

**THE IMPACT OF INCLUSIVE LEADERSHIP ON EMPLOYEE  
ENGAGEMENT: THE MEDIATOR OF PSYCHOLOGICAL  
CAPITAL AND THE MODERATOR OF JOB EMBEDDEDNESS**



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**A Dissertation Submitted in Partial  
Fulfillment of the Requirements for the Degree of  
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## ABSTRACT

<b>Title of Dissertation</b>	THE IMPACT OF INCLUSIVE LEADERSHIP ON EMPLOYEE ENGAGEMENT:THE MEDIATOR OF PSYCHOLOGICAL CAPITAL AND THE MODERATOR OF JOB EMBEDDEDNESS
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Employee engagement has been identified as a key driver for increasing organizational productivity and performance. Previous studies indicate the significance of leadership to employee engagement, but little is known about the relationships between inclusive leadership and employee engagement. This research aims to demonstrate this relationship by investigating the impact of inclusive leadership on employee engagement, and the mediating effect of psychological capital. Simultaneously, the moderating role of job embeddedness on the relationship between psychological capital and employee engagement was also examined.

A quantitative survey was adopted. Population of this study is the financial intermediation employees in southwest China. This research selected 400 respondents with proportionate stratified sampling and a convenience sampling method in data collection from Chongqing, Sichuan, Guizhou Yunnan and Tibet through self-administered questionnaire. SPSS was used for the internal consistency of the research instrument. Furthermore, the structural equation modeling techniques was conducted to test the validity of the instrument. Hypotheses were analyzed via structural equation model and regression analysis.

The results of this empirical research show that: inclusive leadership is a positive predictor of employee engagement; inclusive leadership is positively related to psychological capital; psychological capital is positively related to employee engagement; and the relationship between inclusive leadership and employee engagement is mediated by psychological capital. This study also found that the relationship between psychological capital and employee engagement is moderated by job embeddedness. In specific, the higher employee job embeddedness, the lower the positive impact of

psychological capital towards employee engagement; the lower employee job embeddedness, the higher the positive impact of psychological capital towards employee engagement.

This research has implications that inclusive leadership can enhanced employee engagement through psychological capital of employee. Therefore, the organization should pay sufficient attention to the creation of an inclusive leadership, especially when the human resources are turning more diverse. On the other hand, the organization should pay attention to the employees' psychological capital in employee selection and training. Finally, the engagement of employees with a high job embeddedness is less impacted by the psychological capital as an intrinsic motivation than that of those with a low job embeddedness. To deepen the employees' embeddedness in the organization, a series of soft incentive measures shall be implemented more diligently. In addition, this study further discussed the limitations and future research directions about inclusive leadership and employee engagement.

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# CHAPTER 1

## Introduction

### 1.1 Background of the Research

According to the preliminary data of National Bureau of Statistics, China's GDP in 2016 reached RMB 74.4127 trillion, a growth of 6.7% compared to last year. After the growth rate hit a peak of 12.1% in 2010, China's economy suffered a downturn for 6 years. The GDP fell to 7.4% in 2014 and then 7% in 2015. Looking at the trend of GDP growth in the past decade (Figure 1.1), China's sluggish economy in 2016 did not follow the V shape same as in 2009, with a 40% decline from 2010 until the end of 2016. Moreover, the Word Economic Outlook released by the International Monetary Fund (IFM) on January 17<sup>th</sup>, 2017 pointed out that the growth expectations of China in 2016 and 2017 remain unchanged at 6.6% and 6.2%, respectively. Therefore, it can be seen that China's economic growth at a low speed will be further slowed down, and the Chinese government will adjust the economic structure and development model in the face of a depressed international economic environment to maintain a basically stable operation. The new pattern of fierce market competition and slow economic growth has posed new challenges to the development and management of Chinese enterprises.

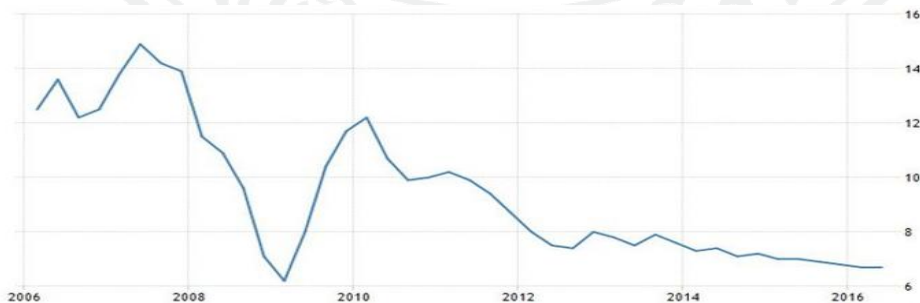


Figure 1.1 GDP growth rate chart of China in recent 10 years (%)

Source: China National Bureau of Statistics, 2016

Amid the new normal of China's economy, the competition among enterprises is getting fiercer day by day. As human resources are the core competitiveness for modern enterprises, how to bring into play the employees' knowledge, experience and potential to the greatest extent has become an important factor to improve the performance of enterprises. Chinese enterprises need not only skilled employees but also dedicated ones who recognize the values and development goals of the enterprises, give full play to their subjective initiative and creativity, actively pursue and maintain the interests of the enterprises, so as to maintain their competitive advantages and bring profits and innovations to the enterprises. Therefore, it can be said that the improvement of employee engagement has become a decisive factor for enterprises to survive and development themselves in the new pattern, and also an essential path to promote the sustainable development.

Regretfully, the 2011-2012 global employee report released by Gallup, a leading US business research and consulting firm, indicates that only 13% of employees around the world is dedicating themselves to work. The countries with the highest percentage of dedicated employees are Panama (37%), Costa Rica (30%) and the United States (30%). In contrast, only 6% of China's employees are dedicated to their work. Although China's employee engagement rate rose 4% from 2009 to 2012 (Table 1.1), it is still far below the world level and hence China is listed as one of the least dedicated countries in Asia. The highest proportion of workers slack in work further suggests that most Chinese employees may not love their jobs and not to fight for the enterprises they serve. The managers of Chinese enterprises do not fully mobilize their employees' dedication and arouse their enthusiasm for work, which makes them unable to shape up their core competitiveness.

Table 1. 1 The Employee Engagement Level in China

*Employee Engagement Has Improved in China*

Employee engagement among Chinese workers, aged 15 and older, who are employed by an employer

	2009	2012	Change (pct. pts.)
Engaged	2%	6%	+4
Not engaged	67%	68%	+1
Actively disengaged	31%	26%	-5

GALLUP®

Source : Gallup, Inc., 2010: 11 & 2013: 16

Gallup's employee engagement index is based on a wide range of researches on the elements in an operable workplace, and researchers have proved a significant relation between these elements and performance results (including the production efficiency, customer service, product quality, employee in-service rate, safety and profitability). The employee engagement has three types: engaged, disengaged and actively disengaged. Engaged employees work with higher production efficiency. As shown in Table 1.2 according to Gallup's survey, the production efficiency for engaged Chinese employees in their current work accounts for 79%, compared to 67% for disengaged and 53% for actively disengaged. The latter will not only undermine what engaged employees accomplish and cause adverse impact on the team morale during work, but also encroach the ruling bottom line of the enterprise. In the U.S. workforce market, actively disengaged employees cost a loss of USD 450 billion to USD 500 billion annually, as estimated by Gallup. In the face of complex and unstable economic environment and sustained growth of labor cost, enterprises cannot rely on salary only to solve problems, but should rely on engaged employees to bring higher production efficiency for the purpose of survival, competitiveness and ongoing advancement, thus maintaining their competitive advantages.



Table 1. 2 Engaged Chinese Workers Report More Productivity

*Engaged Chinese Workers Report More Productivity Than Actively Disengaged Workers*

% of respondents who answered yes

	<b>Engaged</b>	<b>Not engaged</b>	<b>Actively disengaged</b>
Extremely productive in current job	79%	67%	53%

2012

GALLUP®

Source: Gallup, Inc., 2010: 11 & 2013: 16

The engagement level expressed by an employee at the workplace is affected by various factors, including the effective leadership. The style of leaders exerts a direct impact on the psychology and motive of employees and hence on their work attitude and behaviors (Villa, Howell, Dorfman, & Daniel, 2003). Driven by the “Belt & Road” Initiative, the interconnected traffic network has facilitated the economic trades and people-to-people exchanges between countries involved and promoted the flow of production factors, especially transfer of talents. Cross-regional and cross-border movement of personnel has been increased and the degree of workplace diversity in different organizations has been improved significantly in many countries (Michalle E. Mor Barak, 2013). Human resources management faces an increasing number of employees with different demographic characteristics, cultural backgrounds, skills and values. Therefore, the managing diversity has become an important challenge faced by many enterprise managers, human resource managers and management experts, and has aroused the concern and research of many scholars (Acar, 2010; Boehm, Kunze, & Bruch, 2014; Han & Wang, 2011; Li, Liang, & Meng, 2012; Martín Alcázar, Romero Fernández, & Sánchez Gardey, 2012; Peng, Han, & Zhao, 2008; Shore et al., 2011). In the meantime, with the deepening of research in the field of diversity, more and more scholars believe that building an inclusive workplace is one of the effective ways to manage diversity. In previous studies, building an inclusive workplace begins with three major aspects: inclusiveness, inclusive leadership and inclusive practices, which cause direct or indirect impacts on the performance of employees such as job

satisfaction, organizational commitment, organizational citizenship behavior and work pressure (Michàlle E Mor Barak, 2016; Bilimoria, Joy, & Liang, 2008; Hollander, 2012; Komives, Lucas, & McMahon, 2009; Nishii & Mayer, 2009; Shore et al., 2011).

In the new economic environment and management situation, these changes have brought new ideas for effective leadership management, and inclusive ideas begin to infiltrate leadership. Carmeli, Reiter-Palmon, and Ziv (2010) regard the inclusive leadership as a form of relational leadership, a process of interaction between leaders and employees and a fair atmosphere of pay and return (Hantula, 2006). As a nascent leadership theory, studies in inclusive leadership have just begun and are still unknown to Chinese scholars. And most of the studies are limited to education and health care (Ainscow & Sandill, 2010; Devecchi & Nevin, 2010; Rayner, 2009; Ryan, 2006; Temple & Ylitalo, 2009).

Similarly, driven by positive psychology and positive organizational behavior, B. Luthans (2004) introduced the concept of psychological capital into the field of human resource management, and held that psychological capital is a state that can lead to positive organizational behavior of employees. Since the circles of theory and practice gradually realize that the human resource is the source of an enterprise's core competitive, the psychological capital becomes the fourth capital for enterprises, following the financial resource, human resource and social capital. It is regarded as a kind of positive force and a type of new strategic resource that can improve the competitive advantage of individuals and organizations.

In addition, in that process of exploring the influence of individual psychological cognition on work attitude and behavior, it is also necessary to consider whether the situational factors attached to the individual have the contingency function. A lot of studies have shown that the job embeddedness, which is proposed by American psychologists Mitchell, Holtom, Lee, Sablinski, and Erez (2001) and introduced into the field of voluntary employee turnover to reflect the relations of dependence between individual employees and organizations, can be more effective than job satisfaction, organizational commitment and other variables to predict the employee's turnover intention and behavior. However, employee engagement is also an important variable, apart from the individual attitude and behavior, turnover intention and behavior, but

only a few studies indicate that the degree of job embeddedness affects the degree of employee engagement (Wang, Han, & Huang, 2014). However, the effect of job embeddedness on the “psychological capital – employee engagement” is rarely studied.

## **1.2 Statement of Problem**

It can be seen from the above research background that employee engagement is one of the important sources of organizational competitiveness (Schaufeli, Salanova, González-Romá, & Bakker, 2002), but Chinese employee engagement is far below the world level. If the enterprise can enhance the proportion of engaged employees, the labor productivity will also increase substantially (Xanthopoulou, Bakker, Demerouti, & Schaufeli, 2007; Zigarmi, Nimon, Houson, Witt, & Diehl, 2009). In view of this, how to improve the employee engagement, stimulate the employee to work hard, get immersed into work and express their own ideas, creativity and values in the situation of Chinese native place has become a hot topic that more and more scholars pay close attention to.

A large number of empirical studies show that leadership style is an important factor affecting employee engagement (Attridge, 2009). For instance, either the transformational leadership (Walumbwa, Avolio, & Zhu, 2008) or charismatic leadership (Babcock-Roberson & Strickland, 2010) can significantly improve employee engagement. The inclusive leadership, as a core type of relational leadership, has become a new perspective in the field of leadership behavior and drawn attention from the academia and management (Carmeli et al., 2010; Hays & Kim, 2008; Hollander, 2012). However, only a few studies have explored and demonstrated the mechanism of influence between inclusive leadership and employee engagement so far. Therefore, the direct influence mechanism of inclusive leadership style on employee engagement in Chinese context will be the first problem to be discussed in this research.

The effect mechanism of leader's style on employee's dedication is not a simple relationship between stimulation and behavior, which is considered by traditional behaviorism psychology, but a complicated psychological process. However, the research on the role of leadership in employee engagement mainly focuses on the intermediary role of leadership-member exchange (LMX) and organizational support.

Studies have shown that employees have a stronger sense of joyfulness when they are recognized and appreciated by a leader (Nembhard & Edmondson, 2006). Furthermore, employees with high psychological capital level can always work with passion, which has positive influence on their attitude and behavior (B. Luthans, 2004; F. Luthans, 2002). So, does the psychological capital play an intermediary role between inclusive leadership and employee engagement? No answer has been found in the current literature. This research will explore the relationship between inclusive leadership and employee engagement from the perspective of employee's psychological capital in the context of Chinese culture.

According to the field theory, an individual makes his/her decisions based on the space of life and work after weighing the pros and cons. Therefore, the role of situational factors cannot be ignored in analyzing the attitude and behavior of employees, but the effect of job embeddedness on the "psychological capital – employee engagement" is rarely studied. From this point, by integrating the non-emotional job embeddedness into the framework of this research, it can predict the relationship between psychological capital and employee engagement more accurately and interpret the motive behind attitude and behavior more thoroughly; integrating the organizational theory with the psychological theory is also a breakthrough in the theory of employee turnover (Lee & Mitchell, 1994).

In view of the foregoing, five problems will be discussed in this research under the context of Chinese management:

- 1) Does the inclusive leadership have an important impact on employee engagement?
- 2) Does the inclusive leadership play a role in promoting the psychological capital of employees?
- 3) Is there a significant positive correlation between employee's psychological capital and employee engagement?
- 4) Does psychological capital play an intermediary role in the relationship between inclusive leadership and employee engagement?

5) Does job embeddedness regulate the relationship between psychological capital and employee engagement?

### **1.3 Research Objectives**

The style of leaders exerts a direct impact on the psychology and motive of employees and hence on their work attitude and behaviors (Villa et al., 2003). A leader should be able to build an inclusive working environment through diversified management, treat every employee fairly, fully communicate with them, mobilize and encourage them to engage in the work, thus improving the labor productivity, keeping the enterprise competitive and bringing profit and innovation for the enterprise. At the same time, an inclusive leader prefers to communicate with his/her subordinates and collect feedback from them (A. C. Edmondson, 2003), and pay greater attention to the participation of employees (Bass, 1997). This will be helpful to arouse employees' positive psychological state and improve their psychological capital level. High psychological capital level is contributive to the employee engagement (Shi & Wang, 2010). While analyzing the conversion of psychological capital into the engagement, the multiple relations of dependence between the individual and the organization cannot be ignored. Lots of studies have also proved that the individual's psychological state and the degree of job engagement have direct effects on the attitude and behavior of employees (Halbesleben & Wheeler, 2008; Lee, Mitchell, Sablinski, Burton, & Holtom, 2004). Therefore, after reviewing the previous literature and taking into account the Chinese management scenario, this research aims to make clear the following five aspects:

- 1) To discuss the potential impact of the inclusive leadership on the employee engagement.
- 2) To verify the potential impact of the inclusive leadership on the employee's psychological capital.
- 3) To verify the potential positive correlation between the psychological capital and employee engagement.
- 4) To explore the potential intermediary role of the psychological capital between the inclusive leadership and employee engagement.

5) To explore the potential regulating function of the job embeddedness between the psychological capital and employee engagement.

## **1.4 Scope of the Research**

The object of study in this paper is selected from three aspects:

Firstly, five provincial administrative regions in southwest China are involved in the research to explore the role of inclusive leadership in the engagement of Chinese employees, as per the contents and purpose of the research and under the context of Chinese cultural management. They are: Chongqing Direct-controlled Municipality, Sichuan Province, Yunnan Province, Guizhou Province and Tibet Autonomous Region. For the convenience of sampling, the said five regions are selected for sampling and survey.

Secondly, enterprises from the financial sector in southwest China are selected for research, according to the national industries classification in 2017 (GB/T 4754-2017) and considering the convenience for sampling and restrictions on the time and resources.

Finally, all personnel aged 18 or above and engaged in the industrial sector in southwest China are taken as the population for research. The 2016 China Statistical Yearbook shows that by the end of 2016 there were about a total of 589,000 employees working in the financial institutions in southwest China.

## **1.5 Significance of Research**

Leadership behavior, as an important factor affecting the working attitude and behavior of employees, has always been the hot topic for research in the fields of human resource management and organizational behavior. In this research, the employee psychological capital is taken as the mediator and the job embeddedness as the moderator, and the empirical study methodology is applied to explore the relation between the inclusive leadership and employee engagement, with a view to further uncovering the “black box” between the leadership style of the management and the working attitude of employees.

### **1.5.1 Theoretical significance**



Being a core type of the relational leadership, studies on the inclusive leadership just get started and most of them are carried out in the fields of education and medical management under the western circumstances, lacking an empirical study in the field of financial management. Given this, this research elaborates and expands the theoretical framework of inclusive leadership based on its basic concept, structural dimension, measurement, antecedent and outcome variables, which is of theoretical significance on enriching the relational leadership.

Driven by the positive psychology and positive organizational behavior, this paper aims to analyze the effect of inclusive leadership on employee engagement and hence deepen the research on the mechanism of employee engagement formation. Given this, this research is of theoretical significance on the research of antecedent and outcome variables of the employee engagement.

After reviewing the literature, it is found out that the inclusive leadership exerts a direct or indirect impact on the employees' creativity, proactive behavior, turnover intention and counter productive work behavior. However, the path of action of leaders on employees' attitude and behaviors is anfractuous. Existing studies have also proved that the inclusive leadership affects the working attitude and behavior of employees through such mediators as the workplace atmosphere, leadership-member exchange (LMX) and person-job fit. Since the studies on inclusive leadership just get started, there are no scholars so far to explore the relation between inclusive leadership and employee engagement. In this research, the employee psychological capital is taken as the mediator and the job embeddedness as the moderator, and the empirical study methodology is applied to analyze and explore the effect of inclusive leadership on employee engagement, which not only uncovers the "black box" between the leadership style of the management and the working attitude of employees, but also provides theoretical supports and referential significance for future scholars to study the relation between the inclusive leadership and working attitude of employees.

The variables measurement scales used in this research are maturity scales, most of which have been verified under the context of western culture, while only a few similar studies are based on the context of Chinese management. Therefore, by taking Chinese employees in the financial sector as the object of study, this research has



verified the validity of measurement scale for four variables – inclusive leadership, employee psychological capital, job embeddedness and employee engagement, expanded the cultural context and scope of application of the inclusive leadership, and enriched the local psychological studies and leadership theory in China.

### **1.5.2 Practical significance**

According to Gallup's survey, an engaged employee can bring higher productivity but in China the employee engagement (6%) is far lower than the global average level (13%). Many enterprises realize that salary is not the only incentive way for employees. They should attach importance to the psychological and emotional experiences of employees, and take the promotion of engagement as the core strategy of organizational management practice to make it become the main source of enterprise's competitive advantage. Therefore, this paper can furnish financial managers with guiding and practical significance in the extension research of antecedent variables of employee engagement.

Next, the conventional authority-based management method has no longer adapted to the trend of the times due to the increasing diversity of employees. The leadership style should be developed and improved in line with the changes of the times, in such a constant way to improve the employee engagement. An inclusive leader is able to create a harmonious and inclusive work environment, treat every different employee with justice, keep good communication with them, encourage them to take part in the decision making and stimulate their working enthusiasm. Therefore, this research is of practical significance by verifying the validity of inclusive leadership style under the Chinese cultural context, cultivating the inclusive leadership style and improving the ability of diversified management.

The employee psychological capital is the fourth capital for an enterprise that can empower it with competitive advantages and create values for it. This research draws a conclusion that the employee psychological capital can be developed and updated through the leadership style of the managers. When leaders give the recognition, respect and encouragement to employees, their hope, optimistic emotion, persistency and self-efficiency will be promoted, together with their passion and potential, thus giving the enterprise a competitive advantage in the human resources.

## **CHAPTER 2**

### **Literature Review**

This chapter consists five parts. Firstly, four variables are discussed: employee engagement, inclusive leadership, psychological capital and job embeddedness. In each part of the four variables, it summarizes the definition of concepts, the comparison of related concepts, relevant theories, measurement methods, the causes and consequences of variables and the summary of each variable. Finally, the fifth part reviews and combs the research literature on the relationship between variables. On the basis of the existing research theory, the conceptual framework and hypotheses are proposed.

#### **2.1 Employee Engagement**

##### **2.1.1 Definition**

There are different methods of expression to define the employee engagement in western countries, such as employee engagement, work engagement, job engagement and personal engagement, et cetera. In China, the engagement is generally considered to be praise and recognition of an employee's dedication to work, and also to be an enterprise's requirements for an employee's work performance. As to the definition of "job engagement", the Xinhua Dictionary adopts the explanations from a short story Han Feizi · Comments in Figurative Sense: engaged in the study or work. To figure it out, "engagement" means respecting and treating one thing with courtesy; "job" means an industry, position, post of duty or task. From this perspective, the "employee engagement" can be understood as an employee "dedicating himself/herself to work" and exerting his/her vitality and ability into work. In China, employers often use the word "engagement" for the purpose of affirming the work performance of employees. But what is "engagement" after all? Is it appropriate to use this word for measuring and quantifying the level of an employee's engagement? There is no such thing as a generally accepted method in practice.

Kahn (1990) is the first scholar to propose the concept of “employee engagement” on his article published in the *Journal of Management Research*. Kahn considered that the employee engagement is to achieve self-employment at the emotional, cognitive and physical levels, complete the job and realize self-expression during work. Based on this, Kahn defined the physical, emotional and cognitive as three dimensions of the employee engagement: “physical engagement refers to that an employee can maintain a physically enthusiastic state while performing his task; emotional engagement refers to that an employee can maintain contacts with others and be sensitive to others’ emotion and sentiments; cognitive engagement refers to that an employee can maintain a cognitively highly active and awakening state, and can realize clearly his role and mission in the working environment” (p. 703). Kahn (1990) also proposed that “the interactivity exists between the self and the role for an engaged employee. On one hand, it stimulates the employee to concentrate energy into the role behavior and on the other hand it enables the employee to show himself in the role behavior” (p. 718). If an employee has a high level of engagement, then he will concentrate more energy into the work role and show himself in the role.

Schaufeli et al. (2002) fined the employee engagement as “an emotional and cognitive state related to work along with a sense of proactiveness and accomplishment, featured by being full of energy, willing to devote and dedicated”. They further pointed out that “engagement is not an instantaneous state but an ongoing and penetrating emotional and cognitive state, which is not limited to individual issue, event or behavior” (p. 80). Schaufeli, Taris, and Van Rhenen (2008) regarded the employee engagement as an opposite to job burnout, and built it onto two dimensions of well-being: pleasure and activation. According to this framework, the job burnout is featured by a low level of pleasure and activation, while the engagement is featured by a high level. Based on the analysis above, Schaufeli et al. decomposed the employee engagement into three dimensions: vigor, dedication and absorption. Vigor is manifested when an employee is willing to input the time and energy into the job in which he is engaged, and dares to face difficulties in work; dedication is manifested when an employee feels proud of the job in which he is engaged, and takes delight in assuming those challenging work; absorption is manifested when an employee integrates the self into the job role and is totally absorbed in the work.

