adopt participative leadership style are more in favor of innovation and creativity. Social learning theory by Bandura (1986) also suggests that the more motivated and engaged employees are influenced by their leaders and when employees are motivated they do more innovation and take more challenges. They note and try to imitate their leader’s behaviors. They perform well and become more motivated when their leaders adopt the participative leadership style. Therefore,

H1: Participative leadership is associated to engagement of employees.

5. The Mediating Role of employee perceived CSR

According to Maclagan (1999), a leader who owes a participatory leadership style can contribute more towards the employee’s understanding of CSR. The participative leadership allows the employee to be indulge in the process of decision-making which involves a conflict of interest and people believes and values are articulated in corporate actions. The investigation on the association between leadership style and CSR is quite limited (Strand, 2011). As the social learning theory suggests that people learn from the actions of living, verbal and the symbolic role model (Bandura, 1986). People usually remember the behaviors of their leader then perceive them as role models and then try to copy them. Social learning theory also suggests that leaders are the ones who built the perception of their subordinates. So when they indulge them in the process of decision-making, then employees have the idea that the organization is also performing the activities for the well-being of the society.

Today, the connection between CSR and employee engagement is a developing idea. Few researchers have observed the beneficial connection among CSR and employee engagement. According to Glavas and Piderit’s (2009) study, there is a correlation between employee engagement and corporate social responsibility (CSR), and that correlation is favourable when there is a good
employee opinion of CSR. One other study of Caligiuri, Mencin, and Jiang (2013), also establish a positive relationship between CSR and employee engagement. The reason behind this positive relationship is when the employee feels that there is meaningfulness and values congruence at work, they become more engaged (Glavas, 2012). When employees perceive that their organization is working for the well-being of society then they contribute more to the organization and tries to become part of this CSR activity (Grant, 2008). So it can be supposed that when a leader adopts a participatory leadership style he will involve his subordinates in the decision-making process, by becoming the part of the decision-making process the employees have an idea that the organization is truly working for the well-being of society which ultimately will enhance their engagement towards the organizations. So based on the above literature it can be hypothesized that:

**H2**: Participative leadership is associated to employee perceived corporate social responsibility.

**H3**: Employees perceived corporate social responsibility is associated to employee engagement.

**H4**: Participative leadership and employee engagement is associated with each other with the mediating role of employees perceived CSR

### 6. Methodology

#### 6.1 Sample

Observers selected for the current research were frontline staffs working in hotels in Pakistan having direct contact and interaction with customers. From 430 distributed ones, 405 were received among which 21 were having missing data, thus 384 responses were recorded for analysis. Mean age of the sample was 1.625 (SD=1.08) in which male were 72% and females were 28% were females. About 65% of staff belonged to age group of 20-29, and 37.8% of observers had diploma degree, while 51% of participants had Bachelor’s degree and Master’s student contributed to 2%.

#### Conceptual Framework

![Conceptual Framework](image)

**Fig.1 Proposed Model**

### 6.2 Measures

Scales were adopted from prior studies in literature and responses were measured using 5-point likert scale. Participative leadership was assessed through the six item scale of the (Arnold, Arad, Rhoades, & Drasgow, 2000). The scale consisted of items like “My supervisor encourages me to express my ideas and suggestions.” Employee perceived CSR was measured by employing the 8 item scale of Maignan and Ferrell (2001) which is derived from (Carroll, 1979). The scales consisted of items like “My company closely monitors the employees productivity.” Construct of Employee
Engagement is measured through the Schaufeli, Bakker, and Salanova (2006) scale. The scale consisted of items like “I feel full of energy at work” and “while doing my job, I feel strong and vigorous”.

7. Results

The measurement model is used for confirmatory test of three variables by using confirmatory factor analysis that is denoted by (CFA) in AMOS 23. Findings exhibited that three-factor base line model has a robust fit ($\chi^2 [197]=467.27$, $\chi^2/df = 1.97$, $CFI=.97$, $TLI=.93$, $RMSEA=.06$), and showed a good model fitness as compared to the other models along with three factor and two-factor models that is the amalgamation of two of three variables and the model with one factot( all loadings three constructs load on one factor) and null model. The discriminant validity is sustained by CFA model rendering our three variables as three distinctive constructs. Scales reliability were calculated through normal indicators of composite reliability index and average variance extracted. Desirable value for composite reliability should be greater than (0.6) (Bagozzi and Yi, 1988), and findings display that CR range of the three constructs is from 0.90 to 0.94. Whereas, values of average variance extracted above 0.7 are treated as acceptable. So, AVE range from 0.51 to 0.65, are the excess of the 0.5 suggested threshold (Fornell and Larcker, 1981). All these results signify the satisfied setting for construct reliability.

