

Role of Emotional Healing and Empowerment in determining the Employee Performance in Servant Leadership Style

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Abstract--- Indian insurance sector is considered to be very competitive. The prevailing cut throat competition this sector may cause for evolving of more problems. Among the major issues, preparing the workforce to cope with the hectic competition is the highly essential. However, the employee retention rate is too low in this sector it is required to understand the employee well. The present study is emphasized to understand the impact of emotional healing and employee empowerment's role in the private insurance sector. The prime objective of the concerned study is to understand their impact over the employee performance. A well-constructed questionnaire is executed and the samples are drawn from 750 samples.

Keywords: Emotional Healing, Employee Empowerment, Employee Performance, Servant Leadership, Insurance sector.

I. INTRODUCTION

According to James (1978), leadership is one of the most observed and least understood concept on the earth. The nature and the objectives of the leadership is critical to understand and complexed to attain. However, much literature is evolved on leadership though there is no a research back-up and became focal to understand majority areas of the organisational behavior (Luthans, 2005). Particularly in the prevailed extreme competitive scenario, the business organisations did not want to lose any of their resources especially the human resources. The services sector organisations are more cautious in this context as they believed that, leaders play a crucial role evoking the positive employee behaviors which yields the good results (Fernando et al., 2015).

The past research studies of Stogdill et al., 1974 and Robbins et al., 2000 stated the historical development of leadership concept and explained the characteristics or the traits of leadership. Furthermore, Robbins, 2000 also stated that, leadership could be taught through the effective training programmes which can develop the behavior patterns in individuals who desired to be effective leaders. The other studies like Burns, 1978 explained about the transforming leadership styles which explained the transforming phenomenon of an usual individual into an

effective leader. The other studies explained the charismatic leadership style where a leader can lead his/her team based on their own charisma (Bass, 1985). The concept of full range leadership is proposed by Avolio, explains about the active leaders and passive leaders in a scientific and further the concept of servant leadership is determined by Greenleaf, 1977. According to Greenleaf, servant leadership is a philosophy and set practices that enriches the lives of individuals and build better organisation.

II. RESEARCH GAP AND RESEARCH PROBLEM:

There is an abundant literature which is available on different leadership styles and their impact on different aspects (Burns, 1978; Greenlead, 1977 & Basswide, 1985). The past studies are focused and examined on the various leadership styles such as transforming leadership style, charisma leadership style and full range leadership styles and their impact on different aspects. The studies on servant leadership is found to be very limited and the available studies are also provided the contradictory results. Few studies on the impact of servant leadership on employee ethics stated that there is a positive impact (Fernando, 2015) and the contradictory results will be found in the other studies to the same phenomenon (Dirk et al., 2017).

The impact of servant leadership and its impact over the effectiveness of the organisaiton is tested and found that there is a positive relationship between the servant leadership and organisational behavior (Martin et al., 2017). The servant leadership and its impact over unit performance also has been studied (Robert., 2014). The servant leadership purposefulness and in the health care organisations is tested with the research findings of Justin et al., 2017. But there is no a comprehensive study on determining the employee performance through the moderating role of emotional healing and the mediating role of employee empowerment in a servant leadership style. Hence, this study focused to assess the mediating impact of employee empowerment with the moderating impact of emotional healing.

III. OBJECTIVES OF THE STUDY:

The present research attempts to answer these questions. To address said questions, we constructed hypothesised conceptual model (shown in Fig.1) based on extant literature on emotional healing, employee empowerment on employee performance in servant leadership style.

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IV. RESEARCH METHODOLOGY

The primary data was collected from 750 private insurance company employees. Research team approached the private insurance employees of 20 companies in Guntur and Krishna districts of Andhra Pradesh. Researchers approached the respondents with a structured and self-administered questionnaire and requested to fill the questionnaire. To measure the servant leadership style variable 6 items are adopted, for emotional healing 4 items are adopted, for employee empowerment 6 items are adopted and 5 items are adopted to assess the employee performance in the proposed study. Totally 21 items were used to measure the employee performance through emotional healing and employee empowerment in servant leadership style of insurance employees based on the previous studies. All the items were measured on a 7-point Likert scale.

V. SAMPLING FRAME AND SAMPLE SIZE:

Table – 1: Sample Frame of the study

Description	Private Sector Banks	Public Sector Banks
No of bank branches approached	20	18
No of bank branches permitted to conduct the survey	18	18
No of employees participated in the survey	375	375
No of returned questionnaires	375	375
No of usable questionnaires for the study	375	375
Total Samples		750

VI. DATA ANALYSIS AND RESULTS:

To identify the determinant attributes of servant leadership’s impact over employee performance an exploratory factor analysis (EFA) is conducted. The principal component method and varimax rotation with Kaiser Normalization was used to perform this activity. This exploratory study identified 16 constructs related to determinants of the proposed model were tested in the exploratory factor analysis. The sampling adequacy (94%) was found by using Kaiser-Meyer-Olkin method. The Chi-Square of Bartlett’s test of sphericity has given value of $\chi^2 = 12314.396$, where the significance was very high ($p < 0.000$).