Langelaan, Bakker, Van Doornen, and Schaufeli (2006) built a two-dimension model consisted of the activation (the poles are exhaustion and vigor) and the pleasure (the two poles are cynicism and dedication) to define the job turnout and employee engagement, based on the two dimensions (activation, pleasure) of the emotion and the two dimensions (neuroticism, extroversion) of personality, in which the activation and neuroticism overlap, and the pleasure and extroversion overlap. Research results show that the job burnout is found to have a negative correlation with the intensity, balance and flexibility of neural activity, and the engagement has a positive correlation with them; the neuroticism is the core feature of job burnout, while the low neuroticism, high extroversion and high flexibility are the core features of the engagement.

Some consulting companies have also been getting behind the research on employee engagement in addition to scholars. Among these companies, Gallup revealed the elements to a healthy and successful organization, and built the “Gallup Path” model on the correlation among elements (as shown in Figure 2.1). It nearly took 40 years to build this model that described a path between an employee’s personal performance and an organization’s operation performance and overall value increase. Given this, Gallup defines the work engagement as “creating a favorable environment for employees to work, give full play to their strengths and arouse every employee’s sense of belonging and responsibility to the organization”.

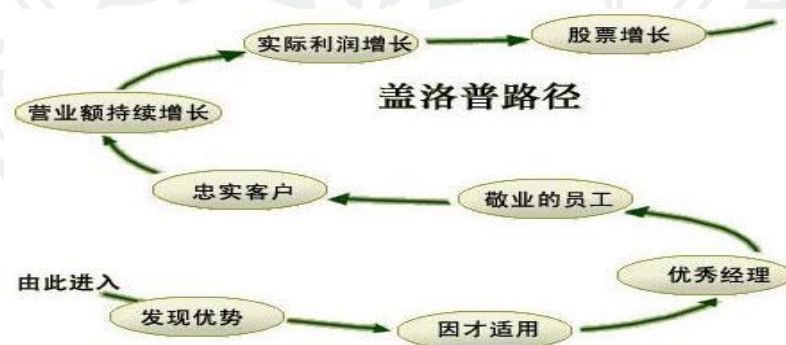


Figure 2.1 “Employee Engagement What’s Your Engagement Ratio”

Source: “The concept, antecedents and consequences of employee engagement: a theory model,” by Zhen Liu, 2012, *An Academic Edition of Management Journal*, 09, p.50.

In contrast, Hewitt Associates (2002) held that the employee engagement refers to the degree of which an employee is willing to stay at the company and strives to serve the company. It is mainly manifested in three aspects: say, stay and strive. Say means that an employee speaks highly of the company before his/her colleagues, potential colleagues and clients with active and positive words to describe the company, colleagues and job to which he/she is responsible; stay means that an employee desires to stay and strongly hope to become a member of the company, and at the same time, hope to stay in the company for a long run instead of regarding the current job as a transition; strive means that an employee exhausts his/her ability and even is willing to pay extra efforts to every job that can bring success to the company. And through research, Hewitt Associates has discovered 7 factors affecting the employee engagement. They are culture and goal, opportunities for growth, total rewards, life quality, job contents, leadership relationship, and interpersonal relationship.

Another management consulting company, Towers Perrin (2003), pointed out in its research that the employee engagement can break up into the rational engagement and emotional engagement. The former means that when an employee realizes that the job can bring physical benefits and promote his/her occupational skills and development, he/she will make self-motivation and cognitive engagement, and is willing to make efforts to help the company achieve success; the latter means that when an employee highly values and is identified with the job engaged, he/she will invest more emotions into the company and care for the future growth of the company. Therefore, the employee engagement is a degree of willingness that the employee takes to the job and helps the company achieve success.

It can be seen from the above that the concept of employee engagement is evolved gradually from the individual efficiency towards the organizational contribution, which is also a prevailing direction of research on the employee engagement. The conclusions are given in Table 2.1.



Table 2.1 Employee Engagement Dimension Development

Year	Author	Definition	Dimensions
1990	Kahn	The employee engagement is to achieve self-employment at the emotional, cognitive and physical levels, complete the job and realize self-expression during work.	Physical Cognitive Emotional
2001	Gallup	Creating a favorable environment for employees to work, give full play to their strengths and arouse every employee's sense of belonging and responsibility to the organization.	Confidence Loyalty Pride Passion
2002	Schaufeli	An emotional and cognitive state related to work along with a sense of proactiveness and accomplishment, featured by being full of energy, willing to devote and dedicated.	Vigor Dedication Absorption
2002	Hewitt	The employee engagement refers to the degree of which an employee is willing to stay at the company and strives to serve the company.	None
2003	Towers	The degree of which an employee is willing to help the company achieve success.	Rational engagement Emotional engagement

### 2.1.2 Comparison with other concepts

#### *Job involvement.*

The earliest definition of job involvement was proposed by Kanungo, Misra, and Dayal (1975), which goes that “job involvement is a cognitive state of an employee being identified with his/her job emotionally. It depends on the magnitude of the needs and the extent to which the job meets these potential needs. In this case, the job is linked with people's self-image.” (p. 52). May, Gilson, and Harter (2004) thought the employee engagement is closely associated with the job involvement. The research on job involvement is conducted from two main perspectives: one is to focus on how the job affects people's self-esteem; and another is to focus on how the job helps people to define their identity. The difference between employee engagement and job

involvement lies in that employee engagement involves more self-motivation of employees in work tasks, and the active use of emotion and behavior, not just cognition.

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### ***Organizational commitment.***

The concept of organizational commitment was first proposed by Becker (1960): “Organizational commitment refers to the psychological phenomenon that the employees want to stay in the organization with the increase of their time, energy and emotion, which is the psychological contract that urges the employees to continue their professional behavior” (p. 34). Later, Buchanan (1974) pointed out that “organizational commitment is the identity of the individual with respect to the goals and values of the organization, the identity of the individual with respect to the organization and the degree of closeness to the organization” (p. 539). Mowday, Steers, and Porter (1979) integrated the definitions made by previous scholars and considered organizational commitment as “a strong recognition and acceptance of organizational goals and values; a willingness to contribute to the organization; a willingness to stay in the organization” (p. 231).

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employees want to stay in the organization with the increase of their time, energy and emotion, which is the psychological contract that urges the employees to continue their professional behavior” (p. 34). Later, Buchanan (1974) pointed out that “organizational commitment is the identity of the individual with respect to the goals and values of the organization, the identity of the individual with respect to the organization and the degree of closeness to the organization” (p. 539). Mowday, Steers, and Porter (1979) integrated the definitions made by previous scholars and considered organizational commitment as “a strong recognition and acceptance of organizational goals and values; a willingness to contribute to the organization; a willingness to stay in the organization” (p. 231). Wiener (1982) presented that “organizational commitment refers to the result that, in order to satisfy the interests of an organization, an individual is constantly instilled and emphasized with the concepts or norms pursued by the organization. It is the individual’s acceptance and internalization of the goals and values of the organization.” (p. 422).

Although the concept of organizational commitment encompasses how employees view themselves, the enterprise, and the relationship between them, this interpretation does not point to the day-to-day performance and actual experience of employees in specific working situations; on the other hand, the engagement focuses on the influence of employees' psychological experience on their self-presentation in the process of task execution. Therefore, when employees have a high degree of engagement, they will generally also have a higher organizational commitment, and vice versa. However, there are differences between them: the organizational commitment mainly refers to an employee’s attitude to and acceptance of his/her role in the organization, while the engagement includes an employee’s attitude to and acceptance of his/her roles in both job and organization. Engagement involves many aspects such as physiology, cognition, emotion and so on, while organizational commitment also involves cognition and emotion, but does not involve physiological factors.

### ***Organizational citizenship behavior.***

Organizational citizenship behavior (OCB) is an important topic in the field of organizational behavior. Smith, Organ, and Near (1983) For instance, according to Bakker and Demerouti (2008), employees who are engaged in work not only perform

well in their own work, but also act in favor of the organization; Hall, Dollard, Winefield, Dormann, and Bakker (2013) found through the self-determination theory that highly dedicated employees have strong psychological identity and sense of belonging to the organization due to their psychological needs. They have a deep understanding and recognition on the organizational vision and work significance, thus often demonstrating organizational citizenship behavior during work.

Organizational citizenship behavior (OCB) is an important topic in the field of organizational behavior. Smith, Organ, and Near (1983) defined it as “the total of behaviors performed spontaneously by employees that have not been explicitly or directly recognized in the formal pay system of the organization, but are generally beneficial to the efficacy of the organization's operation” (p. 653). Organizational citizenship behavior mainly refers to the employee's spontaneous altruistic behavior. Although it is not recognized by the organization's formal salary system and evaluation system, it can objectively promote the organization's operation and improve the organization's efficiency; the engagement mainly includes the organizational identification and job involvement. The two are similar in the respect of helping colleagues and organizational identification, in which the employees are willing to work hard outside the role norms. However, the two are essentially different: the object of organizational citizenship behavior is outside the scope of employees' work duties, which is conducive to organization's resource behavior, excluding such factors as employees' attitude, emotion and cognition related to the job. In comparison, the focus of engagement is on the employee's job itself, which is entirely within the role requirements, including behavior, emotion, cognition and other factors. Related researches at home and abroad prove that there is a significant positive correlation between engagement and organizational citizenship behavior. For instance, according to Bakker and Demerouti (2008) employees who are engaged in work not only perform well in their own work, but also act in favor of the organization; Hall, Dollard, Winefield, Dormann, and Bakker (2013) found through the self-determination theory that highly dedicated employees have strong psychological identity and sense of belonging to the organization due to their psychological needs. They have a deep understanding and recognition on the organizational vision and work significance, thus often demonstrating organizational citizenship behavior during work.

### **2.1.3 Related theory**

#### ***Fit theory.***

The fit theory, or person-job fit theory, was founded by Holland, a famous American psychologist. Holland (1959) systematically discusses the point of view of person-job fit. He holds that “the most ideal career choice is that individuals can find a career environment fitting their personality types. Individuals have extensive adaptability, though most of the personality types can be classified into a certain one” (p. 35). That is to say, people may adapt to other occupational types through hard work and training.

For a long time, the fit theory has been used by scholars to study the organizational environment and predict the results of individuals. Maslach, Schaufeli, and Leiter (2001) put forward an individual-job fit model based on the integration of situational factors in the process of personal and job burnout. According to Maslach et al., “the degree of fit between the individual and the job determines the emotional state of work, thus forming two poles: burnout and work engagement”. They further suggest six situational factors: workload, control, rewards and identity, community and social support, sense of fairness, and sense of value. The more the individual fits the six situational factors, the higher the work engagement is; the less the individual fits, the more likely there is job burnout. The degree of individual-level variables, such as personal goals, values, personality traits, that fit the organizational-level variables, can affect the individual’s outcome variables. Therefore, according to the fit theory, the employee’s psychological capital and the organization's leadership style may influence the employee's engagement.

#### ***Job demands-Job resources model.***

The Job demands – Job resources model (Demerouti, Bakker, Nachreiner, & Schaufeli, 2001) supports that there are two different types of job characteristics regardless of any occupation: job demands and job resources. Job demands require people to make constant efforts physically, psychologically and socially, which may result in some physical or psychological costs. These job demands can be a source of stress in the environment, requiring people to work very hard to maintain their expected performance levels, thus leading to job burnout. Job resources can reduce people's work

demands and corresponding physiological and psychological costs physically, psychologically and socially, which is more conducive to achieving the job goals, motivating employees to grow, learn and develop, and thus improving employees' engagement. Hakanen, Schaufeli, and Ahola (2008) perfected the JD-R model proposed by Demerouti et al. and used it to explain the mechanism that defines the engagement and burnout. In the perfect JD-R model, the job resources have the positive function to predict the engagement degree and stimulate the individual's key psychological state by satisfying the internal or external demand, then causing the individual to produce a positive mental state. And the individual shows the engagement behavior accordingly at the same time.

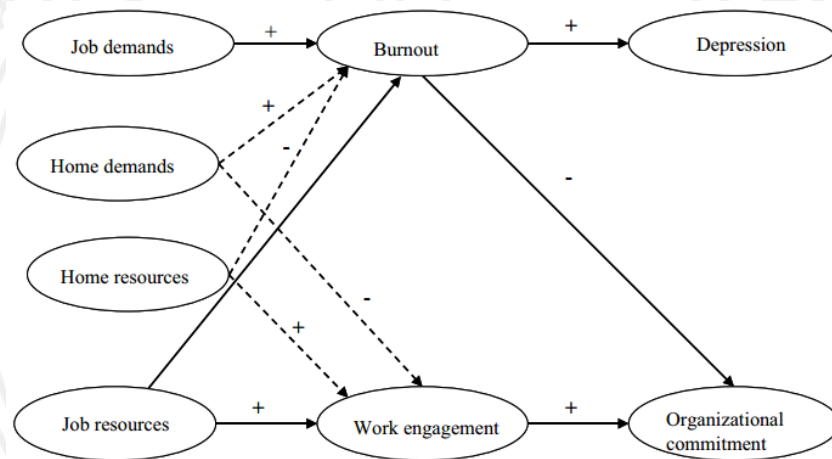


Figure 2.2 The Job Demands-Resources model

Source: "The Job Demands-Resources model: A three-year cross-lagged study of burnout, depression, commitment, and work engagement," by Hakanen, Jari J., Wilmar B. Schaufeli, and Kirsi Ahola, 2008, *Work & Stress* 22.3, p. 234.

Rothbard (2001) studied the relationship between role engagement and emotional deprivation and enrichment. Emotional deprivation refers to that the engagement into a role increases the responsibility and pressure over people, which may lead to negative emotional experience on the role. Emotional enrichment refers to that the engagement into a role brings some interests, status and self-esteem that are intrinsic in this role. These role resources may bring happiness and lead to positive emotional experience on

the role. In this research, a meaningful empirical discussion is conducted to explore the interactive relations among the job demands, job resources and engagement. Hakanen, Bakker, and Schaufeli (2006) did a survey on 2,038 primary and middle school teachers. The results showed that job demands (workload, negative behavior of students, physical environment) brought about job burnout and hence unhealthy feeling and low job ability; job resources (sense of job control, job information, supervisor's support, creative atmosphere, social atmosphere) improve the engagement. At the same time, lack of job resources may lead to job burnout. Salanova and Schaufeli (2008) et al., through a survey on 386 Spanish technical employees and 338 Dutch communications industry managers, found that the employee engagement (e.g. vigor, dedication) in two groups plays an outright mediating role between the job resources (e.g. sense of job control, feedback and diversity) and proactivity.

#### **2.1.4 Measurement of employee engagement**

At present, the most commonly used measuring tools for employee engagement are Utrecht Work Engagement Scale (UWES) developed by Schaufeli et al. (2002) and the Gallup Workplace Audit (GWA) Q12 scale developed by Gallup.

Schaufeli et al. developed UWES in 2002. The scale consists of three subscales, which are vigor (6 items), dedication (5 items) and absorption (6 items). It mainly investigates the respondents from the aspects of job meaningfulness, feeling, vigor, perseverance and indivisibility. Analysis by Christian (2007) showed that there was a 0.95 correlation between vigor and absorption, a 0.90 correlation between dedication and absorption, and a 0.88 correlation between vigor and dedication in the UWES. Even if the correlation between the factors is very high, the UWES is still the most widely used measuring tool in the empirical study of employee engagement. In 2006, Schaufeli et al., after investigating 14,521 respondents from 10 countries, shortened the original 17-item UWES scale to a 9-item version. All three factors in the shortened scale have good internal consistency (Schaufeli, Bakker, & Salanova, 2006).

In 2005, researchers at Gallup compiled a Gallup Workplace Audit to measure the level of employee engagement. GWA comprises 12 items and includes two parts: the first part is used to measure the attitude results, such as satisfaction, pride and customer service intention; the second is used to identify factors that can be controlled by



managers and affect attitude variables, such as praise, care, respect, and ability. Harter, Schmidt, and Hayes (2002) took 4,172 commercial units as samples, and the internal consistency reliability of GWA Q12 reached 0.91. The results of exploratory factor analysis on GWA Q12 showed that GWA Q12 was unidimensional. Up to now, GWA has measured 7 million employees in 112 countries, and the results show that the scale has cross-cultural stability.

### **2.1.5 Antecedents and consequences of employee engagement**

#### ***Antecedents.***

The antecedent variables of employee engagement are mainly personal factors and job factors. The individual influence factors mainly include such demographic variables as gender, race and age, as well as individual personality traits. For example, studies by Schaufeli (2002) and Bakker and Demerouti (2008) showed a low correlation between engagement and gender existence, with men being slightly higher than women. Robinson, Perryman, and Hayday (2004) also found that ethnic minority employees are more dedicated than white people, mainly because different ethnic groups have different perceptions of the workplace environment. Robinson et al. further found that the older the employee, the lower the employee engagement, but this trend has reversed after the age reaches 60 years. The highest level of engagement is found in the staff group over 60 years, at the same time, the employee engagement decreases as the employee's working life in the organization increases. But the result of Schaufeli et al. (2002) and Schaufeli and Bakker (2003) are inconsistent with the above. Their findings suggested that engagement increases with age. In the study of the relationship between personality traits and engagement, scholars tend to choose five basic dimensions of personality: extraversion, agreeableness, conscientiousness, neuroticism, and openness to experience in the "Big Five Personality Traits" model. Langelaan et al. (2006) found that high extroversion, high flexibility and low neuroticism are typical characteristics of dedicated employees. Hallberg, Johansson, and Schaufeli (2007) studied the relationship between engagement and type A personality featured with progressiveness, aggressiveness, self-confidence, sense of achievement, and easiness to be nervous. They found that achievement needs have a positive relationship with engagement, while irritability and impatience have a negative relationship with engagement. A study by

Christian and Slaughter (2007) showed that self-efficacy is positively correlated with the dimensions of vigor, dedication and absorption, and the correlation coefficient is ranged between 0.71 and 0.76. Kim et al. (2009) stated that the conscientiousness is positively related to engagement, while neuroticism is negatively related to engagement.

From the aspect of job factors, job resources show a stronger predictive effect on engagement based on the JD-R model. Through structural equation analysis, Schaufeli et al. (2004) found that the three factors of job resources as antecedent variables of engagement: social support, management training and feedback, are all positively correlated with engagement. According to the results of regression analysis (Saks, 2006) organizational support and job characteristics play a predictive role for engagement in the group of job resource variables - job characteristics, boss support, salary and organization support. In the study of Christian (2007), it was found that the mental demands are positively correlated with the vigor and dedication, while the physical demands are negatively correlated with the vigor and dedication. The reason is that the mental labor is more challenging than physical labor, and the mental requirements can meet the individual's competence.

### ***Consequences.***

Harter et al. (2002) employed Q12 in GWA to study the employee engagement of business personnel. The results showed that engagement is positively correlated with employees' sense of job security and customer satisfaction, and negatively correlated with employees' turnover intention. And the engagement has a remarkable forecast function to the organization's productivity and the profit. Schaufeli and Bakker (2004) also found a weak negative correlation between engagement and turnover intention. Saks (2006) showed that engagement is positively correlated with job satisfaction, organizational commitment and organizational citizenship behavior, and is negatively correlated with employee turnover intention. Llorens, Bakker, Schaufeli, and Salanova (2006) use structural equations to demonstrate the positive predictive effect of engagement on organizational commitment. The study results of Christian (2007) showed that the dimension of dedication has a stronger positive correlation with



organizational commitment than the dimension of vigor, while the dimension of vigor has a stronger positive correlation with psychological health of employees.

### **2.1.6 Summary of the conceptualization of employee engagement**

It can be seen from the discussion above that the research on engagement mainly focuses on the definition, dimension and measurement of engagement, aiming at exploring the connotation of engagement in different work situations, and discussing how to develop and improve employee engagement through empirical research. Generally speaking, the research on engagement is still in the stage of theoretical exploration, and the following problems need to be further explored:

First of all, since the background in which the employee engagement is raised and developed is closely related to knowledge economy and job burnout, the existing research mainly focuses on knowledge workers and pays less attention to employees in the front line of enterprises. But the employee engagement of front-line employees concerns the production efficiency of the whole society, which should be drawn enough attention. In this paper, the scope of research covers the front-line employees of the financial industry, which is just a beneficial complement to the previous studies.

Secondly, scholars have studied the factors that influence the employee's engagement from different perspectives, and they reach a conclusion that there are many factors that influence the employee's engagement. Even so, the subjective factors, such as cognition, emotion and absorption, are outweighed over the objective factors, especially leadership style on employee engagement. In countries with different cultural customs, there is great variance about influence of different leadership styles on employee engagement. Inclusive leadership is a new leadership theory that has been put forward in recent years, but domestic scholars have only a few studies on the influence mechanism of inclusive leadership style and employee engagement in China. Therefore, a research on the function path between inclusive leadership and employee engagement will be of significance to guide enterprises for building their corporate culture in the process of development.

## **2.2 Inclusive Leadership**

### **2.2.1 Definition**

Leadership theory has always been a hot topic in the field of organizational behavior. Since the beginning of the 20th century, the research on leadership theory has been developed by many scholars who put forward some new leadership theories such as transactional leadership, relational leadership, transformational leadership, charismatic leadership, ethical leadership and spiritual leadership. Along with the economic development, the new generation employees pursue a more liberal and democratic working environment, and the past authoritative leadership style no longer adapts to the development of the times, which needs a leadership style to be more inclusive, open to employees and easy to approach, and recognize and respect employees. That is, the inclusive leadership style (Carmeli et al., 2010). Compared with the traditional leadership style, the inclusive leadership can better adapt to the complexity of the management situation and the complicity of the new generation employees, and has a positive effect on the employees' work performance (Choi, Tran, & Park, 2015).

“Inclusion” is the emphasis of “inclusive leadership style”. Inclusion, as explained in the Oxford Dictionary, is “the inclusion or inclusion of something, including many or all of it.” The western concept of “inclusion” mainly comes from the principles of “democracy” and “justice” which the western society pursues. In China since ancient times, there is an old saying that “A great person is large-hearted”. Lin Zexu, one of Chinese national heroes, once inscribed a sentence that “all rivers run into sea whose greatness contains everything; a cliff that rises a thousand feet sheer is still firm for without desire”, in order to encourage himself. It is obvious that in the traditional culture and management practice of the Chinese nation, inclusion is not only a kind of noble moral cultivation, but also a kind of superb management wisdom.

In the phenomenon of highlighted diversity and differentiation in western school education, western scholars first put forward the concepts of “inclusion” and “inclusive education” in educational circles, and defined it as an education method that can accept and include all pluralistic learners, and can eliminate social exclusion due to differences in race, social status, religion, gender and capacity, etc. (Vitello & Mithaug, 1998). Rayner (2009) believed that inclusive leadership is the integration process of building interactive management of diversity and diversity in schools. It can also be understood

as a special form of “learning leadership” applied to educational background, which enables each member of the learning group to fuse into the group for acquiring knowledge, and promotes the transformation and evolutionary application of outcomes in work; the inclusive leadership bridges leadership, knowledge management, individual differences and educational inclusiveness in the field of educational management. In addition, Temple and Ylitalo (2009) defined inclusive leadership in the context of education as a way to accept and tolerate differences in cultural values in terms of teaching and learning, to formulate policies that empower subordinate teachers and students, and to pursue and emphasize social justice and democratic leadership.