Furthermore, the indicators estimated loadings are above 0.5 (range 0.549 to 0.769), and showed significant t-value > 1.91 and p-value < 0.05), thus demonstrating agreeable convergent validity for all measures (Anderson and Gerbing, 1988). In Table 1, results from confirmatory factor analysis exhibit that the model with one factor doesn’t fit data fairly ($\chi^2[df=197]=2125.23$, $\chi^2/df=11.25$, SRMR=0.17, RMSEA=0.23, CFI=0.61), which explains that common method variance is not a critical issue in the study. The three-factor model cannot use method factor to nest within the model even though identical items were observed. Hence CFI change was employed for the sake of evaluation.

<table>
<thead>
<tr>
<th>Models</th>
<th>$\chi^2$</th>
<th>df</th>
<th>$\chi^2/df$</th>
<th>SRMR</th>
<th>RMSEA</th>
<th>CFI</th>
<th>TLI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Null model</td>
<td>3208.81</td>
<td>211</td>
<td>13.75</td>
<td>0.17</td>
<td>0.23</td>
<td>0.61</td>
<td>0.59</td>
</tr>
<tr>
<td>One factor model</td>
<td>2125.23</td>
<td>197</td>
<td>11.25</td>
<td>0.11</td>
<td>0.17</td>
<td>0.88</td>
<td>0.84</td>
</tr>
<tr>
<td>Two factor model of (SL and EE combined)</td>
<td>1123.63</td>
<td>195</td>
<td>6.81</td>
<td>0.12</td>
<td>0.18</td>
<td>0.68</td>
<td>0.63</td>
</tr>
<tr>
<td>Two factor model of (SL and CSR combined)</td>
<td>984.81</td>
<td>198</td>
<td>5.69</td>
<td>0.13</td>
<td>0.14</td>
<td>0.88</td>
<td>0.82</td>
</tr>
<tr>
<td>Two factor model of (CSR and EE combined)</td>
<td>758.48</td>
<td>196</td>
<td>3.21</td>
<td>0.03</td>
<td>0.04</td>
<td>0.95</td>
<td>0.91</td>
</tr>
<tr>
<td>Three factor model with a method factor model;</td>
<td>324.62</td>
<td>18</td>
<td>1.93</td>
<td>0.05</td>
<td>0.06</td>
<td>0.97</td>
<td>0.93</td>
</tr>
<tr>
<td>Three factor model (baseline model)</td>
<td>467.27</td>
<td>197</td>
<td>2.57</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 1-- fit indices of model.
Table 2: Descriptive Statistics, Correlations and Reliabilities

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mean (SD)</th>
<th>α</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Employee Engagement</td>
<td>26.65(4.23)</td>
<td>0.901</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Employee Perceived CSR</td>
<td>17.83(4.56)</td>
<td>0.913</td>
<td>0.035</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Participative Leadership</td>
<td>20.65(4.24)</td>
<td>0.944</td>
<td>0.037</td>
<td>0.025</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Age</td>
<td>1.625(1.08)</td>
<td>0.003</td>
<td>0.015</td>
<td>0.028</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Gender</td>
<td>1.279(.4489)</td>
<td>0.003</td>
<td>0.025</td>
<td>0.005</td>
<td>0.044</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Education</td>
<td>.835(.871)</td>
<td>0.042</td>
<td>0.030</td>
<td>0.028</td>
<td>0.013</td>
<td>.030</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Experience</td>
<td>5.102(1.59)</td>
<td>0.039</td>
<td>0.029</td>
<td>0.037</td>
<td>0.047</td>
<td>0.024</td>
<td>0.015</td>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>

As the variance in CFI was lesser as compared to the suggested criteria (Bagozzi and Yi, 1988), and was 0.03, the impact of the method factor cannot be considered as insignificant. Though the model fit was marginally increased by method factor, the factor computed with the explanatory power is only 18.31% of the variance method that is a lesser value than 25%–40% considered adequate by previous researches (Williams et al., 1989).