Table - 2: KMO and Bartlett’s test Results

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.941
Bartlett's Test of Sphericity	Approx. Chi-Square	12314.396
	df	120
	Sig.	0.000

Source: Primary Data

The criteria chosen to include items for further analysis was factor loadings value ≥ 0.5 and Eigen value ≥ 1 . These extracted items which were qualified in the factor analysis based on the set criteria as considered the attributes of employee performance in the banking sector. The exploratory factor analysis shown in Table 5.2 noted that the factor solution explaining 84.215 percent of total variance in employee performance. Based on the variance explained and the Eigen value, the factors are labeled as servant leadership style, emotional healing, employee empowerment and employee performance. The factor analysis was exhibited in the table 3.

Table - 3: Total Variance Explained Results

Component	Total Variance Explained								
	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	9.762	61.011	61.011	9.762	61.011	61.011	3.974	24.840	24.840
2	1.702	10.635	71.646	1.702	10.635	71.646	3.436	21.473	46.313
3	1.126	7.035	78.681	1.126	7.035	78.681	3.152	19.699	66.012
4	.885	5.534	84.215	.885	5.534	84.215	2.912	18.203	84.215
5	.423	2.642	86.857						
6	.359	2.244	89.101						
7	.297	1.859	90.960						
8	.258	1.611	92.572						
9	.223	1.393	93.964						
10	.198	1.235	95.199						
11	.166	1.037	96.236						
12	.149	.933	97.170						
13	.130	.811	97.981						
14	.117	.732	98.712						



15	.108	.676	99.389					
16	.098	.611	100.000					

Extraction Method: Principal Component Analysis.

Source: Primary Data

Table - 4: Rotated Component Matrix Results

Rotated Component Matrix ^a				
	Component			
	1	2	3	4
Servant Leadership 1		.833		
Servant Leadership 2		.841		
Servant Leadership 3		.764		
Servant Leadership 4		.797		
Emotional Healing 1	.771			
Emotional Healing 2	.828			
Emotional Healing 3	.789			
Emotional Healing 4	.788			
Emotional Healing 5	.768			
Employee Empowerment 1				.867
Employee Empowerment 2				.869
Employee Empowerment 3				.831
Employee Performance 1			.769	
Employee Performance 2			.795	
Employee Performance 3			.753	
Employee Performance 4			.764	

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
a. Rotation converged in 5 iterations.

Hayes mediating analysis is used to test the hypotheses of H1, H3 and H4. The mediating impact of employee empowerment over employee performance in servant leadership style is tested and the results revealed the significant effect of servant leadership style on employee empowerment is measured through significance of regression coefficient of servant leadership style and this regression coefficient is found to be 0.591 and its standard error is found to be 0.054 respectively. T statistic corresponding this regression coefficient (0.591/0.054) was found to be significant at 5% alpha (p <0.05). This regression coefficient is termed as “a” and its standard error is termed as SE(a).

The significant effect of employee empowerment on employee performance is measured and this regression coefficient is found to be 0.575 and its standard error is found to be 0.057 respectively. T statistic corresponding this regression coefficient (0.575/0.057) was found to be significant at 5% alpha (p <0.05). This regression coefficient is termed as “b” and its standard error is termed as SE(b). The significant effect of servant leadership style on employee performance and this regression coefficient is found to be 0.798 and its standard error is found to be 0.056 respectively. T statistic corresponding this regression coefficient (0.798/0.056) was found to be significant at 5% alpha (p <0.05). This regression coefficient is termed as “c” and its standard error is termed as SE(c). “c” is also termed as “TOTAL EFFECT”

The significant effect of servant leadership on employee performance in the presence is employee empowerment is measured and this regression coefficient is found to be 0.644

and its standard error is found to be 0.065 respectively. T statistic corresponding this regression coefficient (0.644/0.065) was found to be significant at 5% alpha (p <0.05). This regression coefficient is termed as “c” and its standard error is termed as SE(c).”c” is also termed as “DIRECT EFFECT”. According to the thumb rules of mediation analysis, if mediation effect or indirect effect is present then the value of c’ (i.e.0.644) should be less than the value of c (i.e., 0.798), implying direct effect is less than total effect. Further, the size and significance of indirect effect was revealed as the regression coefficient is 0.153 and its standard error was 0.044. The relationship between servant leadership style and the employee empowerment and emotional healing is tested through moderating analysis and the results are found to be satisfactory.

VII. IMPLICATIONS OF THE STUDY:

The findings provide valuable insights to insurance sector for strengthening their employee relations to be effective to enhance the employee performance. Findings related to servant leadership impact on employee performance underline the level of servant leadership, role of emotional healing, employee empowerment and knowledge about employee performance in Indian insurance industry. Knowledge obtained from employee performance enables the insurance companies to understand better for what factors are more vital in enhancing the employee performance among the employees.



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So that the insurance companies will be able to take the appropriate measures to sustain the performance of their workforce. Further it is also helpful to retain the existing employees and to make them loyal for companies by providing the superior feeling of emotional healing and empowerment. Undoubtedly the current research adds knowledge to our understanding of servant leadership style which focuses on emotional healing to their employees to create employee empowerment and then influences the employee performance by providing empirical insights.

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