Based on the achievements made in inclusive leadership research in the field of pedagogy, some foreign researchers have begun to extend it to the field of organizational management in recent years. Nembhard and Edmondson (2006) were the first to raise the concept of inclusive leadership in the organizational context, thinking that inclusive leadership is a good way to listen to subordinates' opinions and recognize their contributions. Based on this, Carmeli et al. (2010) pointed out that inclusive leadership is a special form of “relational leadership” and a style of leadership in which leaders and employees are interdependent. Hollander (2012) presented that an inclusive leader can respect his/her employees and recognize each other, pay attention to their needs and interests, accomplish tasks together, stimulate their potential and vitality, and establish a win-win relationship with them.

### **2.2.2 Comparison with other leadership**

#### ***Transactional Leadership***

Transactional leaders hold that leaders and members are based on economic, political and psychological value-exchange relationships. The task of leaders is to define the role of employees, set the goals they need to achieve and the rewards they can receive, and provide resources to help employees find ways to achieve both the goals and rewards. Transactional leaders are divided into two types of typical behaviors: reward and punishment (MacKenzie, Podsakoff, & Rich, 2001) . Reward is given by a team leader when employees accomplish the established goal; punishment is made when employees make mistakes. Compared with the transactional leadership, the inclusive leadership emphasizes bidirectional the pay and return. The difference is that

the inclusive leadership encourages the subordinate to cross the obstacle and accomplish the task, which is the extension of the scope of the transactional leadership. Furthermore, it is difficult for the transactional leaders to stimulate the creativity and potential energy of the employees by satisfying the needs of their subordinates in order to obtain "subservience" and follow. In contrast, by showing respect and attention to the subordinates and their needs, the inclusive leadership makes the subordinates participate in the decision-making process more, which can greatly stimulate their passion and enthusiasm to work.

### ***Transformational Leadership***

Bass (1997) put forward that "transformational leadership means that leaders make subordinates realize the value of goals by changing their values and beliefs, and improving the level of their needs; or plan the vision and mission for the organization to motivate their subordinates and make them willing to exceed their original endeavors; or help subordinates learn new skills, develop new potentials, and thus improve the overall efficacy of the organization" (p. 130). There are similarities on the characteristics between the inclusive leadership and the transformational leadership as described in theory, both of which can inspire subordinates and even push them to surmount leaders, and enhances employees' participation and leadership democracy (Bass, 1985; Bass & Riggio, 2006; Burns, 1998). The difference is that transformational leadership tends to create heroic bias among subordinates and does not apply to all situations. For example, Yukl (1999) found that subordinates may submit to leaders and sacrifice themselves in order to ingratiate themselves with transformational leaders. In contrast, the inclusive leadership emphasizes leaders' attention to the subordinates, which is beneficial to forming a truly equal and inclusive hierarchical relation. To some extent, this is a remedy for the limitations of the transformational leadership.

### ***Servant Leadership***

Besides, there are similarities between inclusive leadership and servant leadership (Rai & Prakash, 2012). For example, both emphasize that leadership should be people-oriented, and focus on the importance, understanding and empowerment to subordinates (Matteson & Irving, 2006; Washington, 2007). The term servant leadership first appeared in Greenleaf's article "The Servant as Leader" published in

1970. Greenleaf (1977) held that servant leaders have the desire to meet the needs of others and serve others, thereby gaining leadership over their followers. They are committed to tapping the potential of their employees in terms of mission effectiveness, self-motivation, and future leadership. However, the biggest difference between the two is that the main way of servant leadership is to serve the needs of subordinates, while the main purpose of inclusive leadership is to respect and help others to achieve organizational goals.

### **2.2.3 Related theory**

#### ***Relationship leadership theory.***

Drath (2001) believed that “relationship” will be the key word of the new leadership style, rather than “power” “superiority” or “dominance”. Hollander pointed out in 2009 that “without followers there is no leader,” or “leaders are created by followers.” According to Carmeli et al. (2010), the importance of leader-follower relationship has received more and more attention in the research of leadership theory. Many studies have also shown that leader-follower relationship is significantly associated with a number of work outcome variables. However, it was not clear about how the leader-follower relationship was formed and developed in the course of work until Uhl-Bien (2006) proposed the relationship leadership theory, which described it as “a process of implementing social influence through emergency coordination or transformation.” Being different from other leadership theories focusing on the effectiveness of leadership, relational leadership theory focuses on the process of the formation of leadership relationship. It is proposed by Uhl-Bien by integrating two complementary perspectives of leadership research, namely entity perspective and relationship perspective. It studies the dynamic construction process of leadership relationship and leadership relationship at the same time. Carmeli et al. (2010) stated that inclusive leadership can be regarded as a special form and core of relational leadership. It explores the role mechanism of leaders from the point of the relationship between leaders and followers and the interaction mechanism, and focuses on whether leaders can listen to and pay attention to the needs of followers, during which leaders are open, effective and approachable in the interaction with followers. The author thinks that the inclusive leadership belongs to a form of the relational leadership, and the style



of the inclusive leadership emphasizes the attention and respect of the leaders to the psychological state of employees, so that employees can have more voice to the development of the enterprise and have more chances to show themselves.

***Optimal distinctiveness theory.***

Brewer (1991) put forward the optimal distinctiveness theory, and argued that the formation of social identity is originated from two kinds of opposing needs, namely, the need for assimilation and the need for differentiation. The former refers to the need for being assimilated with others and the latter refers to the need for being differentiated with others. The theory asserts that individuals desire to attain an optimal balance of assimilation (inclusion) and distinctiveness (uniqueness) within and between social groups and situations. That is to say, when people feel that they are assimilated with others, they are looking for ways to make them different; when they feel different from others, they try to become more assimilated with others. An inclusive organization should pay attention to the needs of its members for assimilation and differentiation. For example, Shore et al. (2011) defined inclusion as “the degree to which an employee perceives himself as respected in the work team by experiencing the treatment of meeting his/her needs for assimilation and differentiation”, based on the optimal distinctiveness theory. That is to say, in an inclusive organization, each individual is allowed and encouraged to maintain its own uniqueness while being viewed as an insider in the work team. Similarly, an inclusive leader should conduct such a leadership style that can meet the needs of the subordinate for both assimilation and differentiation, to-wit, treating each member in an inclusive, open, democratic and equal way, tolerating the individual characteristics of all members and paying attention to the differentiated needs of the subordinate while including them in the development process of the organization.

**2.2.4 Measurement of inclusive leadership**

At present, the measurement of inclusive leadership mainly uses two methods for survey: questionnaire and interview. There have been three mature versions of the questionnaire so far. The earliest scale for inclusive leadership was developed by Nemphard and Edmondson (2006) based on qualitative analysis. They divided the inclusive leadership into two dimensions: the “invitation” and the “appreciation”



expressed by leaders to other members of the team for their contribution. The Cronbach's  $\alpha$  coefficient of the scale was 0.75. On this basis, Carmeli et al. (2010) developed a scale of inclusive leadership, suggesting several dimensions of inclusive leadership: openness, accessibility and availability. The Cronbach's  $\alpha$  coefficient was 0.94. After that, Hollander (2012) and his partners carried out an in-depth interview with 160 experienced employees and thus developed the Likert five-point scale with 16 items to measure the inclusive leadership. After analysis on the factors of the questionnaire data from 267 employees, a three-dimensional inclusive leadership measurement scale was formed, which was: support-recognition, communication-action-justice and self-interest - disrespect. Since then, domestic researchers have developed a three-dimensional, four-dimensional and five-dimensional scale, which has made useful exploration for the measurement of inclusive leadership, as shown in Table 2.2:

Table 2.2 Inclusive Leadership Measurement Dimension Development

<b>Dimensions</b>	<b>Author (Year)</b>	<b>Contents</b>
Two dimensions	Nembhard & Edmondson (2006)	Invitation and appreciation
Three dimensions	Carmeli (2010)	Openness, accessibility and availability
	Hollander (2012)	Support-recognition, communication-action-justice and self-interest - disrespect
	He Lijun (2014)	Engagement, openness, share
Four dimensions	Zhu Qixun (2011)	Open, democratic, people-centered, just
	Yao Minghui, Li Yuanxu (2014)	Openness, affinity, tolerance and support
Five dimensions	Fang Yangchun, Jin Huihong (2014)	Tolerate the opinions and failures of employees, accept and train them, treat them with justice, encourage cross-department and cross-discipline exchanges, tolerate and make reasonable use of their strengths

In addition to questionnaire research, the case analysis method is also applied in some studies on the inclusive leadership, and it is often found in the field of pedagogy. The method aims to identify the key indicators of inclusive leadership at first through

observation and interview, and then build the structural performance of inclusive leadership.

### **2.2.5 Previous study of inclusive leadership**

#### ***Studies in the field of pedagogy.***

Studies on the inclusive leadership originates from the field of pedagogy, so by far school leaders are taken as the object of study in most empirical research that mainly discusses the influence of inclusive leadership on school development, teacher work and students' learning performance and other variables. Studies show that inclusive leadership plays a positive role in promoting the fairness of school education, carrying out special education, managing the diversity of students, facilitating the overall development of students, improving the enthusiasm and performance of teachers (Ainscow & Sandill, 2010; Corral Granados & Kruse, 2011; Devecchi & Nevin, 2010; Garrison-Wade, Sobel, & Fulmer, 2007; Rayner, 2009; Ryan, 2006; Temple & Ylitalo, 2009).

#### ***Studies directed to medical teams.***

Based on the research results of inclusive leadership in the field of pedagogy, some scholars have extended it to other fields in recent years. For example, the positive role of inclusive leadership in medical teams is supported by empirical studies. An empirical study by Nemhard and Edmondson (2006) , taking health care teams as a sample, shows that inclusive leadership can significantly predict the psychological security of subordinates, and can also buffer the relationship between individual differences in professional status and team psychological security, thus predicting the involvement of team members effectively in quality improvement. A similar conclusion was reached in Howard (2012) study. The results showed that the inclusive leadership behaviors of doctors in a medical team, such as explicitly seeking the opinions of team members, participating decision-making and promoting the inclusion of non-team members, have contributed to improving the quality of medical team. At the same time, Hirak, Peng, Carmeli, and Schaubroeck (2012) conducted an empirical research, using a large hospital as a sample. The research showed that inclusive leadership is positively associated with the psychological security of subordinates and contributes to their failure learning, thus improving the work performance.

***Studies directed to diversified organizations.***

In addition, the researchers also explored the possibility of the application of inclusive leadership theory in organizations, especially in diversified organizations. Studies have shown that an inclusive organization can eliminate obstacles that may prevent employees from making full use of their abilities, thereby enabling them to contribute to the organization (Shore et al., 2011). For example, at a workplace with diverse workforce, an inclusive organizational environment is positively correlated with employees' job opportunities and career development (Mor Barak, Cherin, & Berkman, 1998), as well as job satisfaction, well-being, sense of belonging, organizational commitment and job performance (Michàl E Mor Barak & Levin, 2002; Cho & Mor Barak, 2008; Findler, Wind, & Barak, 2007; Mor Barak, Nissly, & Levin, 2001). Nishii and Mayer (2009) found that in a diversified organization, inclusive leadership can effectively reduce the turnover rate of organizational members, in which leadership-member exchanges play a role as the mediator. The empirical results of Law (2012) showed that, in a diversified organization, the inclusive leadership can effectively predict the individual sense of responsibility, the benefits brought from diversification, the collaboration among members, and the effectiveness of the work team. In addition, Carmeli et al. (2010) took the knowledge-intensive organizations as the sample for empirical research, and the results showed that inclusive leadership can improve the psychological security of employees in the workplace, thereby improving their involvement in creative work.

**2.2.6 Summary of the conceptualization of inclusive leadership**

By summarizing the existing studies, it can be found that the existing leadership theories, such as the transformational leadership, transactional leadership and servant leadership, have certain limitations on the two dimensions of people and things, and they are hard to adapt to the new management situation. Comparatively speaking, the inclusive leadership adheres to the people-oriented principle that can better blend into people and things and adapt to the complex management, so it has its unique advantages in the new management situation. Current, the empirical research on inclusive leadership mainly focuses on the different impact of the leadership style on the outcome of other variables, such as psychological capital, employee active behavior, employee

innovation behavior and performance level. Obviously, different leadership styles have a significant impact on employee engagement, while inclusive leadership style should have a positive contribution to stimulate employee vigor and enhance employee engagement. However, at present, there is a lack of relevant research on the influence mechanism of inclusive leadership on employee engagement, which is also the research direction of this paper.

## **2.3 Psychological Capital**

### **2.3.1 Definition**

Many researchers put forward the concept of psychological capital in combination with the theories of psychology, sociology, economics and investment. Among them, Luthans is the pioneer of psychological capital research and is praised as the “father of psychological capital” by western scholars. Based on the theory of positive psychology and positive organizational behavior, F. Luthans, Avolio, Walumbwa, and Li (2005) defined psychological capital as: psychological capital is the core psychological factor of individual enthusiasm, which is embodied in the psychological state conforming to the standard of positive organizational behavior. It can surpass human capital and social capital, and help individual obtain competitive advantage through targeted investment and development (p.253). Subsequently, F. Luthans, Youssef, and Avolio (2007) proposed that psychological capital is a positive psychological state in the process of individual growth and development, which is embodied as follows: (1) to be confident and able to make the necessary efforts to succeed in the face of challenging work (sense of self-efficacy); (2) positive attribution to the present and future success (optimistic); (3) to persevere with the goal and, in order to succeed, be able to adjust the path to the goal (hope); (4) be able to persevere, recover quickly and surpass in order to succeed (resilience) in times of adversity and problems (p.35).

According to the definition above, the psychological capital is first of all a state-like positive psychological power, rather than a tendentious and relatively stable trait-like characteristic (such as due diligence or self-esteem); secondly, the psychological capital must conform to the criteria of Positive Organizational Behavior (POB), including seven aspects: constructing positively, being of theoretical basis, being relatively fixed, developable, measurable, related to work performance, and related to



other positive results; finally, it has the characteristics of investment and income. Through targeted intervention, psychological capital can improve the performance of individuals and organizations, so that organizations will obtain competitive advantages.

Luthans et al. also believed that the psychological capital includes more than the four positive psychological abilities mentioned above. With the continuous enrichment and development of positive psychology and positive organizational behavior theory, many psychological abilities that meet the criteria of positive organizational behavior should be gradually incorporated into the content structure of psychological capital, which lays a theoretical foundation for the later generation of multi-dimensional psychological capital. With the further study of psychological capital, F. Luthans, Avey, Avolio, and Peterson (2010) presented that psychological capital is a kind of comprehensive positive psychological quality, with investment and income characteristics, which can be invested and developed in a specific way (psychological, capital & intervention, PCI) to mine the individual's potential.

### **2.3.2 Related theory**

#### ***Positive psychology and Positive Organizational Behavior.***

In 1997, the psychologist Seligman put forward the idea of “positive psychology” after his assumption of duty as the chairman of American Psychiatric Association (APA). The paper titled with “Introduction to Positive Psychology” published by Seligman and Csikszentmihalyi in January 2000 marked the formation of a research field of positive psychology. Carr (2011) put forward that “it adopts scientific principles and methods to study happiness and advocates the positive orientation of psychology, with a view to studying the positive psychological quality of human beings, and focusing on the healthy happiness and harmonious development of human beings” (p.23). Since the positive psychology was presented, it has been applied to the research of organizational behavior by many psychologists and management scientists. For example, F. Luthans, Luthans, Hodgetts, and Luthans (2001) gave a detailed discussion on the application of positive psychology in organizational behavior, and called the positive organizational behavior model as positive organizational behavior. According to F. Luthans et al. (2001) , a positive organization behavior (POB) is positively oriented and can be measured, developed and managed effectively, thereby improving

the research and application of human resource advantage and psychological ability to achieve performance improvement goal. It mainly covers self-efficacy, hope, optimism, subjective well-being and resilience. On the basis of positive psychology and positive organizational behavior, B. Luthans (2004) continued to expand the concept of psychological capital into the field of organizational management.

*Conservation of resources theory (COR).*

The theory of conservation of resources (COR) was proposed by Hobtoll in 1989. He explained the causes of stress and energy exhaustion from the perspective of resource loss and income, and pointed out that individuals always strive to obtain and maintain the resources they deem valuable. These resources are classified into four types: material resources, conditional resources, personal personality and energy resources. After that, Hobtoll and Wells (1998) perfected the theory of resource preservation, reclassifying resources into internal resources (resources owned by individuals) and external resources (resources not owned by individuals). Based on the perspective of work resources, researchers believe that individual characteristics, organizational support and so on can provide support for individual value, thereby slowing down energy depletion and preventing stress. From this perspective, some domestic scholars use COR theory to explain the relationship between psychological capital and turnover intention. The results showed that the higher the psychological capital, the stronger the ability to relieve stress, and the lower will to quit (Gao Zhonghua, Zhao Chen, Li Chaoping, Wu Chunbo, & Hong Ruling, 2012). The author believes that, in a sense, the conservation of resources theory can better explain the cause of the psychological capital of employees who always strive to obtain and maintain valuable resources (including internal resources and external resources), and in order to obtain and maintain these resources, they need to actively adjust their psychology and work status and reflect it in their actual work. At the same time, if the organization is properly managed and employees really gets the return equivalent to the internal and external resources through hard work, they will be encouraged to continue improving their psychological capital and reflecting it in the work, thus promoting personal development and organizational development.



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### **2.3.3 Dimension and Measurement**

#### ***Dimensional structure.***

Since the research on positive psychology, positive organization behavior and psychological capital research is constantly deepened, the dimensional structure of psychological capital is also gradually increasing. Goldsmith, Veum, and Darity (1997) argued that the dimensions of psychological capital are self-esteem and control point. According to Luthans (2004), there are three dimensions of psychological capital: hope, optimism and resilience. According to the improved study of F. Luthans et al. (2007).

Since the research on positive psychology, positive organization behavior and psychological capital research is constantly deepened, the dimensional structure of psychological capital is also gradually increasing. Goldsmith, Veum, and Darity (1997) argued that the dimensions of psychological capital are self-esteem and control point. According to B. Luthans (2004), there are three dimensions of psychological capital: hope, optimism and resilience. According to the improved study of F. Luthans et al. (2007), psychological capital has four dimensions: self-efficacy, hope, optimism and resilience, to which self-efficacy is added. On the basis of Luthans' four dimensions, there are many scholars who bring the positive psychological abilities such as calmness, gratitude, honesty and creativity into the category of psychological capital. It is obvious that the understanding of the concept and dimension of psychological capital is a gradual process, and there are different discussions on the study of the dimensional structure of psychological capital. For the time being, the four-dimension structure has been recognized and receives more attentions by most scholars:

**Self-efficacy:** Stajkovic and Luthans (1998) argued that self-efficacy is “the ability of people to stimulate their engines, recognize resources and take the necessary actions to accomplish specific behaviors in a given environment” (p.240). A large number of empirical studies show that there is a high correlation between self-efficacy and work performance, which is the most studied concept in the positive organizational behavior and the most developed concept in terms of theoretical development.

**Hope:** Snyder (2000) stated that hope is “a positive motivational state formed on the basis of the experience arising out of successful motivation and path intersection” (p.35). It was found that the level of hope is positively correlated with employee performance, job satisfaction, job well-being and organizational commitment.

**Optimism:** Seligman (1998), the father of positive psychology, explained optimism as a style, saying that “optimism is a way of attribution: optimists are those who tend to attribute positive events to internal, stable, and general causes, and to attribute negative events to external, unstable, and special causes” (p.2). In the research of positive organizational behavior, it is found that optimistic managers can improve employee's performance and job satisfaction, bring higher retention rate and less work pressure, and reasonable optimism can have positive influence on physical and mental

health, achievement orientation, motivation and other factors, so as to promote employee's career success.

Resilience: according to F. Luthans (2002), "resilience is the psychological ability of people to recover quickly from adversity, conflict, failure, and even some positive events" (p.698). The research of organizational behavior shows that employees' resilience is positively related to their job performance and job satisfaction, and the individuals with high resilience are usually more efficient.

### ***Measurement.***

At present, the methodologies to measure psychological capital mainly includes self-report method, observation method or expert evaluation method, and measurement of outcome variables. Among these three methods, the self-report method has the merits of true and reliable data, strong objectivity and easiness to implement. It is widely used by many researchers. In the self-report method, there are three representative scales: The Psychological Capital Scale of F. Luthans et al. (2005), the Psychological Capital Questionnaire (PCQ24) of F. Luthans et al. (2007) and the Psychological Capital Scale developed by Chinese researchers (Ke, Sun, & Li, 2009). Among them, the psychological capital questionnaire PCQ24 is the most widely used tool to measure psychological capital in the West and even the world, which is mainly expressed from the aspects of self-confidence, contribution, coordination, solving problems, facing difficulties, facing setbacks, optimistic degree, mental state and so on. This paper also adopted this questionnaire to measure psychological capital.

### **2.3.4 Antecedents and Consequences of Psychological Capital**

#### ***Antecedents.***

The antecedent variables of psychological capital are mainly embodied in two levels: individual characteristic variables and organizational environment variables. The individual characteristic variables mainly include demographic variables, personality characteristics and self-reinforcement: the demographic variables such as gender, age and educational level have significant effects on the psychological capital, and men's psychological capital is generally higher than women's; the psychological capital of teenagers will increase with their age; individuals with higher education have

higher levels of self-confidence and optimism. The personality characteristic also has the remarkable influence on the individual's psychological capital, the psychological control point will influence the employee's psychological capital, and the psychological capital of employees with internal personality pattern is generally higher than the external personality pattern. Self-reinforcement refers to the motive and behavior of an individual to encourage and give himself a hint under positive guidance. Greenwald (1980) presented that self-reinforcement has a positive effect on individual's psychological capital, and an individual with constant self-reinforcement shows higher resilience and are more likely to bounce back from adversity.

Organizational environment variables such as job challenge, organizational support, stressful life events, parenting style and leadership style are important factors that affect the psychological capital. Organizational support is a holistic concept, which refers to the contribution of the organization to its employees and the degree to which it attaches importance to their happiness. The results of F. Luthans, Norman, Avolio, and Avey (2008) showed that there is a significant positive correlation between organizational support and psychological capital of employees. Job-challenging and other job characteristics that reflect the meaningfulness of the job have an inherent incentive for employees to experience positive internal emotions (Hackman & Oldham, 1976). The study also found that authentic leadership and transformational leadership have significant positive effects on the psychological capital of employees (Clapp-Smith, Vogelgesang, & Avey, 2009; Zhong, Wang, Li, & Li, 2013). In the meantime, there is a significant positive correlation between adolescent psychological capital and the trust encouragement type and emotional warmth type of the parenting, while there is a significant negative correlation between adolescent psychological capital and neglect type of the parenting (Zhu, Zhao, Zhang, & Yang, 2010). Stressful life events such as learning stress and interpersonal sensitivity have a significant negative predictive effect on psychological capital of adolescents (B. Fang, 2012; Zhu et al., 2010).

### ***Consequences.***

The influential effect variables of psychological capital mainly include job performance, job satisfaction, job behavior and happiness, etc. Many studies have



demonstrated that psychological capital has a significant positive impact on the performance of leaders or employees, and has a significant positive correlation with employee performance measured in different ways (Avey, Reichard, Luthans, & Mhatre, 2011). At the same time, the psychological capital can effectively improve employee's task performance and contextual performance (F. Luthans et al., 2007). A large number of studies have shown that psychological capital and the dimensions of hope, optimism and resilience are positively correlated with popular attitude outcome variables such as job satisfaction and organizational commitment (Youssef & Luthans, 2007); the predictive effect of overall psychological capital on job satisfaction is greater than that of a single dimension (F. Luthans et al., 2008). There is a significant negative correlation between psychological capital and undesirable attitude outcome variables such as employee turnover intention (F. Luthans et al., 2010). In addition, psychological capital is positively related to employee's organizational citizenship behavior, and negatively related to employee's deviation behavior. The higher the employee's psychological capital level, the more organizational citizenship behavior appears, and the less deviant behavior occurs (Norman, Avey, Nimnicht, & Graber Pigeon, 2010). Avey, Patera, and West (2006) demonstrated that psychological capital and the dimensions of hope, optimism, resilience and self-efficacy are significantly negatively correlated with employee absenteeism, and the predictive effect of overall psychological capital on employee absenteeism is greater than that of a single dimension. Meanwhile, in the aspect of employee's well-being, psychological capital has predictive effect and exerts an impact on subjective well-being through the intermediary function of psychological well-being (Culbertson, Fullagar, & Mills, 2010).