After these studies, it was determined that CMV is less probable to alter our results critically. Means, correlations and standard deviation are displayed in Table 2. Participative Leadership, Employee perceived CSR and employee engagement validate our hypotheses by correlating significantly and positively. Following the trends in contemporary research, structural model was evaluated. Methodology proposed by Mathieu and Taylor (2006) was employed to test mediation relationship. Initially we investigated a model having direct path from participative leadership to employee engagement, without the mediator (i.e. Employee perceived CSR). The model was a robust fit with data. ($\lambda^2[\text{df}=197]=1147.73$, $\lambda^2/\text{df}=5.82$, SRMR=0.13, RMSEA=0.13, CFI=0.84). Participative leadership showed a positive relationship with employee engagement ($\beta=0.54$, $p < 0.001$), so the first hypothesis is supported. After this the influence of PL on employee perceived CSR (H2) and the influence of employee perceived CSR on engagement of employees (H3), and lastly the mediating role of employee perceived CSR in the participative leadership-employee engagement relationship (H4) is examined. Full and partial mediational was compared. Statistics shown in (Table 3) displayed that the model with partial mediation has a better fit ($\Delta \chi^2=437.9$, $\Delta \text{df}=259$, $p < 0.001$). The values of SRMR, RMSEA and $\lambda^2/\text{df}$ showed the minimum thresholds and were lesser for the model of partial mediation as compared to model of full mediation. The CFI value of the model with partial mediation was greater than the acceptable value of 0.90 and was higher as compared to the value of full mediation.

The structural equation modelling results were displayed that participative leadership significantly and directly predicts employee perceived CSR ($\beta=0.36$, $p < 0.001$), supporting Hypothesis 2. Employee perceived CSR has a positive relationship with Employee engagement ($\beta=0.38$, $p < 0.001$), and support Hypothesis 3, and help to obtain indirect effect. in AMOS 23 (with bootstrap samples of 5000) between participative leadership on employee engagement via employee perceived CSR were statistically significant ($\beta=0.11$, Boot SE=0.03,Boot 95% bias-corrected CI = [0.02, 0.18]).
These above results of SEM established our hypothesis for mediation that the influence the relationship of Participative leadership and Employee engagement, mediated by employee perceived CSR. so, the 4th Hypothesis also supported. The results of SEM showed that, this is a partial mediation as compared to a full mediation, with the direct path coefficients from participative leadership to employee engagement which are significant statistically ($\beta=0.47$, $p < 0.001$).

<table>
<thead>
<tr>
<th>Table 3 - Fit Indexes for Structural Model</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fit Indexes</td>
</tr>
<tr>
<td>$\lambda^2$</td>
</tr>
<tr>
<td>DF</td>
</tr>
<tr>
<td>$\lambda^2$/df</td>
</tr>
<tr>
<td>SRMR</td>
</tr>
<tr>
<td>RMSEA</td>
</tr>
<tr>
<td>CFI</td>
</tr>
<tr>
<td>TLI</td>
</tr>
</tbody>
</table>

8. Discussion

As the results validate our hypotheses inferring the behavior of participative leadership. The inclusion of employees in decision making process and encouraging them in problem solving construes a participative leader (Chen and Tjosvold, 2006). A conjointly formed choices and arrangements creates a good will amongst employees (Li et al., 2013). They feel more committed to their organization and a compatibility between employers and employees is also perceived (Muindi, 2011). This kind of open communication nurtures a close-knit culture in an organization. Thus, empowered subordinates feel more engaged and connected to their workplace.

This research also probes the role that a participative leader can play in corporate social responsibility. As well being and interest of all stakeholders are taken care of, employees understanding of CSR is also honored (Bhattacharya et al., 2009). These internal CSR involving employees create positive vibes for employees when they believe that they are being heard in the organization. This positive perception of their participative leader by the subordinates foster a good and positive impression of internal policies and CSR. Hence again our findings are justifying. This is very clear that when employees play their part in decision-making process, they believe that their concerns are being safeguarded (Chen and Hung-Baesecke, 2014). Hence, from above discussion it can be said that participative leadership leads to employee engagement and positive employee perceived CSR.

9. Implications

This study makes various significant theoretical and managerial implications. Firstly, this study broadens the scope of corporate social responsibility by integrating employee engagement. By examining the influence of participative leadership on employee engagement with employee perceived CSR, this study improves, our interpretation employee perceived CSR at an individual level. At managerial level, CSR can help employees to stay more engaged decreasing the employee turnover. In addition, the highly engaged employees can help organization in achieving organizational goals proving themselves as competitive advantage for the firm. Additionally, findings of this research can help participative leaders to manage activities of corporate social responsibility at employee’s end.
10. Limitations and Future research

Though novelty of this research augments the body of knowledge. Still few limitations are to be observed for the sake of future researchers. The findings of this study are limited to hotel industry only. Future studies can investigate this model of corporate social responsibility in other sectors such as travel companies. Also, the study is empirical in nature. Other the quantitative measures, methods of qualitative nature can also be employed by future researchers that can give us subjective opinions of hotel employees. Another limitation is the use of convenience sampling. As it is non probability sampling technique, it does not represent the entire population. To conclude, this study gives an adequate empirical support to the relationships explained in the framework. Still, it has the possibility to further explore.

References