### **2.3.5 Summary of the conceptualization of psychological capital**

To sum up, psychological capital is a relatively new concept on the whole. In recent years, psychological capital has been studied more deeply with the development of positive psychology and positive organizational behavior. Currently, the research on psychological capital focuses on the measurement, development and application of individual positive psychological resources, as well as its positive effect on leaders and employees' work attitude and performance, and the positive effect on group, such as the overall performance and competitive advantage of the team, or the organization. As

what is shown from the studies of Luthans et al., the psychological capital, in contrast to human capital and social capital, has become an important factor in tapping positive power in individuals and enhancing organizational competitiveness. However, the research on psychological capital has just begun. Most of the studies focus on the influence mechanism of psychological capital on the outcome variable, with less discussion on the factors affecting the psychological capital. In particular, there is no proper research on how new inclusive leadership style affects the psychological capital, awaiting more scholars to carry out a deeper and empirical research.

## 2.4 Job Embeddedness

### 2.4.1 Definition

Job embeddedness, a concept proposed by American psychologist Mitchell et al. (2001) means an employee's decision is affected by his relations with the family, friends, associated groups, communities and their living environment, which form a close network in society, psychology and economy, and the more complicated and stronger this network is, the more "embedded" the employee (an individual node) will become. Job embeddedness is composed of fit, links and sacrifice. Links refers to the formal or informal relation between an individual and others or other organizations, which place the individual in a network, making the employee to make decision considering both job factors and affect by family and the other people. Fit means the degree of compatibility and comfort an individual feel in a certain organization or environment. Sacrifice refers to the material and mental loss an individual sustains after leaving an organization or community. Mitchell et al. further divides job embeddedness into in-job (organization) and off-job (community) embeddedness, each with three dimensions namely fit, links and sacrifice. This matrix structure (3\*2=6 dimensions) of job embeddedness (as shown in Figure 2.3) is recognized by numerous scholars.

Dimension	Organization	Community
Fit	Fit—Organization	Fit—Community
Links	Links—Organization	Links—Community
Sacrifice	Sacrifice—Organization	Sacrifice—Community

Figure 2.3 3 \* 2 matrix structure of multi-dimensional job embeddedness



Source: “The concept, measurement and related variables of job embeddedness” by Yuan, Qinghong & Chen, Wenchun, 2008, *Advances in Psychological Science* | *Adv Psychol Sci*, 16.06, p. 943.

#### 2.4.2 Comparison with other concepts

There is a big difference between job embeddedness and the similar concepts in organizational behavior and sociology, like job satisfaction, social embeddedness and organizational commitment. As shown in Table 2.3.

Table 2.3 The Difference between Job Embeddedness and Related Concepts

Related Concepts	Definition	Features and Differences
Job Embeddedness	The degree of embeddedness between an individual and job, including the factors related to organization and community where the employee continues to stay at the job.	<ol style="list-style-type: none"> <li>1. Covers the factors outside the workplace;</li> <li>2. Includes the evaluations on the emotion and cognition. It is not emotional in nature, and not limited to an individual's identification or attachment to the organization;</li> <li>3. It is descriptive and neutral in value. It does not indicate that an individual would work hard for the organization.</li> </ol>
Job Satisfaction	The degree of which an employee likes (satisfies) or dislikes (dissatisfies) his/her job.	<ol style="list-style-type: none"> <li>1. Closely related to the workplace;</li> <li>2. An immediate attitude variable that is not stable.</li> </ol>
Affective Commitment	The degree of an individual's organization identification, engagement and affective attachment.	<ol style="list-style-type: none"> <li>1. Closely related to the workplace;</li> <li>2. Stress on the continual efforts made for the organization;</li> <li>3. Strong yearning for the member identity of the organization.</li> </ol>
Continual Commitment	An individual's cognition on the loss caused by leaving the organization.	Include the side bet and perceived job opportunity.
Turnover Intention	An individual's self-assessment on the possibility of leaving the organization at a certain time before long.	Psychological considerations, such as turnover behavior, the goal to be achieved by turnover behavior and specific circumstances for taking the turnover action. The turnover intention is the crest in the process of making decision on turnover.
Social Embeddedness	Explain the impact and constraint of the social network on the economic behaviors.	Stress on an individual's economic behavior.

The essential differences between job embeddedness and the above concepts lie in: (a) job embeddedness covers a wider range, incorporating both organizational and social factors, as compared to job satisfaction and organizational commitment; (b) job embeddedness serves the measurement of the degree, instead of the reason and willingness of individual dependence on organization and community. The other researchers, however, pay more attention to the reason, rather than the degree of such dependence. The dependence degree is a major factor affecting the individual behavior, and in the turnover model in particular, job embeddedness can be more significant in prediction of voluntary turnover as compared to other concepts.

### **2.4.3 Measurement of Job Embeddedness**

#### ***Composite measure.***

The early measurements of job embeddedness was carried out by Mitchell et al. (2001), where he calculated the average of every dimension's items, summarized them into the dimension scores, and combined such scores to become job embeddedness score. Likert quintile measurement was conducted for the 40 items in this scale, and two reliabilities of 0.85 and 0.87 obtained by analysis. Based on this scale, Lee et al. (2004) adjusted this scale to 34 items for in-job and off-job embeddedness, and got reliabilities of 0.84 and 0.82 for these two parts. While both these two reliabilities exceed 0.8, the scholars raise the following doubts for such combined measurement: (1) the individuals are assumed to pay equal attention to the job embeddedness's dimensions and neglect their preference among them; (2) a long list measurement items makes the respondents tired and lowers the quality of their reply; (3) multi-item combined measurement can cause multicollinearity and common method variance, affecting the reliability and validity of scale.

#### ***Global measure.***

Alarmed by these problems in combined measurement, Crossley, Bennett, Jex, and Burnfield (2007) again analyzed the items of all job embeddedness's dimensions, worked out a 7-item overall measurement scale, and got a reliability of 0.88 through measurement. Crossley et al. (2007) considered this overall measurement scale, which served the measurement of dependence, connectivity and turnover tendency to organization, was better than combined measurement in overall performance. Job

embeddedness promotes the reform in measuring tool and method, overcomes the limitation of combined measurement, facilitates the recognition of individual's weight allocations for job embeddedness's dimensions and performs better in prediction of voluntary turnover for the turnover model than the job embeddedness acquired by combined measurement. Therefore, it is adopted herein as the measurement scale for job embeddedness.

#### **2.4.4 Previous Study**

Through surveys to the employees of chain store and community hospital, Mitchell et al. (2001) founded that both of these two samples revealed a significant negative relationship between job embeddedness and employees' turnover willingness and behavior, as well as job hunting and jobs available, and a significant positive relationship between job embeddedness and organizational commitment and job satisfaction. Therefore, job embeddedness is more significant in prediction of turnover than other variables (e.g. organizational commitment, job satisfaction, job hunting and jobs available).

Lee et al. (2004) carried out a survey to the in-job and off-job embeddedness of employees working in a large bank, and found that off-job embeddedness could predict the turnover better than organizational commitment and job satisfaction, while in-job embeddedness played a non-significant role; in-job embeddedness could predict the organizational citizenship behavior and job performance better than organizational commitment and job satisfaction, while off-job embeddedness played a non-significant role.

After collecting data at three time points of employees from different departments of medium-size organizations in mid and west USA, Crossley et al. (2007) conducted a longitudinal research and found that, overall job embeddedness interacted with job satisfaction and predicted the willingness of job hunting, and, overall job embeddedness performed significantly better than job satisfaction, the traditional core variable in turnover modal in prediction of turnover behavior.

May et al. (2004) conducted that employees received dignity and respect and realized the value and psychological significance of job from a good interpersonal relationship formed officially or unofficially. Maslach and Leiter (1997) suggested that

the matching between individual and job affected his job morale, passion and engagement. Aktouf (1992) presented a job of little psychological significance could cause alienation from the position and disengagement. Therefore, job embeddedness, especially in-job embeddedness can positively affect the employee engagement. Chinese scholars Wang et al. (2014) also found through research that in-job embeddedness could positively promote the employee engagement.

#### **2.4.5 Summary of the conceptualization of job embeddedness**

In conclusion, research on job embeddedness is proposed for employee turnover, and is currently focusing on the prediction mechanism of employee turnover, satisfaction, organizational commitment, organizational citizenship behavior and job performance etc. Generally speaking, off-job embeddedness is ideal for prediction of employee turnover, while in-job embeddedness can predict organizational citizenship behavior and job performance better. There are few researches, however, on job embeddedness's antecedents and the mechanism of job embeddedness's effect on employee engagement. Based on previous research, the Author believe that employees' embeddedness in organization can be a moderator for psychological capital's effect mechanism on employee engagement, and psychological capital with high embeddedness will affect the employee engagement more significantly than one with low embeddedness.

### **2.5 Literatures Related to Hypotheses and Conceptual Framework**

#### **2.5.1 Employee engagement and inclusive leadership**

According to May et al. (2004), individual, interpersonal relational, intra-team, inter-team, organizational factors and many other factors may impact the employee engagement. The level of employee engagement is determined by these factors' co-function and individual's perception of these factors. Towers Perrin has founded that besides the employees own psychological factor, the ability possessed and conditions created by the company and its management are also critical to enhancement of employee engagement. Employees' psychological factor can change easily, and be positively impacted by effective external stimulation.



Responsibility of reciprocation would come to employees' mind after they have received economic and social affection from an organization, as indicated by the norm of reciprocity under social exchange theory (Cropanzano & Mitchell, 2005). As an inclusive leader completes the tasks and pursues win-win results together with the subordinates on basis of respect, recognition, response and responsibility, the employees are determined to repay the society with "high performance and innovation" (Hollander, 2009). Moreover, the leader's accessibility brings to the subordinates a perception of approachability (Carmeli et al., 2010), and facilitates the establishment of a quality leader-member exchange relationship (Nishii & Mayer, 2009). Under such a quality leader-member exchange relationship, the employee engagement will be intensified since the subordinates' hard work is taken accounted of by the leader. Finally, an inclusive leader accepts, encourages and glorifies the employees, attaches importance to their ideas and contribution (Nembhard & Edmondson, 2006), and allows for their dissents and failures (Y. Fang, 2014), the subordinates, appreciating such respect, are willing to work harder to sustain the organization's long-term development.

According to Y. Liu (2016), a CEO's inclusive leadership and behavior can produce a strong demonstration effect, and make the employees feel being respected and accepted and their physical need well satisfied. An inclusive leadership can actively stimulate the employees to accept the organization's strategy and objective, and work harder to complete their tasks and fulfill such objective. Employee's active behavior is a concept similar to employee engagement. 2,400 questionnaires were sent or emailed to 200 enterprises, with 200 for CEOs and human resources managers and 2,000 for employees respectively, a management/employee ratio of 1:10. Questionnaires were collected from 164 enterprises, made initial data matching for 146 and final valid matching for 134. A hierarchical linear model (HLM) was adopted to test the inclusive leadership's impact on employees' active behavior, and showed a positive impact. Figure 2.4 is shown for this model:

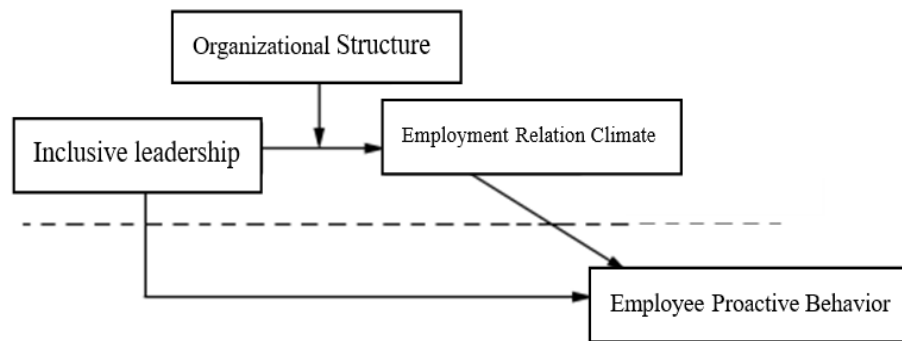


Figure 2.4 The relationship between inclusive leadership and employee initiative behavior

Source: “The relationship between inclusive leadership and employee proactive behavior” by Liu, Yang, 2016, Doctoral dissertation, Nanjing University

In empirical research of diversified organization, Law (2012) pointed out that inclusive leadership was an effective predictor for the organization members’ personal responsibility, collaboration among members and effectiveness of teamwork. When a company is run by inclusive leadership, the employees will feel being respected and their psychological need well satisfied. They will then further integrate into and accept the organization and work harder. Their self-efficacy can easily form under an open and approachable management. When the employees face setback and difficulties in work, an inclusive leader will lead them to face the challenge or try innovation, and be more willing to offer encouragement. Therefore, this paper proposes the following hypothesis:

Hypothesis 1 (H<sub>1</sub>): inclusive leadership is a positive predictor of employee engagement.

### 2.5.2 inclusive leadership and psychological capital

Researches show that both individual characteristic variables and leadership are important factors that can affect psychological capital. Both transformational and authentic leaderships can positively impact the employees’ psychological capital in a significant way (Clapp-Smith et al., 2009; Zhong et al., 2013). Transformational and authentic leaders can enhance employees’ confidence and self-efficacy (J. Liu & Zou,



2013), and create for them an environment of hope and optimism (Sui, Wang, & Yue, 2012) with their own passion and integrity and so on.

Y. Fang and Wang (2016) randomly selected the employees of some Zhengjiang-based companies, issued 430 questionnaires and collected 423 valid ones. The research indicated that the inclusive leadership's dimensions were significantly and positively correlated with employees' psychological capital, and inclusive leadership's 3 dimensions impact psychological capital's 4 aspects to different degrees. Where, a leader's recognition of and encouragement to employees significantly and positively impact capital's 4 dimensions namely hope, optimism, tenacity and self-efficacy; a leader's respect and fair treatment to employees significantly and positively impact their psychological capital and tenacity; a leader's understanding and tolerance to employees' failure significantly and positively impact their psychological capital and hope. As Figure 2.5 shows:

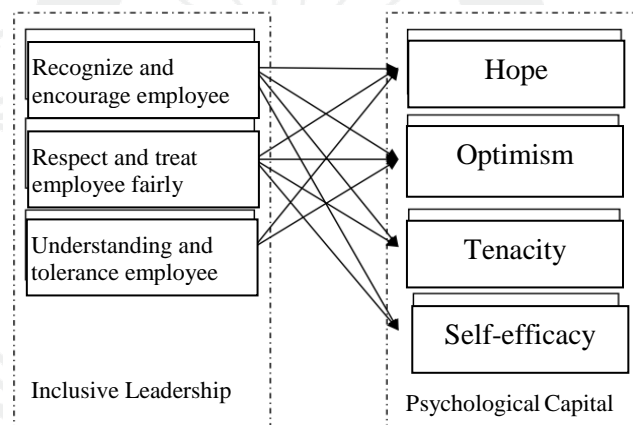


Figure 2.5 The influence of inclusive leadership style on employees' psychological capital

Source: “The influence of inclusive leadership style on employees' psychological capital” by Fang, Yangchun and Wang, Meijie, 2016, *Science Research Management*, 37.11, p.136

An inclusive leader is more willing to communicate with and hear from the subordinates (A. Edmondson, 1999), and attach important to their involvement (Bass & Bass, 2009) , which can facilitate the improvement of their initiative and

enhancement of their psychological capital level. Therefore, this paper proposes the following hypothesis:

Hypothesis 2 (H<sub>2</sub>): inclusive leadership is positive related to psychological capital.

### **2.5.3 Psychological capital and employee engagement**

Employees' active working attitude, good psychological quality and high spirit etc. are all important factors for enhancement of organizational performance. For instance, Avey et al. (2011) carried out a meta-analysis on 51 independent samples of 12,567 subjects, and found a significant positive correlation between psychological capital and employees' performance (self report, assessment by supervisor and objective performance) measured in various ways. F. Luthans et al. (2005) suggested that, their psychological capital and hope, optimism and tenacity were all significantly and positively correlated with the work performance assessed by supervisor, and psychological capital was significantly and positively correlated with the employees' merit pay. Norman et al. (2010) found in research that the psychological capital was positively correlated with employees' organizational citizenship behavior and negatively correlated with their deviant behavior: the higher level of psychological capital, the higher possibility of organizational citizenship behavior, and lower possibility of deviant behavior. Both job performance and organizational citizenship behavior are highly correlated and to some extent highly consistent with employee engagement.

Shi and Wang (2010) conducted a questionnaire survey of psychological capital and employee engagement to 368 employees of commercial banks, and found that psychological capital was critical for enhancement of employee engagement. The development and management of psychological capital will enhance its level, the employees will become more optimistic, hopeful, tenacious and will be more concentrated, positive and active in work, producing higher performance for the organization. In terms of psychological capital's internal structure, the optimism can significantly impact the high spirit and devotion, tenacity can significantly impact the devotion and concentration, while self-efficacy's impact on employee engagement's dimensions is small and can be neglected. The theoretical model is shown in Figure 2.6.

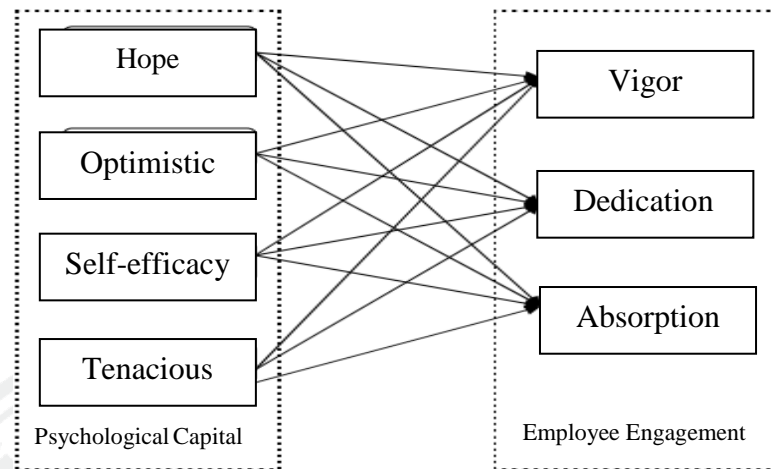


Figure 2.6 An empirical study on the impact of employee psychological capital on engagement

Source: “An empirical study on the impact of employee psychological capital on engagement” by Shi, Jiangtao and Wang, Miaomiao, 2010, The Fifth MAM—Seminar on organizational behavior and human resource management

Larson and Luthans (2006) , through their survey to 74 workers in an American factory, found that the employees’ psychological capital and job satisfaction impacted the organizational commitment positively. Zhong (2007) studied 198 pairs of immediate supervisor and employee in an empirical approach and found that the employees’ positive mental attitudes of hope, optimism and tenacity were all significantly and positively correlated with their job performance, organizational commitment and organizational citizenship behavior. High level of psychological capital is positively related with the employees’ attitude and behavior, and drives them to work with constant enthusiasm (B. Luthans, 2004; F. Luthans, 2002). It has been empirically indicated that the psychological capital may be positively correlated with employee engagement. Therefore, this paper puts forward the following hypothesis:

Hypothesis 3 (H<sub>3</sub>): psychological capital is positive related to employee engagement.

#### **2.5.4 Psychological capital as a mediator**

Leadership's influence on employee engagement is a complicated psychological process. The relevant researches, however, mainly focus on the mediation of employees' perceived leader-member exchange (LMX) perceived organizational support. Leader-member exchange, psychological ownership, organizational climate and other factors under various leaderships can impact the employees' work attitude and behavior (Cheng, 2014; Y. Liu, Zhu, & Zhao, 2016). Some literature still indicated that employees' psychological capital served as an important mediator for the relationship between transformational, authentic (honest) and paternalistic leadership and work attitude (Ashkanasy & Dasborough, 2003; Bandura, 2002; Gardner, Avolio, & Walumbwa, 2005; Gooty, Gavin, Johnson, Frazier, & Snow, 2009; Kark, Shamir, & Chen, 2003).

J. Gao and Sun (2015) studied 293 R&D personnel from some organizations in Guangdong, Shanghai and Shandong that led China in regional innovation ability, and explored the inclusive leadership's mechanism of action on employees' innovation with structural engineering model. The results indicated that psychological capital played different roles in three inclusive leadership dimensions' function paths on employees' innovation, where it served as a partial mediator for openness and validity's function path and as a full mediator for accessibility's function path. Inclusive leadership can arouse the employees' positive mental attitude and drive them to work out more innovative ideas and implement them. Its theoretical model is shown in Figure 2.7.

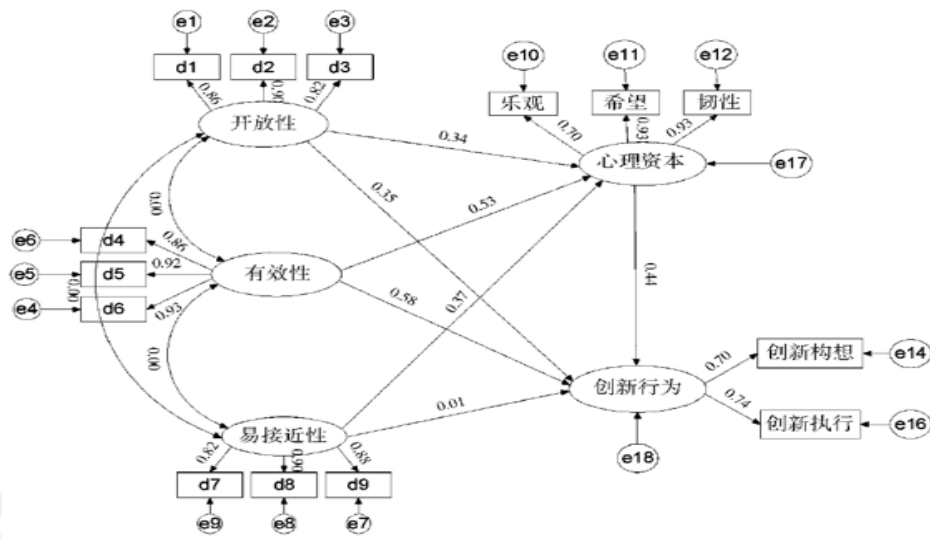


Figure 2.7 Inclusive leadership and employee's innovative behavior based on the intermediary role of psychological capital

Source: "Inclusive leadership and employee's innovative behavior based on the intermediary role of psychological capital" by Gao, Jianli, and Sun, Minggui, 2015, soft science 29.4, p. 102.

Therefore, psychological capital serves as a mediator for inclusive leadership's influence on employee engagement. And this paper proposes the following hypothesis:

Hypothesis 4 (H<sub>4</sub>): the relationship between inclusive leadership and employee engagement is mediated by psychological capital.

### 2.5.5 Job embeddedness as a moderator

Job embeddedness stems from the organization dependence theory, mainly covers employees' three dependences on organization and community namely matching, connection and sacrifice. These multiple dependences between individual and organization can't be neglected in analysis of transformation of psychological capital into employee engagement. A large number of researches show that individual's psychological state and job embeddedness evidently impact their attitude and behavior. For instance, May et al. (2004) presented that employees get dignity and respect from the good interpersonal relationship formed by formal or informal reasons, and realize the value and psychological significance of work. Maslach and Leiter (1997) suggested that the matching between individual and job affected his job morale, passion and



engagement. Aktouf (1992) raised that a job of little psychological significance could cause alienation from the position and disengagement. Therefore, job embeddedness, especially in-job embeddedness can positively affect the employee engagement. Chinese scholars Wang et al. (2014) also found that in-job embeddedness could positively promote the employee engagement.

Yang, Cai, and Hou (2015) verified job embeddedness's regulation of psychological authority's impact on organizational citizenship behavior through a questionnaire survey to 418 subordinates and their immediate supervisors of 3 manufacturers in North China, and the results confirmed this regulation. Specifically, when the job embeddedness is low (high), the subordinates' psychological authority will strong (weakly) impact the organizational citizenship behavior. The theoretical model is shown in Figure 2.8:

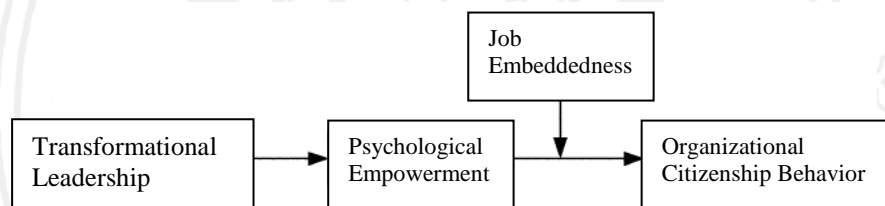


Figure 2.8 The influence of transformational leadership on subordinates' organizational citizenship behavior from the perspective of psychological empowerment and job embeddedness

Source: "The influence of transformational leadership on subordinates' organizational citizenship behavior from the perspective of psychological empowerment and job embeddedness" by Yang Chunjiang, Cai Yingchun & Hou Hongxv, 2015, *Chinese Journal of Management*, 12(2), p. 235.

According to the social exchange theory and norm of reciprocity, when receiving benefit or expected interest, one party feels obliged to repay the other party, the helper. Job embeddedness, the employees' embeddedness to the surrounding situation, serves as a contingency for the relationship between employees' psychological state and their attitude, behavior.

Firstly, employees who are active in communication have established their complex and wide social network in organization, and internal exchange often manifests as external reciprocity of profit, while rich social network is unavailable for those inactive in communication to conduct exchange of external profit, therefore, the psychological capital, as employees' intrinsic motivation, becomes the main driving force with impact on employee engagement. Moreover, employees with well matching with the organization (e.g. in technical skill), accepts the organizational values and can establish a stable social circle without difficulties. Those with poor matching and low compatibility with the organization are not technically qualified for the job yet, and can only gain experience from the tasks arranged by the leaders. Therefore, the psychological capital is a leading factor for the concentration and devotion of employees with poor matching. Finally, sacrifice willingness will affect employees' turnover cost. With multiple opportunities for promotion, good interpersonal relationship, sense of work security and handsome salary and welfare, the employees are willing to sacrifice for the organization for the sake of personal interest. In contrast, turnover exerts a low impact on employees with a low willingness of sacrifice. Consequently, their employee engagement mainly stems from their own proactivity.

Giving this, the degree of job embeddedness might be moderated the relation between psychological capital and employee engagement. Thus, this paper put forward the following hypothesis:

Hypothesis 5 (H<sub>5</sub>): the relationship between psychological capital and employee engagement is moderated by job embeddedness. In specific, the higher employee job embeddedness, the lower positive impact of psychological capital towards employee engagement.

#### **2.5.6 Conceptual framework**

As illustrated by the previous literature, the leadership is an important force of impact for employee attitude and behavior, and a great number of scholars have studied different leaderships' function mechanism on such attitude and behavior based on various theoretical and culture situations (Aritz & Walker, 2014; Avolio, Gardner, Walumbwa, Luthans, & May, 2004; Bandura, 1986; Brown, Treviño, & Harrison, 2005; Conchie, 2013; Wilson, Sin, & Conlon, 2010). These researches have shifted the

focus from leadership's direct impact on employees' attitude and behavior to various of mediating and moderating variables' role in leadership's function path on employees' attitude and behavior. It is thus proposed that inclusive leadership positively impact the employee engagement via their psychological capital, based on existing literature. Job embeddedness's moderating function between psychological capital and employee engagement is also studied. Conceptual Framework of this research shows as follow :

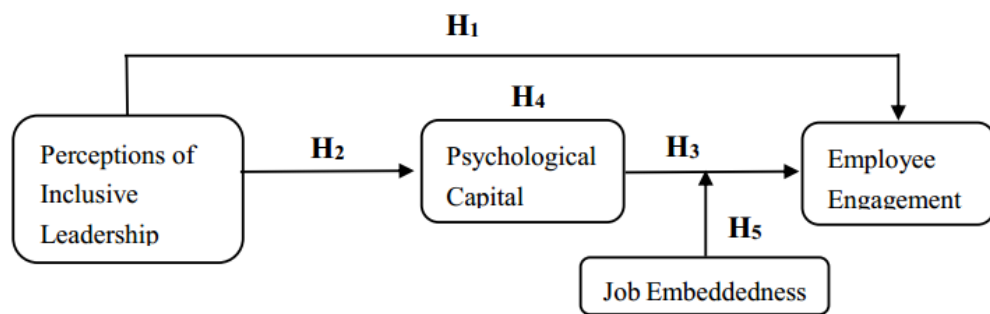


Figure 2.9 Conceptual Framework: the impact of inclusive leadership on employee engagement: the mediator of psychological capital and the moderator of job embeddedness

As an inclusive leader respects and fairly treats the subordinates, publicly accept different proposals, the employees, with their psychological need satisfied, will establish active initiative and higher psychological capital level and work harder, enhancing the employee engagement. The higher employees' job embeddedness, the stronger their dependence on organization, and the stronger their willingness to work hard for the organization. With a weak dependence to the organization, even the psychological capital is high, such employees are reluctant to work hard. In view of the above, this paper proposes 5 hypotheses, as shown in Table 2.4.

Table 2.4 Aggregation of Research Hypothesis

<b>Hypothesis</b>
Hypothesis 1 (H <sub>1</sub> ): inclusive leadership is a positive predictor of employee engagement.
Hypothesis 2 (H <sub>2</sub> ): inclusive leadership is positive related to psychological capital.
Hypothesis 3 (H <sub>3</sub> ): psychological capital is positive related to employee engagement.
Hypothesis 4 (H <sub>4</sub> ): the relationship between inclusive leadership and employee engagement is mediated by psychological capital.
Hypothesis 5 (H <sub>5</sub> ): the relationship between psychological capital and employee engagement is moderated by job embeddedness. In specific, the higher employee job embeddedness, the lower positive impact of psychological capital towards employee engagement.

## **CHAPTER 3**

### **Methodology**

This chapter depicts the methodologies used to organize and analyze the collected data which is undertaken to answer the questions and hypothesis in this research. This chapter consists of five sections. The first section restates the research methods adopted. The second one focuses on the characteristics and rationale for the research population and the sample size. The third section explains the survey tools chosen. This chapter also outlines the process of the data collection. The last section concludes with a summary of quantitative tools selected in testing hypothesis.

#### **3.1 Research Method**

A quantitative approach was applied to explore the conceptual model and hypotheses in this research based upon two reasons. First, quantitative research is a systematic empirical investigation to test hypotheses via statistical techniques. Second, perceived inclusive leadership, employee engagement, psychological capital and job embeddedness are quantifiable constructs, which are measured on previously validated instruments. Considering the purpose of this research, a quantitative approach is more appropriate.

Meanwhile, the research applied a survey method considered as a way to collect data from representative people about who, what, when, where and how questions (Zikmund, 2003a). Survey method is suitable for this research when the large size of the population, because that is one of the most common research instruments of collecting data on attributes, attitudes, beliefs, experiences and activities (Watson, McKenna, Cowman, & Keady, 2008).

Questionnaire survey is employed to gather and analyze the data from respondents. A self-administered questionnaire of this research was designed to collect information about the relationship between inclusive leadership and employee engagement.



mediated by psychological capital. The advantage of using previously validated instruments is easy to understand and maintain interest for the participants to gather the comprehensive data. Considering the subjective preferences and bias of researcher, questionnaire survey can minimize their impact on the result.

## **3.2 Target Respondents and Sampling Procedures**

### **3.2.1 Target Population**

At the initial moment of sampling, the researcher need to specify the population. The targeted population is the group of components or objects in possession of information the researcher is looking for (Malhotra, 2008). To accomplish the objectives of this study, the researcher targets the people, who are both male and female aged over 18 years, and currently employed by a financial intermediation in southwest China. Therefore, population of this study is approximately 589,000 financial intermediation employees in southwest China based upon China statistical yearbook 2016 by the National Bureau of Statistics of the People's Republic of China.

### **3.2.2 Sample size**

Sample is usually considered a sub-set of a population studied for some research process. On the other hand, "a sample must be perceived as a sufficient representative and as identical with the population as possible" (Brotherton, 2008, p.164-165). Creswell and Clark (2007) mentioned that "the intention of sampling individuals is to select representative of a population so that the results could more likely be projected throughout the population" (p.112). Sample size stated that the amount of observation identified by the estimated variance of the population, the magnitude of acceptable error and the confidence level (Zikmund, 2003b). The sample size of this research can be calculated by using the Taro Yamane Table in case of the finite population of the financial intermediation employees in southwest China. Hence, this research selected 400 samples with 95% confidence level and  $E = 0.05$ . as shown in the Table 3.1.

Table 3.1 Taro Yamane Determination of Sample Size

Size of Population	Sample Size (n) for Precision (e) of			
(N)	±3%	±4%	±5%	±10%
500	-	-	222	83
1,000	-	385	286	91
2,000	714	476	333	95
3,000	811	517	353	97
4,000	870	541	364	98
5,000	909	556	370	98
6,000	938	566	375	98
7,000	959	574	378	99
8,000	976	580	381	99
9,000	989	584	383	99
10,000	1,000	588	385	99
20,000	1,053	606	392	100
50,000	1,087	617	397	100
100,000	1,099	621	398	100
$\infty$	1,111	625	400	100

Source: Yamane, T. (1967). Elementary sampling theory.

### 3.2.3 Sample procedures

A probability sampling technique involved in this research ensures that each element in the population has a known and equal probability of selection (Malhotra, 2008). The sampling process of this research encompassed two sections. Firstly, a proportionate stratified sampling technique was adopted in which the entire population is divided into five strata according to five provinces in southwest China in a proportionate manner. Based on China statistical yearbook 2016 by the National Bureau of Statistics of the People's Republic of China, sample size in each stratum can be calculated as follow Table 3.2. Secondly, a convenience sampling is applied in this stage, which is the least expensive and least time consuming of all sampling techniques, selected depended on convenience and readiness availability (Malhotra, 2008). In this case, the questionnaire was distributed to financial intermediation employee who are available to fill up from 5 provinces of southwest China.

Table 3.2 Sampling Size of this Research

Stratum	No. of Employees	Proportion	Sample Size
Chongqing	133,000	22.58%	90
Sichuan	259,000	43.97%	176
Guizhou	86,000	14.6%	59
Yunnan	109,000	18.51%	74
Tibet	2,000	0.34%	1
<b>Total</b>	<b>589,000</b>	<b>100%</b>	<b>400</b>

### 3.3 Research Instrument

#### 3.3.1 Questionnaire

Based on the recognition of questionnaire design, attention and principle, as well as consideration of the research objective, the existing instruments are employed in this research. The use of existing instruments that have been adopted in numerous previous studies and have been subject to rigorous reliability testing, is likely to generate more stability and internal consistency, rather than creating new instruments (Mangasarian, Street, & Wolberg, 1995). In order to enhance the reliability and validity of questionnaire, all of the variables used in this research are from existing literature and empirical research. The completion of the questionnaire has gone through three steps:

First of all, researcher sought and chose the accepted and widely used instruments which is better level of reliability and validity through the world's top academic journals. And then, in order to make the participants understand better, all scales in the survey were also translated into Chinese using the back-translation (Brislin & Triandis, 1980). First, the translator translated the questionnaires from original English to Chinese. And then, the Chinese version was translated by a bilingual linguist back to English. Finally, the original English and the back-translated English versions were compared via two translators and the author that resolved discrepancies by collective agreement. Finally, a pretest was conducted on the initial questionnaire to evaluate the quality of the survey instrument and avoid expending. The formal questionnaire was accomplished according to the adjustment modification of the pretest result.

The research questionnaire consists of five parts with 54 questions, and a brief description of the purpose of the study, as well as the introduction and contact information of the researcher. Depends upon the given conceptual framework, the details of the questionnaire are shown as follows:

**Part 1:** Employee engagement analysis: This part was measured by the Utrecht Work Engagement Scale (UWES) which is free for use of the survey instrument for non-commercial scientific research. The Utrecht Work Engagement Scale (UWES) is the most adopted instrument of employee engagement by experts, and has been translated into 13 languages (Christian, Garza, & Slaughter, 2011; Schaufeli et al., 2006). A shortened 9-item Utrecht Work Engagement Scale (UWES) (Bakker, Schaufeli, Leiter, & Taris, 2008; Schaufeli et al., 2006; Seppälä et al., 2009) was employed in this research, which best fits the objectives of this study because it reduces the amount of time participants spend completing the survey and avoids survey fatigue. The shortened UWES survey instrument measures employee engagement with questionnaire of three subscales that reflect the following dimensions: Vigor (3 items), Dedication (3 items), and Absorption (3 items) (Schaufeli et al., 2006). Each survey item is scored on a 5-point Likert-type scale with 1 (strongly disagree), 2 (disagree), 3 (neutral), 4 (agree) and 5 (strongly agree). Specific measurement items are shown in the following table 3.3

Table 3.3 Work Engagement Scale (UWES)

Dimension	Item
<b>Vigor</b>	At my work, I feel bursting with energy. At my job, I feel strong and vigorous. When I get up in the morning, I feel like going to work.
<b>Dedication</b>	I am enthusiastic about my job. My job inspires me. I am proud on the work that I do.
<b>Absorption</b>	I feel happy when I am working intensely. I am immersed in my work. I get carried away when I'm working.

**Part 2:** Inclusive leadership analysis: Based on the concept of leader inclusion proposed by (Nembhard & Edmondson, 2006), Carmeli et al. (2010) developed a 9-item survey instrument to measure three dimensions of inclusive leadership: openness (3 items), availability (4 items), and accessibility (2 items). Answers are scored on a 5-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree) for each item. Inclusive Leadership Scale (ILS) has been recognized by a number of scholars and top journals, although it was developed being more recently. A study by Hirak et al. (2012) using this scale to investigate the relationship between inclusive leadership and team performance has been published in *The Leadership Quarterly* which is a top journal on leadership. Specific measurement items are shown in the following table 3.4:

Table 3.4 Inclusive Leadership Scale (ILS)

Dimension	Item
<b>Openness</b>	
	The manager is open to hearing new ideas.
	The manager is attentive to new opportunities to improve work processes.
	The manager is open to discuss the desired goals and new ways to achieve them.
<b>Availability</b>	
	The manager is available for consultation on problems.
	The manager is an ongoing ‘presence’ in this team—someone who is readily available.
	The manager is available for professional questions I would like to consult with him=her.
	The manager is ready to listen to my requests.
<b>Accessibility</b>	
	The manager encourages me to access him=her on emerging issues.
	The manager is accessible for discussing emerging problems.

**Part 3:** Psychological capital analysis: this part adopted (F. Luthans et al., 2007) Psychological Capital Questionnaire (PCQ) was measured by using the 24-item scale which is the free permission for non-commercial scientific purposes. The PCQ-24 is the higher-order construct of four subscales: self-efficacy, optimism, hope, and resilience, each comprised of six items. Each item was measured on a 5-point scale



ranging from 1 “strongly disagree” to 5 “strongly agree”. The scale has been used in other recent studies previously published and tested (Avey, Wernsing, & Luthans, 2008; F. Luthans et al., 2008; F. Luthans et al., 2007). Specific measurement items are shown in the following table 3.5:

Table 3.5 Psychological Capital Questionnaire (PCQ)

Dimension	Item
<b>Self-efficacy</b>	
	I feel confident analyzing a long-term problem to find a solution.
	I feel confident in representing my work area in meetings with management.
	I feel confident contributing to discussions about the company’s strategy.
	I feel confident helping to set targets/goals in my work area.
	I feel confident contacting people outside the company (e.g., suppliers, customers) to discuss problems.
	I feel confident presenting information to a group of colleagues.
<b>Hope</b>	
	If I should find myself in a jam at work, I could think of many ways to get out of it.
	At the present time, I am energetically pursuing my work goals.
	There are lots of ways around any problem.
	Right now, I see myself as being pretty successful at work.
	I can think of many ways to reach my current work goals.
	At this time, I am meeting the work goals that I have set for myself.
<b>Resiliency</b>	
	When I have a setback at work, I have trouble recovering from it, moving on.(R)
	I usually manage difficulties one way or another at work
	I can be “on my own,” so to speak, at work if I have to
	I usually take stressful things at work in stride
	I can get through difficult times at work because I’ve experienced difficulty before.
	I feel I can handle many things at a time at this job.
<b>Optimism</b>	
	When things are uncertain for me at work, I usually expect the best.
	If something can go wrong for me work-wise, it will. (R)
	I always look on the bright side of things regarding my job.
	I’m optimistic about what will happen to me in the future as it pertains to work.
	In this job, things never work out the way I want them to. (R)
	I approach this job as if “every cloud has a silver lining”.

**Part 4: Job embeddedness analysis:** This part was adopted the 7-item scale developed by Crossley et al. (2007), which is a global, reflective instrument to measure the degree of individuals were embedded in their current job and organization. All items are used a 5-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). The Cronbach's alpha for the global job embeddedness scale was assessed by a great deal of scholars (Crossley et al., 2007; David G. Allen et al., 2016; Mahmoud A. Darrat et al., 2016). Specific measurement items are shown in the following table 3.6:

Table 3.6 Job Embeddedness Scale

Item
I feel attached to this organization.
It would be difficult for me to leave this organization.
I'm too caught up in this organization to leave.
I feel tied to this organization.
I simply could not leave the organization that I work for.
It would be easy for me to leave this organization.
I am tightly connected to this organization.

**Part 5: Demographics Descriptive:** This part aimed at collection personal data, which contains an individual's gender, age, income, highest level of education, monthly income and tenure with the organization. All the questions were category scale.

5.1 Gender: there are two groups provided

5.2 Age: there are 5 age choices

5.3 Highest education level: there are 5 education levels to choose

5.4 Monthly income: there are 8 income levels to match

5.5 Tenure with the organization: there are 6 kinds of tenure years for selection

### 3.3.2 Pilot study

Reliability is the consistency of measurement instrument (Dillon, Madden, & Firtle, 1994). A pilot test was conducted to guarantee the reliability of the research instrument. For the pretest, 65 questionnaires were distributed for testing via

convenience sampling technique at Yunnan province of China July 2017. Even though the amount of pilot study should be more than 25 participants, the researcher launched 65 questionnaires to gather data for more reliable results (Vanichbancha, 2007). This is to confirm the final survey instruments of this research. The Cronbach's coefficients alpha adopted for multi-point scaled items in testing a survey instrument as an index of a survey's reliability. Alpha values can range from 0.0 to 1.0; if alpha value higher than 0.9 indicate the excellent internal consistency of survey instrument (Nunnally, 1978). if alpha value is lower than 0.6 indicates that the questionnaires are considered to be poor and unreliable (Sekaran & Bougie, 1992). The internal consistency of this instrument was pretested by using the statistical package for social science (SPSS program), as shown in Table 3.7. The Cronbach's alpha value of each survey instrument was higher than 0.8, demonstrating a good level of internal consistency (Nunnally, 1978).

Table 3.7 The reliability of the questionnaire showing each dimension

Variable	Cronbach's Alpha Value
Employee engagement	0.906
Inclusive leadership	0.905
Psychological capital	0.899
Job embeddedness	0.838

### 3.4 Collection of Data

Based on the results of proportionate stratified sampling, a total 400 questionnaires were distributed to collect data among 5 strata, 90 in Chongqing, 176 in Sichuan, 59 in Guizhou, 74 in Yunnan, and 1 in Tibet. The information of self-administrated questionnaires has been employed only in conducting this dissertation research as a part of the study. There will be no effect to participant performance in the organization and all data will be stored secretly without reviewing the status of the participants. The researcher will spend approximately 2-3 months to distribute and

collect the questionnaires for this dissertation. The respondent will be allowed to ask any question to make every point useful.

### **3.5 Statistical Treatment of Data**

The following section describes the statistical treatment of data analysis. Data from the completed questionnaire was entered into a database for analysis. The data analyses were pursued in five principal stages: data screening, the descriptive statistics, reliability, validity, and multivariate analysis by using SPSS 24.0 and AMOS 18.0 program. Multivariate analysis is the application of statistical analysis of multiple variables in social research field, and the probability theory and matrices of mathematics are the theoretical basis and tools of it. From the practical view, there are six main branches in multivariate statistics, including regression analysis, discriminant analysis, factor analysis, principal component analysis, cluster analysis, and survival analysis. For the statement of this research, some of the multivariate analysis techniques were adopted, which is regression analysis, structural equation modeling and factor analysis, as well as descriptive statistical analysis. The explanations of each statistical technique used are as follows:

#### **3.5.1 The descriptive statistics**

In this section, the demographic information of participants was interpreted by the descriptive statistics of SPSS 24.0 contained percentage, standard deviation and arithmetic mean. The descriptive statistics summarized the original data into form which is more easily understood (Zikmund, 2003a). Formulae in the statistical tools are (Ingram & Monks, 1992):

$$\text{Percentage: Percentage (\%)} = \frac{X \times 100}{n}$$

$$\text{Mean: } \bar{X} = \frac{\sum X}{n}$$

$$\text{Standard deviation: } SD = \sqrt{\frac{\sum (\bar{X} - X)^2}{n-1}}$$

Where  $X$  = Individual data values or frequency

$\bar{X}$  = Mean

$n$  = Sample size

$SD$  = Standard deviation

### 3.5.2 Reliability

Reliability is the stability and consistency of the research instrument (Hernon & Schwartz, 2009). In order to guarantee reliability, the researcher implement the existing instrumentation. The use of existing instruments that have been adopted in numerous previous studies and have been subject to rigorous reliability testing, is likely to generate more stability and internal consistency, rather than creating new instruments (Street, 1997). The study used instruments in this study, consistency was implemented by providing written instructions and using the same instruments for all participants.

The reliability of the construct items was evaluated using Cronbach's coefficient alpha of SPSS 24.0. By the social science research generally accepted, the reliability coefficient is 0.90 or higher, meaning an excellent level of reliability which suggests that the researcher can do the further analysis via this instrument. If the reliability coefficient of the scale is 0.05 or lower, demonstrating a poor level of reliability, should be abandoned.

### 3.5.3 Validity

Validity refers to the truthfulness and concerns how well the instrument is a measure of the desired construct (Tybout & Calder, 1977). In this research, construct validity and content validity are used to examine the validity of the instrument. Content validity refers to truth of the questions that should be best fit the research variable, scope of the study and the research objective. Construct validity included convergent validity



and discriminant validity focuses on the extent that a scale or set of tests measure the concept or construct accurately represents the concept of interest. Convergent validity and discriminant validity is performed confirmatory factor analysis (CFA) by using AMOS 18.0(Dillon et al., 1994).

#### 3.5.4 Independent T-test

For this research, independent T-test of SPSS 24.0 was utilized to examine the significant difference in variables of this research based on gender, since this statistical tool used to analyze the differences between two groups means of sample. The formula is shown below(Zikmund, 2003a):

$$t = \frac{\overline{X}_1 - \overline{X}_2}{\sqrt{\frac{S_1^2}{n_1} + \frac{S_2^2}{n_2}}}$$

Where:

$\overline{X}_1$  = Sample mean of group 1

$\overline{X}_2$  = Sample mean of group 2

$S_1$  = Sample standard deviation of group 1

$S_2$  = Sample standard deviation of group 2

$n_1$  = Sample size of group 1

$n_2$  = Sample size of group 1

One-way ANOVA of SPSS 24.0 was also conducted to compare means of multiple groups. Therefore, One-way ANOVA was used to find the significant differences in variables of this research based on age, education level, monthly income and tenure with the organization.

#### 3.5.5 Structural equation modeling (SEM)

Structural Equation Modeling (SEM) is a multivariate statistical technique that examine the structure of the interrelationship among constructs. In other words, SEM

is considered as an extension of several multivariate techniques that can examine a series of dependent relationships simultaneously. Constructs are unobservable or latent factors, sometimes referred to as manifest variables, or indicators, are represented by multiple variables. Effective SEM model should build on theoretical background in order to test the relationship and establish causation of all variables. Based upon the results of CFA, the goodness of fit of the measurement model was examined by using AMOS 18.0. The statistical tools used to test the research hypotheses are summarized in Table 3.8:

Table 3.8 Summary of Statistical Tools Used in Testing Hypotheses

Hypothesis	Hypothesis description	Statistical technique used
H <sub>1</sub>	Inclusive leadership is a positive predictor of employee engagement	Structural Equation Modeling
H <sub>2</sub>	inclusive leadership is positive related to psychological capital	Structural Equation Modeling
H <sub>3</sub>	psychological capital is positive related to employee engagement	Structural Equation Modeling
H <sub>4</sub>	the relationship between inclusive leadership and employee engagement is mediated by psychological capital	Structural Equation Modeling
H <sub>5</sub>	the relationship between psychological capital and employee engagement is moderated by job embeddedness. In specific, the higher employee job embeddedness, the lower positive impact of psychological capital towards employee engagement	Multiple Regression

## CHAPTER 4

### Results

#### 4.1 Descriptive Statistical Analysis of Samples

Totally 500 survey questionnaires were distributed to financial employees in Southwest China, and 430 were collected after invalid papers with many blanks, incomplete basic data and perfunctory answers (same options for multiple questions) were deleted, achieving an effective return ratio of 86%. This paper conducted a descriptive statistical analysis of 5 control variables namely gender, age, education level, income level and tenure with the organization. (1) On gender, there were 189 male and 241 female respondents, accounting for 44% and 56% of the total samples respectively, and this small difference was substantially consistent with the gender of employees in financial business surveyed. (2) Regarding age, 230 employees surveyed were aged 18-29, accounting for 53.5% of the total samples, indicating that most of the front-line employees in financial sector are young. 164 respondents (38.1%) were at the ages 30-39, and there were 34 and 2 people surveyed aged 40-49 and 50-59, taking up 7.9% and 0.5% of the total samples respectively. (3) On education level, most financial employees (303, 70.5%) surveyed were bachelor degree holders, and there were 68 and 41 respondents with associate's college and master degrees, accounting for 15.8% and 9.5% respectively. (4) Regarding income level, 2/3 of the respondents earned RMB 3,000~6,999 yuan per month, detailed as follows: 3,000-3,999 (65, 15.1%), 4,000-4,999 (94, 21.3%), 5,000-5,999 (99, 23%) and 6,000-6,999 (72, 16.7%), while there were 46 people getting an average income above RMB 8,000-yuan, accounting for 10.7% of the total samples. (5) On tenure with the organization, most respondents, namely 105 (24.4%) and 188 (43.7%) had been working for less than 1 year and 1-5 years. And there were 80 (18.6%), 41 (9.5%), 11 (2.6%) and 5 (1.2%) employees surveyed having served the corporations for 6-10, 11-15, 16-20 and more than 20 years respectively.

Table 4.1 Descriptive statistical analysis of samples

Variables	Characteristics	Frequency	%	Cumulative %
Gender	Male	189	44.0	44.0
	Female	241	56.0	100.0
Age	18-29	230	53.5	53.5
	30-39	164	38.1	91.6
	40-49	34	7.9	99.5
	50-59	2	.5	100.0
Education level	High school diploma	18	4.2	4.2
	Associate college	68	15.8	20.0
	Bachelor degree	303	70.5	90.5
	Master degree	41	9.5	100.0
Income level	RMB 2000-2999	18	4.2	4.2
	RMB 3000-3999	65	15.1	19.3
	RMB 4000-4999	94	21.9	41.2
	RMB 5000-5999	99	23.0	64.2
	RMB 6000-6999	72	16.7	80.9
	RMB 7000-7999	36	8.4	89.3
	More than RMB 8000	46	10.7	100.0
Tenure with the organization	less than 1 year	105	24.4	24.4
	1-5 years	188	43.7	68.1
	6-10 years	80	18.6	86.7
	11-15 years	41	9.5	96.3
	16-20 years	11	2.6	98.8
	more than 20 years	5	1.2	100.0

## 4.2 Reliability and Validity

### 4.2.1 Reliability

The reliability and structural validity of our questionnaire scale are excellent, as shown in Table 4.2, and confirmatory factor analysis can be proceeded. All scales have achieved a Cronbach's Alpha coefficient greater than 0.9, detailed as follows: employee engagement scale (0.934), inclusive leadership scale (0.935), psychological capital scale (0.962), job embeddedness scale (0.926). All scales have achieved a KMO greater

than 0.9, detailed as follows: employee engagement scale (0.937), inclusive leadership scale (0.950), psychological capital scale (0.974), job embeddedness scale (0.927).

Table 4.2 Reliability of Instruments

Scales	Cronbach's Alpha	KMO	Bartlett	Sig.
Employee Engagement	0.934	0.937	2648.784	.000
Inclusive Leadership	0.935	0.950	2600.430	.000
Psychological Capital	0.962	0.974	6881.272	.000
Job Embeddedness	0.926	0.927	2169.406	.000

#### 4.2.2 Validity

Meanwhile, the convergent validity and discriminant validity of all measurement scales are verified via confirmatory factor analysis (CFA). In this research, Wu Minglong's index proposed in 2009 is adopted to assess the overall fit of the measurement model for CFA. It's generally believed that fit indexes like GFI, AGFI, NFI, IFI, CFI and TLI of greater than 0.9 indicate a good fit. Cheng Weibo (2014)'s summary table of value scope and ideal value for hypothesis model's matching indexes is referenced, refer to Table 4.3. In practice, however, some indexes maintain lower than 0.9 due to the complexity of fit models and abundance of fit variables, hence under certain specific circumstances, moderately lower indexes are allowed.

Table 4.3 Scope of Values and Ideal Values for Fit Evaluation Indexes

Indexes	Value Range	Ideal Value
$\chi^2/df$	>0	<5, or <3 better
GFI	0~1, possibly negative	>0.9, or >0.85 acceptable
AGFI	0~1, possibly negative	>0.9, or >0.85 acceptable
NFI	0~1	>0.9, or >0.85 acceptable
IFI	>0, mostly 0~1	>0.9, or >0.85 acceptable
CFI	0~1	>0.9, or >0.85 acceptable
TLI	0~1	>0.9, or >0.85 acceptable
RMSEA	>0	<0.05 good, or <0.1 acceptable



Source: “An empirical study of the influence of inclusive leadership on employees’ attitudes and behaviors”, by Cheng, Weibo, 2014, *Doctor Dissertation*, Central South University

As shown in Table 4.4, the results of confirmatory factor analysis for the measuring scale of this questionnaire, fit indexes of four-factor model are:  $\chi^2/df < 3$ , GFI > 0.8, AGFI > 0.8, IFI > 0.9, NFI > 0.85, RFI > 0.85, TLI > 0.9, CFI > 0.9, RMSEA < 0.1. These CFI results indicate that this scale, with satisfactory overall fit and good structural validity, is a perfect fitting-model.

Table 4.4 CFA of Conceptual Framework

Factor Model	$\chi^2$	df	$\chi^2/df$	GFI	AGFI	NFI	IFI	CFI	TLI	RMSEA
Four Factors	2176.110	1121	1.941	.823	.806	.870	.933	.932	.929	.047

Note: Four Factors: employee engagement; inclusive leadership; psychological capital; job embeddedness

For verification of convergent validity, the scales’ factor load is analyzed hereof with CFA, 1 is excluded from the confidence level of four variables’ correlation coefficient, indicating the discriminant validity between these variables; the factor load of every variable is greater than 0.5, indicating the variables’ convergent validity, and good construct validity of the theory model hereof. Meanwhile, the variables’ CR and AVE values are calculated, refer to Table 4.5 and Figure 4.1 for the results, indicating both the composite reliability and average variance extracted are acceptable (critical value: CR > 0.6; AVE > 0.5).

Table 4.5 CR and AVE Value of Validity

Variables	No. of Items	CR	AVE
Employee Engagement	9	0.934	0.612
Inclusive Leadership	9	0.935	0.616
Psychological Capital	24	0.926	0.645
Job Embeddedness	7	0.962	0.519

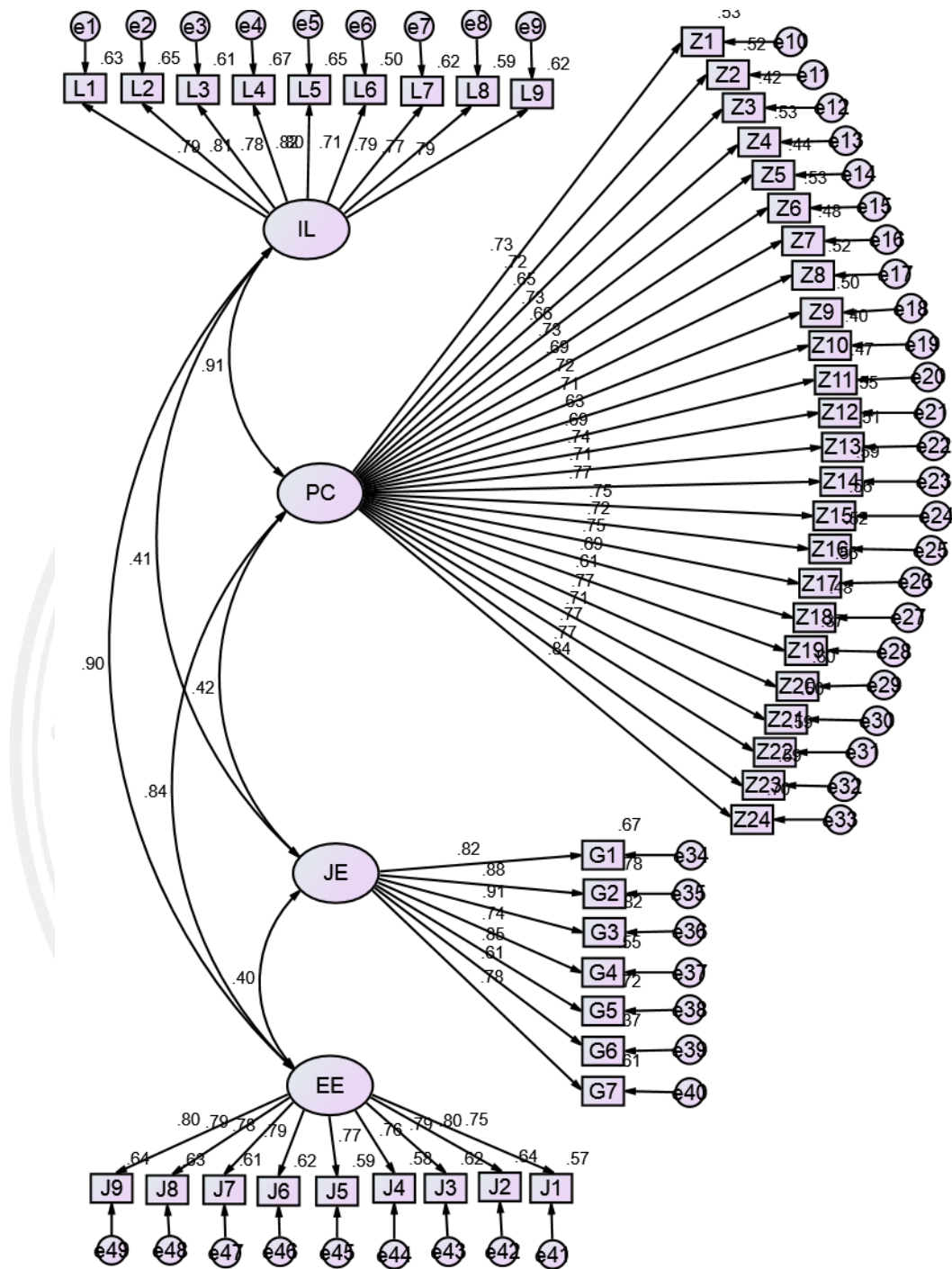


Figure 4.1 CFA model of the relationship between inclusive leadership and employee engagement based on the mediating role of psychological capital

Note: L refers to inclusive leadership; Z refers to psychological capital; J refers to employee engagement; EE refers to employee engagement; IL refers to inclusive leadership; PC refers to psychological capital; JE refers to job embeddedness.

### 4.3 Common Method Variance

Common method variance may arise during data collection because the questionnaire variables to be measured stem from one single data source, making the research results and conclusions highly confusing or possibly misleading (H. Zhou & Long, 2004). Statistical analysis of the questionnaires' data structure is necessary for ensuring a valid questionnaire result analysis, hence Harman's single-factor test is employed. Basic hypothesis of this method is that exploratory factor analysis will reveal that most variations are explained by one single factor or one common factor, provided that one method causes a great number of variations (Harman, 1976). Exploratory factor analysis of all items in four questionnaires show that  $KMO=0.977$ ,  $Bartlett=16092.504$ ,  $df=1176$ ,  $p<0.001$ . Research of Podsakoff, MacKenzie, Lee, and Podsakoff (2003) indicates that when four common factors with characteristic root  $>1$  are extracted, the first common factor will explain 47.339% (less than the critical value 50%) of the total variations, indicating that one factor is not enough to explain most variances, and there is no material common method variance for the questionnaire data. And when the confirmatory factor analysis results of Table 4.4 are considered, the overall fit of the four-factor model (employee engagement, inclusive leadership, psychological capital and job embeddedness) is satisfactory, and it is an ideal fit model. The above comparative exploratory factor analysis and confirmatory factor analysis proved there is no common method variance between the variables measured.

### 4.4 Independent Samples T-test and One-way ANOVA

#### 4.4.1 Independent samples T-test of gender

As indicated by the results of independent samples T-test in Table 4.6, under the confidence level of 95%, the gender exerts no impact on employee engagement, inclusive leadership, psychological capital and job embeddedness (significance probabilities  $> 0.05$ ).

Table 4.6 Independent samples T-test of gender

Variables	Gender	N	Mean	F.	levene's test for of variances	T-test for equality of means		
					Homogeneity	t	MD	Sig.
Employee engagement	Male	189	3.7684	1.235	Yes	-.627	-.04952	No
	Female	241	3.8179					
Inclusive leadership	Male	189	3.6596	.438	Yes	.155	.01185	No
	Female	241	3.6478					
Psychological capital	Male	189	3.7555	.637	Yes	.249	.01623	No
	Female	241	3.7393					
Job embeddedness	Male	189	2.9403	1.672	Yes	1.072	.10330	No
	Female	241	2.8370					

#### 4.4.2 One-way ANOVA of age

As indicated by the results of one-way ANOVA of age in Table 4.7, under the confidence level of 95%, the age exerts no significant impact on employee engagement, inclusive leadership, psychological capital and job embeddedness (significance probabilities  $> 0.05$ ). As heterogeneity is indicated by the homogeneity test of variances for inclusive leadership, Brown-Forsythe test is further performed, and the test results show a significance value of 0.188, which indicates that there is no significant difference for inclusive leadership in age difference.

Table 4.7 One-way ANOVA of age

Variables	levene's test for of variances		t-test for equality of means		Sig.
	Sig.	Homogeneity	F	SD	
Employee engagement	.310	Yes	.906	.438	No
Inclusive leadership	.059	No	1.312	.270	No
Psychological capital	.472	Yes	2.114	.098	No
Job embeddedness	.380	Yes	1.853	.137	No

#### 4.4.3 One-way ANOVA of education level

As indicated by the results of one-way ANOVA in Table 4.8, under the confidence level of 95%, the education level exerts no significant impact on inclusive leadership

and job embeddedness (sig. > 0.05). The difference in education, however, impacts the employee engagement and psychological capital significantly (sig. < 0.05), and further multiple comparison (LSD) of employee engagement shows the engagement scores of employees with no more than a high school education are significantly lower than those of employees with other three education levels (sig. < 0.05), and there is no significant difference among engagement scores of employees at other three age stages (sig. > 0.05). Further multiple comparison (LSD) of psychological capital shows the psychological capital scores of employees with no more than a high school education is significantly lower than those of employees with other three education levels (sig. < 0.05), and there is no significant difference among psychological capital scores of employees at other three age stages (sig. > 0.05). As heterogeneity is indicated by the homogeneity test of variances for employee engagement, Brown-Forsythe test is further performed, and the test results show a significance value of 0.044, which indicates that there is significant difference for employee engagement in education level. As heterogeneity is indicated by the homogeneity test of variances for inclusive leadership, Brown-Forsythe test is further performed, and the test results show a significance value of 0.291, which indicates that there is no significant difference for inclusive leadership in education level.

Table 4.8 One-way ANOVA of education level

Variables	levene's test for of variances		t-test for equality of means		Sig.
	Sig.	Homogeneity	F	SD	
Employee engagement	.047	No	3.017	.030	Yes
Inclusive leadership	.035	No	1.583	.193	No
Psychological capital	.437	Yes	3.069	.028	Yes
Job embeddedness	.570	Yes	1.346	.259	No

#### 4.4.4 One-way ANOVA of income level

As indicated by the results of one-way ANOVA in Table 4.9, under the confidence level of 95%, the income level exerts no significant impact on employee engagement, inclusive leadership, psychological capital and job embeddedness (sig. > 0.05).



Table 4.9 One-way ANOVA of income level

Variables	levene's test for of variances		t-test for equality of means		Sig.
	Sig.	Homogeneity	F	SD	
Employee engagement	.771	Yes	.625	.710	No
Inclusive leadership	.536	Yes	.571	.753	No
Psychological capital	.831	Yes	1.072	.379	No
Job embeddedness	.299	Yes	.934	.470	No

#### 4.4.5 One-way ANOVA of tenure with the organization

As indicated by the results of one-way ANOVA in Table 4.10, under the confidence level of 95%, the tenure with the organization exerts no significant impact on employee engagement, inclusive leadership, psychological capital and job embeddedness (sig. > 0.05).

Table 4.10 One-way ANOVA of tenure with the organization

Variables	levene's test for of variances		t-test for equality of means		Sig.
	Sig.	Homogeneity	F	SD	
Employee engagement	.777	Yes	.593	.710	No
Inclusive leadership	.486	Yes	.700	.753	No
Psychological capital	.587	Yes	.631	.379	No
Job embeddedness	.774	Yes	1.045	.470	No

#### 4.5 Correlation Analysis

As indicated by the results of correlation analysis in Table 4.11, the employee engagement is significantly and positively correlated with inclusive leadership ( $r=0.839$ ,  $p<0.01$ ), with psychological capital ( $r=0.796$ ,  $p<0.01$ ) and with job embeddedness ( $r=0.373$ ,  $p<0.01$ ), while inclusive leadership is significantly and positively correlated with psychological capital ( $r=0.861$ ,  $p<0.01$ ) and with job embeddedness ( $r=0.381$ ,  $p<0.01$ ), and psychological capital is significantly and positively correlated with job embeddedness ( $r=0.396$ ,  $p<0.01$ ). Thus, the mediation analysis and moderating effect analysis can proceed.

Table 4.11 Mean and correlation analysis

Variables	Mean	SD	1	2	3	4
Employee engagement	3.7961	.81214	1			
Inclusive leadership	3.6530	.78828	.839**	1		
Psychological capital	3.7464	.67070	.796**	.861**	1	
Job embeddedness	2.8824	.99211	.373**	.381**	.396**	1

Note: \* refers to  $p < 0.05$ , \*\* refers to  $p < 0.01$ , \*\*\* refers to  $p < 0.001$ .

#### 4.6 Hypothesis Test

Four hypothesizes in the theory model hereof are verified with AMOS17.0, an SEM modeling tool, refer to Figure 4.2 for the model variables' path coefficients. The computation results of model data reveal that, after three demographic variables namely gender, age and tenure with the organization are controlled, the inclusive leadership is a significant and positive predictor of employee engagement ( $\beta = 0.735$ ,  $p < 0.001$ ), hypothesis H<sub>1</sub> is verified; the inclusive leadership is also a significant and positive predictor of psychological capital ( $\beta = 0.905$ ,  $p < 0.001$ ), hypothesis H<sub>2</sub> is verified; moreover, the psychological capital is a significant and positive predictor of employee engagement ( $\beta = 0.184$ ,  $p < 0.05$ ), hypothesis H<sub>3</sub> is verified; finally, refer to Table 4.12 for the fit results, which indicate a good model fit:  $\chi^2 = 1632.890$ ,  $df = 934$ ,  $\chi^2/df = 1.748$ ; RMSEA = .042; GFI = .853; AGFI = .836; IFI = .949; TLI = .945; CFI = .948. All these indexes are acceptable.

Table 4.12 Path Model Fit Indices

Factor Model	$\chi^2$	df	$\chi^2/df$	GFI	AGFI	IFI	CFI	TLI	RMSEA
Four Factors	1632.890	934	1.748	.853	.836	.949	.948	.945	.042

Note: four factors refer to employee engagement, inclusive leadership, psychological capital and job embeddedness.

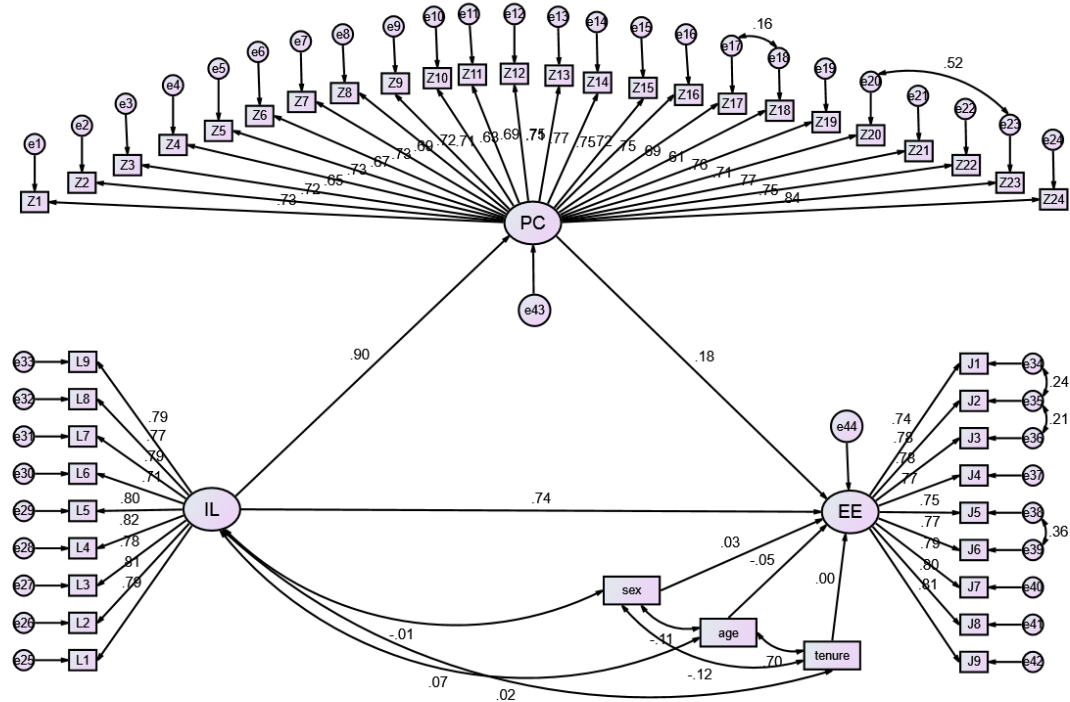


Figure 4.2 Path Model of the relationship between inclusive leadership and employee engagement based on the mediating role of psychological capital

Note: L refers to inclusive leadership; Z refers to psychological capital; J refers to employee engagement; EE refers to employee engagement; IL refers to inclusive leadership; PC refers to psychological capital; JE refers to job embeddedness.

SEM is employed herein for analysis of mediating effect, and Bootstrap method of 2,000 repetitive sample drawings proposed by Efron(1993) is used to calculate the indirect effect's confidence level. According to Cheung & Lau (2008)'s research, when 0 is excluded from the confidence interval of 95% set, a mediating effect is suggested,  $p < 0.05$ . As the results shown in Table 4.13, overall model effect is 0.89, confidence level is between 0.738 and 0.985, 0 is excluded, a significant result is achieved ( $p < 0.05$ ); indirect effect is 0.16, confidence level is between 0.008 and 0.299, 0 is excluded, a significant result is achieved ( $p < 0.05$ ), indicating the mediating effect of psychological capital; direct effect is 0.73, confidence level is between 0.511 and 0.890, 0 is excluded, a significant result is achieved ( $p < 0.05$ ), indicating the psychological

capital's partial mediating effect between inclusive leadership and employee engagement, hypothesis H<sub>4</sub> is verified.

Table 4.13 Mediating Effect Testing

	Estimate	Bootstrapping (95% CI) Bias-Corrected	
		Lower	Upper
<b>Total Effect</b>			
IL→EE	.89	.738	.985
<b>Indirect Effect</b>			
IL→PC→EE	.16	.008	.299
<b>Direct Effect</b>			
IL→EE	.73	.511	.890

Note: EE refers to employee engagement; IL refers to inclusive leadership; PC refers to psychological capital.

Finally, as shown in Table 4.14, independent variable (psychological capital) and moderating variable (job embeddedness) are first centralized by hierarchical regression analysis, to study job embeddedness's moderating function on psychological capital and employee engagement. Step 1, only psychological capital is put in, the result shows that psychological capital ( $\beta=0.796$ ,  $p<0.001$ ) is a significant and positive predictor of employee engagement,  $\Delta R^2=0.63$ . Step 2, both psychological capital and job embeddedness are put in, the result shows that psychological capital ( $\beta=0.769$ ,  $p<0.001$ ) and job embeddedness ( $\beta=0.068$ ,  $p<0.05$ ) are significant and positive predictors of employee engagement,  $\Delta R^2=0.002$ . Step 3, the psychological capital, job embeddedness and the interaction term between them are put in, the result shows that this interaction term is a significant predictor of employee engagement ( $\beta=-.103$ ,  $p<0.001$ ), indicating a moderating effect, hypothesis H<sub>5</sub> is verified.

Table 4.14 Regression analysis based on employee engagement as dependent variable

	Model 1		Model 2		Model 3	
	$\beta$	t	$\beta$	t	$\beta$	t
PC	.796	27.172***	.769	24.200***	.726	21.435***
JE			.068	2.154*	.087	2.737**
PC x JE					-.103	-3.325**
R <sup>2</sup>	.633		.635		.644	
$\Delta R^2$	.633		.002		.009	
F	738.32***		374.62***		259.31***	

Note: JE refers to job embeddedness; PC refers to psychological capital. \* refers  $p < 0.05$ , \*\* refers  $p < 0.01$ , \*\*\* refers  $p < 0.001$ .

Guided by Aiken et al., (1991)'s research, the job embeddedness average is divided into a high score group (M+1SD, average + standard deviation) and a low score group (M-1SD, average - standard deviation), and plug them into the regression equation, to draw the psychological capital-employee engagement simple slope analysis diagram (refer to Figure 4.2). And it is found that a low (high) job embeddedness is associated with a strong (weak) promotion of employee engagement by psychological capital,  $\beta_{\text{simple}} = 0.855$ ,  $p < 0.001$  ( $\beta_{\text{simple}} = 0.704$ ,  $p < 0.001$ ), hypothesis H<sub>5</sub> is verified.

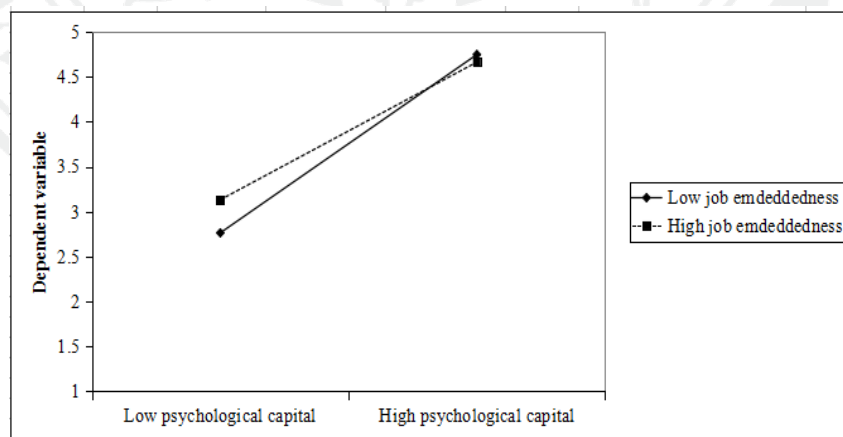


Figure 4.3 Job embeddedness as a moderator of the relationship between psychological and employee engagement



Through the above data analysis results, the hypotheses in this study have been supported, and the research hypotheses are summarized as Table 4.15.

Table 4.15 Summary of Results in Testing Hypotheses

Hypothesis	Hypothesis description	Results
H <sub>1</sub>	Inclusive leadership is a positive predictor of employee engagement	Supported
H <sub>2</sub>	inclusive leadership is positive related to psychological capital	Supported
H <sub>3</sub>	psychological capital is positive related to employee engagement	Supported
H <sub>4</sub>	the relationship between inclusive leadership and employee engagement is mediated by psychological capital	Supported
H <sub>5</sub>	the relationship between psychological capital and employee engagement is moderated by job embeddedness. In specific, the higher employee job embeddedness, the lower positive impact of psychological capital towards employee engagement	Supported

## **CHAPTER 5**

### **Conclusions and Recommendations**

#### **5.1 Conclusions**

##### **5.1.1 Inclusive leadership is a positive predictor of employee engagement**

This empirical research indicates that inclusive leadership is a positive predictor of employee engagement. That means, inclusive leadership affects the employee engagement positively, and when a leader is more conclusive, the employees will become more engaged in work. This conclusion substantially matches a previous one of “the leadership is closely related to work attitude and employee behavior”, for instance, transformational, transactional, servant, authentic leaderships can significantly affect the employee engagement (Zhang, X., & Bartol, K. M., 2010; Ghafoor, A., Qureshi, T. M., Khan, M. A., & Hijazi, S. T., 2011 ; Wang, D. S., & Hsieh, C. C., 2013). These researches, however, mostly explored the leadership, while inclusive leadership stressed the two-way interaction between leader and employee, and leadership’s effect mechanism on employee engagement should better be studied from the perspective of employee. Therefore, the conclusion has further enriched the theory and study perspective of leadership’s effect on employees’ work attitude and behavior.

Besides, in Chinese culture, there have been few empirical researches on inclusive leadership, a new leadership theory introduced from the West, and on employee engagement. Responsibility of reciprocation would come to employees’ mind after they have received economic and social affection from an organization, as indicated by the norm of reciprocity under social exchange theory (Cropanzano & Mitchell, 2005). As an inclusive leader completes the tasks and pursues win-win results together with the subordinates on basis of respect, recognition, response and responsibility, the employees are determined to repay the organization with “high performance and innovation” (Hollander, 2009) . Moreover, the leader’s accessibility brings to the subordinates a perception of approachability, (Carmeli et al., 2010), and facilitates the

establishment of a quality leader-member exchange relationship (Nishii & Mayer, 2009). Under such a quality leader-member exchange relationship, the employee engagement will be intensified since the subordinates' hard work is taken account of by the leader. Finally, an inclusive leader accepts, encourages and glorifies the employees, attaches importance to their ideas and contribution (Nembhard & Edmondson, 2006) and allows for their dissents and failures (Y. Fang, 2014), the subordinates, appreciating such respect, are willing to work harder to sustain the organization's long-term development. Therefore, this research, while extending the researches of employee engagement antecedents, has enriched those of inclusive leadership outcome variables.

### **5.1.2 Inclusive leadership is positive related to psychological capital**

The empirical results hereof suggest that inclusive leadership is positive related to psychological capital, further verifying the discussions on relationship between leadership and employees' psychological states. According to the social assumption, as stressed by Merino M. D., Privado J., (2015), the employees call for psychological nutrition, and their mental health and job performance will improve if they are recognized. Through literature reorganizing, the employees' psychological level is found to be affected by the leader's expectation, trust, communication with them and their participation (Edmondson A, 1999; Bass B. M., Bass R, 2009; Sahin, Cubuk & Uslu, 2014). It's verified as well that a transformational and authentic leadership can enhance employees' self-efficacy and confidence through warmth and integrity (Liu Jingjiang et al., 2013). Fang Yangchun and Wang Meijie (2016) as well analyzed the relationship between inclusive leadership and employees' psychological capital in an empirical approach. An inclusive leader is more willing to communicate with and hear from the subordinates, and attach importance to their involvement, which can facilitate the arousing of their initiative. Therefore, this research has further verified the critical role that inclusive leadership plays in enhancement of employees' psychological capital, and solidified the theory "psychological capital can be intervened and developed" of F. Luthans, Avey, Avolio, Norman, and Combs (2006).

### **5.1.3 psychological capital is positive related to employee engagement**

It is empirically verified herein that psychological capital can positively impact employee engagement, a result substantially consistent with previous conclusions, e.g., psychological capital is significantly and positively correlated with employees' job performance (Avey et al., 2011). And, F. Luthans et al., (2007) stated that psychological capital could effectively enhance employees' task performance, contextual performance and relation performance. Meanwhile the psychological capital's dimensions of hope, optimism and tenacity are significantly and positively correlated with the outcome variables of such employees' work attitude as job satisfaction and organizational commitment (Youssef & Luthans, 2007). Therefore, the conclusion is that psychological capital is positive related to employee engagement, proving that when employees are more hopeful, optimistic, self-efficient and tenacious, their work enthusiasm and potential will be stimulated, and engagement can be enhanced.

### **5.1.4 Psychological capital is mediated the relationship between inclusive leadership and employee engagement**

This research proves that psychological capital is mediated the relationship between inclusive leadership and employee engagement, and that complicated psychological reaction, rather than simple stimulation functions to realize leadership's impact on employee engagement. Meanwhile a large number of literature show that psychological capital is mediated the relationship between leadership and employees' working attitude and behavior, for instance, transformational leadership can indirectly impact employees' work performance through their psychological capital (Gooty J, Gavin M, Johnson P D, 2009; Walumbwa et al., 2008; Clapp-Smith, Vogelgesang, & Avey, 2009; Zhong et al., 2013). Han Yi and Yang Baiyin (2011) found that psychological capital was mediated the relationship between authentic leadership and employees' innovative behavior. And according to psychological resource conservation theory, a leader can mobilize employees' positive attitude and promote their performance via proper leadership; while social cognitive theory suggests that a leader can cultivate employees' psychological capital and further improving their work attitude and behavior by impacting their cognition. There are few researches, however, on the mediation of psychological capital between inclusive leadership and employee

engagement. Therefore, while further justifying the previous researchers' conclusions, this paper offers new theoretical perspectives for the inclusive leadership's mechanism of action on employee engagement.

#### **5.1.5 Job embeddedness is moderated the relationship between psychological capital and employee engagement**

It is found in this research that job embeddedness is mediated the relationship between psychological capital and employee engagement, which is anticipated by the hypothesis. Job embeddedness, a variable that reflects situational factor, explains in a contingency approach the relationship between employees' mental cognitive state and attitude, behavior displayed, from the multiple dependences between individual and organization. This result matches the psychological field theory of "an individual will make decisions after weighing the status quo and anticipation, based on life space". Job embeddedness is also shown to be mediated the relationship between organizational citizenship behavior, job performance and turnover (Lee & Mitchell, 1994).

Besides, according to social exchange theory and norm of reciprocity, employees who are active in communication have established their complex and wide social network in organization, and internal exchange often manifests as external reciprocity of profit, while rich social network is unavailable for those inactive in communication to conduct exchange of external profit, therefore, the psychological capital, as employees' intrinsic motivation, becomes the main driving force with impact on employee engagement. Moreover, employees with well matching with the organization (e.g. in technical skill), accepts the organizational values and can establish a stable social circle without difficulties. Those with poor matching and low compatibility with the organization are not technically qualified for the job yet, and can only gain experience from the tasks arranged by the leaders. Therefore, the psychological capital is a leading factor for the concentration and devotion of employees with poor matching. Finally, sacrifice willingness will affect employees' turnover cost. With multiple opportunities for promotion, good interpersonal relationship, sense of work security and handsome salary and welfare, the employees are willing to sacrifice for the organization for the sake of personal interest. In contrast, turnover exerts a low impact on employees



with a low willingness of sacrifice. Consequently, their employee engagement mainly stems from their own proactivity.

Therefore, the employee engagement has been further proved to be impacted by the level of job embeddedness. Job embeddedness, the employees' embeddedness to the surrounding situation, serves as a contingency for the relationship between employees' psychological state and their attitude, behavior. The engagement of employees with high job embeddedness may stem more from the existing interest and expected return, while that of those with low job embeddedness is more likely driven by intrinsic psychological cognition.

## **5.2 Implications for the Practice**

Under the current human resources strategy, the practical management significance of this research lies in:

On the first hand, the research results hereof show that the employee engagement can be enhanced by an inclusive leadership. The employees are more willing to combine the self and position and spend more time and energy on the job, when inclusive managers respect and recognize them, listen to their ideas and establish an interdependent and win-win relation with them. Employee engagement can form core strength in fierce competition, and bring profits and innovation to the organization. The organization shall pay sufficient attention to the creation of an inclusive leadership, especially when the human resources are turning more diverse. Kolbe et al., (2013) suggested via research that training could effectively enhance such inclusive leadership. In management practice, firstly, the inclusive leadership can be cultivated by active consultation, guidance of self-correction and systemic work report; secondly, such inclusive leadership can exert the maximum utility by creation of an inclusive culture, formulation of an inclusive human resources management strategy, respect and recognition of employee differences, giving full play to their talents and promotion of teamwork.

On the other, this research proves that psychological capital can help inclusive leadership with more effectively tapping one organization's human resources advantage. An inclusive leader's respect and recognition can positively drive the employees' hope, optimism, tenacity and self-efficacy, motivate their work passion and potential, enhance their engagement and finally strengthen the core competitiveness. In employee selection and training, the organization should pay attention to the employees' psychological capital, for the employees with hope, optimism, strong tenacity and self-efficacy can be more energetic, concentrated and dedicated in their work. Besides, the leadership should be constantly developed and improved with the times, and inclusive leadership be allowed to strengthen the employees' psychological capital, so as to promote the employee engagement.

Finally, the engagement of employees with a high job embeddedness is less impacted by the psychological capital as an intrinsic motivation than that of those with a low job embeddedness, which has been verified in an empirical approach. When job embeddedness is included in the research framework, the motivation behind behavior can be more accurately explained, and the job embeddedness theory can be further perfected. When intrinsic motivation is insufficient, job embeddedness can enhance the employee engagement as an external stimulation. Therefore, to deepen the employees' embeddedness in the organization, a series of soft incentive measures shall be implemented more diligently, for instance, promoting the corporate values to the employees, to enhance their acceptance of and sense of belonging to the organization; assigning more challenging work and vocational planning to employees with high psychological capital, too deepen their matching with the organization; communicating more actively with the employees, to strengthen their emotional tie to the organization; providing flexible employee welfare plans (insurance, vocation, training, travel, physical examination,, child care, and other services), to satisfy their demands at various stages.

### **5.3 Limitation of the Research**

Inclusive leadership's influence path on employee engagement is explored herein in an empirical approach, but objective and subjective conditions have given rise to the following limitations:

There are only 400 samples for this paper and most data are collected from the financial sector in Southwest China. Diversification and radiation of sample data is thus limited by the relative concentration of industry surveyed and narrow data source. Although a single data source can effectively lower the impact by industrial difference, it will restrain the conclusions' external validity.

There is a limitation in research design. It takes time for the inclusive leadership to impact the employee engagement and interfere, cultivate the psychological capital, but the cross-section design representing the same time point adopted herein fails to truly determine the causal relationship among variables. Although structural equation model can be used to test the whole model simultaneously, positively facilitating the deduction of the causal relationship among variables, there are still limitations in the interpretation of results. Moreover, in this quantitative research, the data mainly stemmed from self-reported questionnaires, giving rise to common method variance. What were recorded in such self-reported surveys were the employees' subjective statements. According to Chan (2009), "these data, with inherent defect, fail to serve the accurate parameter estimation for structural relationship and jeopardize the validity" (p.34). In view of this, Harman's single-factor test was employed to identify the common method variance (c.f. Podsakoff et al., 2003). The results showed that the single-factor model failed to interpret most variances, indicating that the current data source is free of marked common method variance. The research design is nevertheless flawed in some ways.

Researches show that employee engagement is affected by work and personal resources, integration with the organization and other individual, group and corporate factors. And according to situational theory of leadership, the leader effect is a product of the joint function of leader, subordinate and environment, it's impossible for any leadership, including management of same objects in the same organization, to prevail for a long time, and no leadership can fit all environments. (Wu, 2008). For research purpose, impact of leaders on employee engagement is explored only from the perspective of employee, and the future researches shall be carried out from more aspects.

In this paper, the inclusive leadership's impact mechanism on employee engagement is measured only with variables considered to be single-dimensional high-order factors, and only the psychological capital's mediation between inclusive leadership and employee engagement is explored. In the future researches, inclusive leadership's function path on employee engagement can be more widely explored from multiple dimensions of employees' psychological capital or from other mediating variables, to build a more comprehensive theory model.

The theories and measuring scales of inclusive leadership, psychological capital, employee engagement and job embeddedness adopted were all developed under the Western culture, inclusive leadership and psychological capital in particular, have been recently developed only and seldom verified under Chinese culture. Although these scales are all mature and their good reliability and validity have been verified, certain variations might still be caused by the collectivism and special administrative and kinship dominance in Chinese organizations.

#### **5.4 Recommendations for Future Research**

Given the theoretical and methodological limitations, the following recommendations are put forward for the future research:

The applicability of the conclusions hereof under different management situations. Many scholars believe that management mode is subject to sector characteristics and corporate life cycle. Careful deduction and more comprehensive future verifications with more samples are required to determine whether the conclusions hereof are applicable to other regions, sectors and corporate development stages. The applicability of inclusive leadership and psychological capital measuring scales in Chinese organizations shall be further tested, and theories and scales of inclusive leadership, psychological capital and employee engagement that fit the Chinese culture be developed, to enhance the research's theoretical contribution and practical significance.

Research design and method shall be modified. Podsakoff et al., (2003) suggested that when data were collected at different time and sources the common method variance would be effectively controlled. In the future, more stringent longitudinal approach can be adopted to collect pair data of leader and subordinate for the survey.

Although the survey will become more difficult when data are collected from multiple time spans and resources, the common method variance can be avoided, inclusive leader's function path on employee engagement be explored more profoundly, and causal relation among variables can be more accurately verified.

In the future, researchers shall further explore the specific relations between inclusive leadership's three dimensions (openness, accessibility and availability), psychological capital's four dimensions (self-efficacy, optimism, hope and tenacity) and employee engagement's three dimensions (energy, devotion and concentration), so that the results of analysis can be turned into specific and targeting recommendations for practical management. Moreover, the impact of possible interactions between different leaderships on psychological capital and employee engagement can be explored as well, to determine the leadership that can most effectively intervene the psychological capital and employee engagement.

In the future, other variables can be adopted to study the function path between inclusive leadership and employee engagement. Only one mediating variable, the psychological capital, is discussed hereof, but the leadership can impact employees' attitude and behavior via leader role model, resource exchange and other factors. Some empirical researchers have found that, inclusive leadership can significantly impact employees' attitude and behavior, such as initiative, innovation, suggestion, turnover tendency, counter-productive work behavior and cynicism. via psychological security, psychological ownership, leader-member exchange and employment atmosphere (Nembhard & Edmondson, 2006; Carmeli et al., 2010; Hirak et al., 2012; Yin et al., 2013; Bienefeld & Grote, 2013; Liu Yang, 2016; Cheng Weibo, 2014). Thus, the future researchers can analyze the mediation of employees' psychological process, team atmosphere or corporate culture and other variables between inclusive leadership and employee engagement, so as to build a more comprehensive theory model.

The future researchers can further explore inclusive leadership's influence mechanism on other outcome variables under Chinese situation. Although the Western scholars have verified the inclusive leadership's direct or indirect impact on organizational commitment, organizational citizenship behavior, employee creativity and job performance etc., research of such inclusive leadership in China has just



commenced and there are few empirical researches. Therefore, in the future inclusive leadership's impact on employees' individual variables and organizational variables should be further explored. Besides, given the collectivism, administrative and kinship dominance in economy under Chinese culture, the moderating effects of contingency variables like tradition, authoritarianism and power distance can be added into the future research, so as to draw richer potential conclusions.



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## Appendix A Questionnaire (English Vision)

### Employee Status Survey

This questionnaire is part of a dissertation for a Doctoral Degree in Integrated Management, National Institute of Development Administration (NIDA). Data obtained from this questionnaire will be employed only in conducting this dissertation research as a part of the study. The researcher ensures that there will be no effect to participant performance in the organization and all data will be stored secretly without reviewing the status of the participants.

Thank you for your support!

Yu ZHOU

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<b>Part 1. In this section, after reading the statement, put a “√” in the number from the right hand that is the closest to your opinion.</b>	<b>Scale:</b> 1 = Strongly disagree 2 = Disagree 3 = Neutral 4 = Agree 5 = Strongly agree				
1. At my job, I am very resilient, mentally	1	2	3	4	5
2. At my work, I feel bursting with energy	1	2	3	4	5
3. I am enthusiastic about my job	1	2	3	4	5
4. My job inspires me	1	2	3	4	5
5. When I get up in the morning, I feel like going to work	1	2	3	4	5
6. I feel happy when I am working intensely	1	2	3	4	5
7. I am proud on the work that I do	1	2	3	4	5
8. I am immersed in my work	1	2	3	4	5
9. I get carried away when I’m working	1	2	3	4	5

<b>Part 2. In this section, after reading the statement, put a “√” in the number from the right hand that is the closest to your opinion.</b>	<b>Scale:</b> 1 = Strongly disagree 2 = Disagree 3 = Neutral 4 = Agree 5 = Strongly agree				
1. The manager is open to hearing new ideas	1	2	3	4	5



7. If I should find myself in a jam at work, I could think of many ways to get out of it.	1	2	3	4	5
8. At the present time, I am energetically pursuing my work goals	1	2	3	4	5
9. There are lots of ways around any problem	1	2	3	4	5
10. Right now, I see myself as being pretty successful at work	1	2	3	4	5
11. I can think of many ways to reach my current work goals	1	2	3	4	5
12. At this time, I am meeting the work goals that I have set for myself	1	2	3	4	5
13. When I have a setback at work, I have trouble recovering from it, moving on (R)	1	2	3	4	5
14. I usually manage difficulties one way or another at work	1	2	3	4	5
15. I can be “on my own,” so to speak, at work if I have to	1	2	3	4	5
16. I usually take stressful things at work in stride	1	2	3	4	5
17. I can get through difficult times at work because I’ve experienced difficulty before	1	2	3	4	5
18. I feel I can handle many things at a time at this job	1	2	3	4	5
19. When things are uncertain for me at work, I usually expect the best	1	2	3	4	5
20. If something can go wrong for me work-wise, it will (R)	1	2	3	4	5
21. I always look on the bright side of things regarding my job	1	2	3	4	5
22. I’m optimistic about what will happen to me in the future as it pertains to work	1	2	3	4	5

23. In this job, things never work out the way I want them to (R)	1	2	3	4	5
24. I approach this job as if “every cloud has a silver lining	1	2	3	4	5

<b>Part 4. In this section, after reading the statement, draw a “√” in the number from the right hand that is the closest to your opinion.</b>	<b>Scale:</b> <b>1 = Strongly disagree</b> <b>2 = Disagree</b> <b>3 = Neutral</b> <b>4 = Agree</b> <b>5 = Strongly agree</b>					
	1. I feel attached to this organization	1	2	3	4	5
	2. It would be difficult for me to leave this organization	1	2	3	4	5
	3. I’m too caught up in this organization to leave	1	2	3	4	5
	4. I feel tied to this organization	1	2	3	4	5
	5. I simply could not leave the organization that I work for	1	2	3	4	5
	6. It would be easy for me to leave this organization	1	2	3	4	5
	7. I am tightly connected to this organization	1	2	3	4	5

**Part 5:** Demographic data about your company. Please put a √ in an appropriate box ☐ and fill in the bank the information that corresponds to the current reality of yourself and your company.

**Person demographic information**

1. Gender : ☐ Male ☐ Female

2. Age: ☐ 18-29 years old ☐ 30-39 years old ☐ 40-49 years old  
☐ 50-59 years old ☐ More than 60 years old

3. Education Level:

☐ Below High School ☐ High School ☐ Bachelor degree or equivalent  
☐ Master degree



## 4. Monthly Income:

- ☐ Below 2000 yuan    ☐ 2000-2999 yuan    ☐ 3000-3999 yuan  
☐ 4000-4999 yuan    ☐ 5000-5999 yuan    ☐ 6000-6999 yuan  
☐ 7000-7999 yuan    ☐ Above 8000 yuan

## 5. Tenure with the organization:

- ☐ Less than 1 year    ☐ 1-5 years    ☐ 6-10 years  
☐ 11-15 years    ☐ 16-20 years    ☐ More than 20 years



## Appendix B Questionnaire (Chinese Vision)

### 员工现状调查

尊敬的先生/女士：

您好！占用您的宝贵时间我们深感歉意。非常感谢您在百忙之中参与磁粉问卷调查。此次调查无需署名，答案无对错之分，所填数据资料仅作学术研究，不涉及任何其他用途。本人以相关的国家法律、学术规范以及个人人格保证，您填写的数据将予以严格保密，绝不会泄露您的任何隐私，因此绝不会对您及您的工作生活造成任何影响。

再次感谢您的支持！

项目联系人：周宇

邮箱：[80117534@qq.com](mailto:80117534@qq.com)

第一部分. 请就以下陈述表示你同意或不同意的程度，并在右侧相应的数字上打“√”。	非常不同意	不同意	不确定	同意	非常同意
1. 在工作中，我感到很兴奋。	1	2	3	4	5
2. 工作时，我精力充沛。	1	2	3	4	5
3. 我对我的工作充满热情。	1	2	3	4	5
4. 我的工作激励我。	1	2	3	4	5
5. 早上一起床，我就想要去工作。	1	2	3	4	5
6. 在高强度工作时，我会感到高兴。	1	2	3	4	5
7. 我对我的工作感到自豪。	1	2	3	4	5
8. 我能沉浸在工作中。	1	2	3	4	5
9. 在工作时，我会达到忘我的境界。	1	2	3	4	5

第二部分. 请就以下陈述表示你同意或不同意的程度，并在右侧相应的数字上打“√”。	非常不同意	不同意	不确定	同意	非常同意
1. 管理人员乐于倾听新观点。	1	2	3	4	5

2. 管理人员能留意新机会加快工作进展。	1	2	3	4	5
3. 管理人员乐于探讨期望的目标和达到目标的新途径。	1	2	3	4	5
4. 管理人员乐于提供工作相关问题的咨询。	1	2	3	4	5
5. 管理人员一直存在团队中随时可以找到他/她。	1	2	3	4	5
6. 我想向管理人员咨询专业问题时，随时可以找到他/她。	1	2	3	4	5
7. 管理人员愿意倾听我的请求。	1	2	3	4	5
8. 管理人员鼓励我遇到突发问题时向他/她报告。	1	2	3	4	5
9. 管理人员乐于同我讨论工作中的突发问题。	1	2	3	4	5

<b>第四部分.</b> 请就以下陈述表示你同意或不同意的程度，并在右侧相应的数字上打“√”。	<b>非常不同意</b>	<b>不同意</b>	<b>不确定</b>	<b>同意</b>	<b>非常同意</b>
1. 我相信自己能分析长远的问题，并找到解决方案。	1	2	3	4	5
2. 与管理层开会时，在陈述自己范围内事情方面我和自信。	1	2	3	4	5
3. 我相信自己对公司战略的讨论有贡献。	1	2	3	4	5
4. 在我的工作范围内，我相信自己能够帮助设定目标/目的。	1	2	3	4	5
5. 我相信自己能够与公司外部的人（比如：供应商、客户）联系，并讨论问题。	1	2	3	4	5
6. 我相信自己能够向一群同事陈述信息。	1	2	3	4	5
7. 如果我发现自己在工作中陷入了困境，会想出很多办法来摆脱。	1	2	3	4	5
8. 目前，我在精神饱满地完成自己的工作。	1	2	3	4	5

9. 任何问题都有很多解决方法。	1	2	3	4	5
10. 眼前，我认为自己在工作上相当成功。	1	2	3	4	5
11. 我能想出很多办法来实现我目前的工作目标。	1	2	3	4	5
12. 目前，我正在实现我为自己设定的工作目标。	1	2	3	4	5
13. 在工作中遇到挫折时，我很难振作起来并继续前进。 (R)	1	2	3	4	5
14. 在工作中，我无论如何都会去解决遇到的难题。	1	2	3	4	5
15. 在工作中如果不得不去做，我也能独立面对。	1	2	3	4	5
16. 我通常能对工作中的压力泰然处之。	1	2	3	4	5
17. 因为以前经历过很多磨难，所以我现在能挺过工作上的困难时期。	1	2	3	4	5
18. 在目前的工作中，我感觉到自己能同时处理很多事情。	1	2	3	4	5
19. 在工作中，当遇到不确定的事情时，我通常期盼最好的结果。	1	2	3	4	5
20. 如果某件事情会出错，即使我明智地工作，它也会出错。(R)	1	2	3	4	5
21. 对自己的工作，我总是看到积极的一面。	1	2	3	4	5
22. 对我的工作未来会发生什么，我持乐观态度。	1	2	3	4	5
23. 在目前的工作中，事情从来没有像我希望的那样发展。(R)	1	2	3	4	5
24. 工作时，我总相信“黑暗的背后就是光明，不用悲哀”。	1	2	3	4	5

第四部分. 请就以下陈述表示你同意或不同意的程度，并在 右侧相应的数字上打“√”。	非常 不同意	不同 意	不确 定	同意	非常 同意
1. 我感觉对单位有依附感。	1	2	3	4	5
2. 我很难做出离开单位的决定。	1	2	3	4	5
3. 我太在乎现单位了，不能离开。	1	2	3	4	5
4. 我感觉被单位拴住。	1	2	3	4	5
5. 我确实不能离开现在的工作单位。	1	2	3	4	5
6. 离开现单位对我来说很容易。	1	2	3	4	5
7. 我和单位紧紧联接在一起。	1	2	3	4	5

第五部分：以下是关于您个人相关的一些描述，请根据您的实际情况在下列各题□中打“√”。

个人基本资料：

1. 您的性别： ☐ 男性 ☐ 女性
2. 您的年龄： ☐ 18-29岁 ☐ 30-39岁 ☐ 40-49岁  
☐ 50-59岁 ☐ 60岁以上
3. 您的教育程度：  
☐ 高中及以下 ☐ 大专 ☐ 本科 ☐ 硕士
4. 您的月收入：  
☐ 2000元以下 ☐ 2000-2999元 ☐ 3000-3999元  
☐ 4000-4999元 ☐ 5000-5999元 ☐ 6000-6999元  
☐ 7000-7999元 ☐ 8000元以上
5. 您在本企业的任职时间：  
☐ 少于1年 ☐ 1-5年 ☐ 6-10年  
☐ 11-15年 ☐ 16-20年 ☐ 20年以上



## Appendix C Statistic Results

### Notes for Model (Default model)

#### Computation of degrees of freedom (Default model)

Number of distinct sample moments: 1035  
 Number of distinct parameters to be estimated: 104  
 Degrees of freedom (1035 - 104): 931

#### Result (Default model)

Minimum was achieved  
 Chi-square = 1630.412  
 Degrees of freedom = 931  
 Probability level = .000

#### Regression Weights: (Group number 1 - Default model)

	Estimate	S.E.	C.R.	P	Label
PC <--- IL	.703	.045	15.536	***	
EE <--- PC	.226	.096	2.343	.019	
EE <--- IL	.703	.085	8.285	***	
EE <--- sex	.050	.039	1.266	.205	
EE <--- age	-.051	.041	-1.241	.215	
EE <--- tenure	-.003	.025	-.099	.921	
Z1 <--- PC	1.000				
Z2 <--- PC	1.108	.073	15.200	***	
Z3 <--- PC	1.027	.075	13.677	***	
Z4 <--- PC	1.083	.070	15.460	***	
Z5 <--- PC	.989	.071	13.961	***	
Z6 <--- PC	1.083	.070	15.400	***	
Z7 <--- PC	.973	.067	14.529	***	
Z8 <--- PC	1.100	.072	15.283	***	
Z9 <--- PC	1.083	.073	14.916	***	
Z10 <--- PC	.891	.068	13.139	***	
Z11 <--- PC	.970	.067	14.496	***	
Z12 <--- PC	1.111	.070	15.792	***	
Z13 <--- PC	1.232	.083	14.850	***	
Z14 <--- PC	1.152	.071	16.257	***	
Z15 <--- PC	1.099	.069	15.892	***	
Z16 <--- PC	1.013	.067	15.210	***	
Z17 <--- PC	1.148	.073	15.763	***	
Z18 <--- PC	1.025	.071	14.440	***	
Z19 <--- PC	.901	.071	12.673	***	
Z20 <--- PC	1.353	.084	16.052	***	
Z21 <--- PC	1.038	.070	14.850	***	
Z22 <--- PC	1.150	.071	16.231	***	
Z23 <--- PC	1.368	.086	15.877	***	
Z24 <--- PC	1.366	.076	17.880	***	
L1 <--- IL	1.000				
L2 <--- IL	.964	.051	18.992	***	
L3 <--- IL	.970	.053	18.168	***	
L4 <--- IL	1.093	.056	19.393	***	
L5 <--- IL	1.035	.055	18.870	***	

		Estimate	S.E.	C.R.	P	Label
L6	<--- IL	.893	.056	15.994	***	
L7	<--- IL	.966	.053	18.299	***	
L8	<--- IL	.950	.053	17.825	***	
L9	<--- IL	1.005	.055	18.377	***	
J1	<--- EE	1.000				
J2	<--- EE	1.088	.057	18.944	***	
J3	<--- EE	1.053	.065	16.313	***	
J4	<--- EE	1.080	.067	16.091	***	
J5	<--- EE	1.012	.064	15.796	***	
J6	<--- EE	1.052	.065	16.205	***	
J7	<--- EE	1.068	.064	16.559	***	
J8	<--- EE	1.049	.062	16.944	***	
J9	<--- EE	1.110	.065	17.200	***	

**Standardized Regression Weights: (Group number 1 - Default model)**

	Estimate
PC <--- IL	.905
EE <--- PC	.184
EE <--- IL	.737
EE <--- sex	.034
EE <--- age	-.046
EE <--- tenure	-.004
Z1 <--- PC	.732
Z2 <--- PC	.721
Z3 <--- PC	.653
Z4 <--- PC	.733
Z5 <--- PC	.666
Z6 <--- PC	.730
Z7 <--- PC	.691
Z8 <--- PC	.725
Z9 <--- PC	.709
Z10 <--- PC	.629
Z11 <--- PC	.690
Z12 <--- PC	.747
Z13 <--- PC	.706
Z14 <--- PC	.768
Z15 <--- PC	.752
Z16 <--- PC	.722
Z17 <--- PC	.746
Z18 <--- PC	.688
Z19 <--- PC	.607
Z20 <--- PC	.759
Z21 <--- PC	.706
Z22 <--- PC	.767
Z23 <--- PC	.751
Z24 <--- PC	.838
L1 <--- IL	.793
L2 <--- IL	.807
L3 <--- IL	.781

	Estimate
L4 <--- IL	.820
L5 <--- IL	.804
L6 <--- IL	.707
L7 <--- IL	.785
L8 <--- IL	.770
L9 <--- IL	.788
J1 <--- EE	.739
J2 <--- EE	.784
J3 <--- EE	.776
J4 <--- EE	.765
J5 <--- EE	.753
J6 <--- EE	.771
J7 <--- EE	.786
J8 <--- EE	.802
J9 <--- EE	.813

**Covariances: (Group number 1 - Default model)**

	Estimate	S.E.	C.R.	P	Label
sex <--> age	-.036	.016	-2.256	.024	
sex <--> tenure	-.064	.026	-2.471	.013	
age <--> tenure	.498	.042	11.897	***	
IL <--> sex	-.003	.019	-.184	.854	
IL <--> age	.034	.025	1.334	.182	
IL <--> tenure	.015	.041	.355	.723	
e17 <--> e18	.063	.020	3.108	.002	
e20 <--> e23	.260	.029	8.995	***	
e34 <--> e35	.103	.023	4.500	***	
e35 <--> e36	.083	.021	3.881	***	
e38 <--> e39	.149	.024	6.215	***	

**Correlations: (Group number 1 - Default model)**

	Estimate
sex <--> age	-.110
sex <--> tenure	-.120
age <--> tenure	.702
IL <--> sex	-.009
IL <--> age	.066
IL <--> tenure	.018
e17 <--> e18	.159
e20 <--> e23	.517
e34 <--> e35	.241
e35 <--> e36	.208
e38 <--> e39	.358

**Variances: (Group number 1 - Default model)**

	Estimate	S.E.	C.R.	P	Label
IL	.597	.061	9.773	***	

	Estimate	S.E.	C.R.	P	Label
sex	.246	.017	14.646	***	
age	.433	.030	14.646	***	
tenure	1.162	.079	14.646	***	
e43	.065	.009	7.276	***	
e44	.098	.014	6.947	***	
e1	.313	.022	14.073	***	
e2	.407	.029	14.107	***	
e3	.510	.036	14.276	***	
e4	.364	.026	14.069	***	
e5	.442	.031	14.250	***	
e6	.370	.026	14.078	***	
e7	.373	.026	14.190	***	
e8	.394	.028	14.095	***	
e9	.419	.030	14.144	***	
e11	.373	.026	14.194	***	
e12	.351	.025	14.016	***	
e13	.551	.039	14.152	***	
e14	.333	.024	13.931	***	
e15	.335	.024	13.999	***	
e16	.340	.024	14.105	***	
e17	.378	.027	14.007	***	
e18	.422	.030	14.185	***	
e19	.500	.035	14.355	***	
e20	.485	.035	13.961	***	
e21	.391	.028	14.152	***	
e22	.334	.024	13.936	***	
e23	.520	.037	13.991	***	
e24	.285	.021	13.472	***	
e25	.352	.026	13.434	***	
e26	.296	.022	13.305	***	
e27	.359	.027	13.528	***	
e28	.347	.026	13.175	***	
e29	.350	.026	13.341	***	
e30	.475	.034	13.933	***	
e31	.346	.026	13.496	***	
e32	.370	.027	13.607	***	
e33	.368	.027	13.476	***	
e34	.451	.033	13.485	***	
e35	.402	.031	13.094	***	
e36	.398	.030	13.185	***	
e37	.447	.034	13.331	***	
e38	.423	.032	13.367	***	
e39	.410	.031	13.231	***	
e40	.383	.029	13.144	***	
e41	.330	.025	12.962	***	
e42	.342	.027	12.823	***	
e10	.437	.031	14.321	***	

**Squared Multiple Correlations: (Group number 1 - Default model)**

	Estimate
PC	.819
EE	.820
J9	.662
J8	.644
J7	.617
J6	.594
J5	.568
J4	.586
J3	.602
J2	.615
J1	.546
L9	.621
L8	.593
L7	.617
L6	.500
L5	.646
L4	.672
L3	.610
L2	.652
L1	.629
Z24	.702
Z23	.564
Z22	.588
Z21	.498
Z20	.576
Z19	.369
Z18	.473
Z17	.557
Z16	.521
Z15	.565
Z14	.589
Z13	.498
Z12	.558
Z11	.476
Z10	.395
Z9	.502
Z8	.525
Z7	.478
Z6	.533
Z5	.443
Z4	.537
Z3	.426
Z2	.520
Z1	.535

**Squared Multiple Correlations: (Group number 1 - Default model)**

Parameter	Estimate	Lower	Upper	P
PC	.819	.747	.874	.001
EE	.820	.764	.864	.002



Parameter	Estimate	Lower	Upper	P
J9	.662	.581	.732	.001
J8	.644	.568	.707	.001
J7	.617	.542	.681	.001
J6	.594	.519	.656	.001
J5	.568	.497	.629	.001
J4	.586	.519	.649	.001
J3	.602	.532	.666	.001
J2	.615	.540	.682	.001
J1	.546	.451	.633	.001
L9	.621	.540	.684	.001
L8	.593	.519	.656	.001
L7	.617	.549	.677	.001
L6	.500	.421	.577	.001
L5	.646	.580	.712	.001
L4	.672	.610	.725	.001
L3	.610	.530	.679	.001
L2	.652	.578	.713	.001
L1	.629	.558	.689	.001
Z24	.702	.633	.759	.001
Z23	.564	.473	.642	.001
Z22	.588	.508	.657	.001
Z21	.498	.414	.574	.001
Z20	.576	.487	.658	.001
Z19	.369	.283	.457	.001
Z18	.473	.384	.551	.001
Z17	.557	.483	.618	.001
Z16	.521	.451	.584	.001
Z15	.565	.480	.632	.002
Z14	.589	.519	.652	.001
Z13	.498	.383	.591	.001
Z12	.558	.484	.621	.001
Z11	.476	.404	.547	.001
Z10	.395	.318	.471	.001
Z9	.502	.417	.579	.001
Z8	.525	.447	.603	.001
Z7	.478	.384	.560	.001
Z6	.533	.457	.600	.001
Z5	.443	.364	.524	.001
Z4	.537	.465	.601	.001
Z3	.426	.345	.509	.001
Z2	.520	.447	.588	.001
Z1	.535	.449	.602	.002

**Squared Multiple Correlations: (Group number 1 - Default model)**

Parameter	Estimate	Lower	Upper	P
PC	.819	.747	.874	.001
EE	.820	.764	.864	.002
J9	.662	.581	.732	.001
J8	.644	.568	.707	.001

Parameter	Estimate	Lower	Upper	P
J7	.617	.542	.681	.001
J6	.594	.519	.656	.001
J5	.568	.497	.629	.001
J4	.586	.519	.649	.001
J3	.602	.532	.666	.001
J2	.615	.540	.682	.001
J1	.546	.451	.633	.001
L9	.621	.540	.684	.001
L8	.593	.519	.656	.001
L7	.617	.549	.677	.001
L6	.500	.421	.577	.001
L5	.646	.580	.712	.001
L4	.672	.610	.725	.001
L3	.610	.530	.679	.001
L2	.652	.578	.713	.001
L1	.629	.558	.689	.001
Z24	.702	.633	.759	.001
Z23	.564	.473	.642	.001
Z22	.588	.508	.657	.001
Z21	.498	.414	.574	.001
Z20	.576	.487	.658	.001
Z19	.369	.283	.457	.001
Z18	.473	.384	.551	.001
Z17	.557	.483	.618	.001
Z16	.521	.451	.584	.001
Z15	.565	.480	.632	.002
Z14	.589	.519	.652	.001
Z13	.498	.383	.591	.001
Z12	.558	.484	.621	.001
Z11	.476	.404	.547	.001
Z10	.395	.318	.471	.001
Z9	.502	.417	.579	.001
Z8	.525	.447	.603	.001
Z7	.478	.384	.560	.001
Z6	.533	.457	.600	.001
Z5	.443	.364	.524	.001
Z4	.537	.465	.601	.001
Z3	.426	.345	.509	.001
Z2	.520	.447	.588	.001
Z1	.535	.449	.602	.002

### Model Fit Summary

#### CMIN

Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	104	1630.412	931	.000	1.751
Saturated model	1035	.000	0		
Independence model	45	14545.061	990	.000	14.692

#### RMR, GFI

Model	RMR	GFI	AGFI	PGFI
Default model	.029	.853	.836	.767

Model	RMR	GFI	AGFI	PGFI
Saturated model	.000	1.000		
Independence model	.428	.088	.047	.084

**Baseline Comparisons**

Model	NFI Delta1	RFI rho1	IFI Delta2	TLI rho2	CFI
Default model	.888	.881	.949	.945	.948
Saturated model	1.000		1.000		1.000
Independence model	.000	.000	.000	.000	.000

**Parsimony-Adjusted Measures**

Model	PRATIO	PNFI	PCFI
Default model	.940	.835	.892
Saturated model	.000	.000	.000
Independence model	1.000	.000	.000

**NCP**

Model	NCP	LO 90	HI 90
Default model	699.412	591.018	815.641
Saturated model	.000	.000	.000
Independence model	13555.061	13168.344	13948.206

**FMIN**

Model	FMIN	F0	LO 90	HI 90
Default model	3.800	1.630	1.378	1.901
Saturated model	.000	.000	.000	.000
Independence model	33.905	31.597	30.695	32.513

**RMSEA**

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	.042	.038	.045	1.000
Independence model	.179	.176	.181	.000

**AIC**

Model	AIC	BCC	BIC	CAIC
Default model	1838.412	1863.393	2261.045	2365.045
Saturated model	2070.000	2318.616	6276.018	7311.018
Independence model	14635.061	14645.870	14817.931	14862.931

**ECVI**

Model	ECVI	LO 90	HI 90	MECVI
Default model	4.285	4.033	4.556	4.344
Saturated model	4.825	4.825	4.825	5.405
Independence model	34.114	33.213	35.031	34.140

**HOELTER**

Model	HOELTER .05	HOELTER .01
Default model	264	273
Independence model	32	33

## BIOGRAPHY

NAME	Yu Zhou
ACADEMIC	Year 2003-2007
BACKGROUND	BA, Chinese language, Yunnan University Year 2007-2010 MBA, Business Administration, Graduate School, Assumption University Year 2015-2018 Ph.D, Management, International School, NIDA Year 2010-2017
EXPERIENCES	Lecture. the College of Economics and Business administration, Yunnan Normal University Business School

